

# 2016-2017 March Budget Message: Save, Invest & Innovate



Office of  
**Mayor Sam Liccardo**



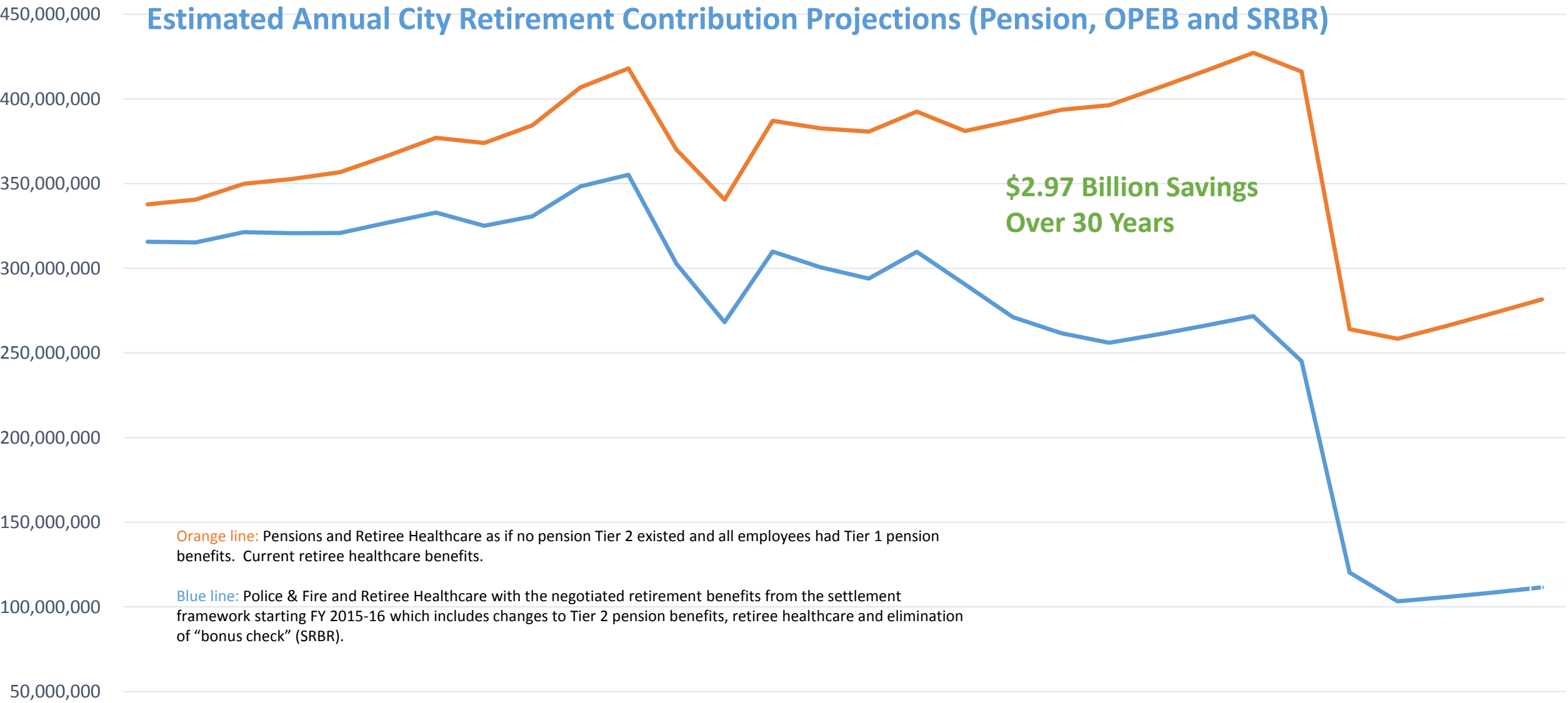
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# Estimated Annual City Retirement Contribution Projections (Pension, OPEB and SRBR)



**Orange line:** Pensions and Retiree Healthcare as if no pension Tier 2 existed and all employees had Tier 1 pension benefits. Current retiree healthcare benefits.

**Blue line:** Police & Fire and Retiree Healthcare with the negotiated retirement benefits from the settlement framework starting FY 2015-16 which includes changes to Tier 2 pension benefits, retiree healthcare and elimination of "bonus check" (SRBR).

