



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Debra Figone

**SUBJECT:** SEE BELOW

**DATE:** February 8, 2013

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**SUBJECT: CITY COUNCIL STUDY SESSION: 2013-2014 BUDGET PLANNING**

## **OUTCOME**

The outcome of this City Council Study Session is as follows:

- (1) Overview of General Fund Budget Planning;
- (2) Overview of community perspective on budget;
- (3) Discussion of City Council funding priorities;
- (4) Prioritization of City Council Study Session topics; and
- (5) Update on City Council Priority Policies and Ordinances.

## **PURPOSE**

The purpose of this Study Session is to engage the City Council and Senior Staff in understanding and discussing the status of 2013-2014 General Fund budget planning, the results from the Community Budget Survey and the Neighborhood Associations and Youth Commission Priority Setting Session, City Council funding priorities, the prioritization of City Council study session topics, and an update of the City Council priority policies and ordinances. No decisions or direction will be required of the City Council during this session. However, City Council comments and feedback through the presentations, questions, and discussions will be helpful to the Administration as we proceed through the upcoming budget process. There are many attached supporting documents that will be referred to and used in the session and additional information will be presented through presentations and handouts on the day of the session.

Following is a list of attachments to this memorandum:

- Attachment A: 2012-2013 Adopted Budget – One-Time Funded Programs
- Attachment B: City of San Jose Neighborhood Associations/Youth Commission 2013-2014 Priority Setting Session: In-Person Innovation Games® Prioritization Results

- Attachment C: Service Restoration Decision Making Framework
- Attachment D: Guiding Principles for Restoring City Service Levels
- Attachment E: Service Restorations Previously Identified by City Council (January 1, 2011 Service Levels)
- Attachment F: Summary of Selected General Fund Service Restoration Priorities (as of August 2012)
- Attachment G: Sample Costs to Restore Selected Services to Meet January 2011 Service Levels
- Attachment H: Deferred/Unmet Infrastructure Backlog (as of April 2012)
- Attachment I: Completed Priority Policies and Ordinances
- Attachment J: Future Priority Policies and Ordinances
- Attachment K: Other Significant Policies and Ordinances

## **BACKGROUND**

On January 9, 2007 the City Council approved several items related to the Reed Reforms including a “Change to a Community Based Budgeting Process.” As a result of that direction, the annual budget process has been modified to solicit early input from the community and the City Council. In preparation for the 2013-2014 budget process, a Neighborhood Associations/Youth Commission 2013-2014 Priority Setting Session was held on January 18, 2013, and the 2013 Community Budget Survey of 908 San José residents was conducted by Fairbank, Maslin, Maullin, Metz and Associates (FM3) from January 17 to January 24, 2013.

A City Council/Senior Staff "retreat" has typically followed the Neighborhood Association/Youth Commission Priority Setting Session each year during this February time frame. Over the last few years the session has been used to discuss various facets of the budget challenges which the City Council and Senior Staff have had to confront and to problem solve. It has taken different shapes and has emphasized what has been most pressing and relevant for the moment in time as the City has navigated through unprecedented fiscal problems.

Next in the budget process, the 2013-2014 City Manager’s Budget Request and 2014-2018 Five-Year Forecast and Revenue Projections document will be published late February. This document will provide the Mayor and City Council with a 2013-2014 General Fund Forecast that will be used as a starting point to develop a balanced 2013-2014 City Manager’s Proposed Operating Budget. Based on certain economic and cost assumptions, a five year outlook regarding General Fund revenues and expenditures and resulting shortfalls or surpluses is also provided. In addition, this document provides a set of budget balancing strategy guidelines recommended by the Administration for use in preparation of the 2013-2014 City Manager’s Proposed Budget. These guidelines are amended and/or approved through the City Council’s approval of the Mayor’s March Budget Message.

In accordance with the City Charter, the Mayor is scheduled to issue his proposed March Budget Message on March 8, 2013, which will then be discussed, amended if necessary, and adopted by

the City Council. The contents of that Message will provide specific guidance for the preparation of the 2013-2014 City Manager's Proposed Capital and Operating Budgets currently scheduled to be submitted to the City Council on April 22, 2013 and May 1, 2013, respectively. As required by City Charter, those balanced Proposed Budgets will contain the Administration's proposed comprehensive plans for how the City organization will address the highest priority needs of the community while maintaining the fiscal integrity of the City.

After the release of the Proposed Budgets, there will be a series of Proposed Budget Study Sessions and Public Hearings to discuss the budget proposals and the associated impacts on performance measures and service delivery. The Administration will also work with the City Council to provide informational meetings on the Proposed Budgets in each City Council District. Additional input by the City Council and community will be incorporated into the budget through these Proposed Budget Study Sessions, Public Hearings, and the Mayor's June Budget Message during the months of May and June 2013. On June 11, 2013, the City Council will amend, as necessary, the Proposed Budget and approve Adopted Budgets for the 2013-2014 fiscal year that will begin on July 1, 2013.

## **ANALYSIS**

At the February 11, 2013 City Council Study Session, the City Council will receive information on 2013-2014 General Fund budget planning, receive results from the Community Budget Survey and the Neighborhood Associations and Youth Commission Priority Setting Session, discuss City Council funding priorities, prioritize City Council study session topics and receive a brief update on City Council priority policies and ordinances.

### **2013-2014 General Fund Budget Planning**

Over the last decade, the City has addressed severe budget shortfalls by implementing significant service and position reductions, employee total compensation reductions, changes to service delivery models across the organization, and increasing revenues, including four voter-approved tax measures. The City continues to manage through those difficult changes, but did experience some small relief in 2012-2013. After a decade of General Fund shortfalls, the 2012-2013 Adopted Budget balanced a small \$9.0 million General Fund surplus, addressed some critical service needs and set aside funds to prepare for a \$22.5 million shortfall projected for 2013-2014 in the February 2012 Forecast. As discussed in the 2012-2013 Adopted Budget and affirmed in the 2012-2013 Mid-Year Budget Review, there has been some improvement in the City's fiscal condition. This has enabled the City to start stabilizing service delivery, although at levels that are far below what we believe is satisfactory for the community.

At the City Council Study Session, the Administration will provide information on the status of General Fund budget planning for next year and the variables that are likely to impact the 2013-2014 General Fund Forecast. Work is currently underway to complete the 2013-2014 General Fund Forecast as well as the projections for the following four years (through 2017-2018), with

the Five-Year General Fund Forecast document planned for issuance on February 28, 2013. The Forecast will provide a detailed estimate of General Fund costs and revenues for the City organization. In the last General Fund Five-Year Forecast, an ongoing budget shortfall of \$22.5 million was projected for 2013-2014, with a small deficit followed by surpluses projected for the remaining years as shown in the chart below.

**2013-2017 General Fund Forecast\***  
**Incremental General Fund Surplus/(Shortfall)**  
**(as of February 2012)**

2013-2014	2014-2015	2015-2016	2016-2017
(\$22.5 M)	(\$1.3 M)	\$19.0 M	\$10.7 M

\* Does not incorporate salary increases, with the exception of salary steps for eligible non-management employees and management performance pay; costs associated with fully funding the annual required contributions for police and fire retiree health care; impacts associated with the implementation of the Fiscal Reform Plan; costs associated with restoration of key services to January 1, 2011 levels; costs associated with unmet/deferred infrastructure and maintenance needs; or one-time revenues/expenses.

As mentioned previously, these figures will be updated in the February 2013 Forecast. Some improvement is anticipated as a result of the actions taken in the 2012-2013 Adopted Budget and the implementation of retirement reforms. Specifically a \$9.0 million reduction to the 2013-2014 General Fund shortfall as forecasted in February 2012 is expected as this represents the ongoing funds that were not allocated in 2012-2013 in order to address a portion of the projected deficit in 2013-2014. In addition, reductions in retirement costs associated with the elimination of the Supplemental Retirement Benefit Reserve (SRBR) (approved for the Federated Retirement System and pending for the Police and Fire Department Retirement Plan) and the implementation of a low cost health plan are expected to reduce costs for 2013-2014.

As the 2013-2014 Forecast is developed, there are many other elements that can have a positive or negative impact on the General Fund and will need to be updated before the Forecast is finalized. For example, on the cost side, some of the larger variables include other personnel-related costs (salary, health, dental, and other fringe benefits) for approximately 3,900 employees in the General Fund (approximately 5,500 employees in all funds), utility costs, contractual services, vehicle operating and maintenance costs, and workers' compensation costs. One relatively new cost element is the General Fund funding required to ensure payment of Successor Agency to Redevelopment Agency obligations for which the City would be contractually obligated. On the revenue side, over 400 individual revenue estimates will need to be re-established. For example, estimates for revenues in the Sales Tax, Property Tax, and Utility Tax categories can vary significantly from year to year.

Some areas that may have a positive impact on the 2013-2014 Forecast include lower City retirement contributions from the implementation of Measure B and an extension to the phase-in of the full funding of the Other Post Employment Benefits (OPEB) annual required contribution that is currently in negotiations with the Federated Retirement System bargaining groups.

Factors that could negatively impact the Forecast include legal challenges to the SRBR elimination and any potential arbitration awards to Police or Fire sworn personnel that increase compensation costs beyond those that are planned.

The General Fund Forecast does not incorporate one-time resources or funding needs. In the 2012-2013 Adopted Budget, one-time funding was allocated for a number of programs and projects to enhance/continue service levels and/or address workload needs. However, it is anticipated that several of these programs will continue to have funding needs again in 2013-2014 and perhaps beyond. As shown in *Attachment A*, up to \$5.2 million in the General Fund (\$5.7 million in all funds) would be needed to continue the higher level funding for: City Clerk staffing; City Attorney Environmental Services Department and Public Works Department capital support; City Attorney legal support staffing; Economic Development Incentive Fund; Fair Swim Center Program; Fiscal Reform Plan staffing; Independent Police Auditor staffing; Medical Marijuana Program; Neighborhood Business Districts; Safe Summer Initiative; San José BEST; Senior Services and Wellness Program support; Senior Transportation Services; Silver Creek Aquatics Program; and Volunteer Engagement. A decision to continue funding for any or all of these programs will need to be made as part of the 2013-2014 budget process.

It should be noted that in 2013-2014, a sizable amount of one-time funds are expected to be available, including the 2013-2014 Future Deficit Reserve of \$22.5 million that was set aside in 2012-2013 for use in 2013-2014 (this figure is recommended to be increased to \$29.4 million as part of the 2012-2013 Mid-Year Budget Review actions). Other one-time funds may also become available and will be brought forward during the budget process as appropriate.

Once the Forecast is developed, there will be a number of key budget balancing considerations that will shape the development of the 2013-2014 Proposed Budget, including the following:

- Employer competitiveness (retain City employees for effective service delivery);
- Open labor contracts with 11 bargaining units;
- Services levels to improve if resources are available or services to eliminate/reduce if there is a budget shortfall;
- Reprioritization of services with existing resources;
- Use of one-time funding; and
- Two-year budget strategy to stabilize service delivery and the organization

In developing a balanced budget for 2013-2014, the Administration will bring forward a Proposed Budget that incorporates a recommended mix of ongoing and one-time budget solutions, following City Council direction provided with the approval of the Mayor's 2013-2014 March Budget Message. In general, it is the Administration's goal to address any ongoing shortfall with ongoing solutions to ensure budget stability and minimize any service disruptions in future years. It is also typically the goal to match one-time funding sources with one-time needs. One-time funds have, however, been used in recent years to address portions of the General Fund shortfalls in order to avoid more drastic service reductions or to address critical service delivery needs.

### **Community Perspective – Phone Survey and Priority Setting Session Results**

As part of the community based budget process, the City has undertaken a statistically valid random sample phone survey and has conducted a priority setting session with neighborhood leaders and the Youth Commission. The preliminary results of the 2013 Community Budget Survey were distributed to the City Council on January 30, 2013. This survey was conducted by Fairbank, Maslin, Metz and Associates (FM3). 908 San Jose residents were surveyed between January 17<sup>th</sup> and January 24<sup>th</sup>. A full presentation of the results will be given by FM3 at the February 12, 2013 City Council Meeting.

The survey explored both support for potential revenue measures and priorities for spending and investment. The revenue measures tested included: increasing the general sales tax; renewing the library parcel tax; modernizing the business tax; establishing a sales tax dedicated to public safety (three measures were tested: public safety in general, police only, and fire only); and establishing a parcel tax for streets and roads. The only revenue measures that exceeded their voter thresholds are the sales tax, business license tax, and library parcel tax. For community spending priorities, public safety remains the number one priority but not the only priority. In order, priorities included hiring more police officers, restoring pay for City employees, increasing library hours, increasing the size of the Fire Department, and increasing community center hours.

On Saturday, January 26, 2013, approximately 114 neighborhood and youth leaders gathered in the rotunda of City Hall to share their perspectives and opinions regarding budgeting priorities for the City of San José. They gathered in groups of 7-9 to play a serious game that presented them with 23 different funding proposals and revenue generating/cost saving measures. Each group had only a limited amount of funds to spend on proposals, but was able to bring more funds into the game through the unanimous consent of all the players at a table. The resulting bargaining and discussion provide rich quantitative and qualitative data for understanding priorities and why they are important. A summary of the prioritization results is provided in *Attachment B* to this document.

A top priority from the session was public safety, with gang prevention efforts, community service officers, and crime prevention specialists on the prevention side and additional police officers on the enforcement side, being purchased by nearly all 19 tables. Other high priority items included community center and library hours and elimination of fire engine brown outs.

The tables took a wide range of different approaches to generating revenue or savings. A little over half of the tables supported a sales tax or business tax increase, and almost half favored reducing staffing on Fire engine companies from 4 to 3. There was broad support for eliminating remaining management overtime.

### **City Council Funding Priorities**

As discussed at the August 7, 2012 City Council meeting, as additional resources become available, it is important that the City take a holistic approach regarding the restoration of services. The attached Service Restoration Decision Making Framework (*Attachment C*) and the City Council-approved Guiding Principles for Restoring City Service Levels (*Attachment D*) provide the broader context that should be considered when analyzing potential service restorations. The Service Restoration Decision Making Framework provides a multi-pronged approach to restoring direct services to the community that takes into consideration various factors, including adequate strategic support resources, adequate infrastructure, service delivery method to ensure efficient and effective operations, service delivery goals and current performance status, service sustainability, and staffing resources. The Guiding Principles for Restoring City Service Levels, which were approved by the City Council as part of the Mayor's March Budget Message for Fiscal Year 2012-2013, provide a solid guide to help the City determine not only the appropriate service levels and most cost-effective method for service delivery, but also the critical areas for investment. These principles fall into three general categories: ensure the fiscal soundness of the City, choose investments that achieve significant outcomes, and improve the efficiency and effectiveness of service delivery.

In the development of the 2013-2014 General Fund budget, a strategy will be necessary to allocate any one-time and/or ongoing funds that may be available to address the most critical needs in the City. For discussion purposes at the Study Session, potential funding needs have been broken down into the following categories as discussed in more detail below:

- Restoration of services to January 1, 2011 service levels;
- Investments in unmet/deferred infrastructure needs; and
- Compensation increases to retain employees.

To begin to understand City Council priorities on the potential use of a limited amount of one-time and/or ongoing funding that could potentially be identified as part of the 2013-2014 budget process, the following questions regarding the three funding needs categories will be posed at the Study Session:

- Which of these three categories is most important to the City right now?
- Which category is least important to the City?
- If you could fund more than one category, how would you balance between them?
- Is there another funding needs category beyond these three that should be explored?

For the compensation increases category, the following additional questions will be posed to guide the discussion:

- What is the City's goal associated with increasing compensation? For example, should compensation increases focus on retaining talent in critical and hard to fill areas?
- What other goals and principles should guide compensation increases?

- What are the risks or downsides associated with increasing or not increasing compensation that should be considered?

In order to assist with this segment of the Study Session, 2013-2014 costs estimates have been provided in the body of this memorandum or in attachments for items within each of the funding needs categories, with the exception of the costs for unmet/deferred infrastructure needs which were last updated in April 2012. It should be noted that these cost estimates are based on the 2013-2014 Base Budget and are generally rounded to the nearest \$100,000. If any of these potential items are included in the 2013-2014 Proposed Budget or future budget cycles, these figures will be refined.

### ***Restoration of Services to January 1, 2011 Service Levels***

As part of the City Council's approval of the Mayor's June Budget Message for Fiscal Year 2012-2013, the Administration was directed to use the list of baseline services as of January 1, 2011 to guide selected General Fund City service restorations (*Attachment E*) as savings and/or revenues from the Fiscal Reform Plan are realized over the next few years. These baseline services include restorations in the following departments: Fire; Police; Library; Parks, Recreation and Neighborhood Services; and Transportation. The service restoration goals in these areas were set at the January 2011 service levels, consistent with the Fiscal Reform Plan. It is important to note, however, that, in many cases, these service delivery goals are far below what we believe is satisfactory for the community and there are many additional service areas that are not represented in this list.

As part of the *Restoration of Selected General Fund Services to January 1, 2011 Levels* memorandum presented to the City Council on August 7, 2012, the affected departments preliminarily identified selected service restoration priorities to meet the January 1, 2011 service delivery goals as summarized in *Attachment F*. The Administration also identified the Strategic Support resources necessary to support those direct service restorations and other potential service restorations and investment areas, which are also summarized in *Attachment F*. The departments prioritized these service restorations in August 2012 and, in the interim, there may have been some refinement to those approaches. It is important to keep in mind that service delivery models may change when restoring services to produce better outcomes for the community and more efficient and cost effective service delivery.

To provide some context for the Study Session, *Attachment G* identifies estimated costs associated with a sampling of various direct service restoration priorities. This includes the cost of restoring entire services, such as increasing branch library days from 4.0 to 4.5 days, or the cost to incrementally address a service restoration priority, such as the cost of adding ten Police Officer positions that could be allocated to improve response times and/or improve investigation clearance rates.



As critical services are restored, the strategic support functions will require additional resources to support the delivery of those direct services. Many strategic support functions have been severely reduced over the past decade and the impact of this has been felt across the organization. As particular services are brought forward for restoration, the strategic support resources required to ensure the effective delivery of those services will be identified. There are also many other service delivery needs that were not included on the restoration list to meet January 2011 service delivery goals which are also high priorities.

### ***Investments in Unmet/Deferred Infrastructure Needs***

With limited funding allocated to maintain, rehabilitate, or replace various public infrastructure, there is a significant backlog of unmet/deferred infrastructure needs in the City. In the *Status Report on Deferred Maintenance and Infrastructure Backlog* report presented to the Transportation and Environment Committee in April 2012, the backlog stood at \$811 million for all funds in order to maintain the City's infrastructure in a sustained functional condition as summarized in *Attachment H*. The infrastructure needs are spread across the organization in areas such as: transportation; building facilities; Convention Center and other cultural facilities; information technology; parks, pools, and open space; utility infrastructure; and City facilities operated by others.

In the 2012-2013 Adopted Operating Budget, \$9.6 million from the General Fund was used to support the most immediate and critical of the City's unmet/deferred infrastructure needs such as public safety-related infrastructure needs (\$3.5 million), information technology investments (\$2.8 million), deferred facility infrastructure and facility maintenance (\$1.8 million), and transportation infrastructure (\$1.5 million).

Moving forward, the City will continue to seek Federal, State, and regional funding to address a portion of the backlog, as well as gauge public interest in revenue measures (e.g. general obligation bond or sales tax measure) that would provide increased local funds for infrastructure.

### ***Compensation Increases to Retain Employees***

In order to deliver quality services, we must ensure that we retain our talented staff. The total compensation reductions, as well as salary freezes in recent years, have impacted retention, particularly in certain classifications. The table below shows the costs for a 1% base pay salary increase (non-pensionable) and a 1% total compensation increase. The total compensation increase includes both the cost for salary and fringe benefits, such as health care and retirement costs. Granting all employees a 1% salary increase as a one-time bonus would cost approximately \$3.3 million in the General Fund (\$4.5 million all funds). Alternatively, a 1% total compensation increase for all employees would cost \$5.9 million in the General Fund (\$8.0 million all funds).