**\$2.97 Billion Savings Over 30 Years**

FY 2015-2016

— Pre Measure B — Alternative Settlement Framework starting FY 15-16

FY 2044-2045

# Budget Stabilized but Fragile

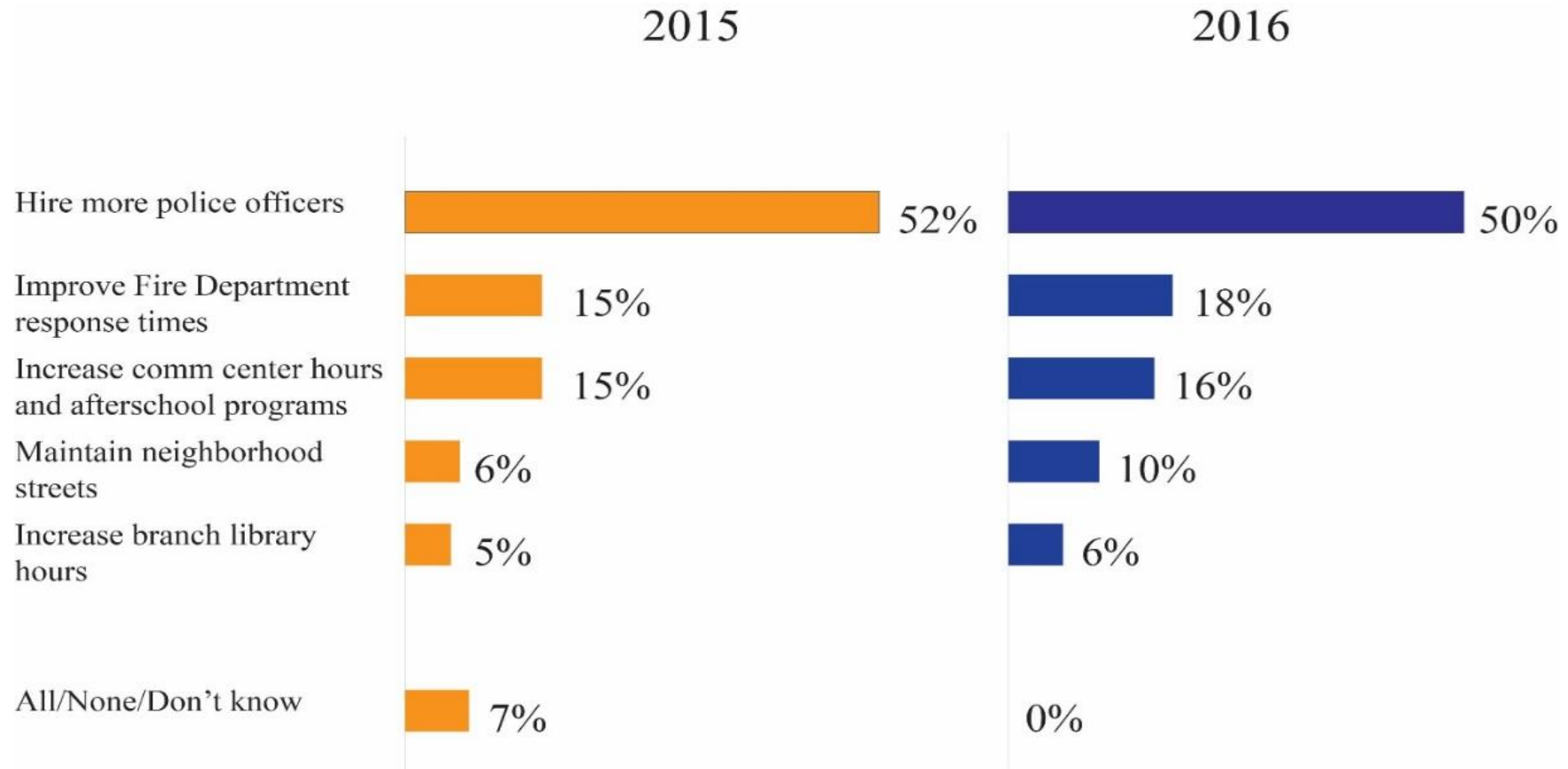
## 2015-2019 General Fund Forecast Incremental General Fund Surplus/(Shortfall)

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
\$5.7 M	(\$11.2 M)	(\$15.8 M)	(\$4.2 M)	(\$4.8 M)

### Does not include:

- Impacts associated with any new revenue measure;
- The implementation of the alternative pension reform settlement framework agreements approved in August 2015 and December 2015 with the City's bargaining units;
- Costs associated with services that were funded on a one-time basis in 2015-2016;
- Costs associated with the restoration of key services (police, fire, community centers, and street maintenance) to January 1, 2011 levels;
- Costs associated with the Police Staffing Restoration Strategy (to increase the number of budgeted sworn officers from 1,109 to 1,250 positions);
- Costs associated with unmet/deferred infrastructure and maintenance needs, which exceed \$1.081 billion; and
- One-time revenue sources or expenditure needs.