	1% Base Pay Only Increase (Non-Pensionable)		1% Total Compensation Increase		10% Total Compensation Increase	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Fire-IAFF Local 230	\$724,000	\$724,000	\$1,353,000	\$1,353,000	\$13,530,000	\$13,520,000
Police- POA	\$1,165,000	\$1,169,000	\$2,210,000	\$2,218,000	\$22,100,000	\$22,180,000
<b>Total</b>	<b>\$1,889,000</b>	<b>\$1,893,000</b>	<b>\$3,563,000</b>	<b>\$3,571,000</b>	<b>\$35,630,000</b>	<b>\$35,710,000</b>
All other Employees	\$1,406,000	\$2,578,000	\$2,370,000	\$4,389,000	\$23,700,000	\$43,890,000
<b>Grand Total</b>	<b>\$3,295,000</b>	<b>\$4,471,000</b>	<b>\$5,933,000</b>	<b>\$7,960,000</b>	<b>\$59,330,000</b>	<b>\$79,600,000</b>

**City Council Study Session Topics Prioritization**

As part of the regular budget process, a series of Study Sessions are held each year to allow the City Council time to go into greater depth discussing key budget related topics without the need to make an immediate decision on those items. Throughout the year, additional Study Sessions are occasionally held on topics of particular interest to policy and implementation decisions such as the upcoming study sessions on Green Vision and Pavement Maintenance Funding Strategies.

Based on City Council interest in a number of potential additional Study Session topics, an initial prioritization exercise will be conducted as part of the February 11, 2013 Study Session to develop a short list of the top three to four topics. The starting point for that prioritization is the 16 potential topics listed below submitted by the Mayor and City Council members in a series of memoranda. Links to these memoranda can be found on the February 11, 2013 Study Session Agenda.

1. Best practices in local government public health policy
2. Parks and Recreation and Library programming
3. Cultural Plan and Arts Nonprofits
4. Fiscal Reform Plan update and implementation schedule
5. Police Department staffing, use of data analysis, response to crime and gang activities
6. Fire Department staffing for medical and fire calls, use of data analysis, response times
7. Economic development priorities
8. Retirement Board governance model options
9. High-speed rail
10. BART next phase
11. Major League Ballpark
12. Consortium for Police Leadership in Equity (CPLÉ) report on bias-based policing research and La Raza Roundtable/Harvard Consensus Project to reduce the over representation of Latinos in the criminal and juvenile justice system
13. Marijuana ordinance (after Supreme Court ruling)
14. Alternatives for managing the operations of the Water Pollution Control Plant

15. City current projected debt obligations and its implications for the General Fund and City services
16. Best approach to address staffing and retention issues in the San Jose Police Department

In addition to the list above, the Green Vision Implementation topic was submitted by Councilmember Rocha. The Administration brought forward this item to the Rules Committee on January 9, 2013 as a preliminary Study Session topic for the period January – June 2013.

At the Study Session, a handout will be provided that includes information on the outcome, timing considerations, level of efforts, and stakeholder coordination for each of the above topics.

- **Outcome:** Brief description of the content and the desired outcome of the study session.
- **Timing Considerations:** Why is this important to study now, or when should this topic be studied?
- **Level of Effort:** How much staff effort should be put into developing the study session? How in-depth a presentation is expected?
- **Stakeholder Coordination:** Who are the key external stakeholders? Who should be involved in the development of the study session?

Study Sessions can be a useful opportunity to bring together expertise and explore an issue in greater depth and complexity than is normally possible in a regular City Council meeting. As with any presentation and discussion, development of a useful Study Session can require a considerable amount of time and creativity on the part of City staff and external partners. Also, by the nature of policy making, a good study session often concludes with the need for additional staff work to follow up on ideas and options generated in the meeting and to respond to questions or concerns raised during the discussion. In these ways the choice of study session topics can have a significant impact in both guiding development of future policy and the workload of staff.

The choice of topics should therefore be a strategic decision that takes into account the implications for the organization. Some discernment/screening questions to keep in mind as topics are prioritized are:

- Is there a clear purpose and need for City involvement?
- Is the topic aligned with existing organizational activities and priorities?
- What are the stakeholder engagement expectations? Who would need to be involved in the preparation of the session?
- What is the complexity of analysis required?
- Do we have the ability to effectively implement any direction that might emerge from the study session?
- Do we have the organizational capacity to adequately meet address the issues raised above?

The prioritization exercise will begin with a discussion of the topics by the City Council with Senior Staff on hand as subject matter experts. The discussion will be followed by a simple ranking exercise where the Mayor and City Councilmembers will each indicate their top choices of topics to be studied. This exercise will conclude with a brief review of the results.

Staff will take the results of the ranking and return at a later date to the Rules Committee with a recommendation for implementation on the top priority topics. That recommendation may include incorporating some topics into existing budget study sessions, developing stand alone study sessions, or referring topics to Committees.

### **City Council Priority Policies and Ordinances Prioritization**

Over the past two years, Council has participated in four prioritization exercises that have identified high priority policy and ordinance changes from a list of pending work items. With the City having experienced General Fund shortfalls and very difficult budget decisions in recent years, the prioritization exercises have helped the Administration to focus limited staff resources on the initiatives that have been identified as high priorities by the City Council. These prioritization exercises have resulted in the establishment of a list of Top Ten Priority Policies and Ordinances, as well as a list of future priority policies and ordinances. Items from the future priorities list will be moved to the Top Ten list as existing top priorities are completed.

The Top Ten list of priorities considered during the most recent prioritization exercise on October 9, 2012 included the following items listed below in no particular order:

- Mobile Vending
- Off-Sale of Alcohol at Grocery Stores Streamlining
- Plug-In Requirements for Parking Garages
- Regulation of Unattended Donation Boxes
- Transportation Innovations to Support High Density Development
- Zoning Ordinance Quarterly Modifications
- Zoning Standards - Main Street/Alum Rock
- Real Estate Transactions Streamlining
- Special Events Ordinance
- Tree Removal Ordinance

In addition to the Top Ten items listed above, one item, Urban Village Zoning District, was identified as the next priority to be added to the Top Ten list upon completion of one of the existing top priorities.

As part of the prioritization exercise on October 9, 2012, the Mayor and Council participated in a voting exercise that identified additional items to be included on the future list of priority policies and ordinances. Each of the items listed below in no particular order received the minimum threshold of six votes.

- Hotel and Motel Conversions/Modernize Single Room Occupancy Ordinance
- Medical Marijuana Collectives/Remedies for Non-payment for City Fees or Taxes
- Tattoo and Other Business Regulations
- Development Agreement Policy
- Riparian Corridor Policy
- Wood Burning Appliances
- Proposed Strategies to End Homelessness

Since the October 2012 Council prioritization exercise, staff has completed work on one of the Top Ten priorities, the Tree Removal Ordinance, and continues to make significant progress toward implementing the other items on the Top Ten list. In total, since the initiation of Council policy and ordinance priority setting efforts in February 2011, staff has completed work on 17 Council priorities (see *Attachment I* for a complete list of completed priority ordinances).

With the completion of the Tree Removal Ordinance, the Urban Village Zoning District item has been moved to the list of Top Ten Priority Policies and Ordinances. The remaining seven items on the future priorities list will allow staff to transition quickly to supporting these items as work on existing Top Ten priorities is completed, without having to return to Council for additional prioritization and direction prior to our next prioritization exercise scheduled for August 2013. *Attachment J* provides a list of the remaining future priority policies and ordinances.

Below is a list of the current Top Ten Priority Policies and Ordinances, along with a brief description of each item and updated completion schedule. Planning, Building and Code Enforcement (PBCE) has a significant leadership role in implementing these priorities, as it is the lead department for eight of the ten priorities.

- **Mobile Vending** (*Lead Dept.: PBCE*): Address consistency in City and County regulations and other related items in order for San Jose's regulations to facilitate mobile vending in appropriate circumstances. Status/Estimated Completion: 3% Complete/June 2013
- **Off-Sale of Alcohol at Grocery Stores Streamlining** (*Lead Dept.: PBCE*): Modify the findings and other related Code provisions for the off-sale of alcohol at grocery stores to streamline the permit process for grocery stores. Status/Estimated Completion: 20% Complete/May 2013
- **Plug-In Requirements for Parking Garages** (*Lead Dept.: PBCE*): Develop requirements for the installation of electric vehicle charging stations in parking garages for private development. Status/Estimated Completion: 85% Complete/Will be partially addressed in ordinance scheduled for Council approval on February 26, 2013
- **Regulation of Unattended Donation Boxes** (*Lead Dept.: PBCE*): Amend the Code to regulate the unattended donation boxes within the City. Status/Estimated Completion: 40% Complete/April 2013

- **Transportation Innovations to Support High Density Development** (*Lead Dept.: PBCE/DOT*): Modify the zoning Code to align with the General Plan Vehicle Miles Traveled goals by creating incentives for developers to provide Ecopasses and/or, carshare at high density developments, and by modifying parking requirements and other related measures for private development. Status/Estimated Completion: 90% Complete/February 2013
- **Zoning Ordinance Quarterly Modifications** (*Lead Dept.: PBCE*): Minor revisions to Zoning Ordinance that do not require major analysis, raise community concerns or cannot be found exempt from CEQA. This is a recurring ordinance placeholder. Status/Estimated Completion: Ongoing/April 2013 and ongoing
- **Zoning Standards - Main Street/Alum Rock** (*Lead Dept.: PBCE*): Rezone private property along Alum Rock Ave. to apply the Council approved Main Street Zoning District to facilitate economic development and reinvestment along this street. Status/Estimated Completion: 0% Complete/June 2013
- **Real Estate Transactions Streamlining** (*Lead Dept.: CAO/OED*): Amend Municipal Code to streamline process for selling and acquiring real estate, providing easements, right-of-ways, and entering into below market rate leases with non-profits. Status/Estimated Completion: First Phase (Surplus Sales): 90% Complete/May 2013: Second Phase (Leasing Real Estate): 30% Complete/July 2013
- **Special Events Ordinance** (*Lead Dept.: CAO/OED*): Establish a comprehensive outdoor special events permitting process that establishes timelines for event application submittals, permit decisions, and a conditional permit. Applies to events on city streets, parks and Downtown paseos and plazas. Requires changing service delivery model for city staff and event producers. Status/Estimated Completion: 90% Complete/June 2013
- **Urban Village Zoning District** (*Lead Dept.: PBCE/DOT*): Create Urban Village Zoning Districts that align with the Envision General Plan to facilitate economic development, mixed use projects, and other investments in Urban Villages. Status/Estimated Completion: 0% Complete/June 2013

*Attachment K* provides a list of other potential policies and ordinances that are currently not part of the Top Ten list or on the futures list. The potential policies and ordinances shown in Attachment K are divided into five categories—Neighborhood Quality of Life, Economic Development, Environment, Administrative, and Historic Preservation. This list includes the Develop Land Use Regulations for All New School Developments item that was brought forward by Councilmember Campos to the Rules Committee on January 30, 2013. These items will be prioritized as part of the next prioritization exercise scheduled for August 2013.

The Council Priority-Setting process has been effective in focusing staff efforts on ordinance changes that are considered priorities by the Mayor and Council, however the work associated with these ordinances represents only a small part of the significant body of work that is currently being undertaken by staff across all City departments. Other citywide efforts are

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requiring a significant allocation of leadership and analytical support in order to ensure that organizational change is managed and priority City services maintained.

## **CONCLUSION**

The goal of this City Council Study Session is to provide an update on 2013-2014 General Fund budget planning, discuss the results on the Community Budget Survey and the Neighborhood Associations and Youth Commission Priority Setting Session, discuss City Council funding priorities, prioritize City Council Study Session topics, and provide a brief update on priority policies and ordinances.

The City Council's feedback in this Study Session will be important to inform the upcoming 2013-2014 budget process. Given possible one-time and/or ongoing funds to address the most critical service delivery and infrastructure needs as well as employee retention needs, the Senior Staff and I look forward to engaging in a meaningful and productive discussion.



DEBRA FIGONE

City Manager

For questions please contact ED SHIKADA, ASSISTANT CITY MANAGER, at 408-535-8190.

Attachment A: 2012-2013 Adopted Budget – One-Time Funded Programs

Attachment B: City of San Jose Neighborhood Associations/Youth Commission 2013-2014 Priority Setting Session: In-Person Innovation Games® Prioritization Results

Attachment C: Service Restoration Decision Making Framework

Attachment D: Guiding Principles for Restoring City Service Levels

Attachment E: Service Restorations Previously Identified by City Council (January 1, 2011 Service Levels)

Attachment F: Summary of Selected General Fund Service Restoration Priorities (as of August 2012)

Attachment G: Sample Costs to Restore Selected Services to Meet January 2011 Service Levels

Attachment H: Deferred/Unmet Infrastructure Backlog (as of April 2012)

Attachment I: Completed Priority Policies and Ordinances

Attachment J: Future Priority Policies and Ordinances

Attachment K: Other Significant Policies and Ordinances

**ATTACHMENT A**

**2012-2013 Adopted Budget  
One-Time Funded Programs**

<b>Program</b>	<b>Dept</b>	<b>FTE</b>	<b>General Fund (2013-2014 Costs)</b>	<b>All Funds (2013-2014 Costs)</b>
<b>City Clerk Staffing</b> (1.0 Staff Technician, 1.0 Analyst II)	City Clerk	2.00	\$ 199,000	\$ 199,000
<b>City Attorney ESD and PW Capital Support</b> (1.0 Legal Analyst II, 1.0 Sr. Deputy City Attorney)	City Attorney	2.00	\$ -	\$ 404,000
<b>City Attorney Legal Support Staffing</b> (1.0 Legal Analyst II, 1.0 Sr. Deputy City Attorney)	City Attorney	2.00	\$ 361,000	\$ 361,000
<b>Economic Development/Incentive Fund</b>	City-Wide/OED		\$ 750,000	\$ 750,000
<b>Fair Swim Center Program</b> (1.24 Lifeguard PT, 0.14 Assistant Swimming Pool Mgr. PT, 0.13 Swimming Pool Mgr. PT)	PRNS	1.51	\$ 38,000	\$ 38,000
<b>Fiscal Reform Plan Staffing</b> (2.0 Temporary Sr. Executive Analyst - Office of Employee Relations)	CMO		\$ 290,000	\$ 290,000
<b>Independent Police Auditor Staffing</b> (1.0 IPA Analyst II)	IPA	1.00	\$ 96,000	\$ 96,000
<b>Medical Marijuana</b> (1.0 Legal Analyst II, 1.0 Sr. Deputy City Attorney, 0.5 Legal Admin Assist II, 0.5 Deputy City Attorney, 1.0 Accountant, 1.0 Investigator Collector, 1.0 Police Sergeant, 1.0 Code Enforcement Inspector, 1.0 Asst to the City Manager)	Various	8.00	\$ 1,287,000	\$ 1,287,000
<b>Neighborhood Business Districts</b>	City-Wide/OED		\$ 45,000	\$ 45,000
<b>Safe Summer Initiative</b>	City-Wide/PRNS		\$ 100,000	\$ 100,000
<b>San José BEST</b> (1.0 Analyst, 3.0 Youth Outreach Worker I, 0.5 Youth Outreach Worker I PT)	City-Wide/PRNS	4.50	\$ 1,500,000	\$ 1,500,000
<b>Senior Services &amp; Wellness Program Support</b>	PRNS		\$ 200,000	\$ 200,000
<b>Senior Transportation Services</b> (1.0 Recreation Program Specialist)	PRNS	1.00	\$ 310,000	\$ 310,000
<b>Silver Creek Aquatics Program</b>	PRNS		\$ 25,000	\$ 25,000
<b>Volunteer Engagement</b> (1.0 Recreation Leader PT, 0.25 Volunteer Coordinator)	PRNS	1.25	\$ 47,000	\$ 47,000
<b>TOTAL</b>		<b>23.26</b>	<b>\$ 5,248,000</b>	<b>\$ 5,652,000</b>





# City of San José Neighborhood Associations/Youth Commission 2013-2014 Priority Setting Session: In-Person Innovation Games® Prioritization Results

Prepared for:  
The City of San José

Prepared by:  
The Innovation Games® Company  
February 6, 2013

# Event Overview

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On January 26, 2013 representatives from San José Neighborhood Associations the Neighborhoods Commission and Youth Commission participated in a meeting in San José City Hall to share their perspectives and opinions regarding budgeting priorities for the City of San José.

The methodology used for the Priority Setting Session was a specially designed variation of the [Innovation Game® Buy a Feature](#). In this serious game, citizens were given 15 hypothetical funding proposals and 8 hypothetical cost-savings and/or revenue-generating proposals and were told to make choices according to the following rules:

- To acquire funds to purchase (or “fund”) a funding proposal, citizens must reach *unanimous* agreement on a cost-saving or revenue generating proposal; this amount was then distributed evenly among the citizens at a table;
- Once these proposals were enacted citizens could then purchase funding proposals with the allocated money. Collaborative purchasing was encouraged, but not required.

Certain proposals were linked, in that citizens could choose either one of a range of choices or none. In addition, one revenue-generating was a bond measure paid through a parcel tax with special rules: revenue from the bond could *only* be used to fund pavement maintenance.

19 games were played by 114 residents of San José. Each game was played at a table with 7-9 players along with two volunteers from the Innovation Games® community who acted as Facilitator and Observer for each table.

In addition, Subject Matter Experts (SMEs) representing Police, Fire, Parks, Recreation and Neighborhood Services, Libraries, Budget and other disciplines, answered questions related to proposals during the game, as requested by the players.

This report shares the results and insights from the games; comparisons with prior games and recommendations on how we can improve the budget games process.

# Results Summary: Cost-Savings and Revenue Generation

Reductions/Cost Savings Proposal	Amount	Which Table Agreed To This?																			Total Tables	% of Tables
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
<b>A. 1/4 cent sales tax</b>	\$ 34,000,000	1			1		1	1	1	1	1				1	1	1				10	53%
<b>B. Business Tax Increase</b>	\$ 10,000,000		1	1		1	1		1		1	1	1	1		1					11	58%
<b>C. Eliminate Overtime for some Management Employees</b>	\$ 1,200,000	1	1	1				1	1	1		1	1	1	1	1		1		1	13	68%
<b>D. Reduce staffing in Engine Companies from 4 to 3 Firefighters</b>	\$ 15,300,000	1				1		1				1		1			1	1	1	1	9	47%
<b>E. Reduce Children's Health Initiative Funding (from 2.1M to 1.1M)</b>	\$ 1,000,000																			1	1	5%
<b>F. Reduce Community Center Hours</b>	\$ 1,000,000																				0	0%
<b>G. Reduce Branch Library Hours by 1 day of service</b>	\$ 2,100,000																				0	0%
1 = Table Unanimously Agreed to Proposal																						
Unrestricted Revenue Generating Proposals are shown in this color.																						
How many unrestricted revenue generating proposals did this table choose?		1	1	1	1	1	2	1	2	1	2	1	1	1	2	1	2	0	0	0	16	84%
Parcel Tax for Road Repairs																						
<b>AA. \$100 Parcel Tax</b>	\$ 295,000,000	1		1						1	1	1	1	1		1					8	42%
How many total revenue generating proposals did this table choose?		2	1	2	1	1	2	1	2	2	3	2	2	2	2	2	2	0	0	0	16	84%

## Highlights:

- Every table except table 17-19 agreed to *at least* one revenue generating proposal.
- Tables 17-19 primarily acquired funds by reducing fire truck staffing.
- There is considerable and broad support for elimination of management overtime.
- NO tables agreed to reducing Children’s Health Initiative or Community Center Hours

*See comments from facilitators and observers for additional insights.*

# Results Summary: Funding Proposals Summary

*Results are sorted based on purchase frequency*

Funding Proposals	Amount	Total Tables	Total Collab	Total Solo
11. Gang Prevention Efforts	\$ 1,500,000	19	16	3
10. 21 Community Service Officers	\$ 2,100,000	18	12	6
12. 3 Crime Prevention Specialists	\$ 300,000	18	7	11
2. Satellite and Neighborhood Community Centers Hours	\$ 600,000	17	11	6
3. Senior Services (including transportation services) at 14 sites	\$ 500,000	17	8	9
1. Hub Community Centers Hours	\$ 900,000	16	8	8
5. MLK Library Services: Restore Education & Info Services Hrs	\$ 500,000	15	3	12
4. Branch Library Hours: 4.0 - 4.5 days	\$ 2,400,000	14	11	3
13. Eliminate Fire Engine Company Brown-Outs	\$ 1,800,000	12	9	3
14. Pavement Maintenance - Other Major Streets	\$ 16,000,000	9	9	0
8. 60 Sworn Police Field Patrol and Investigation Staff	\$ 11,000,000	7	7	0
7. 40 Sworn Police Field Patrol and Investigation Staff	\$ 7,300,000	6	6	0
9. 80 Police Field Patrol and Investigation Staff	\$ 14,700,000	4	4	0
6. 20 Sworn Police Field Patrol and Investigation Staff	\$ 3,600,000	2	2	0
15. Pavement Maintenance - Sealing of Local & Neighborhood Streets	\$ 18,000,000	2	2	0

All tables purchased gang prevention. It was broadly supported evidenced by collaborative purchases

All 19 tables purchased at least one increase to the Police Field Patrol.