# 2015-2016 Community Priorities





# Zero-Based Budgeting Results

City Program/Service	FY15/16	Average of Resident Proposed FY 16/17
Parks Maintenance	\$19,200,000	\$18,758,381
City Buildings Maintenance	\$16,300,000	\$12,061,143
Cultural Facilities Maintenance	\$9,600,000	\$8,129,381
Streetscape Maintenance	\$3,000,000	\$2,154,762
Anti-Graffiti	\$1,600,000	\$1,757,762
Code Enforcement: Abatement Officers	\$1,150,000	\$1,670,476
Streetlight Replacement	\$2,100,000	\$1,646,667
Encampment Cleanups	\$1,500,000	\$1,471,667
Free Item Pick-Up	\$1,250,000	\$1,404,667
LED Streetlight Conversions	\$1,300,000	\$1,279,286
City-Led Neighborhood Clean Ups	\$1,325,000	\$1,111,429
Tree Trimming	\$1,050,000	\$1,091,905
Illegal Dumping	\$625,000	\$998,714
Anti-Litter	\$275,000	\$525,619
Sidewalk Repairs	\$375,000	\$504,762

City Program/Service	FY15/16	Average of Resident Proposed FY 16/17
Park Activation	\$700,000	\$438,810
Code Enforcement: Civil Action	\$550,000	\$416,714
Our City Forest	\$375,000	\$365,619
Weed Abatement	\$375,000	\$310,714
Neighborhood Watch Program	\$275,000	\$304,190
Park Volunteer Program	\$350,000	\$290,952
San José Creates and Connects	\$200,000	\$259,200
San José Gateways	\$0	\$251,190
Business District Beautification	\$50,000	\$148,873
Neighborhood-Led Clean Ups	\$50,000	\$135,733
Plaza Activation and Maintenance	\$25,000	\$127,300
Adopt-A-Median	\$0	\$111,905
Police Video Registry	\$0	\$102,381
Adopt-A-Street	\$0	\$15,952
Streetlight Installation/Additions	\$0	\$4,762

# Zero-Based Budgeting Findings

- **60% Increase:** Illegal Dumping
- **91% Increase:** Anti-Litter
- **171% Increase:** Neighborhood-Led Clean Ups
- **11% Increase:** Neighborhood Watch

## Resident Proposals

- Homelessness
- Park Acquisition
- Community Gardens

# Our Focus...

1. Save
2. Invest
3. Innovate



# Save

- Future Deficit Reserve
- Budget Stabilization Reserve
- November Ballot – Alternative Pension Reform Settlement

# Invest & Innovate in Safety

- Police Recruitment
- SJWorks
- Technology Enhancements
  - Intelligence Gathering and Analysis
  - Gang Investigations
- Improving Emergency Response Times
- Crime Prevention Support
- Fire Station 37
- Neighborhood Clean-Ups

# Invest & Innovate in Economic Opportunity

- Opportunity Court
- Inclusionary and Impact Fees
- Teacher Housing on School District Land
- Business Improvement District
- Manufacturing Jobs Initiative
- Self-Certification for Inspection and Permits
- Citywide Blight Pilot
- Diridon Station Area Planning

# Upcoming Key Dates

## April 2016

- 2016-2017 Proposed Capital/Operating Budgets/2017-2021 Proposed CIP/2016-2017 Fees and Charges Released

## May 2016

- 2016-2017 Community Budget Meetings in each City Council District
- City Council Budget Study Sessions and Initial Budget Public Hearing

## June 2016

- Final Budget Public Hearing
- City Council Reviews Mayor's June Budget Message and Final Review of Budgets
- City Council Approves 2016-2017 Capital/Operating Budgets and Fees & Charges