A “collab” purchase means that multiple participants agreed to purchase an item. Collaborative purchases are broadly supported, while solo purchases were made by one person. Note that even when participants had enough budget to “solo purchase” an item, the players exhibited very strong degrees of collaboration

# Funding Proposal By Group

Note that the top 4 items AND the desire to increase police field patrol correlate to citizens concerns regarding crime prevention, gangs, and increased enforcement.

Funding Proposals By Group	Amount	Total Tables	Total Collab	Total Solo
<b>Gang and Crime Prevention</b>				
11. Gang Prevention Efforts	\$ 1,500,000	19	16	3
10. 21 Community Service Officers	\$ 2,100,000	18	12	6
12. 3 Crime Prevention Specialists	\$ 300,000	18	7	11
<b>Community Centers / Community Services</b>				
2. Satellite and Neighborhood Community Centers Hours	\$ 600,000	17	11	6
3. Senior Services (including transportation services) at 14 sites	\$ 500,000	17	8	9
1. Hub Community Centers Hours	\$ 900,000	16	8	8
<b>Libraries</b>				
5. MLK Library Services: Restore Education and Information Services Hours	\$ 500,000	15	3	12
4. Branch Library Hours: 4.0 - 4.5 days	\$ 2,400,000	14	11	3
<b>Police and Fire</b>				
13. Eliminate Fire Engine Company Brown-Outs	\$ 1,800,000	12	9	3
8. 60 Sworn Police Field Patrol and Investigation Staff	\$ 11,000,000	7	7	0
7. 40 Sworn Police Field Patrol and Investigation Staff	\$ 7,300,000	6	6	0
9. 80 Police Field Patrol and Investigation Staff	\$ 14,700,000	4	4	0
6. 20 Sworn Police Field Patrol and Investigation Staff	\$ 3,600,000	2	2	0
<b>Pavement</b>				
14. Pavement Maintenance - Other Major Streets	\$ 16,000,000	9	9	0
15. Pavement Maintenance - Sealing of Local and Neighborhood Streets	\$ 18,000,000	2	2	0

# Results Summary: Funding Proposals Details

## *Results on a per table basis*

Funding Proposals	Amount	Solo Purchased, Collaboratively Purchased, OR Bid?																		Total Tables	Total Collab	Total Solo	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18				19
11. Gang Prevention Efforts	\$ 1,500,000	C	C	C	C	S	C	C	C	C	C	C	C	C	S	C	C	C	C	S	19	16	3
10. 21 Community Service Officers	\$ 2,100,000	S	C	C	C	C	S	C	C	C	S	C	C	C	S	S	S		C	C	18	12	6
12. 3 Crime Prevention Specialists	\$ 300,000	C	S	S	C	C	C	S	S	S	S	S	C	S	S	S		C	C	S	18	7	11
2. Satellite and Neighborhood Community Centers Hours	\$ 600,000	S	C	C	S	S	S	C	S	C	C	C	C	C	S	C	C		C		17	11	6
3. Senior Services (including transportation services) at 14 sites	\$ 500,000	S	C	S	C	C	C	C	S	C	S	S		S	S	S	C		C	S	17	8	9
1. Hub Community Centers Hours	\$ 900,000	S		C	C	S	C	C	S	S	C	C		S	S	C	C		S	S	16	8	8
5. MLK Library Services: Restore Education and Information Services Hours	\$ 500,000	S	C	S	S	S	S	S	S	C	S	S		S	S	S	C				15	3	12
4. Branch Library Hours: 4.0 - 4.5 days	\$ 2,400,000		C		C	C	S	C	C	C	C	C		C	S	C	C			S	14	11	3
13. Eliminate Fire Engine Company Brown-Outs	\$ 1,800,000			C	C			C	C	C	C	S		C		S	C	C	B	S	12	9	3
14. Pavement Maintenance - Other Major Streets	\$ 16,000,000	C			C		C	C		C	C			C	C		C				9	9	0
8. 60 Sworn Police Field Patrol and Investigation Staff	\$ 11,000,000					C			C	B	C	C				C	C		B	C	7	7	0
7. 40 Sworn Police Field Patrol and Investigation Staff	\$ 7,300,000	C			C					C				C	C				C		6	6	0
9. 80 Police Field Patrol and Investigation Staff	\$ 14,700,000						C	C							C	B		C			4	4	0
6. 20 Sworn Police Field Patrol and Investigation Staff	\$ 3,600,000			C	C																2	2	0
15. Pavement Maintenance - Sealing of Local and Neighborhood Streets	\$ 18,000,000	C						B	C								B				2	2	0

## Analysis / Interpretation of Results

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*Also informed by the review of Facilitator and Observer Comments*

The #1 concern among participants is public safety. However, participants seek *root causes* to the challenges faced by the city and would like solutions framed in terms of *systems thinking*:

- “We need to community centers to *prevent* gangs”.
- Crime **prevention** is more important than police; **Police** are more important than fire – but only if we can hire them.
- How does funding or reducing [x] affect [y]?

A **very hot** issue is management overtime, especially for citizens who understand that overtime is counted towards pensions.

While participants demonstrated a willingness to raise taxes, there was noticeably less support for spending to improve pavement quality.

Concerns were raised over the regressive impact of certain taxes:

- “Small businesses should be exempt from the business tax”.
- “Small parcels should pay less than larger parcels”.
- “I don’t like the regressive nature of sales taxes”.
- “I’d prefer a hotel tax over a sales tax”.

Some participants continued to express a desire for an extended game-based session focused on “growing” the City.

# Review of the Games by Innovation Games® Trained Facilitators and Observers

8





## Our Third Year of Budget Games Were Considered Successful

9

Consistent with the results of the 2011 and 2012 sessions, the games were considered successful in engaging the players who were knowledgeable, passionate and respectful of each other. Our global team of facilitators noted the following:

“Citizens are very focused on helping the city grow!”

“It was interesting to watch experienced players help new players understand the game.”

“My team self-organized around a strategy to identify areas of compromise.”

“One person was able to prevent taxes from being raised. Others were upset about this, but it part of the rules of the game.”

“Our team understood the need for pavement maintenance but were very divided on how to fund it.”

We are proud to provide the City with \$135K in pro-bono services for this event.

				Fees
Service Fees	Number	Unit	Fee	Total
Planning and project management	3	facilitators	\$ 15,000	\$ 15,000
In-person game facilitation services	40	facilitators	\$ 3,000	\$ 120,000
Total				\$ 135,000

## What worked well: Subject Matter Experts

10

### Subject Matter Experts (SMEs)

The SMEs were key to helping players in decision-making.

“One key piece of relevant information from a SME has the power to completely change someone’s mind!”

“The SMEs helped balance opinions from citizens.”



# What worked well: Location & Diversity of Game Players

11

## Diversity

Players were assigned to tables/games with the goal of having as diverse a pool of players as possible at each game. The diversity included Youth Commissioners.

“Good to have people represent different interest groups, this helps to gain different perspectives in the community.”

“Diversity of players was excellent and essential to the game.”



## Location

Most participants and facilitators liked having the games in the Rotunda (however, the space between tables was a bit tight).



# What would have made the game better: More preparation for participants, More technology

12

## BEFORE THE EVENT

- Distribute game materials to participants *before* the session to help them prepare for the event.
- Create a video overview of the games and how to play them.

## ON THE DAY – ROOM SET-UP IDEAS

- Provide each group with an easel pad to help capture key ideas.
- Provide experts with notebooks so that they can record the questions they were asked.
- Increase the space between tables.

## DURING THE SESSION

- Encourage Council Members to refrain from promoting any proposals. Council Members should emphasize factual information.
- Use a spreadsheet or online system to capture participant decisions.
- During the debrief, ask participants to record *their* learning's.

## POST SESSION

- Provide an online system where participants can capture “post session” ideas.
- Provide a kit for every council member to ensure results are communicated consistently to their constituents.

## Possible Follow-up Innovation Games®

13

Some ways that Innovation Games could be used in future events include:

- To get insight into what community members perceive as the greatest community challenges, play the Innovation Game® [Speed Boat](#) to identify what is holding the city back from achieving its goals.
- To allow participants to capture their ideas on how the city can “grow”, play the Innovation Game® [Prune the Product Tree](#) to identify and prioritize” projects or programs that emphasize growth.
- To foster greater understanding and empathy between often adversarial groups – such as unions and community members – play the Gamestorming game [Empathy Map](#).
- To identify ways to “sell” the City to small business, plays the Innovation Game® [Product Box](#). Click [here](#) to see an example of the kinds of boxes citizens create when promoting the City to small businesses.



*Prune the Product Tree*

# Appendix: The Innovation Games® Team

This event was organized by The Innovation Games® Company in close collaboration with Kip Harkness, Armando Gomez, Ernest Guzman, Walter Rossmann and other City of San José staff members, and was staffed on the day of the event by the Innovation Games® global community of trained facilitators and supporters.

## USA – FROM CALIFORNIA

Morris, Betsy  
Kwan, Stephen  
Judilla, Reyna  
Idrovo, Cesar  
Dewar, Nicholas  
Frishberg, Nancy  
Ibanez, Christopher  
Zanolli, Lauren  
Feng, Julia  
Sharp, Colin  
Carter, Tami  
Richardson, Laura  
Levin, Shari  
Dodds, Steve

## USA – FROM CALIFORNIA

Morris, Betsy  
Kwan, Stephen  
Judilla, Reyna  
Idrovo, Cesar  
Dewar, Nicholas  
Frishberg, Nancy  
Ibanez, Christopher  
Zanolli, Lauren  
Feng, Julia  
Sharp, Colin  
Carter, Tami  
Richardson, Laura  
Levin, Shari  
Dodds, Steve

## USA – FROM OTHER STATES

Neuman, Dave (WI)  
Simon, Andy (NY)  
Simon, Andi (NY)  
Holdorf, Chad (IA)  
Emmons, Andrea (IL)  
Sensenderger, Wil (TX)  
Wade, Derek (IL)  
Morris, Lizzy (TX)  
Yassine, Adib (NJ)  
Kramer, Elizabeth (OH)  
Lau, Luk (OH)

## CANADA

Kirk, Gerry  
Rogalsky, Steve  
Charron, Todd  
Ibrahim, Wadood

## UNITED KINGDOM

McGregor, Mark

## SWEDEN

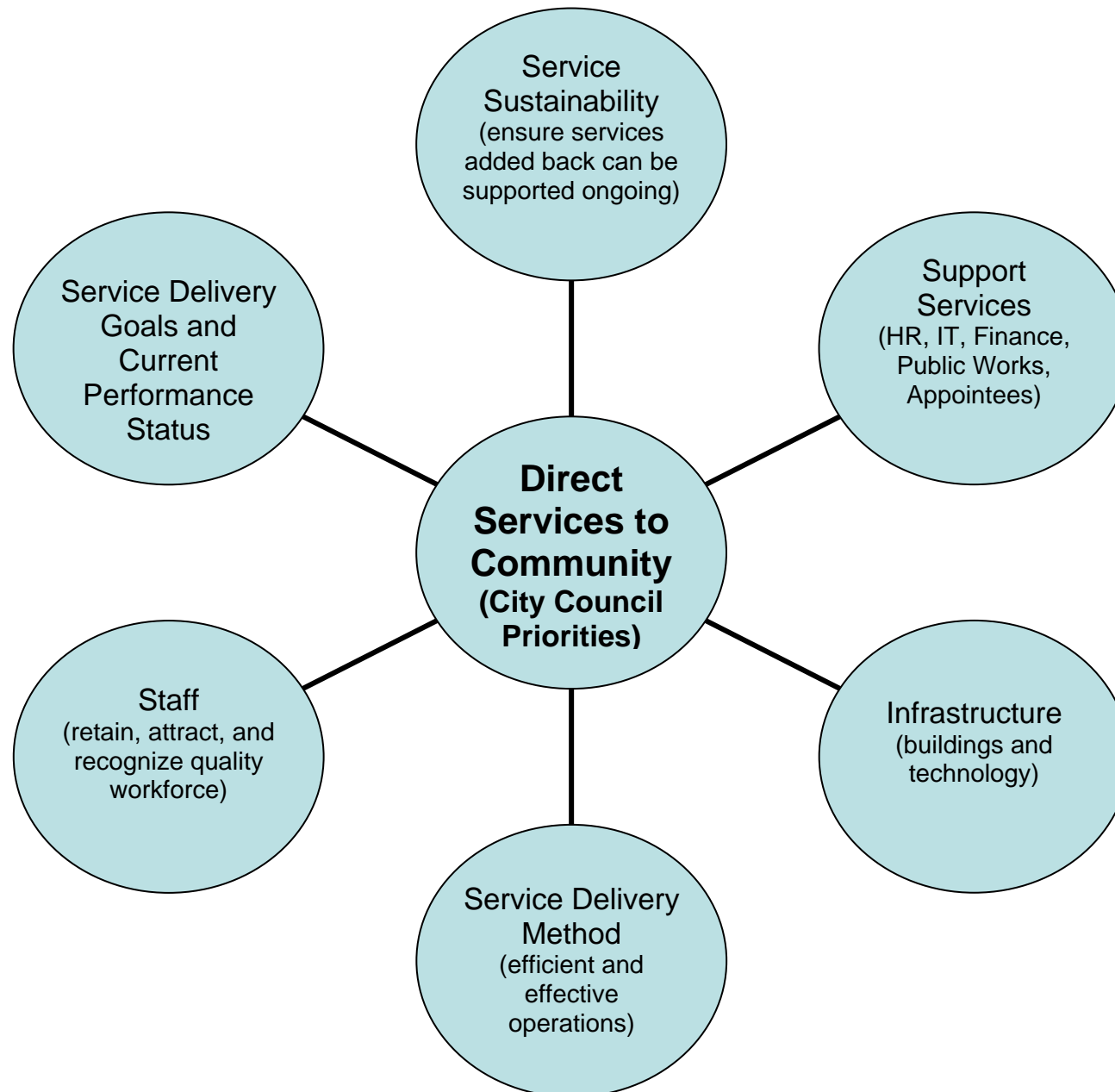
Hannelius, Ulf

*Thank you Mayor Reed and members of the City Council and the City of San José for the opportunity to contribute to this important community meeting, to play serious games for a serious purpose.*

*Luke Hohmann  
CEO, The Innovation Games® Company*

# Service Restoration Decision Making Framework

ATTACHMENT C



## Guiding Principles for Restoring City Service Levels

### Ensure the Fiscal Soundness of the City

1. Develop the General Fund budget to support the City's mission and use the City Council-approved Budget Principles to ensure the long term fiscal health of the City (*City of San Jose Budget Principles*)
2. Ensure services that are restored can be sustained over the long-run to avoid future service disruption (Use Five-Year General Fund Forecast as one tool)
3. If possible, defer adding new permanent positions until new retirement system is in place

### Choose Investments that Achieve Significant Outcomes

4. Ensure restored services represent City Council priorities and the highest current need in the community
5. Balance investments among three categories:
  - Restoration of services (public safety and non-public safety services, including critical strategic support services)
  - Opening of new facilities
  - Maintenance of City infrastructure and assets
6. Prioritize baseline service level restorations using performance goals (*Fiscal and Service Level Emergency Report – Appendix C*, included as Attachment D to this document)
7. Focus funding on areas where there is a high probability of success and/or high cost of failure
  - Focus funding on infrastructure needs where there is a significant increase in cost if maintenance is delayed (such as street maintenance)
  - Focus investments in technology that have the greater return on investment in terms of services to the public and employee productivity

### Improve the Efficiency and Effectiveness of Service Delivery

8. Before restoring prior service methods, evaluate options to determine if alternative service delivery models would be more cost effective.
9. Ensure strategic support and technology resources are capable of supporting direct service delivery and effective management of the organization
10. Prioritize organizational investments that maximize workforce productivity, efficiency, and effectiveness.
11. Pursue opportunities and methods, including performance, to retain, attract, and recognize employees within resource constraints.



## ATTACHMENT E

<b>Service Restorations Previously Identified by City Council (January 1, 2011 Levels)</b>	
Fire	<ul style="list-style-type: none"> <li>• 33 Fire Stations open;</li> <li>• On average, Citywide, 82.6% of time, the initial responding fire unit arrives within 8 minutes after an emergency 9-1-1 call is received*;</li> <li>• On average, Citywide, 85.2% of time, the second response fire unit arrives within 10 minutes after an emergency 9-1-1 call is received*.</li> </ul> <p style="margin-left: 20px;">* Response time data under review</p>
Police	<ul style="list-style-type: none"> <li>• On average, Citywide, average response time for Priority One police calls for service (present or imminent danger to life or major damage/loss of property) is 6.04 minutes;</li> <li>• On average, Citywide, average response time for Priority Two police calls for service (injury or property damage or potential for either to occur) is 12.74 minutes;</li> <li>• On average, overall, the clearance rate (number cleared / total cases) for Part 1 crimes is as follows: Homicide (65.00%), Rape (19.37%), Robbery (26.54%), Aggravated Assault (39.93%), Burglary (5.58%), Larceny (18.90%), and Vehicle Theft (8.85%).</li> </ul>
Library	<ul style="list-style-type: none"> <li>• On average, 18 library branches are open 39 hours per week;</li> <li>• On average, King Library (subject to future contractual arrangements with San José State University):               <ul style="list-style-type: none"> <li>• Hours open: 72 hours per week per academic semester; 58 hours per week otherwise;</li> <li>• Children’s Room: 50 hours per week;</li> <li>• Third Floor General Collection and Reference Desks: 64 hours per week;</li> <li>• California Room: 20 hours per week;</li> <li>• Access Services: 72 hours per week;</li> <li>• Periodicals: 72 hours per week;</li> <li>• Second Floor Reference Desk: 72 hours per week.</li> </ul> </li> </ul>
Parks, Recreation and Neighborhood Services	<ul style="list-style-type: none"> <li>• On average, 10 Hub Community Centers are open 63 hours per week;</li> <li>• On average, 9 Satellite Community Centers are open 40 hours per week;</li> <li>• On average, 8 Neighborhood Centers are open for 15 hours of programming per week.</li> </ul>
Street Maintenance	<ul style="list-style-type: none"> <li>• 72 miles of residential and arterial streets resealed and 6 miles of residential and arterial streets resurfaced with various Capital and Grant funds (no General Fund allocation). Maintaining this street maintenance level will be contingent upon receiving commensurate levels of regional, state, and federal funds annually.</li> </ul>
Facilities Built or Under Construction/Opening Deferred	<ul style="list-style-type: none"> <li>• South San José Police Substation.</li> </ul>

**Summary of Selected General Fund Service Restoration Priorities  
(As of August 2012)**

<b>General Fund Service Restoration Priorities (January 1, 2011 Levels)</b>	
<p><b>Fire Department</b></p> <ol style="list-style-type: none"> <li>1. Eliminate Fire Engine Company/Squad Car Brown Outs</li> <li>2. Training Overtime (Special Operations, HIT, USAR)</li> <li>3. Courier Service</li> </ol>	<p><b>Library Department</b></p> <ol style="list-style-type: none"> <li>1. Increase Branch Library Hours from 4.0 to 4.5 days per week                             <ul style="list-style-type: none"> <li>– All 22 branches open Tuesday – Saturday (39 hours per week)</li> <li>– Unpair branches</li> <li>– Includes 4 new branch libraries</li> </ul> </li> <li>2. Restoration of King Library Education and Information Services (e.g., literacy/career/ reference services)</li> </ol>
<p><b>Police Department</b></p> <ol style="list-style-type: none"> <li>1. Crime Prevention Specialists</li> <li>2. Patrol Staffing/Community Service Officers</li> <li>3. Court Liaison Unit</li> <li>4. Homicide Unit/Night Detectives</li> <li>5. Special Investigations Unit</li> <li>6. School Liaison Unit</li> <li>7. Metro Unit (One Team)</li> <li>8. Sexual Assaults Investigations Unit</li> <li>9. Police Administrative Building Main Lobby Staffing (Extended Hours)</li> <li>10. Bureau of Investigations Sworn Oversight and Civilian Support Staffing</li> <li>11. Training Unit (Sworn Range Staffing)</li> <li>12. Pre-Processing Center Staffing</li> <li>13. Bureau of Administration Support Staffing</li> </ol>	<p><b>Parks, Recreation &amp; Neighborhood Services Department</b></p> <ol style="list-style-type: none"> <li>1. Hub Community Center Hours from 59 to 63 per week</li> <li>2. Senior Services at Hub Community Centers (including Nutrition/Transportation) (ongoing)</li> <li>3. Satellite Community Centers Hours from 23 to 40 per week</li> <li>4. Senior Services at Satellite Community Centers (including Nutrition/Transportation) (ongoing)</li> </ol>
	<p><b>Transportation</b></p> <ol style="list-style-type: none"> <li>1. Major Street Pavement Maintenance – (Other Major Streets) – 400 miles</li> <li>2. Priority Local/Neighborhood Streets Maintenance – (miles TBD)</li> <li>3. Remaining Local/Neighborhood Streets Maintenance – (miles TBD)</li> </ol>
<p><b>Strategic Support Resources for Service Restorations</b></p> <p><i>Finance:</i> Purchasing/Procurement Services; Accounts Payable/Receivable Services; Payroll Services; and Payment Processing</p> <p><i>Human Resources:</i> Employment Services; Workers' Compensation; and Training/Workforce Planning and Development</p> <p><i>Information Technology:</i> Network Support, Application Programming and Support; and Technical Engineering</p> <p><i>Public Works:</i> Custodial Services; Facilities Preventative Maintenance and Corrective Repairs; Fleet Preventative Maintenance and Corrective Repairs; Vehicle Replacement; and Utilities and Fuel</p> <p><i>City Attorney:</i> Legal Representation</p> <p><i>City Auditor:</i> Audit Services</p> <p><i>City Manager:</i> Workforce Competitiveness; Organizational Leadership and Management</p>	
<b>Other Potential Service Restorations/Investments</b>	
<p><b>Other Potential Service Restorations</b></p> <p><i>Library:</i> Increase days and hours of services at library branches</p> <p><i>Parks, Recreation and Neighborhood Services:</i> Park rangers, gang prevention services, parks maintenance, and parks days of operation</p> <p><i>Planning, Building and Code Enforcement:</i> Code enforcement services, long-range planning</p> <p><i>Transportation:</i> Traffic calming</p> <p><b>Other Investments</b></p> <p><i>All Departments:</i> Employee compensation increases</p> <p><i>Various Departments:</i> Infrastructure and technology needs</p> <p><i>Various Departments:</i> Strategic Support needs</p> <p><i>Reserves:</i> Establish Budget Stabilization Reserve, increase Contingency Reserve</p>	

**Sample Costs to Restore Selected Services to Meet January 2011 Service Levels  
(2013-2014 Estimated Costs)**

<b>Potential Service Restorations</b>	<b>Restoration Cost*</b>
Eliminate Fire Engine Brown-Outs – Addition of overtime funding to ensure minimum staffing levels	\$1,800,000
Police Officers - Addition of 10 police officer positions** (Could be allocated to patrol, investigations, specialized units, etc.)	\$1,300,000
Community Service Officers – Addition of 10 community service officer positions to handle low-priority patrol calls	\$1,000,000
Crime Prevention Specialists – Addition of 3 crime prevention specialist positions	\$300,000
Analyst Position – represents a typical non-sworn position that supports the Police Department	\$130,000
Branch Library Days and Hours – Restore Branch Library days from 4.0 days to 4.5 days and hours from 33-34 hours to 39 hours per week	\$2,400,000
King Library Education and Information Services – Restore adult children's and family educational and informational classes and programs by 30% and restore 5 hours at the reference service desks and children's room	\$500,000
Hub Community Center Hours – Restore Hub Community Center hours from 59 to 63 hours per week	\$900,000
Satellite Community Center Hours – Restore Satellite Community Center hours from 23 to 40 hours per week	\$600,000
Pavement Maintenance for Other Major Streets (408 miles)	\$16 Million
Pavement Maintenance for Local & Neighborhood Streets in Good or Fair Condition (1,130 miles)	\$18 Million
Pavement Maintenance for Local and Neighborhood Streets in Poor Condition (375 miles)	\$295 Million (one-time)

\* Net costs, if applicable, are based on preliminary 2013-2014 Base Budget figures. If any of these potential service restorations are included in the 2013-2014 Proposed Budget or future budget cycles, these figures may require additional costing analysis.

\*\* For the second year, after new recruits are fully trained, the cost increases to \$1.7 million.

## Deferred Maintenance and Infrastructure Backlog

(As presented to the Transportation and Environment Committee 4/2/2012)

Program	Unfunded Needs for All Funds (Over 5-year CIP)	Annual Ongoing Unfunded Needs for All Funds (Over 5-year CIP)
Airport	TBD	TBD
Building Facilities	\$108,570,000	\$4,600,000
City Facilities Operated by Others	\$11,000,000	TBD
Convention Center and Other Cultural Facilities	\$37,100,000	TBD
Fleet	\$6,200,000	None
Parks, Pools, and Open Space	\$139,897,000	\$27,979,400
Sanitary Sewer	\$55,000,000	None
Service Yards	None	TBD
Storm Sewer	TBD	TBD
Information Technology	\$9,014,645	\$5,899,482
Radio Communications	None	None
Transportation Infrastructure <sup>(1)</sup>	\$443,800,000	\$88,760,000
Water Pollution Control Plant	TBD	TBD
Water Utility	None	None
<b>Total</b>	<b>810,581,645</b>	<b>127,238,882</b>
	<b>(\$811 million)</b>	<b>(\$127 million)</b>

(1) As part of the Adopted 2012-2013 Capital Budget, the annual ongoing unfunded needs for Transportation Infrastructure was revised to \$88.2 million.

**Completed Priority Policies and Ordinances**

1. **Access to Healthy Food/Streamline Permit Process for Recurring Farmers Markets on Private Property:** Amended Zoning Code to remove barriers to healthy food, including streamlining farmers market permitting and facilitating mobile food vending. Council approval on August 14, 2012
2. **Amendments to Title 16 for Gaming Control Licensing and Work Permits:** Amended Title 16 provisions for gaming control licensing and work permits. Council approval on February 14, 2012
3. **Bail Bonds Ordinance Analysis:** Reviewed possible land use regulations for bail bond businesses to minimize impacts to surrounding neighbors. Council approval on August 23, 2011
4. **Contractor Employee Benefits:** Evaluated potential options to encourage or require a minimum number of paid days off for contract employees. Council approval on June 12, 2012
5. **Development Agreement Ordinance:** Codified the Development Agreement ordinance in the Municipal Code and recommended modifications. (Previously a Council Top Ten Priority) Council approval on September 20, 2011
6. **Lobbyist Ordinance Amendment – Communications with Lobbyists:** Clarified Lobbyist Ordinance application to nonprofits and other modifications.
7. **Mills Act Contract Ordinance Streamlining:** Modified Municipal Code to align Mills Act Contract Ordinance with state legislation that went into effect 1-1-12. Council approval on June 19, 2012
8. **Off-Sale of Alcohol Process Streamlining:** Revised process so that Council makes final decision on off-sale of alcohol without requiring an appeal. (Previously a Council Top Ten Priority) Council approval on March 13, 2012
9. **Payday Lending:** Conducted preliminary research to explore the feasibility of an ordinance to limit payday lending businesses. (Previously a Council Top Ten Priority) Council approval on May 15, 2012
10. **San Jose Municipal Water System (Muni Water):** Analyzed the concept of leasing Muni Water; service delivery evaluation and options for maximizing financial benefits from Muni Water to the General Fund. (Previously a Council Top Ten Priority) Completed in 2011
11. **Sign Code Major Update:** Updated the Sign Code to include skyline signs, assembly uses, and other streamlining. (Previously a Council Top Ten Priority) Council approval on June 12, 2012
12. **Sign Code Update – 3 year pilot program for electronic/digital signs:** Obtained Council approval to conduct a 3-year sign code pilot for electronic/digital signs in Commercial Areas; Stevens Creek Signage; and continue exploration of Capital Auto Row, Blossom Hill Rd, and Capitol Corridor near Eastridge. Council approval on December 13, 2011
13. **Sign Ordinance:** Revised the Sign Ordinance pertaining to signs on gas station canopies and other sign changes. Council approval on September 25, 2012
14. **Smoking in Outdoor Areas:** Developed an ordinance to limit smoking in outdoor areas. (Previously a Council Top Ten Priority) Council approval on April 10, 2012
15. **Social Host Ordinance:** Developed a Social Host Ordinance that imposes liability on adults that host social events where alcohol is served to minors. (Previously a Council Top Ten Priority) Council approval on May 15, 2012
16. **Taxicab Vehicle Operation Ordinance Amendment:** Amended Taxicab Vehicle Operation Ordinance to raise maximum mileage/year limits for alternative fuel vehicles. Council approval on August 28, 2012
17. **Tree Removal Ordinance:** Amended the Municipal Code to simplify and streamline the tree removal process for single family homes. (Previously a Council Top Ten Priority) Council approval on January 8, 2013/Ordinance effective as of February 8, 2013

**Future Priority Policies and Ordinances  
(Sorted by Lead Department)**

Policy/Ordinance Name Description	Origin/ Source	Lead/ Support	%Complete (As of January 2013)	Level of Effort	Estimated Completion Date
<b>Future Priority Policies and Ordinances (as approved by Council on 10/9/12)</b>					
1 <b>Hotel and Motel Conversions/Modernize Single Room Occupancy Ordinance</b> Explore options to facilitate the conversion of hotels/motels to residential apartments and/or offices. Amend the Code to align the definition of Single Room Occupancy (SRO) units to current market conditions to facilitate SRO construction.	Rules Committee 10-3-12	<b>PBCE, Housing</b> CAO, PRNS	5%	Major	TBD
2 <b>Medical Marijuana Collectives/Remedies for Nonpayment of City Fees or Taxes</b> Develop enforcement options to address the proliferation of medical marijuana establishments. Amend Title 4 of the Municipal Code to provide for revocation and injunctive relief for nonpayment of City fees or taxes. Redefine definition of "public nuisance" to include failure to pay City taxes.	Rules Committee 9-12-12	<b>PBCE, PD, OED</b> CAO, Finance, PRNS	0%	TBD	TBD
3 <b>Tattoo and Other Business Regulations</b> Amend the Zoning Code to prohibit adult book stores, tattoo parlors, and businesses, retailers, or shops selling paraphernalia that can be used to consume and/or smoke tobacco, from operating within 1,000 feet of an area which tends to be populated by youth.	Rules Committee 8-8-12	<b>PBCE, CAO</b>	0%	Medium	TBD
4 <b>Development Agreement Policy</b> Create City Council Policy to provide more specific guidance for the appropriate use of Development Agreements in San Jose, consistent with the recently adopted Development Agreement Ordinance.	Department (2011)	<b>PBCE, CAO, OED</b>	0%	Medium	TBD
5 <b>Riparian Corridor Policy</b> Create City Council Policy and/or zoning ordinance based on Riparian Corridor Policy Study and Envision 2040 General Plan. Effort will involve collaboration with Parks Commission.	Department (2009)	<b>PBCE, CAO, PRNS</b>	0%	Medium	TBD
6 <b>Wood Burning Appliances</b> Amend Title 9 of the Municipal Code to regulate wood burning in order to combat air pollution in San Jose.	Rules Committee 9-12-12	<b>PBCE, CAO</b>	0%	TBD	TBD
7 <b>Proposed Strategies to End Homelessness</b> Assess feasibility of rehabilitating vacant buildings to provide housing for the homeless and expand Housing 1000 Care Coordination efforts to increase permanent housing resources, case management services, employment strategies and partner organizations.	Rules Committee 10-3-12	<b>Housing, CMO, CAO</b>	50%	Major	TBD

**Notes:**Level of Effort

- a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices
- b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused
- c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.

**Other Significant Policies and Ordinances  
(Sorted by Lead Department)**

Policy/Ordinance Name Description	Origin/ Source	Lead/ Support Department	%Complete (As of January 2013)	Level of Effort	Estimated Completion Date
<b>Neighborhood Quality of Life</b>					
1 <b>Noise Performance Standards Update</b> Update the Code noise standards to facilitate implementation.	Department (2009)	<b>PBCE</b> CAO	0%	Major	TBD
2 <b>Public Review of New Retail Reuse</b> Amend Zoning Code to provide for discretionary review of new retail businesses proposing to locate in existing commercial buildings.	Rules Committee 10-5-11	<b>PBCE</b> OED, CAO	0%	Medium	TBD
3 <b>Ground Floor Window Obstructions</b> Amend ordinance to regulate window obstructions.	Department	<b>PBCE</b> CAO	0%	Medium	TBD
4 <b>Land Use Regulations for School Developments</b> Develop land use regulations for all new school developments that complement existing neighborhoods while taking into account the City's land use policies and guidelines.	Rules Committee 1-30-13	<b>PBCE</b> CAO	0%	TBD	TBD
5 <b>Legal Non-Conforming</b> Amend ordinance to streamline the process for property owners and invite community participation.	Rules Committee	<b>PBCE</b> CAO	0%	High	TBD
6 <b>Liquor Store Conversions</b> Facilitate liquor store owners to convert their storefront to another type of business.	Department	<b>PBCE</b> CAO	0%	TBD	TBD
7 <b>Prohibit Obstruction of Sidewalks</b> Modify the Municipal Code to enact an ordinance to prohibit the obstruction of sidewalks without a permit, and penalizing the unpermitted closure of sidewalks with substantial penalties, including but not limited to fines.	Rules Committee 10-3-12	<b>PBCE</b> CAO	0%	TBD	TBD
8 <b>Medical Marijuana</b> Title 6 operational regulations and Title 20 land use regulations pertaining to use of medical marijuana. <b>(NOTE: This is a Top Ten Priority and will be moved back to the active Top Ten List of Priority Policies and Ordinances once a Supreme Court decision has been rendered, which would allow staff work to continue.)</b>	City Council and Rules Committee	<b>CMO, CAO,</b> <b>PBCE</b> PD, Finance	100%	Major	Title 20 suspended in 2011. City Council rescinded Title 6 on 2/14/12.
9 <b>Expand the Second Unit Ordinance</b> Expand the secondary "granny" unit ordinance by reducing the minimum lot size and parking requirements to facilitate the construction of more second units on single-family lots.	Department	<b>Housing,</b> <b>PBCE</b> CAO, PRNS	0%	Medium	TBD
10 <b>Public Entertainment Business Permit Fee Methodology</b> Amend Public Entertainment Ordinance to authorize change in fee methodology so that entertainment venues, including live music establishments, pay for half of the Police Overtime costs in the Downtown.	2011-2012 Mayor's June Budget Message	<b>OED, PD</b> CAO	0%	Medium	TBD
11 <b>Motel Record Keeping</b> Amend the Code to expand record-keeping requirements placed on motel operators.	Department	<b>PD</b> CAO	0%	TBD	TBD

**Notes:**Level of Effort

a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices

b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused

c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.

**Other Significant Policies and Ordinances  
(Sorted by Lead Department)**

Policy/Ordinance Name Description	Origin/ Source	Lead/ Support Department	%Complete (As of January 2013)	Level of Effort	Estimated Completion Date
<b>Economic Development</b>					
12 <b>Sign Ordinance Update</b> Update Sign Code to meet current laws, address billboard relocations and other issues.	Department and City Council (2010)	PBCE CAO	50%	Medium	March 2013; additional changes in May 2013
13 <b>Employment Development Streamlining</b> Create a Transit Employment Zoning District to facilitate economic development and new industrial construction consistent with the Envision General Plan, reduce parking requirements, and make other related modifications.	Department	PBCE CAO	90%	Medium	February 2013
14 <b>Newsracks in Business Districts</b> Provide allowances for newsracks in business districts and address appropriate signage, if any, for these newsracks.	Department	PBCE CAO	0%	TBD	TBD
15 <b>Revise Sign Code to Allow Advertising on City Property and Public Right of Way (ROW)</b> Revise the sign ordinance to allow advertising on City property and in the public rights of way in certain instances.	City Council	PBCE, CAO OED, PRNS, Finance	0%	TBD	TBD
16 <b>Traffic Control for Outdoor Special Events</b> Amendment of existing policies and ordinances to enable alternative traffic control delivery models for temporary outdoor events. Examples of policy modifications could include an expanded Parking Traffic and Control Officer, integration of the Crossing Guard program, etc. Outcome of policy work will result in highest and best deployment of sworn officers and reduced City service costs to event organizers, and subsequently increased special event activation.	Department	OED CAO, DOT, PD, PRNS	30%	Medium	April 2013
<b>Environment</b>					
17 <b>Green Building Retrofit Ordinance</b> Add green building requirements for additions and alterations of existing buildings.	Department and City Council (2009)	PBCE CAO, ESD, PW, PRNS	0%	Major	TBD
18 <b>Landscape Ordinance (Water Efficient)</b> Adopt a local version of the State Model Landscape Ordinance to replace San Jose's existing water efficiency codes, consistent with State law.	State Regulation (AB1881 enacted in 2006)	PBCE, ESD PW, CAO, PRNS	0%	Major	TBD
19 <b>Lighting on Private Property Policy Changes</b> Modify City Council policy 4-3 on Outdoor Lighting on Private Developments (consistent with update to City Council Policy 4-2 for Public Streetlights) to include standards for the use of broad-spectrum (white) light sources in private streets, parking lots, pedestrian and landscaped areas.	Department (2010)	PBCE CAO	0%	Medium	TBD
<b>Administrative</b>					
20 <b>Gift Ordinance Cleanup</b> Clarification of specific provisions of Gift Ordinance.	City Attorney	CAO CMO	50%	Minor	June 2013

**Notes:**Level of Effort:

- a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices  
b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused  
c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement



**Other Significant Policies and Ordinances  
(Sorted by Lead Department)**

	Policy/Ordinance Name Description	Origin/ Source	Lead/ Support Department	%Complete (As of January 2013)	Level of Effort	Estimated Completion Date
<b>Administrative (continued)</b>						
21	<b>Tow Car Ordinance amendments to be consistent with VC 22658</b> Amend ordinance to be consistent with new California Vehicle Code revisions.	City Attorney	<b>CAO</b> PD, CMO	0%	Medium	TBD
<b>Historic Preservation</b>						
22	<b>Conservation Area Ordinance Streamlining (Distinctive Neighborhoods)</b> Modify Municipal Code to create a more efficient process for establishing conservation areas.	Department and City Council (2009)	<b>PBCE</b> CAO	0%	Major	TBD
23	<b>Strengthen Vacant Structure Ordinance</b> Modify Municipal Code to strengthen historic building provisions beyond City Landmarks.	Department and City Council (2011)	<b>PBCE</b> CAO	0%	Major	TBD
<b>Notes:</b> <u>Level of Effort:</u> a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement						