

PROPOSED



2016-2017

OPERATING

BUDGET

**OFFICE
OF THE
CITY MANAGER**

PROPOSED

2016-2017



OPERATING BUDGET

Mayor

Sam Liccardo

City Council

D1 - Chappie Jones

D2 - Ash Kalra

D3 - Raul Peralez

D4 - Manh Nguyen

D5 - Magdalena Carrasco

D6 - Pierluigi Oliverio

D7 - Tam Nguyen

D8 - Rose Herrera

D9 - Donald Rocha

D10 - Johnny Khamis

SUBMITTED BY

NORBERTO DUEÑAS
CITY MANAGER

PROPOSED

2016-2017

OPERATING BUDGET

OFFICE OF THE CITY MANAGER

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2016-2017 PROPOSED OPERATING BUDGET



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1. *Mayor’s March Budget Message for Fiscal Year 2016-2017*
2. *Community Development Block Grant (CDBG) Fund 2016-2017 Funding Allocation*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
Award*

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**City of San Jose
California**

For the Fiscal Year Beginning

July 1, 2015

Jeffrey R. Eno

Executive Director



**The Government Finance Officers Association
of the United States and Canada**

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

**City of San Jose, CA
City of San Jose, California**



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards.

Executive Director

Date

February 18, 2016

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2015-2016

Presented to the

City of San Jose

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016



A handwritten signature in black ink, appearing to read "Jesse Takahashi".

Jesse Takahashi
CSMFO President

A handwritten signature in black ink, appearing to read "Michael Gomez".

Michael Gomez, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

May 2, 2016

Honorable Mayor and City Council:

With this transmittal, I am proud to present a balanced budget that continues our efforts to address the highest priority community and organizational needs while maintaining budget stability. This budget follows the direction provided by the Mayor and City Council with the adoption of the Mayor's March Budget Message for Fiscal Year 2016-2017 on March 29, 2016, incorporating the priorities and investments identified in that message. It also considers other City Council priorities, recent community outreach and surveys, other departmental and organizational priorities, and forecasts for future revenues and expenditures.

As a starting point in the development of the 2016-2017 budget, the General Fund Five-Year Forecast was issued in February 2016. For the General Fund, revenues and expenditures are projected to remain in very close alignment over this five-year period, with variances of less than 1% annually. This includes a small surplus in the first year followed by shortfalls in the remaining four years. This is an extremely tight tolerance that constrains our ability to restore service levels as quickly as we would like, and it limits our ability to make long-term investments for maintenance and replacement of essential infrastructure.

Given the constrained outlook, this budget takes a multi-year approach with funding set aside in 2016-2017 to address the projected shortfall in 2017-2018. It also holds the line with a limited number of new proposals in strategically important areas. It maintains existing service levels, enhances service delivery in limited areas, invests in our infrastructure, avoids service cuts, and continues to provide incremental increases in employee compensation in order to remain competitive as an employer in this challenging labor marketplace.

Although our budget outlook is relatively stable, it is not robust; the City continues to face a long-term "service level deficit." Unless we can secure a significant new source of revenue, we do not expect our resources to grow in a manner that will allow the City to fully restore services to pre-recession levels. We can expect ongoing significant budgetary challenges and uncertainties, and we likely will continue to fall short of community and employee expectations.



Community Budget Meetings

May 2 – May 26

Budget Decision Milestones

May 11-16

City Council Study Sessions on 2016-2017 Proposed Budgets

May 17/June 13

Public Hearings on the 2016-2017 Proposed Budgets and Fees and Charges

June 3

2016-2017 Mayor's June Budget Message Released

June 14

City Council Review and Approval of the 2016-2017 Mayor's June Budget Message

June 21

Adoption of the 2016-2017 Capital and Operating Budgets, 2017-2021 Capital Improvement Program, and the 2016-2017 Fees and Charges

2016-2017 PROPOSED OPERATING BUDGET MESSAGE

The City Council has placed a Sales Tax measure on the June 2016 ballot for voter consideration. If approved by a 50 percent plus one majority of voters, this one-quarter cent sales tax measure would provide an estimated \$40 million annually to address the significant funding needs, with \$30 million generated in the first year given the implementation date of the measure. The City will also continue, of course, to seek out innovative ways to efficiently deliver services with the available resources, and to pursue creative opportunities to work with other public and private organizations to leverage our limited resources and achieve service delivery goals.

General Fund Budget

Over the next five years, a small surplus is projected in 2016-2017, followed by small shortfalls in the remaining four years as shown in Table 1 below. These variances represent less than 1% of the projected General Fund budget (revenues and expenditures). As with any forecast, these variances could easily change in either direction in response to the economy, changes in projected expenditures, particularly in salary levels and retirement costs, or other factors beyond the City’s control. The Administration will continue to evaluate financial trends and other changes that could affect the City’s financial situation.

2017-2021 General Fund Forecast					
Incremental Surplus/(Shortfall) (\$ in millions)¹					
(Table 1)					
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Incremental Surplus/(Shortfall)	\$6.9 M ²	(\$11.1 M)	(\$15.8 M)	(\$4.2 M)	(\$4.8 M)
% of Annual Budget (Revenues and Expenditures)	0.3%	(0.5%)	(0.7%)	(0.2%)	(0.2%)

¹ Does not incorporate impacts associated with any new revenue measures; 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 funded on a one-time basis in 2015-2016; costs associated with 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; or one-time revenues/expenses.

² This figure excludes the Development Fee Programs and was revised from the \$5.7 million surplus presented in the February 2016 Forecast as a result of the continued analysis and updating of projected revenues and expenditures. With no surplus or shortfall in the Development Fee Programs, the General Fund surplus addressed in the 2016-2017 Proposed Budget remains at \$6.9 million.

Focused Approach to Address Priority Community and Organizational Needs

The Proposed Budget balances many competing community and organizational needs and maintains the City’s strong commitment to budget stability. Consistent with the Mayor’s March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, as well as other City Council priorities, recent community outreach and surveys, and other departmental and organizational priorities, major actions recommended in the Proposed Operating Budget, across all funds, will focus on the following priority themes:

- ✓ **Save** (setting aside resources to ensure fiscal stability)
- ✓ **Invest and Innovate: Safety** (investments that address public safety needs)

2016-2017 PROPOSED OPERATING BUDGET MESSAGE

- ✓ **Invest and Innovate: Economic Opportunity** (investments that expand opportunities for our residents and businesses)
- ✓ **Invest and Innovate: Our Future** (investments that better position the City moving forward)
- ✓ **Invest and Innovate: Our Community** (investments that support a vibrant community)
- ✓ **Invest in Making San José America’s Most Innovative City:** (investments that support innovation and strategic partnerships as well as increase transparency and community input)

Key City Service Area Priorities

Although most of this budget message describes changes and new proposals that address incremental improvements, it is important to keep in mind that most of the City’s budget is allocated to delivering basic services, year after year. In the context of a one-billion-dollar General Fund budget and a two-billion-dollar operating budget, only a small percentage is allocated to new proposals. The overwhelming majority of the City’s limited resources are dedicated to the daily effort to serve and protect our community and the people of San José.

The City has structured its operations in “City Service Areas” (CSAs) that encourage interdepartmental coordination of efforts, resources, and goals. Although more detail about CSA priorities and goals are included in the overall budget document, key operational priorities, issues, and trends in these CSAs are briefly described here:

- ***Community and Economic Development.*** The goal of this CSA is to develop and strengthen the community’s economy; nurture a safe, attractive, and vital community; and encourage a broad range of housing options. The key priorities in this CSA include:
 - Engage, assist, recruit, and nurture businesses that can create jobs and expand the City’s tax base to support essential public services.
 - Support cultural vibrancy and economic vitality through community arts organizations, cultural facilities, and special events working with community partners to leverage City resources.
 - Continue to implement the City’s “Envision San José 2040 General Plan” and other plans through the creation of urban villages, active community partnerships, and ongoing relationships with neighborhoods and the development community.
 - Further enhance the experience of customers interacting with the full range of Development Services by ensuring that staffing, systems, and standards are responsive and timely.



2016-2017 PROPOSED OPERATING BUDGET MESSAGE

- Collaborate with *Destination: Home* and other community and government partners to advance toward the goal of ending chronic homelessness in San José and Santa Clara County through a regional strategic planning process, services, and investments.
- Implement a Rapid Rehousing Program that will provide supportive housing services in order to relocate people to safer, healthier, and sustainable conditions.
- ***Environmental and Utility Services.*** The San José Green Vision encompasses a range of services and projects related to waste and recycling management; water supply management including administering clean, drinking water, recycled water, watershed protection, and wastewater treatment; and energy initiatives to protect the environment and quality of life in the community. The key priorities in this CSA include:
 - Oversee programs to collect, recycle, and dispose of solid waste to maximize diversion from landfills, minimize inefficient use of limited natural resources, and protect public health, safety, and the environment.
 - Support critical utility systems, sustainable infrastructure, innovative energy initiatives, and conservation behaviors across the San Jose community through public education, public-private partnerships, and leadership through the City's Green Vision.
 - Promote the health of the San Francisco South Bay watershed, the waters of the Bay, and its tributaries through the collection, treatment, and management of wastewater and stormwater runoff through advanced wastewater treatment, litter and pollution prevention programs, and public education.
- ***Neighborhood Services.*** Libraries, parks and recreation, animal care and services, and code enforcement comprise this CSA, with the common goal of fostering healthy, vibrant, engaged, and secure neighborhoods. The key priorities in this CSA include:
 - Operate a resourceful and efficient model of public library services to ensure public access to a wide range of materials, information, and technology through its system of branch libraries and the main Dr. Martin Luther King, Jr. (MLK) Library. The priority in the coming year will be continuing the success of the new model of libraries operating at six days a week, with the increased use of volunteers, staff, and technologies including a new mobile technology vehicle, one of the first of its kind. In 2016-2017, the Library will also expand educationally-focused services throughout the library system and implement a new business and career center at the MLK Library.



2016-2017 PROPOSED OPERATING BUDGET MESSAGE

- Animal Care and Services will focus on health and safety services, such as calls related to aggressive and injured animals, and shelter services that continue to provide low-cost and free spay and neuter services and animal adoption service.
- Neighborhood clean-ups will continue to be available throughout the city to ensure convenient methods of reducing trash and illegal dumping.



- Parks, Recreation and Neighborhood Services (PRNS) will continue to use a multi-service delivery community center “hub” model that ensures that core services and recreation options remain available for residents of all ages throughout the community, along with services provided by community partners at 39 re-use sites. PRNS will also continue to support opportunities for outdoor leisure activities through the operation of several regional parks.

- PRNS will continue to support and operate the Mayor’s Gang Prevention Task Force Youth Intervention programs, services, and partnerships to improve neighborhood safety.
- Code Enforcement field inspection staff will continue to respond to Emergency and Priority complaints within 24 and 72 hours, respectively.



- **Public Safety.** Although Police and Fire services constitute the bulk of the City’s investment in public safety, other departments and programs also contribute to the safety of the community. The key priorities in this CSA include:

- Provide effective and timely police and fire response to high-priority calls for service from the community in order to protect the safety, health, and property of San José residents and businesses.
- Enhance the use of data and analytics to increase the efficiency and effectiveness of police and fire staff, equipment, and systems to serve the community.



- Focus on community preparation through crime prevention, emergency preparation, and fire prevention to reduce the risk to life, health, and property in partnership with neighborhoods and businesses.
- Focus on the recruitment and retention of qualified police officers and firefighters to meet authorized staffing levels.

2016-2017 PROPOSED OPERATING BUDGET MESSAGE

- **Transportation and Aviation Services.** This CSA supports the planning, development, and operation of efficient transportation services that serve the people and economy of San José and Silicon Valley. The key priorities in this CSA include:

- Operate Mineta San José International Airport in order to cost-effectively meet the needs and expectations of the residents and businesses of Silicon Valley, develop additional air service to connect our community with priority destinations, and ensure that the Airport continues to meet all appropriate safety and security requirements.

- Focus limited resources available for street and infrastructure maintenance on the highest priorities and facilities that have the greatest use and economic significance, and continue to seek additional resources through grants and partnerships.



- Continue efforts to protect lives and property of San José residents through safety engineering and education.
- Continue planning for future infrastructure needs to determine resource requirements, funding alternatives, and work in partnership with neighborhoods and the business community to achieve an appropriate balance of effort.

- **Strategic Support.** The overall ability of the City to provide quality and effective services depends on strategic support services, such as information technology, human resources, public works, and financial services, to ensure consistency and efficiency throughout all City departments. The key priorities in this CSA include:

- Attract and retain well-qualified City employees, who can consistently provide efficient services through skill, innovation and creativity, and effective and competitive recruitment and selection processes.
- Ensure that the City's finance and technology systems are protected, upgraded, and aligned with the changing needs of government processes, community expectations, and City resources.



- Oversee the City's capital projects to ensure on-time and on-budget delivery of facilities that meet the needs of both the community and City staff. Continue to maintain the City's buildings and other infrastructure to ensure a safe environment for the community and employees.

2016-2017 PROPOSED OPERATING BUDGET MESSAGE

Total Proposed Budget

In the 2016-2017 Proposed Budget, the total net funding is \$2.9 billion for all City funds (General, Special, and Capital). This is \$275.0 million (8.6%) below the 2015-2016 Adopted Budget (Table 2 below). The Proposed Budget, however, does not yet include funds that will be rebudgeted and added to the final Adopted Budget to complete multi-year projects. Once these rebudgets are included, it is anticipated that the 2016-2017 Adopted Budget will exceed the 2015-2016 Adopted Budget.

2016-2017 Proposed Budget — All Funds (Table 2)			
	2015–2016 Adopted	2016–2017 Proposed	% Change
General Fund	\$ 1,215,409,515	\$ 1,090,183,333	(10.3%)
Special Funds	1,603,506,240	1,707,008,964	6.5%
<Less: Operating Transfers>	(614,133,445)	(599,750,381)	(2.3%)
Net Operating Funds	2,204,782,310	2,197,441,916	(0.3%)
Capital Funds	996,722,294	728,901,862	(26.9%)
<Less: Capital Transfers>	(11,317,000)	(11,123,000)	(1.7%)
Net Capital Funds	985,405,294	717,778,862	(27.2%)
Total	\$ 3,190,187,604	\$ 2,915,220,778	(8.6%)

Position Impacts

This Proposed Budget includes increases to staffing levels to support a variety of activities, such as the development fee programs, the Water Pollution Control Plant capital program, continuation of one-time activities funded in 2015-2016, and limited enhancements to other critical services. Overall, the level of staffing will increase by a net 154 positions (a total of 20 positions are one-time funded), from 5,945 full-time equivalent positions in the 2015-2016 Adopted Budget to 6,099 positions in the 2016-2017 Proposed Budget, as shown in Table 3 below. This 2.6% increase still leaves City staffing well below its peak of almost 7,500 positions in 2001-2002.

Changes in Position Count (All Funds) from 2015-2016 Adopted to 2016-2017 Proposed Budget (Table 3)	
2015-2016 Adopted Budget	5,945 positions
2016-2017 Base Budget Changes	-13 positions
2016-2017 Proposed Budget Changes – General Fund	23 positions
2016-2017 Proposed Budget Changes – General Fund (offset by revenues, reimbursements, or net-zero shifts)	97 positions
2016-2017 Proposed Budget Changes – Other Funds	47 positions
Total Net Position Changes	154 positions
2016-2017 Proposed Budget	6,099 positions

2016-2017 PROPOSED OPERATING BUDGET MESSAGE

Employee Compensation

As a service organization, City employees are critical in the delivery of quality services to our community. In order to maintain service level stability, it is very important that we retain and attract quality employees. In recognition of this important goal, the 2016-2017 Proposed Budget includes funding of \$25.3 million in the General Fund (\$33.5 million in all funds) for salary increases, as shown in Table 4 below.

2016-2017 Proposed Budget Funding for Salary Increases (Table 4)		
	General Fund	All Funds
General Wage Increases	\$ 21.0 M	\$ 27.2 M
Automatic Step Increases	2.0 M	2.5 M
Management Pay for Performance	1.5 M	3.0 M
Employee Market Competitiveness Reserve*	0.8 M	0.8 M
2016-2017 Salary Increases	\$ 25.3 M	\$ 33.5 M

* Funding set aside for Employee Market Competitiveness is subject to meet and confer with the City's bargaining units.

Balancing the Budget

As displayed in Table 5 on the following page, the 2016-2017 Proposed General Fund Budget Balancing Plan includes recommendations that allocate a \$6.9 million surplus. This table shows the matrix of balancing strategies and the dollars associated with each action. A complete discussion of the balancing strategies can be found in Attachment A and throughout the Proposed Budget. Attachment B also responds to the directives contained in the Mayor's March Budget Message for Fiscal Year 2016-2017 that was approved by the City Council on March 29, 2016. Proposed Budget actions that respond to City Auditor referrals requiring additional funding are described in Attachment C.

As discussed earlier, in preparing the 2016-2017 Proposed Operating Budget, the Administration followed the direction provided in the Mayor's March Budget Message for Fiscal Year 2016-2017 as approved by the City Council, incorporating the priorities and investments identified in that message. It also considers other City Council priorities, recent community outreach and surveys, other departmental and organizational priorities, and forecasts for future revenues and expenditures. In addition, the Administration followed the Budget Balancing Strategy Guidelines contained in the City Manager's Budget Request for Fiscal Year 2016-2017 that were adopted by the City Council as part of the approval of the Mayor's March Budget Message for Fiscal Year 2016-2017. Also, the Proposed Budget was informed by the City Council-approved Guiding Principles for Restoring City Service Levels and the City-Council approved City of San José Budget Principles. These guidelines and principles are included in Exhibit 1 to this message.

2016-2017 PROPOSED OPERATING BUDGET MESSAGE

2016-2017 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's) (Table 5)		
	2016-2017	Ongoing
2016-2017 General Fund Surplus	\$ 6,935	\$ 6,935
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
Sales Tax – State Triple Flip Wind Down	\$ 12,100	\$ 0
2016-2017 Police Department Overtime Reserve	5,000	0
Police Department Vacancy Savings	5,000	0
Property Tax – Educational Revenue Augmentation Fund Excess	4,600	0
Development Fee Program Reserves	3,892	2,635
Cultural Facilities Capital Maintenance Reserve	3,708	0
Police Department Staffing/Operations Reserve	1,596	0
Employee Market Competitiveness Reserve	1,250	0
Staffing for Adequate Fire and Emerg. Resp. (SAFER) Grant Reserve	676	0
Other Revenue/Expenditure Savings/Reserve Liquidations	910	0
Grants/Reimbursements/Fees		
PRNS Fees (e.g., Comm. Ctr. Rentals and Progs. HHPZ, Leininger)	1,918	2,015
Medical Marijuana Regulatory Program	533	792
Library Fines and Fees	(135)	0
Other Fee Programs/Reimbursements/Grants	1,065	494
Overhead Reimbursements/Transfers from Other Funds	1,138	698
Subtotal Source of Funds	\$ 43,251	\$ 6,634
Use of Funds		
Service Level Enhancements	\$ 13,785	\$ 2,258
Unmet/Deferred Technology, Infrastructure, and Maintenance	10,948	195
2015-2016 One-Time Funded Services	9,104	88
Earmarked Reserves (e.g., Budget, Essential Services, SVRCS)	8,426	200
2017-2018 Future Deficit Reserve	4,131	6,935
Development Fee Programs	3,331	2,201
Other Fee Programs/Grants/Reimbursements	2,405	2,261
New Infrastructure/Equipment Operations and Maintenance	1,787	2,160
Use of Reserves (e.g., Cultural Fac., Committed Add., Def. Maint.)	(2,664)	(2,154)
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(1,067)	(575)
Subtotal Use of Funds	\$ 50,186	\$ 13,569
Total Balancing Strategy	\$ (6,935)	\$ (6,935)
Remaining Balance	\$ 0	\$ 0

Detailed information regarding budget proposals and associated performance results is included in the sections for specific City Service Areas, City Departments, Council Appointees, and City-Wide.

Strategic Investments

Following is a discussion of some of the most significant budget actions in the Proposed Operating Budget. These recommended actions, across all funds, are organized by the priority themes as shown below. Those items that respond to direction in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, are designated *Mayor's March Budget Message* at the end of the description.

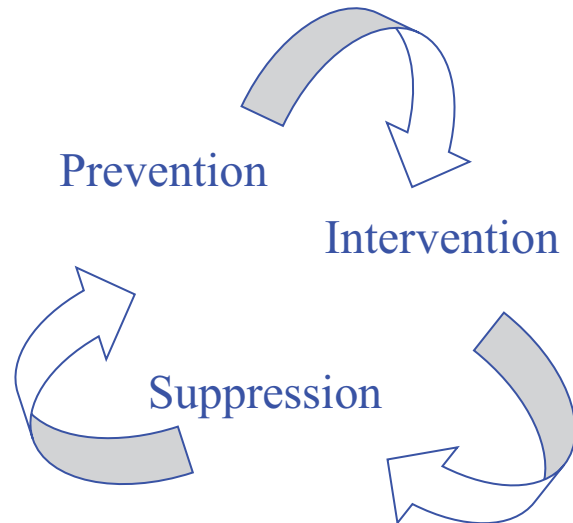
SAVE

(setting aside resources to ensure fiscal stability)

- ***2017-2018 Future Deficit Reserve*** – Sets aside funding in a 2017-2018 Future Deficit reserve to fully solve the projected 2017-2018 General Fund shortfall projected in the 2017-2021 General Fund Five-Year Forecast. This reserve consists of a combination of one-time (\$4.1 million) and ongoing (\$6.9 million) funding. (Mayor's March Budget Message)
- ***Budget Stabilization Reserve*** – Adds \$2.5 million to the Budget Stabilization Reserve (to bring the total reserve to \$12.5 million once the funding of \$10.0 million is rebudgeted from 2015-2016 and included in the Adopted Budget) to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. (Mayor's March Budget Message)
- ***Contingency Reserve*** – Adds \$1.0 million to the Contingency Reserve (to bring the total reserve to \$35.5 million) to ensure compliance with the 3% funding requirement for the 2016-2017 General Fund Budget.
- ***Securing Future Savings in Pension and Retiree Healthcare Costs*** – Adds one-time funding of \$55,000 for polling costs related to a November 2016 Ballot measure to implement the Alternative Pension Reform Settlement Framework Agreements recently negotiated with all bargaining units. (Mayor's March Budget Message)

INVEST AND INNOVATE: Safety
(investments that address public safety needs)

- **Police Overtime** – Increases the Police Department overtime budget by \$5.0 million, from a Base Budget level of \$12.5 million to \$17.5 million, offset by the use of a \$5.0 million Police Overtime Earmarked Reserve that was proactively established with the approval of the 2015-2016 Mid-Year Budget Review. Although the Department is conducting police officer recruit academies to hire for the sworn vacancies, the Department is anticipated to begin 2016-2017 with approximately 190 sworn vacancies based on current attrition rates. It is anticipated that additional overtime funding will be needed to continue backfilling for vacant patrol positions, maintain targeted enforcement of high crime activity through suppression cars, conduct high profile investigations, and backfill for civilian vacancies as needed.



- **Downtown Police Foot Patrol Program** – Increases the Police Department overtime budget by \$580,000 to continue the Downtown Foot Patrol program for an additional year. This program was implemented in 2013-2014 to enhance safety and security, support ongoing surveillance and apprehension projects, and allow specialized units such as the Downtown Services Unit to focus on high crime activity. This program will continue to deploy four Police Officers and one Police Sergeant on a 5 hours per day, 5 days per week schedule to address concerns that were raised from businesses and the public regarding safety levels downtown.



- **Police Recruitment Services** – Continues one-time funding of \$325,000 for recruiting for sworn and civilian vacancies, bringing total funding to \$425,000. This funding will be used to attend job fairs and recruiting events; conduct targeted radio, print, and social media marketing; and outreach in publications, community colleges, and military agencies. (Mayor’s March Budget Message)

- **Police Body Worn Camera Program** – Adds 3.0 ongoing positions (1.0 Senior Crime and Intelligence Analyst, 1.0 Analyst II, and 1.0 Training Specialist), 2.0 temporary positions (1.0 Office Specialist II and 1.0 Training Specialist) through June 30, 2017, and \$814,000 in non-personal/equipment funding to implement a Body Worn Camera Program. The Police Department plans phasing in the issuance of body cameras as part of their regular required uniforms for sworn positions. Funding for this program was

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included in the 2017-2021 General Fund Forecast and set aside in an Earmarked Reserve.

- ***Medical Marijuana Control Division Staffing and CEQA Review*** – Adds 2.0 positions (1.0 Division Manager and 1.0 Senior Office Specialist) to the Police Department and establishes the Division of Medical Marijuana Control to coordinate regulatory efforts across multiple departments and agencies. These positions, along with existing positions in the Attorney’s Office, and Police, Finance, and the PBCE Departments will regulate the 16 registered collectives. Funding of \$250,000 is also added to support the California Environmental Quality Act (CEQA) review of medical marijuana growing facilities.
- ***Police Department AIR2 Helicopter Engine Replacement*** – Provides one-time funding of \$535,000 in the State Drug Forfeiture Fund to overhaul the helicopter engine to allow continued use of the helicopter during the overhaul process. The engine replacement should extend the life of the existing helicopter by up to three years until funding is identified to purchase a new helicopter. (State Drug Forfeiture Fund)
- ***Civilian Leadership in the Police Department Bureau of Technical Services*** – Adds 1.0 Deputy Director position to the Police Department’s Bureau of Technical Services to assist in implementing data analytics tools to advance predictive policing strategies that will help reduce high-frequency and geographically focused crimes, such as burglary and drug-dealing. To provide workload capacity for the Assistant Police Chief, the existing Deputy Police Chief position assigned to the Bureau of Technical Services will be relocated to the Office of the Chief to oversee various units such as vice, gaming, and internal affairs. (Mayor’s March Budget Message)
- ***Police Business Permit and Licensing System*** – Provides one-time funding of \$500,000 to replace the Police Department’s antiquated Business Permit and Licensing software to increase efficiency and accuracy for the Permit Unit’s operation.
- ***Master Address Database*** – Adds 1.0 Information Systems Analyst, limit-dated through June 2018, and contractual services funding to implement a Master Address Database to be used city-wide. A Master Address Database can improve fire and police response times, enable better use of data analytics to assess and improve service delivery, streamline staff work time, and improve the City's ability to become more innovative, as address information is a major backbone for these efforts. (Mayor’s March Budget Message)
- ***Police Intelligence Technology Enhancements*** – Provides ongoing funding of \$25,000 for the Police Department’s Special Investigations Unit to invest in technology that will increase efficiency in location-based social media intelligence gathering in order to deter criminal activity. New technologies can allow the Department to understand what is happening at a given location in real time. (Mayor’s March Budget Message)
- ***Gang Investigations Technology Enhancements*** – Adds one-time funding of \$21,000 for a bridge software program, creating efficiencies within the Police Department’s Gang Investigations Unit by significantly reducing the current manual review process. This bridge software will electronically connect between the Police Department’s records management system and the statewide shared gang database to help identify possible gang-related entries. (Mayor’s March Budget Message)
- ***Anti-Human Trafficking Program*** – Adds ongoing funding of \$50,000 to continue support for the South Bay Coalition to End Human Trafficking coordinator contract.

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- ***Crime Prevention Meeting Space*** – Adds one-time non-personal/equipment funding of \$10,000 to offset rental costs for City and non-City facilities in order to support neighborhoods that do not have or cannot afford a location to host Neighborhood Watch meetings. This action will expand the Neighborhood Watch program in lower income neighborhoods. (Mayor’s March Budget Message)
- ***Domestic Violence Prevention Program*** – Adds \$15,000 to fund events that bring awareness and support to domestic violence prevention and support programs in the City. This funding will augment services provided by the Police Department Family Violence Unit and includes support for the Domestic Violence Conference and other prevention and awareness events and activities.
- ***Silicon Valley Regional Communications System Reserve*** – Increases the Silicon Valley Regional Communications System (SVRCS) Reserve by \$1.4 million, which fully funds the City’s portion of the infrastructure buildout for SVRCS of \$7.5 million. The City’s total one-time need for SVRCS is \$24.6 million (\$7.5 million for the infrastructure buildout, \$14.6 million for new radios, and \$2.5 million for new dispatch consoles), with a total unfunded need of approximately \$4.3 million (\$2.0 million for radios and \$2.3 million for dispatch consoles).
- ***Police Department Staffing/Operations Reserve*** – Allocates \$1.6 million of the existing Police Department Staffing/Operations Reserve (\$2.5 million) to fund additions that support Police Department staffing and operations, including the Downtown Foot Patrol (\$580,000), Police Business Permit and Licensing System (\$500,000), expanded Police Recruiting program (\$325,000), Municipal Garage Lighting (\$85,000), Anti-Human Trafficking Program (\$50,000), Gang Investigations and Intelligence Technology Enhancements (\$46,000), and Crime Prevention Program Meeting Space (\$10,000).
- ***San José Works*** – Adds one-time funding of \$1.5 million to continue the San José Works youth initiative effort, which focuses on strengthening the City’s partnerships, such as those through the Mayor’s Gang Prevention Task Force, to identify, recruit, train, and place at-risk youth in jobs. This initiative targets youth in gang and crime hot spots and offers economic opportunity for the City’s young residents. The initiative started in 2015-2016, as directed in the Mayor’s March Budget Message for that year, as approved by City Council. The program is implemented by the work2future program in partnership with the Parks, Recreation and Neighborhood Services Department. Under the 2015-2016 program, 234 youth were placed in a five-week subsidized work program, 188 youth were placed in community centers, libraries, and community-based organizations, and 46 older youth were placed with private employers, including Jabil, TiVo, and PG&E. The retention rate of youth in the program was 94%, exceeding typical retention rates of approximately 75% for similar programs. Encouraged by the success of the 2015-2016 program, the 2016-2017 program is being expanded to serve up to 1,000 youth and young adults ages 14-29. The subsidized employment component of the program will help a total of 500 youth (ages 14-17) through three six-week sessions (summer, fall, and winter/spring), while the unsubsidized component will place approximately 500 young adults (ages 18-29) into employment opportunities with private companies. (Mayor’s March Budget Message)

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- ***Using Technology to Improve Emergency Response*** – The 2016-2017 Proposed Capital Budget includes \$1.3 million for an Internet Protocol (IP)-based alert system for the Fire Department. IP-based alerting with text-to-speech broadcasts are expected to reduce emergency response times. The IP system allows the broadcast event to happen immediately upon the unit assignment with a less than one second delay. This system has been effective in reducing response times by an average of 30 seconds per call during the first year of implementation with other organizations of similar size and call volume to those of the City of San José. (Mayor’s March Budget Message)
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- ***Fire Information Technology Staffing*** – Adds two positions (1.0 Information Systems Analyst and 1.0 Senior Analyst) and eliminates two vacant positions (1.0 Senior Office Specialist and 1.0 Training Specialist) to better align resources with administrative needs. The Information Systems Analyst will work on developing and implementing various technology initiatives, including the Fire Department’s Information Technology Master Plan, the IP-based alert system, and the Electronic Patient Care Reporting (ePCR) system. The Senior Analyst will manage activities related to the Department’s professional standards, workers’ compensation, disciplinary, and probationary processes and coordinate with the Office of Employee Relations.
 - ***Office of Emergency Services*** – Adds 1.0 Senior Analyst ongoing and 1.0 limit-dated Analyst through June 30, 2017 to support the Office of Emergency Services (OES) by providing financial and grant management. In addition, a one-time increase of \$411,000 in non-personal/equipment funding will provide resources to support the OES and the Emergency Operations Center (EOC), including contractual services for a planning specialist to develop and coordinate the Emergency Operations Plan (EOP), multi-jurisdictional hazard mitigation plans, and the supporting Standard Operating Procedures and Field Operating Guides; replacement of primary equipment at the EOC; and contractual services for emergency planning and support for emergency training exercises.
 - ***Fire Engine 30 and 34/Squad Unit Realignment*** – Adds 6.0 Fire Captain positions and eliminates 6.0 Fire Engineer positions, which redistributes resources from four squad units to provide the permanent staffing complement required to restore two fire engine companies and improve response time performance. The restoration of Fire Engine 30 and 34 will provide needed suppression and water supply capabilities, which are not available with the squad units.
 - ***Fire Department Strategic Diversity Recruitment*** – Provides one-time funding of \$20,000 for temporary staffing to assist the Fire Department with increasing diversity in their recruitment efforts.
 - ***Fireworks: Enforcement and Safer Alternatives*** – Adds one-time funding from the Transient Occupancy Tax (TOT) Cultural Facilities Reserve to continue the Independence Day Celebration Grant program. In addition, the Administrative Citation Schedule of Fines for Certain Violations of the San José Municipal Code, Section 17.12 was amended on April 12, 2015 by the City Council for fire violations, including use of illegal fireworks. This amendment lowers the fine from \$500

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to \$350 for the first violation, increases the fine from \$700 to \$750 for the second violation, and maintains the \$1,000 fine for subsequent violations within a 12-month period. These amounts are consistent with civil fines for fireworks violations in the County of Santa Clara. (Mayor's Budget Message)

INVEST AND INNOVATE: Economic Opportunity *(investments that expand opportunities for our residents and businesses)*

- ***Opportunity Court*** – The Housing Trust Fund includes \$250,000 of one-time funding to continue to provide homeless services, including case management through the Opportunity Court program. (Mayor's March Budget Message)
- ***Affordable Housing Impact Fees*** – Adds 1.0 Development Officer position in the Low and Moderate Income Housing Asset Fund to support the Multi-Family Affordable Housing Impact Fee Program. The Proposed Budget also includes the shift of funding for 1.0 Development Officer position from the Low and Moderate Income Housing Asset Fund to the Multi-Source Housing Fund to support the Affordable Housing Impact Fee Program. On November 18, 2014, the City Council adopted a resolution that established an Affordable Housing Impact Fee on new market-rate rental housing development of three or more units, which was recently upheld by the Supreme Court. This program is expected to grow to approximately \$20 million annually by 2020. (Mayor's March Budget Message)
- ***Business Improvement District Creation*** – Adds one-time funding of \$100,000 to provide grants or offset costs to support Business Improvement District (BID) formation. A BID provides a vehicle for small property and business owners to make collective contributions to the maintenance, development, and promotion of their commercial areas. Recently, various business associations and commercial areas, such as along Alum Rock Avenue, have expressed interest in creating a BID, yet are concerned regarding the expense of the administrative process. This funding will provide assistance to entities interested in creating a BID in their areas. (Mayor's Budget Message)
- ***Manufacturing Jobs Initiative*** – Adds one-time funding of \$200,000 to continue the Manufacturing Jobs Initiative to incentivize the retrofit of older, vacant industrial buildings by covering the cost of permit approvals. This will provide funds to offset the City's permitting costs and taxes associated with manufacturing production facilities on a first-come, first-served basis for tenant improvement projects of 25,000 square feet or more. This initiative began in 2015-2016, and the funding was able to support four businesses (Space Systems Loral, Hansen Medical, Bentek, and Four In One Co.). It is anticipated that the continued funding will be able to support two to five projects in 2016-2017. The initiative seeks to expand middle-income job opportunities for residents lacking a college or other advanced degree. (Mayor's March Budget Message)
- ***Airport Attraction Program Reserve*** – Adds one-time funding of \$850,000 to establish an Earmarked Reserve to support a city-wide initiative to promote San José as a travel destination in foreign markets. This program is supported by existing funds in the 2015-2016 Cultural Facilities Capital Maintenance Reserve, per City Council direction. A Manager's Budget Addendum will be released later in the budget process that will outline a plan for the use of these funds by the Office of Economic Development and Team San José. (Mayor's March Budget Message)

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- ***San Jose Sports Authority*** – Adds one-time funding of \$350,000 to the annual funding for the San Jose Sports Authority (SJSA), increasing funding from \$348,200 to \$698,200. To drive additional economic opportunities, the majority of the funding (\$250,000) will go toward attracting an increased number of major sporting events, such as the Major League Soccer All-Star Game, College Football Championship, Figure Skating Championship, WWE/WrestleMania Bid, Amgen Tour of California Bid, and Rugby World Cup. The remaining funds (\$100,000) provide the third and final payment for the Women’s Gymnastics Olympic Trials that SJSA committed to the U.S. Olympic Gymnastics Federation to bring the 2016 Women’s Gymnastics Olympic Trials to San José (to be held July 8-10, 2016). (Mayor’s Budget Message)
- ***Diridon Station Area Planning*** – Adds one-time funding of \$351,500 to continue the coordination and development of the Diridon Station Area Plan (DSAP), as approved by the City Council on June 17, 2014. Of this amount, \$140,000 is from the General Purpose Parking Fund and \$211,500 is from a California High Speed Rail Authority (CHSRA) grant from the \$600,000 total grant award from the CHSRA in 2015-2016. (Mayor’s March Budget Message)
- ***Economic Strategy Activation*** – Adds one-time funding of \$200,000 to perform economic development functions that were previously performed by the San Jose Redevelopment Agency. This funding will be used to support the City’s business attraction, retention, and expansion efforts through marketing communications, business outreach, retail market analysis, and small business support.
- ***Economic Development Pre-Development Activities*** – Adds one-time funding of \$200,000 for Economic Development Pre-Development Activities. Pre-development funds are used to cover a variety of consultant services, studies, and analyses, including appraisals and pro-forma analyses, paying for the necessary development services partners work, economic and fiscal analysis, and property management related costs. The funding is anticipated be allocated to the following projects: Zanker/237 Property (\$75,000); Parkside Hall Development (\$25,000); Singleton Development (\$25,000). A remaining balance of \$75,000 will be available for unanticipated projects that may arise during the year.
- ***Policy and Ordinance Assistance*** – Adds one-time funding of \$250,000 for contractual assistance to help research and draft proposed changes to land use regulations in the San José Municipal Code and land use policy documents in order to facilitate the implementation of action items identified in the Envision San José 2040 General Plan and economic development. The funds will help in drafting proposed code and policy changes, such as those identified in the work program of the General Plan’s Housing Element, phases of the Council-adopted Sign Code Update strategy and various Council-directed priorities, including electronic billboards, super graphics signs, downtown sign district, and an urban agriculture ordinance.

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■ *Development Fee Programs:*

- ***Building Development Fee Program*** – The following resources are added to the Permit Center to improve target cycle times and customer service levels: 2.0 Building Inspector Combination Certified I, 2.0 Senior Permit Specialists, and 1.0 Senior Engineer positions. Funding is also allocated to implement the new Integrated Permit System.
- ***Planning Development Fee Program*** – Adds one-time resources to address continuing high levels of development activity, including 2.0 Planner IV positions, 2.0 Planner II positions and funding for technology improvements.
- ***Public Works Development Fee Program*** – Adds 1.0 Senior Construction Inspector position to address increased activity and workload anticipated for 2016-2017.
- ***Fire Development Fee Program*** – Adds 1.0 Associate Engineer, 1.0 Senior Permit Specialist, and 1.0 Senior Engineer positions to improve performance for plan review, provide assistance to monitor works-in-progress, and to monitor revenues and expenditures.



INVEST AND INNOVATE: Our Future *(investments that better position the City moving forward)*

- ***Children's Health Fluoridation*** – Provides one-time funding of \$250,000 to the Health Trust to assist with securing an additional \$4 million from the State of California for fluoridation efforts in East San José. The Health Trust has spearheaded a public-private fundraising effort, securing \$6 million in funding from Santa Clara County, FIRST 5 Santa Clara County, and its own funds to advance fluoridation in East San José in cooperation with the water retailer. While the United States Center for Disease Control ranks fluoridation as one of the ten most impactful public health achievements in the last century, San José remains the largest U.S. city not completely served with fluoridated water, impacting the dental health of children. (Mayor's Budget Message)
- ***Community Choice Aggregation Study*** – Adds funding of \$300,000 for a technical study to determine the feasibility of launching a Community Choice Aggregation (CCA) in San José, in an effort to achieve the City's renewable energy goals under the Green Vision. (A Community Choice Aggregation is a State-adopted policy that allows local governments to aggregate electricity in order to offer alternative energy supplies.) This study will include information regarding economic viability, an analysis of energy load data and customer base, whether the CCA could provide electricity rates that are competitive with the incumbent utility, governance models, renewable energy scenarios, and employment impact analysis, among other areas of analysis. (Mayor's March Budget Message)
- ***Family College Success Center*** – Adds one-time funding of \$75,000 in the form of a matching grant to the Hispanic Foundation of Silicon Valley to implement the Family College Success Center. This program is designed to boost high school graduation rates and improve college readiness among low-income students. (Mayor's Budget Message)

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- ***Single Family Dwelling Waste Materials Processing (Phase III)*** – Provides ongoing funding of \$4.0 million for the sorting and processing of waste materials collected from single-family residences, commonly referred to as “back-end processing”, prior to landfill conveyance, with the goals of significantly increasing the amount of materials recycled and diverting waste sent to the landfills. The third phase of this effort will implement this service in an additional 30% of the city, increasing the residences served from 40% to 70%, and will cover single-family residences in the east and north portions of San José. The overall city-wide waste diversion from single-family residences (not including yard trimmings) would increase from 29%, as it was prior to implementing any back-end processing phases, to 60% by the end of 2016-2017. The cost will be partially offset by an anticipated \$1.4 million reduction in disposal costs.

INVEST AND INNOVATE: Our Community *(investments that support a vibrant community)*

- ***Illegal Dumping Rapid Response Program*** – Realigns existing funding (\$150,000 in city-wide funding from PBCE to ESD) and personnel (2.0 Maintenance Worker II positions from DOT to ESD) and adds funding (\$300,000 one-time and \$100,000 ongoing) and personnel (1.0 Supervising Environmental Services Specialist position) to form an enhanced and more concerted response to illegal dumping. The Supervising Environmental Services Specialist will work across the City organization on strategies to focus and coordinate illegal dumping-related activities. The Maintenance Workers will respond to illegal dumping complaints from the public, provide illegal dumping coordination services for waste that cannot be removed by hauler trucks or waste that cannot go to the landfill, address the cleanup of larger dump sites, and oversee labor from the County’s judicial community service programs. The additional one-time (\$300,000) and ongoing (\$100,000) will expand the initial illegal dumping hot spot focus areas to cover the rest of the City for at least three years, increasing from approximately 13 square miles that were covered in the pilot program; continue complaint-driven responses as needed; and consolidate other illegal dumping activities, such as contractor street sweeping and neighborhood clean-up coordination. These activities are part of a larger city-wide effort to help reduce illegal dumping.
- ***Neighborhood-Led Beautification Days*** – adds one-time funding of \$180,000 to expand neighborhood clean-ups by providing for up to six neighborhood-led beautification days for each of the City’s ten Council Districts in 2016-2017. The events would be staffed by Council District staff and neighborhood groups, rather than City departmental staff. Such beautification days enable San José residents to dispose of unwanted items, but also have a broader impact in providing an important tool to deter illegal dumping, reduce criminal activity associated with signs of disorder, and otherwise enhance the quality of life for many struggling neighborhoods. This enhancement will bolster the current city-wide Neighborhood Clean-Up program that rotates through all neighborhoods once every three years. (Mayor’s Budget Message)
- ***Neighborhood Blight Eradication*** – Adds one-time funding to develop a pilot program to provide work experience opportunities for homeless individuals by addressing litter and illegal dumping in highly affected neighborhoods. This proposal stems from a notable City and Downtown Streets Team partnership success of positively engaging the homeless community while combatting blight in both the Downtown and Monterey Highway areas. The funding will support a team of 15 workers, two supervisors, vouchers, supplies and administrative costs and will provide clean-up five days per week. This pilot will fully fund the placed-based

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neighborhoods, continue the work on Monterey Highway, and expand the program into the Canoas Garden/Evans Lane area, and potentially other priority areas. (Mayor's Budget Message)

- ***Clean Creeks/Healthy Communities*** – Adds funding of \$200,000 annually for a minimum of five years to establish support for non-profit organizations in the community to reduce trash in the City's waterways, support regulatory compliance, and foster community engagement towards clean creeks and healthy community. More specifically, this program will include expanded regular volunteer creek cleanup activities; public engagement, education and outreach; and research that promotes improved understanding of local area conditions, such as sources of pollutants/trash, to guide more effective solutions in the community. This support of non-profit organizations will also support the City's current Trash Plan and help achieve compliance with the trash provisions of the Stormwater Municipal Regional Permit, as well as mitigate past environmental harms.
- ***Cultural Facilities Capital Maintenance*** – Transient Occupancy Tax receipts continue to experience strong growth. As directed in the Mayor's March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, the growth in General Fund Transient Occupancy Tax receipts over the 2013-2014 actual collection level are set to be set aside in a Cultural and Arts Facilities Capital Replacement and Maintenance Reserve to support capital rehabilitation at City-owned cultural and arts facilities. In this budget, a total of \$845,000 from this reserve is recommended to address the following capital needs: History San José (\$350,000) - replace a ramp and an elevator lift at the Fallon house and replace the fire and intrusion alarm at the Pacific Hotel; Tech Museum of Innovation (\$250,000) – replace an old control module that is linked to the HVAC system; Hammer Theatre Center (\$200,000) – upgrade the HVAC system, electrical, and lighting systems; Mexican Heritage Plaza (\$25,000) – Building Roof Repairs; and Children's Discovery Museum (\$20,000) – replace the skylight (roof window) due to leaks that developed as a result of age. In addition to/or apart from this reserve, several capital improvement projects funded by other dedicated sources for cultural facilities are included in the 2017-2021 Proposed Capital Improvement Program, including: San José Civic Auditorium HVAC Rehabilitation (\$4.4 million); Convention Center Concourse Furniture Replacement (\$500,000); Convention Center Ballroom A Carpet Replacement (\$450,000); Rehab/Repairs – Structures (\$450,000); Rehab/Repairs – Electrical (\$260,000); Rehab/Repairs – Mechanical (\$250,000); Rehab/Repairs – Miscellaneous (\$195,000); and Rehab/Repairs – Unanticipated (\$100,000).
- ***San José Stage Company Publicly-Owned Theater Site*** – Adds \$1.0 million to help secure a permanent, publicly-owned site for the San José Stage Company. The site, formerly owned by the Redevelopment Agency faces the threat of sale, under the requirements of the Successor Agency to the Redevelopment Agency (SARA) and the California Department of Finance. San José Stage Company plans to potentially partner with the City to finance the acquisition and redevelopment of the parcel in order to keep this arts facility in the community. This project is supported by existing funds in the 2015-2016 Cultural Facilities Capital Maintenance Reserve, per City Council direction. (Mayor's March Budget Message)
- ***Vietnamese-American Community Center*** – Adds funding of \$300,000 for planning efforts and to specifically help launch private fundraising for the development of a Vietnamese-American Community Center. Once completed, the Vietnamese-American Community Center will serve as a public gathering space for events, civic dialogue, and for provision of services and information in the Vietnamese language. This project is supported by existing funds in the 2015-2016 Cultural Facilities Capital Maintenance Reserve, per City Council direction. (Mayor's March Budget Message)

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- **Placemaking: Viva CalleSJ and ¡Viva Parks!** – Adds one-time funding of \$290,000 to continue activation efforts with Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez events through October 2016. Viva CalleSJ is a free recreational program that closes approximately six miles of scenic San José streets and brings people and the community together to walk, bike, skate, play, and explore the City. The 2016 route will be formally announced as part of National Bike Month



in May 2016. ¡Viva Parks! events are safe and fun for the community and approximately 24 events will be held throughout the summer at various parks in East San José. PRNS will also coordinate daily activation at Plaza de Cesar Chavez that will draw participants during early morning, lunch, and dinner times. Activation activities include, but are not limited to, yoga, games, food trucks, a beer garden, and music. This program is supported by existing funds in the 2015-2016 Cultural Facilities Capital Maintenance Reserve, per City Council direction. (Mayor’s March Budget Message)

- **Parks Rehabilitation Strike Team** – Creates a Parks Rehabilitation Strike Team (7.75 limit-dated positions), which will be funded by the Subdivision Park Trust Fund, as part of a three-year program that will address deferred maintenance and infrastructure backlog issues at parks and recreation facilities. The Parks Rehabilitation Strike Team will concentrate on rehabilitating and refurbishing parks, upgrading irrigation systems, and turf management at reservable sports fields and open spaces that are located within the nexus requirement associated with the use of fees paid by developers.

- **Regional Parks-Monday Opening** – Adds a net 2.5 positions to open regional parks on Mondays, including Almaden Lake, Alum Rock, Emma Prusch Farm, and Overfelt Gardens Parks. As a budget balancing action in 2009-2010, those parks were closed on Mondays, which was traditionally the slowest day of the week. The 2015-2016 Adopted Budget provided one-time funding to re-open Almaden Lake Park and adjacent trails on Mondays. Ongoing funding will allow residents and users of these regional parks access seven days per week.



- **Family Camp Experience for Low Income Families** – Provides ongoing funding of \$25,000 towards the Family Camp Campership Program, which provides a discount to low-moderate income families. Family Camp provides a unique, accessible, and all-inclusive Yosemite wilderness experience for families, and great summer job experiences for local San José youth and young adults. While modest, the cost remains prohibitive for many San José families. This funding enables qualifying low-income families to enjoy the Family Camp experience at no charge or at a reduced price.

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- **PRNS Fee Activity Program** – Adds new positions and reallocates existing resources to support a variety of programs funded by the existing Fee Activity Programs, offset by fee revenue. This includes the allocation of \$500,000 for the City-wide Scholarship Program to promote affordable access to recreation programs and camps.

- **Gardner Community Center** – Adds one-time personal services and non-

personal/equipment funding through December 2016 to continue youth services at Gardner Community Center. This center is in the Community Center Reuse Program but currently does not have a youth and teen provider. Based on community needs, this addition will allow the PRNS Department more time to secure a reuse operator that will provide youth continued access to safe and supervised activities. By the end of December 2016, PRNS will report to Council with a status update.

- **Library Programs** – Adds 5.33 positions to support the new San José Public Library Works Center, increased and enhanced Early Education programming, continued Library educational partnerships, and new programming at the MLK Library Teen Center.

- **Library Fines and Fees** – Reduces personal services and non-personal/equipment funding by \$135,000 on a one-time basis to offset a projected loss of Library fines and fees revenue of \$135,000. Library fines and fees are recommended to be adjusted on a one-time basis to allow time to assess the ongoing impact, as follows: reduce the Overdue Materials Fine from \$0.50 per day/\$20 maximum per item to \$0.25 per day/\$5 maximum per item; eliminate the Held Materials Fine of \$3; and reduce the handling fee from \$20 to \$10 for Damaged Materials and Lost Materials and Equipment.



- **Animal Care and Services** – adds capital funding \$340,000 to improve separation of dogs and cats and sick and healthy animals in the public animal receiving area; remove and replace some landscaping to improve the appearance of the facility and address a rodent issue; and paint the main public adoption area as reflected in the Proposed Capital Budget. Funding of \$120,000 is also added to purchase one additional animal control vehicle and a mail inserter to support licensing efforts.

- **Downtown Parking Garage** – Adds one-time funding of \$1.0 million in the General Purpose Parking Fund to fund the evaluation, planning and development of an additional parking garage to serve the cultural facilities in the greater Downtown, with priority given to the Diridon Station Area. (Mayor's March Budget Message)

- **Office of Immigrant Affairs** – Establishes a one-time reserve of \$250,000 to set aside funding for the Office of Immigrant Affairs while the Administration, with support of the Welcoming San

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José Steering Committee, develops a three-year immigrant integration plan that will recommend goals and objectives to create a more welcoming environment and improve the quality of life of immigrants. The Administration will recommend a Welcoming San José Plan (Plan) to the City Council in May 2016 with approval anticipated in June 2016. To ensure the Plan can be implemented, the Administration plans to allocate this reserve to support the program through a Manager's Budget Addendum. This funding will support the implementation of the Plan and the various initiatives proposed, such as language translation and interpretation services, civic engagement, communication, education, workforce development, and connected communities.

- **Essential Services Reserve** – Adds an Essential Services Reserve of \$2.5 million to fund one-time services that are of importance for the community and/or to establish a Participatory Budget Pilot Program for those City Council Districts that wish to opt-in to this program. These funds will be allocated later during the 2016-2017 budget process as part of the Mayor's June Budget Message for City Council consideration. It should be noted that the March Budget Message directed the Administration to establish this reserve at \$2.0 million. However, the Proposed Budget contains a \$500,000 increase to this reserve in order to provide additional flexibility during the City Council budget deliberation process. (Mayor's March Budget Message).

INVEST IN MAKING SAN JOSE AMERICA'S MOST INNOVATIVE CITY (*investments that support innovation and strategic partnerships as well as increase transparency and community input*)

- **Leading Smart City Initiatives** – A new Office of Innovation and Digital Strategy is proposed via the addition of 1.0 Deputy City Manager and 1.0 Senior Executive Analyst, and reassignment of the existing Budget Office Data Analytics Team. The Office will provide oversight, coordination and implementation support for City innovation projects and programs and lead the Administration's effort to support the Mayor and City Council in implementing the Smart Cities Vision. The team will serve as the primary point of contact for new ideas with corporate partners, facilitate the Administration's Civic Innovation Cabinet, and assist staff in preparing and vetting concepts to meet both operational and innovation goals. As San José aims to lead as a smart city and ensure future-ready digital infrastructure for the entire community, this action also provides one-time funding of \$250,000 to begin the process of developing an Information and Communications Technology Masterplan for the City government organization, as well as for the broader San José community. (Mayor's March Budget Message)
- **Transportation Innovation Program Manager** – Adds 1.0 Program Manager I in the Transportation Department to oversee the large demands resulting from technical innovation growth within the transportation industry, and will also serve as a key strategic partner with other departments as well as the point person from the Transportation Innovation Zone. Funding for this position would be provided by the Traffic Capital Program.
- **Silicon Valley Talent Partnership** – Adds one-time funding of \$80,000 to continue work with the Silicon Valley Talent Partnership (SVTP). SVTP is a non-profit organization that engages private sector talent and innovation to solve public sector problems. The SVTP has worked with the City since 2012-2013 on various projects that have benefited both the City and the community. Funding in 2016-2017 will continue support for SVTP and facilitate the City's continued use of private sector resources, as appropriate.

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- ***Human Resources/Payroll/Budget Systems*** – One-time funding of \$500,000 for the Human Resources/Payroll/Budget Systems Upgrades project increases the contingency to help ensure that complex technical issues are addressed, the project meets anticipated go-live dates, and the organization is adequately trained and supported after implementation.
- ***Secondary Data Center Buildout*** – Adds one-time funding of \$250,000 for additional network, power supply and cooling equipment to complete buildout of the City’s only redundant data center, which is housed at the Central Service Yard. A redundant data center ensures the protection of critical City data in the event that the primary data center fails or becomes inaccessible as a result of a catastrophic event.
- ***Virtual Desktop Infrastructure and Windows Upgrades*** – Deletes 3.0 vacant Network Technician I/II/III positions and adds 2.0 Information Systems Analyst positions to more effectively support Virtual Desktop Infrastructure (VDI), the new organization-wide desktop management standard. This more efficient approach centralizes desktop software, security, and patch management to the cloud, and enhances software deployments throughout the organization. Instead of a single technician servicing one desktop at a time, VDI enables the Information Technology Department to standardize and service thousands of desktops from a single location. This new approach requires a greater level of technical expertise than a Network Technician. One-time funding of \$500,000 is also added to upgrade operating system software to Windows 10, bringing consistency throughout the organization, and addressing compatibility and security vulnerabilities inherent in obsolete platforms.
- ***Remote Facilities Network Upgrades*** – Adds one-time funding of \$500,000 to perform network upgrades at the City’s remote facilities, including community centers. For those remote sites that provide wired and wireless access for public and private use, upgrading their network equipment to a single standardized platform significantly reduces the likelihood of security breaches and equipment failure, and reduces Information Technology support demands.

Other Budget Actions

- ***City-Owned Facilities – Capital Infrastructure Improvements*** – Includes new one-time funding for the City Hall HVAC Control System Replacement project (\$5.0 million) and key safety and reliability improvements that address a small portion of the deferred maintenance and infrastructure backlog of municipal buildings, such as Arc Flash Hazard Analysis, City-Wide Building Assessments, City Hall and Employee Garage Security Upgrades, City Hall Audio Visual Upgrade, San José Municipal Stadium Improvements, and Municipal Garage LED Lighting Upgrade as reflected in the 2016-2017 Proposed Capital Budget.
- ***Human Resources Assistant Director*** – With the complex issues facing the Human Resources Department, from employment services to workers’ compensation to benefits management, the addition of 1.0 Assistant Director position is recommended in order to provide support in the planning, organization, and overall direction in the operations of the department. The Assistant Director will assist the Director with long and short-range departmental planning, provide guidance to Division Managers, and allow the Director more capacity for strategic initiatives. The Assistant Director will also participate in negotiations and direct the preparation of agreements and specifications for various types of contracts; act for the director in complex matters; provide support in the preparation, justification, and administration of the departmental and operational

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budgets; and direct or conduct special studies and reports, providing recommendations and substantive information for policy and decision making.

- ***Workers' Compensation Claims Administration Backlog*** – Provides one-time funding of \$393,000 to increase the third party administrator contract for Workers' Compensation Claims Administration Services (\$300,000) and to continue one-time funding of \$93,000 for the equivalent of 1.0 Workers' Compensation Claims Adjuster position. As part of the Workers' Compensation Service Delivery Model Pilot Program, approximately one-half of the City's workers' compensation claims are administered by a third party and one-half are administered by in-house staff. However, as a result of insufficient in-house staffing, a backlog continues for the claims the City administers. Temporary contractual and staffing resources to alleviate the backlog will enable the Workers' Compensation Program to close outstanding cases and bring the caseload per City claims adjuster closer to industry standards.
- ***Employment Services Division Job Class Specification Updates*** – Continues one-time funding of \$100,000 in the Employment Services Division to continue the review and update of critical job class specifications to address recommendations from the Employee Hiring Audit that was issued last year. It is anticipated that approximately 70 revised job specifications will be completed in 2015-2016; however, there are still over 300 job specifications that will remain to be updated. This funding (combined with an anticipated rebudget) will enable the update of approximately 70 job specifications in 2016-2017.
- ***Employment Services Division Recruitment Staffing*** – Continues one-time funding for 1.0 Analyst II and 1.0 Senior Office Specialist positions through June 30, 2017 to increase the hiring capacity across the City. These positions will help in the filling of vacancies as there are approximately 10%-12% of authorized City positions vacant at the present time. With this action, more recruitments will be able to be conducted concurrently, which will better meet the needs of various City departments by more quickly developing job postings; reviewing resumes; scheduling, conducting, proctoring and scoring examinations; ranking candidates and setting up interviews; and other related recruitment actions.
- ***Legal Transactions Staffing*** – Continues one-time funding for 1.0 Legal Analyst II, limit-dated to June 30, 2017 (\$101,538), to provide vital assistance to the City's attorneys supporting the Planning Division of the Planning, Building and Code Enforcement Department (PBCE). Additionally, this action adds one-time funding for temporary attorney services (\$90,000) to provide training to less experienced attorneys; provide legal services to Planning based on the increased workload in the Planning area; and provide overflow assistance for general transactional assignments. The temporary attorney support will also provide legal support to address Environmental Services issues in regards to the application process for a State Revolving Fund Loan from the California Water Resources Control Board to fund improvements at the Water Pollution Control Plant and provide legal assistance for negotiations on amendments to the Master Agreement for Wastewater Treatment Between City of San José, City of Santa Clara, and Tributary Agencies. The temporary attorney support will also assist with Municipal Water System rate modeling and drought-related issues. This action is funded by the General Fund (\$165,038), the Sewer Service and Use Charge Fund (\$16,300), and the Water Utility Fund (\$10,200), based on their anticipated share of support received from both the Legal Analyst and the temporary attorney services.

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- ***Successor Agency City Subsidy (Administrative Support)*** – This action reduces funding for the administrative support provided by the Successor Agency to the Redevelopment Agency from \$1,150,000 to \$975,000 to reflect the continued phase out of work performed by existing staff. With the dissolution of Redevelopment Agencies in 2012, Successor Agencies were tasked with winding down operations and overseeing the dissolution process. An annual review of resources will continue in future years.

Fees and Charges Adjustments

The 2016-2017 Proposed Budget includes a range of adjustments to fees and charges. No utility rate increase is recommended for the Storm Sewer Service Charge, but an overall fund increase of 5.5% is recommended for the Sewer Service and Use Charge to address increased operating costs and reserve contributions to support future financing of the Water Pollution Control Plant Capital Improvement Program. For the Recycle Plus rates, a 2.5% increase is recommended for multi-family dwellings, while no change is recommended for single-family dwellings. Currently, Municipal Water System rates are programmed to increase 2.0% to cover increased operating costs. It should be noted that staff anticipates returning to City Council no later than fall 2016 with additional recommendations related to water rates, due to the need to further track ongoing water conservation and its effects on changes in water usage as well as on the sources of wholesale water.

In the four Development Fee Programs (Building, Fire, Planning, and Public Works), no general fee increases are needed to maintain cost recovery. The existing revenue streams in those programs along with the use of portions of the Development Fee Program Reserves are sufficient to support additional staffing to meet service demands and improve customer service in these areas without fee increases.

Other upward and downward adjustments to various fees are proposed to maintain the City's cost recovery as described in the 2016-2017 Proposed Fees and Charges document that is released under separate cover.

Sales Tax Ballot Measure: 2016-2017 Provisional Budget

As directed in the City Council-approved Mayor's March Budget Message for Fiscal Year 2016-2017, the Administration will bring forward a 2016 Sales Tax Ballot Measure: 2016-2017 Provisional Budget as a Manager's Budget Addendum during the budget process. This provisional budget will outline the proposed use of \$30 million in additional revenue that is estimated to be received in 2016-2017 if voters approve a one-quarter cent sales tax measure in June 2016. While the sales tax measure is projected to generate \$40 million annually, the first year figure of \$30 million reflects the October 1, 2016 sales tax effective date if it is passed by the voters. Per the Mayor's March Budget Message, the incremental additions will prioritize public safety services such as police, fire, and gang prevention, and include the funding for other critical services, such as pothole repair, pavement maintenance, and rapid rehousing of the homeless.

While the Sales Tax Ballot Measure: 2016-2017 Provisional Budget will set forth budget proposals for the use of the estimated additional sales tax of \$30 million to be received in 2016-2017, it is recommended that the annual 2017-2018 budget process be used to allocate the ongoing resources of \$40 million if the ballot measure is passed by the voters in June 2016.

Conclusion

This budget represents a continuing and concerted effort by the Mayor and City Council and the Administration to develop a balanced budget that prudently meets priority community goals, especially in light of the continuing constraints on our resources that underlies an ongoing service level deficit. I am proud that we are able to present a budget that includes some modest investments to continue and enhance programs to the community, address a limited number of urgent deferred infrastructure needs, work smarter through the implementation of technology and data analytics, and prudently set aside funding in reserves to better position the City moving forward in alignment with direction provided in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council.

Our continuing commitment to conservative budget discipline and long-term fiscal sustainability remains essential to ensure that we stay on the right track. We all must remain mindful that our position can quickly reverse as a result of factors beyond our control, such as swings in the economy, actions by other levels of government, adverse court decisions, or increases in required contributions to the City's retirement funds. As has been the City's long-standing practice, we must continue the remarkable financial discipline and leadership exhibited by our elected officials, City management, and our outstanding employees. This also includes a commitment to innovation, partnership, and community engagement that can reduce costs and enhance quality as well as an ongoing focus on strengthening our economic foundation that can generate the revenues we need to restore and sustain vital public services over the long term.

Absent new revenues, however, our level of services will remain well below what our community deserves and expects from the City. We also anticipate that the City will not have sufficient resources for all that we would like to do, such as addressing our growing backlog of deferred maintenance for streets and facilities or making strategic capital investments that support operational efficiency. For these reasons, the City Council placed a Sales Tax revenue measure on the June 2016 ballot that has potential to help the City achieve a stronger financial and service position in the future.

Finally, I call attention to our remarkably dedicated and talented City staff who prepare this extraordinary budget document each year. We are extremely fortunate to have such talented and dedicated people, from the front lines of each department to the incredibly hard working staff in the City Manager's Budget Office. They represent the best in public service, and I continue to be inspired by their exemplary commitment to ensure that San José remains the best city it can be for our residents, businesses, visitors, and employees.

Respectfully Submitted,



Norberto Dueñas
City Manager

2016-2017 Proposed Operating Budget

2016-2017 Budget Balancing Strategy Guidelines

1. Develop a budget that balances the City's delivery of the most essential services to the community with the resources available.
2. Balance ongoing expenditure needs with ongoing revenues to ensure no negative impact on future budgets and to maintain the City's high standards of fiscal integrity and financial management. To the extent possible, establish a Future Deficit Reserve in the General Fund to cover any projected budgetary shortfall in the following year as a stopgap measure.
3. Focus on business process redesign in order to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).
4. Explore alternative service delivery models (e.g., partnerships with the non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use our resources more efficiently and effectively. The City Council Policy on Service Delivery Evaluation provides a decision-making framework for evaluating a variety of alternative service delivery models.
5. Analyze non-personal/equipment/other costs, including contractual services, for cost savings opportunities. Contracts should be evaluated for their necessity to support City operations and to identify negotiation options to lower costs.
6. Explore redirecting and/or expanding existing revenue sources and/or adding new revenue sources.
7. Establish a fee structure to assure that operating costs are fully covered by fee revenue and explore opportunities to establish new fees for services, where appropriate.
8. Identify City policy changes that would enable/facilitate service delivery changes or other budget balancing strategies.
9. If ongoing revenues are available, focus investments in the following areas: services included in the 2015-2016 budget on a one-time basis, as appropriate; additions that address significant organizational or community risks; service restorations to the baseline January 1, 2011 service levels previously identified by the City Council in the areas of fire, police, community centers, and street maintenance; and/or additions consistent with the Police Staffing Restoration Strategy.
10. In addition to considering service restorations previously identified by the City Council, take a holistic approach regarding the restoration of services. As outlined in the Guiding Principles for Restoring City Service Levels as approved by the City Council on March 20, 2012, allocate additional resources with the following goals in mind: ensure the fiscal soundness of the City; choose investments that achieve significant outcomes; and improve efficiency and effectiveness of service delivery. Using a multi-pronged approach to restoring direct services, take into consideration the following factors: 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.
11. Engage employees in department budget proposal idea development.
12. Continue a community-based budget process where the City's residents and businesses are educated and engaged, as well as have the opportunity to provide feedback regarding the City's annual budget.
13. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

2016-2017 Proposed Operating Budget

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 José 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 (*Service Restorations Previously Identified by City Council – January 1, 2011 Levels*)
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

2016-2017 Proposed Operating Budget

City of San José Budget Principles

The Mission of the City of San José is to provide quality services, facilities and opportunities that create, sustain and enhance a safe, livable and vibrant community for its diverse residents, businesses and visitors. The General Fund Budget shall be constructed to support the Mission.

1) STRUCTURALLY BALANCED BUDGET

The annual budget for the General Fund shall be structurally balanced throughout the budget process. A structurally balanced budget means ongoing revenues and ongoing expenditures are in balance each year of the five-year budget projection. Ongoing revenues shall equal or exceed ongoing expenditures in both the Proposed and Adopted Budgets. If a structural imbalance occurs, a plan shall be developed and implemented to bring the budget back into structural balance. The plan to restore balance may include general objectives as opposed to using specific budget proposals in the forecast out years.

2) PROPOSED BUDGET REVISIONS

The annual General Fund Proposed Budget balancing plan shall be presented and discussed in context of the five-year forecast. Any revisions to the Proposed Budget shall include an analysis of the impact on the forecast out years. If a revision(s) creates a negative impact on the forecast, a funding plan shall be developed and approved to offset the impact.

3) USE OF ONE-TIME RESOURCES

Once the General Fund budget is brought into structural balance, one-time resources (e.g., revenue spikes, budget savings, sale of property, and similar nonrecurring revenue) shall not be used for current or new ongoing operating expenses. Examples of appropriate uses of one-time resources include rebuilding the Economic Uncertainty Reserve, early retirement of debt, capital expenditures without significant operating and maintenance costs, and other nonrecurring expenditures. One time funding for ongoing operating expenses to maintain valuable existing programs may be approved by a majority vote of the Council.

4) BUDGET REQUESTS DURING THE YEAR

New program, service or staff requests during the year that are unbudgeted shall be considered in light of the City's General Fund Unfunded Initiatives/Programs List and include a spending offset at the time of the request (if costs are known) or before final approval, so that the request has a net-zero effect on the budget.

5) RESERVES

All City Funds shall maintain an adequate reserve level and/or ending fund balance as determined annually as appropriate for each fund. For the General Fund, a contingency reserve amount, which is a minimum of 3% of the operating budget, shall be maintained. Any use of the General Fund Contingency Reserve would require a two-thirds vote of approval by the City Council. On an annual basis, specific reserve funds shall be reviewed to determine if they hold greater amounts of funds than are necessary to respond to reasonable calculations of risk. Excess reserve funds may be used for one-time expenses.

2016-2017 Proposed Operating Budget**City of San José Budget Principles****6) DEBT ISSUANCE**

The City shall not issue long-term (over one year) General Fund debt to support ongoing operating costs (other than debt service) unless such debt issuance achieves net operating cost savings and such savings are verified by appropriate independent analysis. All General Fund debt issuances shall identify the method of repayment (or have a dedicated revenue source).

7) EMPLOYEE COMPENSATION

Negotiations for employee compensation shall focus on the cost of total compensation (e.g., salary, step increases, benefit cost increases) while considering the City's fiscal condition, revenue growth, and changes in the Consumer Price Index (cost of living expenses experienced by employees.)

8) CAPITAL IMPROVEMENT PROJECTS

Capital Improvement Projects shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact. Certification shall demonstrate that funding for the entire cost of the project, including the operations and maintenance costs, will not require a decrease in existing basic neighborhood services.

9) FEES AND CHARGES

Fee increases shall be utilized, where possible, to assure that fee program operating costs are fully covered by fee revenue and explore opportunities to establish new fees for services where appropriate.

10) GRANTS

City staff shall seek out, apply for and effectively administer federal, State and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City. Before any grant is pursued, staff shall provide a detailed pro-forma that addresses the immediate and long-term costs and benefits to the City. One-time operating grant revenues shall not be used to begin or support the costs of ongoing programs with the exception of pilot projects to determine their suitability for long-term funding.

11) GENERAL PLAN


The General Plan shall be used as a primary long-term fiscal planning tool. The General Plan contains goals for land use, transportation, capital investments, and service delivery based on a specific capacity for new workers and residents. Recommendations to create new development capacity beyond the existing General Plan shall be analyzed to ensure that capital improvements and operating and maintenance costs are within the financial capacity of the City.

12) PERFORMANCE MEASURES

All requests for City Service Area/departmental funding shall include performance measurement data so that funding requests can be reviewed and approved in light of service level outcomes to the community and organization.

13) FIRE STATION CLOSURE, SALE OR RELOCATION

The inclusion of the closure, sale or relocation of a fire station as part of the City Budget is prohibited without prior assessment, community outreach, and City Council approval on the matter.



2016-2017

OPERATING BUDGET

**ATTACHMENT A -
GENERAL FUND
BALANCING
STRATEGY DETAIL**

General Fund Balancing Strategy Detail

2016-2017 Proposed Operating Budget

INTRODUCTION

This attachment is intended to provide a more detailed summary of the key actions taken to balance the 2016-2017 Proposed General Fund Budget. Revisions to the February Base Budget Forecast, as well as the key elements of the strategy to bring the General Fund into balance in the Adopted Budget are described.

In February 2016, the Administration prepared formal projections for the 2016-2017 General Fund Budget as part of the *2016-2017 City Manager's Budget Request & 2017-2021 Five-Year Forecast and Revenue Projections* document that was presented to the City Council. The 2016-2017 February Base Budget Forecast projections in that document estimated a 2016-2017 General Fund surplus of approximately \$5.7 million (no Development Fee Program impact was assumed given that the four fee programs are designed to be set at 100% cost-recovery levels and will use their corresponding Reserves as necessary to remain in balance). This surplus represented the difference between projected 2016-2017 General Fund resources and the expected cost of approved 2016-2017 Base Budget services in next year's dollars, as well as several City Council "committed" additions (e.g., additional operating and maintenance costs for capital projects in the 2016-2020 Capital Improvement Program or for projects approved by the City Council during 2015-2016).

Subsequent to the release of the February Forecast and based on updated information, a number of revisions to both expenditures and revenue estimates were made, which constitutes the "Revised Base Budget Forecast" included in the Proposed Budget.

The revisions to the February Base Budget Forecast included a series of changes that produced an increase in both overall General Fund sources and uses. These changes resulted in an increase of \$1.2 million to the estimated General Fund surplus, resulting in a \$6.9 million surplus (no Development Fee Program impact assumed). This is the amount that is addressed by the Proposed Budget balancing plan. These adjustments to the February Base Budget Forecast are described in more detail later in this section.

The Proposed Budget contains a set of recommended actions that increase both the General Fund sources (by \$43.3 million), and uses (by \$50.2 million) from the Revised Base Budget Forecast, bringing the overall General Fund into balance for 2016-2017. The increase in sources of \$43.3 million includes several major components: a higher Beginning Fund Balance of \$38.7 million, of which \$16.7 million reflects additional one-time Sales Tax and Property Tax revenue and \$15.0 million reflects the liquidation of various earmarked reserves for specific services; an increase in Grants, Reimbursements, and Fees of \$3.4 million; and other revenue changes of \$1.1 million.

The increase in uses of \$50.2 million in 2016-2017 includes additional funding for the following: service level enhancements (\$14.6 million); a number of critical unmet/deferred infrastructure and maintenance needs (\$10.9 million); continuation of 2015-2016 one-time funded services (\$9.1 million); earmarked reserves (\$7.5 million); development fee program as well as other fee, grants and reimbursements (\$5.7 million); funding for the 2017-2018 Future Deficit Reserve (\$4.1 million); and

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

INTRODUCTION

other increases (\$1.8 million). These increases are partially offset by savings realized from the use of reserves that had been established for specific purposes (\$2.7 million) that were included in the February Forecast and miscellaneous cost reductions/service delivery efficiencies/funding shifts to other funds (\$1.1 million). The result of these actions is a balanced 2016-2017 General Fund Proposed Budget of \$1.1 billion.

Table I below displays the overall projections for the 2016-2017 General Fund as they changed between the February Base Budget Forecast and the Proposed Budget. Table II summarizes the changes from the February Base Budget Forecast to the Revised Base Budget Forecast. The specific elements of the City Manager's Proposed Budget balancing strategy are summarized in Table III.

Table I
2016-2017 PROPOSED OPERATING BUDGET
Forecast To Proposed Budget Reconciliation (in \$000s)

	Total Sources	Total Uses	(Shortfall)/ Surplus
February Base Budget Forecast	\$ 1,046,159	\$ 1,040,502	\$ 5,657
Forecast Revisions	773	(505)	1,278
Revised Base Budget Forecast (no fee impact)	1,046,932	1,039,997	6,935
Proposed Revisions	43,251	50,186	(6,935)
2016-2017 Proposed Budget	1,090,183	1,090,183	\$ 0

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

As discussed previously, following the issuance of the February Base Budget Forecast, detailed analysis of the status of General Fund revenues and expenditures continued. Based on this review, the Proposed Budget incorporates a series of changes to the February Base Budget Forecast estimates for both sources and uses to form a Revised Base Budget Forecast. This Revised Base Budget Forecast results in a revised surplus estimate of \$6.9 million, an increase of \$1.2 million from the \$5.7 million surplus in the February Base Budget Forecast. Changes are detailed in Table II below.

Table II
2016-2017 REVISED BASE BUDGET FORECAST
Summary of Changes (in \$000s)

Sources	Revision
Sales Tax	\$ 500
Departmental Charges	454
Business Taxes	350
Other Revenue	300
Revenue from the State of California	178
Revenue from Federal Government	88
Overhead Adjustments	(912)
Licenses and Permits	(185)
Net Change in Sources	\$ 773

Uses	Revision
Non-Personal/Equipment and City-Wide Expenses	\$ 298
PBCE Neighborhood Cleanup Shift to Integrated Waste Management Fund	(786)
Position and Fund Realignments	(17)
Net Change in Uses	\$ (505)

Total Change (Shortfall)/Surplus	\$ 1,278
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General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Following is a description of the Revised Base Budget Forecast changes in General Fund sources:

Sales Tax

- An increase of \$500,000 to the General Sales Tax revenue estimate (\$194.2 million to \$194.7 million) reflects higher than anticipated collections for the second quarter of 2015-2016, providing a higher base starting point for which to apply next year's anticipated growth.

Departmental Charges

- An increase of \$270,000 aligns the Solid Waste Enforcement Fee program revenues to program costs to program maintain 100% cost recovery levels.
- An increase of \$124,000 to the Parks, Recreation and Neighborhood Services Departmental Charges aligns revenues with estimated 2016-2017 activity levels at the Happy Hollow Park and Zoo.
- An increase of \$60,000 to the Department of Transportation fees and charges to reflect fee revisions based on estimated 2016-2017 activity levels.

Business Taxes

- An increase of \$200,000 to the estimate for Disposal Facility Tax (\$12.0 million to \$12.2 million) adjusts the current collection trends experienced in 2015-2016, which has seen increased activity from neighboring agencies dumping in San José landfills, consistent with 2014-2015 actual collections.
- An increase of \$150,000 to the estimate for General Business Taxes (\$11.5 million to \$11.7 million) adjusts for current collection trends experienced in 2015-2016.

Other Revenue

- An increase of \$250,000 to the estimate for Senate Bill 90 reimbursements (\$500,000 to \$750,000) adjusts for current collection trends experienced in 2015-2016.
- An increase of \$50,000 reflects an increase in incentive payments from the City's procurement credit card (P-card) vendor.

Revenue from the State

- An increase of \$150,000 to the estimate for Tobacco Settlement (\$8.75 million to \$8.90 million) adjusts for current collection trends experienced in 2015-2016.
- An increase of \$28,000 recognizes a one-time grant from the California Department Conservation Sustainability Commission.

Revenue from the Federal Government

- An increase of \$88,000 recognizes a one-time grant received from the Metropolitan Transportation Commission.

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Licenses and Permits

- A decrease of \$179,000 to the Multiple Housing Occupancy Permits revenue estimate (from \$5.63 million to \$5.45 million) aligns program revenues to program costs to maintain 100% cost recovery levels.
- A net decrease of \$6,200 reflects the realignment of revenues for the Animal Care and Services licensing and permits (-\$5,800) and Auto Dismantler Permit (\$-400) based on current activity levels.

Transfers and Reimbursements

- A net decrease of \$912,000 reflects updated overhead reimbursements from capital funds and operating funds based on the Revised Base Budget Forecast and final 2016-2017 overhead rates as approved by the Finance Department.

Following is a description of the Revised Base Budget Forecast changes in General Fund uses:

- A net increase of \$298,000 reflects non-personal/equipment and City-Wide Expenses adjustments. This includes increases for the Police Department non-personal/equipment for sexual assaults testing (\$109,000) and support for domestic violence (\$18,000); Parks, Recreation and Neighborhood Services Department non-personal/equipment for graffiti abatement (\$75,000); various City Manager's Office non-personal/equipment adjustments (\$68,000) primarily for Outreach and Communication; and Information Technology Department non-personal/equipment for software maintenance agreements (\$38,000). These increases are offset by a reduction to Environmental Services Department non-personal/equipment for city facilities garbage costs (-\$10,000). In addition, the reallocation of banking services costs from City-Wide Expenses to Parks, Recreation and Neighborhood Services Department non-personal/equipment (\$100,000) is included to better align these costs with the services provided by the department.
- A decrease of \$786,000 to reflect the shift of neighborhood cleanup staffing from the General Fund to the Integrated Waste Management Fund. It has been determined that these costs are appropriate to be funded from this fund.
- A net decrease of \$17,000 reflects various position and fund realignments, including the reallocation of funding for positions to better align with work currently performed, and various funding corrections/adjustments based on updated information. In addition, the net-zero reallocation of the Management Pay for Performance Program from department budgets to the Salaries and Benefits Reserve (\$1.5 million) is included.

General Fund Balancing Strategy Detail

2016-2017 Proposed Operating Budget

As summarized in Table III, the Administration's budget balancing strategy allocated a \$6.9 million General Fund surplus, which resulted in a balanced 2016-2017 General Fund Proposed Budget totaling \$1.1 billion.

PROPOSED BUDGET BALANCING STRATEGY

Table III
2016-2017 PROPOSED OPERATING BUDGET
General Fund Balancing Strategy (in \$000s)

	2016-2017	Ongoing
2016-2017 General Fund Surplus	\$ 6,935	\$ 6,935
Balance Strategy		
Source of Funds		
Beginning Fund Balance:		
Sales Tax – State Triple Flip Wind Down	\$ 12,100	\$ 0
2016-2017 Police Department Overtime Reserve	5,000	0
Police Department Vacancy Savings	5,000	0
Property Tax – Educational Revenue Augmentation Fund Excess	4,600	0
Development Fee Program Reserves	3,892	2,635
Cultural Facilities Capital Maintenance Reserve	3,708	0
Police Department Staffing/Operations Reserve	1,596	0
Employee Market Competitiveness Reserve	1,250	0
Staffing for Adequate Fire and Emerg. Resp. (SAFER) Grant Res	676	0
Other Revenue/Expenditure Savings/Reserve Liquidations	910	0
Grants/Reimbursements/Fees		
PRNS Fees (e.g., Comm. Ctr. Rentals and Progs. HHPZ, Leininger)	1,918	2,015
Medical Marijuana Regulatory Program	533	792
Library Fines and Fees	(135)	0
Other Fee Programs/Reimbursements/Grants	1,065	494
Overhead Reimbursements/Transfers from Other Funds	1,138	698
Subtotal Source of Funds	\$ 43,251	\$ 6,634
Use of Funds		
Service Level Enhancements	\$ 13,785	\$ 2,258
Unmet/Deferred Technology, Infrastructure, and Maintenance	10,948	195
2015-2016 One-Time Funded Services	9,104	88
Earmarked Reserves (e.g., Budget, Essential Services, SVRCS)	8,426	200
2017-2018 Future Deficit Reserve	4,131	6,935
Development Fee Programs	3,331	2,201
Other Fee Programs/Grants/Reimbursements	2,405	2,261
New Infrastructure/Equipment Operations and Maintenance	1,787	2,160
Use of Reserves (e.g., Cultural Facilities, Committed Add., Def. Maint.)	(2,664)	(2,154)
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(1,067)	(575)
Subtotal Use of Funds	\$ 50,186	\$ 13,569
Total Balancing Strategy	\$ (6,935)	\$ (6,935)
Remaining Balance	\$ 0	\$ 0

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Specific City Council direction regarding the preparation of the Proposed Budget was provided in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council (see Appendices Section of this document). The details of the specific direction of that Message and the corresponding responses contained in this budget are provided in Attachment B following this section in the City Manager's Message. Attachment C contains information regarding the status of City Auditor recommendations with funding impacts.

Following is a brief discussion of the key elements of the budget balancing actions that were included in the Proposed Budget.

Source of Funds

From the Revised Forecast of \$1.047 billion, a net increase of \$43.2 million to the General Fund revenue estimates are recommended, bringing the 2016-2017 Proposed Budget revenue estimate to \$1.1 billion. The components of this increase include an increase to the estimate for 2015-2016 Ending Fund Balance/2016-2017 Beginning Fund Balance (\$38.7 million) and an increase to various revenue categories (\$4.5 million).

Beginning Fund Balance

An increase of \$38.7 million from the Revised Forecast is included bringing the estimated 2016-2017 Beginning Fund Balance from \$65.8 million to \$104.6 million to reflect the following:

- Additional anticipated fund balance of \$22.4 million from increased expectations for additional revenue and expenditure savings in 2015-2016 that will be available for use in 2016-2017 including: One-time Sales Tax payment of \$12.1 million as a result of the wind-down of the "Triple Flip"¹, \$5.0 million in personal services savings that will be realized in the Police Department due to continued departmental vacancies, additional Property Tax of \$4.6 million for the distribution of excess 2014-2015 Education Revenue Augmentation Fund (ERAF) funds that are anticipated in 2015-2016, and \$750,000 in other miscellaneous departmental vacancy savings.
- Liquidation of various reserves totaling \$16.3 million including: \$5.0 million 2016-2017 Police Department Overtime Reserve, \$3.9 million Development Fee Program Reserves, \$3.7 million Cultural Facilities Capital Maintenance Reserve, \$1.6 million Police Department Staffing/Operations Reserve, \$1.3 million Employee Market Competitiveness Reserve, \$676,000 Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve, \$110,000

¹ As part of the Proposition 57 State fiscal recovery funding mechanism (passed by the voters in march 2004), one-quarter cent of the City's one cent Bradley Burns sales tax has been temporarily suspended and replaced dollar-for-dollar with property tax revenue. This action, which went into effect on July 1, 2004, remains in effect until the State's bond obligations have been satisfied.

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

Beginning Fund Balance

2016-2017 Long Range Planning Project Staffing Reserve, and \$50,000 Retiree Healthcare Solutions Reserve.

Departmental Charges

- An increase of \$1.9 million to the Parks, Recreation and Neighborhood Services Department Charges aligns revenues with estimated 2016-2017 activity levels. The increase primarily reflects a net increase of \$1.6 million in the fee activity program revenues that was required to add positions in the Proposed Budget to realign actual program FTE usage. Additional adjustments include: a \$236,000 increase in facility rental activities; a \$92,000 increase in Happy Hollow Park and Zoo revenues for increased activities and costs; and increase of \$40,000 for Viva Calle fees; and a one-time reduction of (\$30,000) in Alum Rock parking permits for a pilot parking program.
- An increase of \$45,000 in the Police Department fees and charges reflects various fee revisions to improve cost recovery costs.
- An increase of \$27,000 to the Transportation Department fees and charges reflects various fee revisions to maintain 100% cost recovery levels.
- An increase of \$24,000 aligns the Abandoned Cart Program Fee revenues to program costs to maintain 100% cost recovery levels.
- An increase of \$8,000 aligns the Solid Waste Enforcement Fee program revenues to program costs to maintain 100% cost recovery levels.
- An increase of \$2,800 in the City Clerk's Office fees to program costs to maintain 100% cost recovery levels.
- A decrease of (\$132,000) to the Library Department fees and charges reflect various fee and fine revisions as recommended in this budget.

Transfers and Reimbursements

- A one-time transfer of \$150,000 from various special and capital funds for the Human Resources/Payroll/Budget Systems upgrade to cover a portion of the additional \$500,000 added

General Fund Balancing Strategy Detail

2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

Transfers and Reimbursements

to the project in the 2016-2017 Proposed Budget for additional project contingency to help ensure the project remains on schedule and meets anticipated “go-live” dates.

- A one-time transfer of \$140,000 from the General Purpose Parking Fund to continue the coordination and development of the Diridon Station Area Plan, as approved by the City Council on June 17, 2014.
- A net increase of \$848,000 (\$698,000 ongoing) in anticipated overhead reimbursements reflecting the impact of various budget actions in the 2016-2017 Proposed Budget that change the staffing levels funded by special and capital funds.

Licenses and Permits

- An increase of \$533,000 aligns the Medical Marijuana program revenues to program costs to maintain 100% cost recovery levels beginning January 1, 2017.
- An increase of \$185,000 reflects adjustments to the three-tier program for Multiple Housing Occupancy Permits and slightly increased costs associated with the addition of mobile devices for Inspectors.
- An increase of \$130,000 to the Police Department permits reflects various fee revisions to improve cost recovery levels.
- An increase of \$57,000 aligns Fire non-development permits revenues to program costs to maintain 100% cost recovery levels.
- An increase of \$30,000 adjusts various Code Fees to maintain 100% cost recovery.
- An increase of \$4,000 adjusts the Transportation Department Taxi Stand fee to maintain 100% cost recovery.

Revenue from the State of California

- A one-time increase of \$212,000 reflects the estimated reimbursement from the California High Speed Rail to continue the coordination and development of the Diridon Station Area Plan.

General Fund Balancing Strategy Detail

2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

Revenue from the State of California

- A one-time increase of \$72,000 reflects the estimated reimbursement from the Strategic Growth Council for urban village master planning and zoning revisions for East Santa Clara Street and Alum Rock Avenue.

Revenue from the Federal Government

- A one-time increase of \$228,000 reflects the estimated reimbursement from the Metropolitan Transportation Commission to develop plans for several urban villages.

Other Revenue

- An increase of \$18,000 for the estimated reimbursement from the Christmas in the Park Foundations for part-time City staff hours to transport props to and from the City warehouse.
- A decrease of \$1,900 for Department of Transportation new subdivision traffic control signs and pavement markings revenues reflects fee adjustments to maintain 100% cost recovery levels.

Franchise Fees

- An increase of \$13,000 reflects an increase in the Commercial Solid Waste (CSW) fees by 0.12% based on the projected change in the consumer price index (CPI). In October 2010, the City Council amended the CSW fee to charge franchises based on geographic collection districts rather than volume. The fee structure started with a base of \$5.0 million per year for each of the two geographic collection districts plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and South District. The revised structure is subject to an annual increase based on the percentage change in the annual CPI rate during the prior two calendar years.

General Fund Balancing Strategy Detail

2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

From the Revised Base Budget Forecast of \$1.04 Billion, a net increase of \$50.2 million to the General Fund expenditures are recommended, bringing the 2016-2017 Proposed Budget Use of Funds estimate to \$1.1 billion. A listing of the Proposed Budget modifications is provided by specific categories in Table III and briefly discussed in the following pages. Further detail is incorporated into the CSA and departmental sections of this document.

Service Level Enhancements

Total funding of \$13.8 million is included in the Proposed Budget for service level enhancements. The largest investments include funding for General Liability Claims (\$5.0 million), San José Stage Company (\$1.0 million), Office of Emergency Services (\$696,000), Civic Innovation (\$652,000) and a Master Address Database (\$607,000). Other service level enhancements are included and described in the Department Section of this document.

Unmet/Deferred Technology, Infrastructure and Maintenance

To address a small portion of the backlog for unmet and deferred infrastructure and maintenance needs, funding of \$10.9 million is included in the Proposed Budget for the City's most urgent repair needs and includes the following: City Hall HVAC Controls (\$5.0 million), cultural facilities capital maintenance (\$845,000), Animal Shelter improvements (\$460,000) and other municipal facilities improvements (\$1.9 million); Information Technology Department infrastructure (\$1.6 million) for network, server, fiber connectivity, and Windows 10 desktop upgrades; Finance Department FMS and Human Resources/Payroll/Budget Systems upgrades (\$560,000); and Police Department technology enhancements (\$546,000).

2015-2016 One-Time Funded Services

Funding was included to continue services that were funded on a one-time basis in the 2015-2016 Adopted Budget. This includes funding for the Police Department overtime and downtown foot patrol (\$5.6 million), San José Works (\$1.5 million), Human Resources staffing (\$397,000), Sports Authority (\$350,000), Office of Immigrant Affairs (\$250,000), Economic Development pre-development activities (\$200,000), business development and economic strategy (\$200,000), manufacturing jobs initiative (\$200,000), and other programs (\$382,000).

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

Earmarked Reserves

One-time Earmarked Reserves, totaling \$8.4 million is included in the Proposed Budget. This includes funding for the following: Essential Services Reserve (\$2.5 million), Budget Stabilization Reserve (\$2.5 million), Silicon Valley Regional Communications System Reserve (\$1.4 million), Contingency Reserve (\$1.0 million), Airport Attraction Reserve (\$850,000), and Intergovernmental Relations Reserve (\$200,000).

2017-2018 Future Deficit Reserve

This action establishes the 2017-2018 Future Deficit Reserve of \$4.1 million (and \$6.9 million ongoing). The 2017-2021 General Fund Forecast that was issued in February 2016 projected an ongoing \$11.1 million shortfall for 2017-2018. This reserve is recommended to be set aside to address this shortfall.

Development Fee Programs

The Proposed Budget includes approximately 18 positions and \$3.3 million of new resources in the Development Fee Programs (Building, Planning, Public Works, and Fire) to meet increased development services activities as described in detail in the Community and Economic Development City Service Area and respective department sections.

Other Fee Programs/Grants/Reimbursements

The actions in this category primarily includes funding for the Parks, Recreation and Neighborhood Services Department (\$1.8 million) to reflect actual fee activity that was required to add positions in the Proposed Budget to realign actual program FTE usage, Planning, Building and Code Enforcement Department (\$417,000) for medical marijuana, code enforcement, and other fee activities, Police Department (\$222,000) for medical marijuana regulatory staffing, and Fire Department (\$57,000) to support non-development related fee activities. These additional resources are offset by fee, grant or reimbursement revenues.

New Infrastructure/Equipment Operations and Maintenance

The Proposed Budget includes \$1.8 million to fund Police Department Body Worn Camera Program (\$1.2 million), new parks and recreation facilities (\$354,000), transportation infrastructure (\$199,000), and Library Department Mobile Maker[Space]ship Vehicle operations and maintenance (\$11,000).

General Fund Balancing Strategy Detail 2016-2017 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds


Use of Reserves

The Proposed Budget includes the use or elimination of reserves established in the February Forecast to cover additional costs to operate and maintain new technology or facilities that are scheduled to become operational in 2016-2017 (\$1.9 million), and a reserve (\$800,000) set aside in the February Forecast to fund critical capital maintenance or address urgent technology.

Cost Reductions/Service Delivery Efficiencies/Fund Shifts

Savings in this category (\$1.1 million) primarily include the shift of City Attorney's Office staffing for Municipal Water System litigation (\$401,000), reduction of Successor Agency City subsidy (\$175,000) and a funding shift of resources in the Parks, Recreation and Neighborhood Services Department (\$150,000).

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2016-2017

OPERATING BUDGET

**ATTACHMENT B -
STATUS OF MAYOR
AND
CITY COUNCIL
REFERRALS**

Status of Mayor and City Council Referrals

2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Submit a proposed budget for fiscal year 2016-2017 that is balanced and guided by the policy direction and framework of priorities contained in the Mayor’s March Budget Message.</p>	<p>The 2016-2017 Proposed Budget incorporates this direction.</p>
<p>Future Deficit Reserve – Establish a 2017-2018 Future Deficit Reserve, and allocate the fiscal year 2016-2017 ongoing surplus to that reserve, and allocate that one-time funding to eliminate the \$11.1 million deficit forecast for 2017-2018.</p>	<p>The 2016-2017 Proposed Budget establishes the 2017-2018 Future Deficit Reserve of \$4.13 million (and \$6.94 million ongoing). The 2017-2021 General Fund Forecast that was issued in February 2016 projected an ongoing \$11.1 million shortfall for 2017-2018. This reserve is recommended to be set aside to address this shortfall.</p>
<p>Budget Stabilization Reserve – After addressing the priorities identified in the Mayor’s March Budget Message for Fiscal Year 2016-2017, allocate a portion of the one-time funding from State “Triple Flip” sales tax and ERAF property tax revenues available to the City in fiscal year 2016-2017 to the Budget Stabilization Reserve, to move San José toward a 10 percent reserve funding goal.</p>	<p>The 2016-2017 Proposed Budget adds \$2.5 million to the Budget Stabilization Reserve (Reserve will total \$12.5 million once funding of \$10.0 million is rebudgeted from 2015-2016 and included in the Adopted Budget). Per City Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, within the General Fund, unrestricted reserves shall be set aside as a safety net for general City operations. Currently, the Contingency Reserve, Budget Stabilization Reserve, and Workers’ Compensation/General Liability Catastrophic Reserve are available for these purposes and the combined funding goal for those reserves in the aggregate shall be 10% of General Fund Operating Budget expenditures. With this change, these safety net reserves will equate to approximately 5.4% (assuming rebudgets of \$180 million that are estimated to be brought forward later in the budget process). The Budget Stabilization Reserve, in particular, provides budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. It is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Future Savings in Pension and Retiree Healthcare Costs – Set aside funding for polling and the placement of the negotiated pension and retiree healthcare costs measure on the November ballot that prohibits retroactive increases to prohibit future Councils from increasing defined retirement benefits without voter approval, and prohibits retroactive increases in those benefits.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$55,000 for polling costs related to a November 2016 Ballot measure to implement the Alternative Pension Reform Settlement Framework Agreements recently negotiated with all bargaining units. Existing base budget funding is available in the City-Wide Expenses Elections and Ballot Measures appropriation for the placement of the measure on the November 2016 ballot.</p>
<p>Sales Tax Revenues – Prepare a provisional budget that would allocate the anticipated \$30 million in 2016-2017 revenue in the event that a quarter-cent sales tax measure on the June 7, 2016 ballot passes. The incremental additions should prioritize public safety services such as police, fire, and gang prevention, and include funding for other critical services, such as pothole repair, pavement maintenance, and rapid rehousing of the homeless.</p>	<p>A Manager’s Budget Addendum will be issued to respond to this direction.</p>
<p>Supporting Police Recruitment – Continue aggressive efforts to recruit police officers, utilizing carryover and one-time funds necessary to ensure that – upon announcement of an approved settlement between the City and San Jose’s Police Officers Association (POA) – we can bring as many high-quality officers in the door as quickly as possible. In addition, per Council direction (as discussed in the Council-approved memorandum from December 1, 2015 from the Mayor, Vice Mayor and Councilmembers Jones, Peralez and M. Nguyen regarding the “Police Department Hiring Audit”), return to Council as soon as possible with a comprehensive recruitment plan, to be compiled in partnership with the POA, that focuses on lateral officers, new recruits, and qualified veterans.</p>	<p>The 2016-2017 Proposed Budget continues one-time funding of \$325,000 for recruiting candidates for the upcoming Police Officer Recruit Academies as well as civilian candidates for non-sworn vacancies such as dispatchers. Recruitment funding will augment the 2016-2017 Base Budget allocation of \$125,000, bringing total funding to \$450,000. This funding will be used to attend job fairs and recruiting events; conduct targeted radio, print, and social media marketing; outreach in publications, community colleges, and military agencies.</p> <p>The 2016-2017 Proposed Budget also adds 5.0 Background Investigator positions to the Background Unit at a cost of \$514,000 to background sworn and non-sworn positions. The Police Department plans to hold three police academies, three dispatcher academies, and three</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
Supporting Police Recruitment (Cont'd.)	<p>records academies annually, along with various civilian recruitments throughout the year. This action also reduces the Police Department's personal services budget for temporary staffing by \$600,000 that has been set aside to support the backgrounding function pending the determination of the final service delivery approach. This proposal may be subject to meet and confer with the San José Police Officers' Association.</p> <p>The Administration anticipates returning to the City Council with a comprehensive recruitment plan in May or June 2016.</p>
San José Works – Allocate one-time funding of no more than \$1.5 million to continue the San José Works Initiative.	<p>Adds one-time funding of \$1.5 million to continue the San José Works youth initiative focused on strengthening the City's partnerships, such as those through the Mayor's Gang Prevention Task Force, to identify, recruit, train, and place at-risk youth in jobs. This initiative targets youth in gang and crime hot spots and offers economic opportunity for the City's young residents. The initiative started in 2015-2016 as directed in the Mayor's March Budget Message for that year, as approved by City Council. The program is implemented by the work2future program in partnership with the Parks, Recreation and Neighborhood Services Department.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Technology to Improve Emergency Response – Identify resources in the Public Safety Capital Budget to support the implementation of an upgraded crew alerting system to help improve emergency response times. Several agencies have moved to Internet-Protocol (IP)-based alerting with text-to-speech broadcasts that have significantly reduced response times to emergencies.</p>	<p>The 2016-2017 Proposed Capital Budget and 2017-2021 Capital Improvement Program includes \$1.3 million in the Public Safety Capital Program for an IP-based alert system. The IP system allows the broadcast of an event to happen immediately upon the unit assignment with less than one second delay. Because the vocal alarm uses an IP pathway that does not need to wait for the dispatch channel to be clear, the broadcast of the event can occur immediately. This system has been effective in reducing response time by an average of approximately 30 seconds per call during the first year of implementation with other organizations of similar size and call volume to those of the City of San José.</p>
<p>Police Department Civilian Leadership – Allocate ongoing funding from the Police Department to fund an executive position in the Bureau of Technical Services to manage that division.</p>	<p>The 2016-2017 Proposed Operating Budget adds 1.0 Deputy Director civilian position (\$194,000) to the Department’s Bureau of Technical Services to assist in implementing data analytics tools to advance predictive policing strategies in order to help reduce high-frequency and geographically-focused crimes, such as burglary and drug dealing. To provide more workload capacity for the Assistant Police Chief, the existing Deputy Police Chief position assigned to the Bureau of Technical Services would be relocated to the Office of the Chief to oversee various units such as: special investigations, gaming, medical marijuana control, internal affairs, and research and development. This proposal may be subject to meet and confer with the San José Police Officers’ Association.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Police Department Intelligence Technology Enhancements – Allocate no more than \$25,000 in analytic software to more effectively integrate social media into Police Department intelligence-gathering.</p>	<p>The 2016-2017 Proposed Operating Budget provides ongoing non-personal/equipment funding in the Police Department of \$25,000 for the Department’s Special Investigations Unit to invest in technology that will increase efficiency in location-based social media intelligence gathering in order to deter criminal activity. New technologies that include web-based social media discovery and analytics can allow the Department to understand what is happening at a given location in real time. In 2016-2017, this project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document.</p>
<p>Master Address Database – Allocate a modest amount of one-time funding for the oversight, planning, and implementation of a Master Address Database to: a) improve fire and police response times, b) enable better use of data analytics to assess and improve service delivery, and c) save money by substantially reducing wasteful City staff work time.</p>	<p>The 2016-2017 Proposed Operating Budget adds 1.0 Information Systems Analyst limit-dated through June 30, 2018 (\$257,000) and provides non-personal/equipment funding for contractual services (\$350,000) to augment Public Works Department Technology Services Section Geographic Information System team. Currently, addressing is performed by separate groups in the City – generally for the singular addressing needs of each department. This two-year project will first consolidate existing addresses and create the Master Address Database in the first year. In year two, the Master Address Database will be implemented by the various departments that will use it. The Information Systems Analyst position will provide oversight, planning, and implementation of the Master Address Database. Successful implementation of the Master Address Database can improve fire and police response times, enable better use of data analytics to assess and improve service delivery, streamline staff work time, and improve the City’s ability to become more innovative as address information is a major backbone for these efforts.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Gang Investigations Technology Enhancements – Allocate up to \$25,000 in one-time funding for technology enhancements to improve the Gang Investigations Unit’s capacity to investigate and prevent gang-related crimes.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time non-personal/equipment funding of \$21,000 for a bridge software program, creating efficiencies within the Department’s Gang Investigations Unit by significantly reducing the current manual review process. This bridge software will electronically connect between the Police Department’s records management system and the statewide-shared gang database to help identify possible gang related entries. This project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document.</p>
<p>Crime Prevention Support – Allocate \$10,000 in one-time funding to expand Neighborhood Watch programs and meetings by offsetting meeting space rental costs.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time non-personal/equipment funding of \$10,000 to offset rental costs for City and non-City facilities in order to support neighborhoods that do not have or cannot afford a location to host neighborhood watch meetings. This action will help expand the Neighborhood Watch program in lower income neighborhoods. This project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document.</p>
<p>Saving for Fire Station 37 – Return to Council with a multi-year funding strategy to fund the construction of Fire Station 37 by 2019 if voters approve a one-quarter cent general sales tax on June 7, 2016 and an alternative emergency medical services delivery model emerges that has improved cost-recovery.</p>	<p>The Administration will follow this direction.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Community Service Officers – Subsequent to its release, analyze a pending Stanford University report on the nationwide use of Community Service Officers (CSO) and come forward in fall 2016 to the Public Safety, Finance and Strategic Support Committee with analysis and options for maximizing the current CSO program, including an assessment of how the CSO program can further assist making San José safer, and what possible changes and additional training will be needed, as the City begins to fill and add police officer positions. The report to the Committee is to be developed in part through the engagement of the San José Police Officers’ Association (POA) and Municipal Employees’ Federation (MEF).</p>	<p>The Administration will report back to the Public Safety, Finance and Strategic Support Committee as directed in fall 2016.</p>
<p>Neighborhood Clean-Ups – Allocate one-time funding to help expand clean-ups and make future funding for expanding clean-up programs a priority during upcoming negotiations with the City’s garbage haulers, as residents have repeatedly expressed a willingness to pay for this important service.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$180,000 to expand neighborhood clean-ups by providing for up to six neighborhood-led beautification days for each of the City’s ten Council Districts in 2016-2017. For each beautification event, it is assumed that six 40-cubic yard bins, one CRT/e-waste bin, and one metal-only bin would be provided. The events will be staffed by Council District staff and neighborhood groups, rather than City departmental staff. Such beautification days enable San José residents to dispose of unwanted items, but also have a broader impact in providing an important tool to deter illegal dumping, reduce criminal activity, and otherwise enhance the quality of life for many struggling neighborhoods. This enhancement will bolster the current city-wide Neighborhood Clean-Up program that rotates through all neighborhoods once every three years. The Administration will make funding for expanding clean-up programs a priority during future negotiations with the City’s garbage haulers (contract ends in 2021; RFP process anticipated to begin in 2018).</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Fireworks: Enforcement and Safer Alternatives – Improve enforcement of illegal firework activity prior to this year’s July 4th celebrations through the use of increased administrative citations rather than criminal actions, use one-time funding from the Transient Occupancy Tax (TOT) Cultural Facilities Reserve to continue the Independence Day Celebration Grant Program, and inform producers of the Rotary International Fourth of July Fireworks and Independence Day Celebration at Almaden Lake that they must conform to the Office of Cultural Affairs’ grant application process if they expect to receive any future City support.</p>	<p>At its meeting on April 12, 2016, the City Council amended its Fireworks ordinance to, in part, authorize the City Manager to designate City employees who can issue administrative citations and directed the Administration to return to Council within 30 days with a detailed enforcement plan that utilizes the full scope of the ordinance changes. The Administration will follow this direction.</p>
<p>Opportunity Court – Allocate \$250,000 in one-time housing funding for an additional year of the Opportunity Court program, contingent on funding and/or staffing commitments from partners at the County and Superior Court. Further, work with the offices of the Mayor and Councilmember Peralez to convene stakeholders to scale the program with other public and private sources.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$65,000 to continue the Rotary International Fourth of July Fireworks and Independence Day Celebration at Almaden Lake. For future City support, the Administration will work with the producers of these events to inform them of the potential for Transient Occupancy Tax Fund Cultural Development funds and the grant application process required for funding consideration.</p>
	<p>The 2016-2017 Proposed Operating Budget includes the allocation of \$250,000 within the “Homeless Case Management and Homeless Management Information System” appropriation in the Housing Trust Fund for an additional year of the Opportunity Court program, contingent on funding and/or staffing commitments from partners at the County and Superior Court. The Administration will also work with offices of the Mayor and Councilmember Peralez to convene stakeholders to scale the program with other public and private sources.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Inclusionary and Impact Fees – Allocate ongoing funding from the Multi-Source Housing Fund to support the immediate implementation and oversight of the Affordable Housing Impact Fee and Inclusionary Housing Fee to facilitate construction of affordable development on a scale of roughly \$20 million annually by 2020.</p>	<p>The 2016-2017 Proposed Operating Budget adds 1.0 Development Officer position in the Low and Moderate Income Housing Asset Fund to support the multi-family Affordable Housing Impact Fee Program. This position will work in concert with a Senior Development Officer to prepare loan documentation for all projects being underwritten and coordinate the Loan Management System database entries and reports. This addition will also enable the Department to increase the production of loans and grants, which will in turn, enable more affordable housing projects to proceed with necessary oversight.</p> <p>The 2016-2017 Proposed Operating Budget also shifts funding for 1.0 Development Officer position from the Low and Moderate Income Housing Asset Fund to the Multi-Source Housing Fund to support the Affordable Housing Impact Fee Program. On November 18, 2014, the City Council adopted a resolution that established an Affordable Housing Impact Fee on new market-rate rental housing development of three or more units, which was recently upheld by the Supreme Court. This program is expected to grow to approximately \$20 million annually by 2020. It is anticipated that fee revenue of \$135,000 will be realized in the Multi-Source Housing Fund to offset this position cost.</p>
<p>Teacher Housing on School District Land – Prepare an estimate of inclusionary and impact fee revenue for the next two to three years, to enable Council and staff to assess whether this source might suffice to support a pilot project or two with local school districts who have demonstrated interest in partnerships that would enable the creation of affordable workforce housing for teachers and staff on school district land.</p>	<p>A Manager’s Budget Addendum will be issued to respond to this direction.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Business Improvement District Creation & Support – Set aside a modest amount of one-time funding to either provide grants, or waive administrative and engineering study fees to support business improvement district (BID) formation.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$100,000 to provide grants or waive administrative and engineering study fees to support Business Improvement District (BID) formation. A BID provides a vehicle for small property and business owners to make collective contributions to the maintenance, development, and promotion of their commercial areas. Recently, various business associations and commercial areas, such as along Alum Rock Avenue, have expressed interest in creating a BID, yet are concerned regarding the expense of the administrative process. This funding will provide assistance to entities interested in creating a BID in their areas.</p>
<p>Manufacturing Jobs Initiative – Extend and fund the Manufacturing Jobs Initiative for another year, and allow any industrial building being retrofitted for manufacturing purposes, regardless of age, to be eligible to receive this incentive.</p>	<p>The 2016-2017 Proposed Operating Budget continues one-time funding of \$200,000 to continue the Manufacturing Jobs Initiative to incentivize the retrofit of older, vacant industrial buildings by covering the cost of permit approvals. This will provide funds to offset the City’s permitting costs and taxes associated with manufacturing production facilities on a first-come, first-served basis for tenant improvement projects of 25,000 square feet or more. This initiative began in 2015-2016, and the funding was able to support four businesses (Space Systems Loral, Hansen Medical, Bentek, and Four In One Co.). It is anticipated that the continued funding will be able to support two to five projects in 2016-2017. The initiative seeks to expand middle-income job opportunities for residents lacking a college or other advanced degree.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Airport Attraction Program – Since our growth in air service has aided in the City’s strong growth in hotel tax revenues, return to Council with a plan for air service marketing and sales, in consultation with Team San José, and to set aside one-time funding from the TOT Cultural Facilities Reserve. Upon Council review and approval of that plan, the City Manager may release the funds.</p>	<p>The 2016-2017 Proposed Operating Budget establishes an Airport Attraction Reserve of \$850,000 to promote San José as a travel destination in foreign markets. With recent growth in long-haul flights, these funds will be used to launch a concerted effort to promote San José in key markets that have international air service ties to Norman Y. Mineta San José International Airport. A Manager’s Budget Addendum will be issued later in the budget process that will outline a plan for the use of these funds in consultation with Team San Jose for City Council consideration. This reserve is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction.</p>
<p>Self-Certification for Inspection and Permits – Assist the San José/Silicon Valley Chamber of Commerce and establish a task force to study self-certification programs, develop recommendations for implementing a similar program, and report to the Community and Economic Development Committee in fall 2016. The task force will be chaired by San José/Silicon Valley Chamber of Commerce CEE, Matt Mahood, and will be supported by the Mayor’s Office.</p>	<p>The Administration will report back to the Community and Economic Development Committee as directed in fall 2016.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Combatting Blight Citywide –Develop a pilot program focused on expanding the innovative model of positively engaging homeless community to combat blight and allocate one-time funding for one year. The Administration is further directed to report to the Neighborhood Services and Education Committee in spring 2017 on the initial results of the program.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$330,000 to develop a pilot program with the Downtown Streets Team to restore dignity and respect to our homeless community while combatting litter and illegal dumping in highly affected neighborhoods. This proposal stems from a notable City and Downtown Streets Team partnership success of positively engaging the homeless community while combatting blight in both the Downtown and Monterey Highway areas. The funding will support a team of 15 workers, two supervisors, vouchers, supplies and administrative costs and will provide clean-up five days per week. This pilot will fully fund the placed-based neighborhoods, continue the work on Monterey Highway, and expand the program into the Canoas Garden/Evans Lane area which is close to Monterey Highway.</p> <p>The Administration will report back to the Neighborhood Services and Education Committee as directed in spring 2017.</p>
<p>San José Sports Authority (SJSA) – Allocate one-time funding to the SJSA’s base funding for 2016-2017 and engage SJSA in developing future years’ base budgets. Further, allocate \$100,000 as a final payment in support of the USA Gymnastics Olympic Trials, held in Downtown San José starting July 8th.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$350,000 to the annual funding for the San José Sports Authority, increasing funding from \$348,200 to \$698,200. To drive additional economic opportunities, the majority of the funding (\$250,000) will go toward attracting an increased number of major sporting events, such as the Major League Soccer All-Star Game, College Football Championship, Figure Skating Championship, WWE/WrestleMania Bid, Amgen Tour of California Bid, and Rugby World Cup. The Office of Economic Development, in conjunction with the Authority, will seek possible private fundraising opportunities to augment the Authority’s Base Budget in future years. The remaining funds (\$100,000) provide the third and final payment for the Women’s Gymnastics Olympic Trials that the Sports Authority</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>San José Sports Authority (SJSA) (Cont'd)</p> <p>Diridon Station Area Planning – The City has worked with the California High-Speed Rail Authority (HSRA) to fund a project manager to develop a Financing Strategy, Governance Structure, Parking Strategy, and select a Master Developer for the Diridon Station Area. Leveraging funds from HSRA, allocate \$140,000 in one-time Parking Fund funds and leverage additional support from HSRA and other agencies to support these efforts.</p>	<p>committed to the U.S. Olympic Gymnastics Federation to bring the 2016 Women’s Gymnastics Olympic Trials to San José (to be held July 8-10, 2016).</p> <p>Given their important influence on the local economy, the Administration will continue to be engaged with SJSA as they develop their budget for 2017-2018 and beyond.</p> <p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$351,500 to continue the coordination and development of the Diridon Station Area Plan (DSAP), as approved by the City Council on June 17, 2014. Of this amount, \$140,000 is funded by the General Purpose Parking Fund for project management as directed in the City Council approved Mayor’s March Budget Message for Fiscal Year 2016-2017, and \$211,500 is funded by remaining California High Speed Rail Authority (HSRA) grant funds in the General Fund. A total grant award of \$103,500 was issued to the City from the HSRA in 2015-2016 and is expected to be spent over two years. In 2016-2017, the HSRA grant will fund a part-time project manager (\$104,000) and consultant services (\$108,000) to develop a financing strategy, governance structure, parking strategy, and process to select a master developer for the Diridon area. In order to advance the DSAP and fully use the grant funds, a full-time project manager is needed. City funds of \$140,000 from the General Purpose Parking Fund will augment the grant funds to ensure sufficient resources are available for project management and a full-time project manager.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Children’s Health – To assist the Health Trust in securing an additional \$4 million from the State of California for a successful launch of the public-private fundraising effort to advance fluoridation in East San José in cooperation with the water retailer, allocate \$250,000 in one-time funding to the Health Trust.</p>	<p>The 2016-2017 Proposed Operating Budget provides one-time funding of \$250,000 to the Health Trust to assist with securing an additional \$4 million from the State of California for fluoridation efforts in East San José. The Health Trust has spearheaded a public-private fundraising effort, securing \$6 million in funding from Santa Clara County, FIRST 5 Santa Clara County, and its own funds to advance fluoridation in East San José in cooperation with the water retailer. Although the United States Center for Disease Control ranks fluoridation as one of the ten most impactful public health achievements in the last century. San José remains the largest U.S. city not completely served with fluoridated water, potentially impacting the dental health of children.</p>
<p>San José Sustainability Plan – Begin the procurement process to develop a sustainability action plan that focuses on energy, water, and transportation. Existing funding from the Silicon Valley Energy Watch can be used to support this effort, and if the City succeeds in securing the \$1 million in funding from the PG&E commercial energy efficiency utility challenge, these dollars should also support this effort.</p>	<p>In 2016-2017, the Administration will begin the procurement process to develop a sustainability action plan that focuses on energy, water, and transportation. As much of the Silicon Valley Energy Watch is pledged to other sustainability efforts, securing the \$1 million in funding from the PG&E commercial energy efficiency utility challenge will be critical to support the development of a sustainability plan. Upon receipt of confirmation that the PG&E funding will be realized, likely in winter 2017, the Administration will initiate the procurement process.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
<p>Community Choice Aggregation Technical Study – Allocate \$300,000 in one-time funding to conduct a technical study to determine the feasibility for launching Community Choice Aggregation (CCA) in San José, and to return to Council with recommendations, modifying the March 1, 2016 Council direction on this item.</p>	<p>The 2016-2017 Proposed Operating Budget provides funding of \$300,000 for a technical study to determine the feasibility of launching a Community Choice Aggregation (CCA) in San José, in an effort to achieve the City’s renewable energy goals under the Green Vision. (A Community Choice Aggregation is a State-adopted policy that allows local governments to aggregate electricity in order to offer alternative energy supplies). This study will include information regarding economic viability, an analysis of energy load data and customer base, whether the CCA could provide electricity rates that are competitive with the incumbent utility, governance models, renewable energy scenarios, and employment impact analysis, among other areas of analysis. This study is anticipated to be completed by winter 2017 and at that time, the Administration will return to the City Council with recommendations on this item.</p>
<p>Family College Success Center – Allocate \$75,000 in one-time funding to the Hispanic Foundation of Silicon Valley for the expansion and success of the Family College Success Center, with direction that future funding should be sought through the Community Development Block Grant, Mayor’s Gang Prevention Task Force or other grant processes.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time funding of \$75,000 in the form of a matching grant to the Hispanic Foundation of Silicon Valley to implement the Family College Success Center. This program is designed to boost high school graduation rates and improve college readiness among low-income students. The Administration will also advise the organization to seek future funding from the other sources identified.</p>

Status of Mayor and City Council Referrals

2016-2017 Proposed Operating Budget

Referral	Resolution
<p>TOT Cultural Facilities Reserve – Continue to fully fund this reserve to address capital needs – such as roof repair – before neglect causes them to become much more expensive burdens and redirect any supplemental dollars for specific cultural priorities that TOT dollars would typically fund, but only where those dollars can be leveraged with substantial contributions from private or other public sources, as described in greater detail below: 1) securing a permanent, publicly-owned site for San José Stage Company; 2) seed funding for evaluation, planning and development of an additional parking garage to serve the cultural facilities in the greater Downtown, with a priority given to the Diridon Station Area; 3) continuation of the momentum of Viva Calle and Viva Parks; and 4) a community center serving the Vietnamese-American community.</p>	<p>The 2016-2017 Proposed Operating Budget follows this direction, using the Cultural Facilities Capital Maintenance Reserve as a source to fund the following work efforts: securing a permanent, publicly-owned site for San José Stage Company (\$1.0 million); leveraging private fundraising for planning and development of a Vietnamese-American Community Center (\$300,000); and continuation of the momentum for Viva Calle and Viva Parks (\$250,000).</p> <p>As the City was not the winning bidder to acquire the 88 Central Place Parking Garage from the Successor Agency to the Redevelopment Agency, sufficient resources are available for the General Purpose Parking Fund to supply \$1.0 million in seed funding for evaluation, planning and development of an additional parking garage to serve the cultural facilities in the greater Downtown.</p> <p>Additional investments funded by the reserve that are described in more detail in the 2016-2017 Proposed Budget include: Airport Attraction Reserve (\$850,000), Sports Authority (\$350,000), History San José – Pacific Hotel - Fire and Intrusion Alarm (\$250,000), History San José – Fallon House Elevator and Ramp Replacement (\$100,000), The Tech Museum Controls Module Improvements (\$250,000), Hammer Theatre Miscellaneous HVAC and Electrical Upgrades (\$200,000), Independence Day Celebrations (\$65,000), Arena Authority (\$48,000), Mexican Heritage Plaza Roof Repairs (\$25,000), and Children’s Discovery Museum Skylight Replacement (\$20,000). Taking the above investments into account, the amount remaining in the Cultural Facilities Capital Maintenance Reserve is \$2.14 million. After including the additional TOT revenue anticipated for 2016-2017, the Reserve will grow by an additional \$5.94 million for a new total of \$8.08 million.</p>

Status of Mayor and City Council Referrals

2016-2017 Proposed Operating Budget

Referral	Resolution
<p>San José Stage Company – Set TOT funding aside for necessary appraisals, planning and potential purchase of a publicly-owned theater site for the San José Stage Company.</p>	<p>The 2016-2017 Proposed Operating Budget provides funding of \$1.0 million to help secure a permanent, publicly-owned site for the San José Stage Company. The site, formerly owned by the Redevelopment Agency faces the threat of sale, under the requirements of the Successor Agency to the Redevelopment Agency (SARA) and the California Department of Finance. San José Stage Company plans to potentially partner with the City to finance the acquisition and redevelopment of the parcel in order to keep this arts facility in the community. This proposal will provide funding for necessary appraisals, planning, and potential purchase of the site.</p>
<p>Community Center for the Vietnamese-American Community – Allocate \$300,000 to assist with fundraising, planning, and preliminary design, and to specifically help launch private fundraising for the development of a community center. Further, explore the use of an existing community center provisionally for this purpose, given the multi-year process required for construction of a permanent center.</p>	<p>The 2016-2017 Proposed Operating Budget provides funding of \$300,000 for fundraising, planning, and preliminary design, and to specifically help launch private fundraising for the development of a Vietnamese-American Community Center. The goal of the community center is to serve as a public gathering space for events, civic dialogue, and for provision of services and information in the Vietnamese language. Use of an existing community center provisionally for this purpose is also being explored, given the multi-year process required for construction of a permanent center.</p>
<p>Viva Calle & Viva Parks – Allocate one-time funding from the TOT Cultural Facilities Reserve to continue the Viva Parks program, contingent on the City leveraging no-City grants and philanthropy.</p>	<p>The 2016-2017 Proposed Operating Budget adds one-time personal services funding of \$150,000 for six temporary positions (2.0 Recreation Leader, 2.0 Recreation Program Specialist, 1.0 Recreation Superintendent, and 1.0 Senior Recreation Leader) and one-time non-personal/equipment funding of \$140,000 to continue activation efforts with Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez events through October 2016. Viva CalleSJ is a free recreational program that closes approximately six miles of scenic San José streets and brings people and the community together to walk, bike,</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget


Referral	Resolution
<p>Viva Calle & Viva Parks (Cont'd.)</p>	<p>skate, play, and explore the City. The 2016 route will be formally announced as part of National Bike Month in May 2016. ¡Viva Parks! events are safe and fun for the community and approximately 24 events will be held throughout the summer at various parks in East San José. Weekly events vary but may include healthy food demonstrations, zumba and martial arts demonstrations, bounce houses, cultural dance performances, large group games, skate jams and climbing wall, and movie nights. PRNS will also coordinate daily activation at Plaza de Cesar Chavez that will draw participants during early morning, lunch, and dinner times. Activation activities include, but are not limited to, yoga, games, food trucks, a beer garden, and music. A portion of these costs will be offset by booth rental revenues (\$40,000), as described in the General Fund Revenues section of this document. It is also anticipated that the department will receive grant revenues to support these programs.</p>
<p>Leading Smart City Initiatives – Establish an Office of Innovation and Digital Strategy in the City Manager’s Office, aimed at implementation of the Smart City Vision, and allocate ongoing funding for this effort. Further, develop a two-year work plan and report to the Smart City and Service Improvement Committee in fall 2016, after the establishment of the office.</p>	<p>The 2016-2017 Proposed Operating Budget establishes the Office of Innovation and Digital Strategy through the addition of 1.0 Deputy City Manager position and 1.0 Sr. Executive Analyst (SEA) positions (\$402,000), and reassigns the existing Budget Office Data Analytics Team consisting of 1.0 SEA and 1.0 Executive Analyst to this new office. The Office will provide oversight, coordination and implementation support for City innovation projects and programs and lead the Administration’s effort to support the Mayor and City Council in implementing the Smart Cities Vision. The team will work with various Departments to develop ideas and partnerships to solve service delivery problems, as well as keep pace with developing public and private innovations that might enhance City services. The team will also serve as a primary point of contact for new ideas with</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
Leading Smart City Initiatives (Cont'd.)	<p>corporate partners, facilitate the Administration's Civic Innovation Cabinet and assist staff in preparing and vetting concepts to meet both operational and innovation goals. As San José aims to lead as a smart city and ensure future-ready digital infrastructure for the entire community, this action also includes one-time funding of \$250,000 to begin the process of developing an Information and Communications Technology Masterplan for the City government organization, as well as for the broader San José community. This will be a significant, strategic, multi-year, effort that will involve the CMO, Information Technology Department, other key Departments, as well as technical consulting expertise. These funds allow the project to get started in 2016-2017 with assessment and documentation of assets in digital form (e.g. conduit location and condition), identification of gaps in our network, articulation of priority needs and opportunities, and analysis of potential public-private partnership models, including a potential Request for Proposals to test private interest in investing in our municipal fiber network.</p> <p>The Administration will develop a two-year work plan and report to the Smart City and Service Improvement Committee in fall 2016.</p>

Status of Mayor and City Council Referrals 2016-2017 Proposed Operating Budget

Referral	Resolution
I.T. Position Assessment – Assess how to fill current vacancies and to ensure staffing and training in the Information Technology Department (IT) to meet current and future needs.	As recently reported as part of the Information Technology Projects Status and Future Technology Investment Strategies Semi-Annual Report that was heard at the April 21, 2016 Public Safety, Finance and Strategic Support Committee, the Administration is actively working on a multi-pronged approach to fill current vacancies and to ensure appropriate staffing and training needs are met in the Information Technology Department to meet current and future needs. Several recommendations for Information Technology staffing realignments are also contained in the 2016-2017 Proposed Operating Budget.
Budget Balancing Strategy Guidelines – Use the 2016-2017 Budget Balancing Strategy Guidelines as detailed in Attachment A.	The 2016-2017 Proposed Budget incorporates this direction.
Essential Services Reserve – Set aside \$2.0 million in one-time funds that may be used for the purpose of supporting services that are of essential importance to our residents. Services deemed essential by the City Council may be funded with the use of these one-time funds, as well as a Participatory Budgeting Pilot Program.	The 2016-2017 Proposed Budget establishes an Essential Services Reserve totaling \$2.5 million to fund one-time services that are not yet contained in the budget, but are of essential importance to the community and/or to establish a Participatory Budget Pilot Program for those City Council Districts that wish to opt-in to this program. These funds will be allocated later during the 2016-2017 budget process as part of the Mayor’s June Budget Message for City Council consideration and eventual approval. The Administration increased the reserve amount from the original \$2.0 million direction level by \$500,000 in order to provide additional flexibility during the City Council budget deliberation process.



2016-2017

OPERATING BUDGET

**ATTACHMENT C -
STATUS OF
CITY AUDITOR
RECOMMENDATIONS
WITH
FUNDING IMPACT**

Status of City Auditor Recommendations With Funding Impact 2016-2017 Proposed Operating Budget

There are a number of audit recommendations that are incorporated into actions included in the 2016-2017 Proposed Budget. The table below provides a summary of those audit recommendations. While this report focuses on audit recommendations with budget actions in 2016-2017, there are numerous outstanding audit recommendations with financial implications that are not being implemented as part of the 2016-2017 Proposed Budget. The City Auditor's Office reports on all outstanding audit recommendations on a semi-annual basis. These status reports can be found on the Auditor's Office website at: <http://www.sanjoseca.gov/index.aspx?nid=309>.

Department	Item	Remarks
Police	Audit of Civilianization Opportunities in the San José Police Department – <ul style="list-style-type: none"> • Develop short, medium, and long-term plans to civilianize the positions identified in this audit and/or other positions identified by the Police Department. • Identify partial administrative roles filled by sworn and consider options for civilianization. (Issued 1/14/10, #9 and #10)	The 2016-2017 Proposed Budget adds 1.0 Deputy Director civilian position to the Police Department's Bureau of Technical Services to assist in implementing data analytics tools to advance predictive policing strategies in order to help reduce high-frequency and geographically-focused crimes, such as burglary and drug dealing. To provide more workload capacity for the Assistant Police Chief, the existing Deputy Police Chief position assigned to the Bureau of Technical Services will be relocated to the Office of the Chief to oversee various units such as: special investigations, gaming, medical marijuana control, internal affairs, and research and development.

Status of City Auditor Recommendations With Funding Impact 2016-2017 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Audit of Information Technology General Controls – The Information Technology Department (ITD) should collect, maintain, and periodically update a central inventory of computer equipment and software, and should use its inventory management system and records of technology purchases to:</p> <p style="margin-left: 40px;">c) To the extent possible, ITD should pursue opportunities to centrally-install packages, rather than installing packages at individual workstations.</p> <p>(Issued 1/18/2012, #9)</p>	<p>The 2016-2017 Proposed Operating Budget deletes 3.0 vacant Network Technician I/II/III positions and adds 2.0 Information Systems Analyst positions to more effectively support Virtual Desktop Infrastructure (VDI), the new organization-wide desktop management standard. This more efficient approach centralizes desktop software, security, and patch management to the cloud, and enhances software deployments throughout the organization. Instead of a single technician servicing one desktop at a time, VDI enables the Information Technology (IT) Department to standardize and service thousands of desktops from a single location. This action also includes one-time funding of \$500,000 to upgrade operating system software to Windows 10, bringing consistency throughout the organization, and addressing compatibility and security vulnerabilities inherent in obsolete platforms.</p> <p>The 2016-2017 Proposed Operating Budget also adds one-time funding of \$500,000 to perform network upgrades at the City's remote facilities, including community centers. For those remote sites that provide wired and wireless access for public and private use, upgrading their network equipment to a single standardized platform significantly reduces the likelihood of security breaches and equipment failure, and reduces IT support demands.</p>

Status of City Auditor Recommendations With Funding Impact 2016-2017 Proposed Operating Budget

Department	Item	Remarks
Planning, Building and Code Enforcement	Code Enforcement: Improvements are possible, but resources are significantly constrained – Technology improvements are needed. (Issued 11/14/13, #3)	The 2016-2017 Proposed Operating Budget adds one-time funding of \$57,600 to purchase tablet computers for Code Enforcement Inspectors for field use with the ability to remotely run desktop software and perform research and updates to case files as well as communicate with other departments quickly and efficiently. Tablets are a tool that play an important role in the service delivery of Code Enforcement programs, allowing inspectors to take notes and conduct research on properties while in the field, which improves processing standards. Ongoing data services will be covered under the existing plans.
Planning, Building and Code Enforcement	Development Services: Improving the Experience for Homeowners – To maximize its infrastructure already in place at the Permit Center, Planning, Building and Code Enforcement should: a) Station more staff at Building Counters available to provide assistance from walk-in customers as need; and b) Expand referrals to and use of self-help computer terminals in the lobby (Issued 9/18/14, #10)	<p>The 2016-2017 Proposed Budget adds 1.0 Senior Engineer position (\$128,291), 2.0 Senior Permit Specialist positions (\$146,492), and 2.0 Building Inspector Combination Certified I positions (\$202,574) and associated non-personal/equipment funding (\$15,120) for the permit center to expand the Over the Counter (OTC) Plan Review program, improve customer service, and improve quality control of permit review.</p> <p>The 2016-2017 Proposed Budget also extends 2.0 Planner II positions through June 30, 2017 (\$196,082) and adds 1.0 Planner IV position through June 30, 2017 (\$128,114) and associated non-personal/equipment expenses (\$4,000) to meet the continued high demand on development review services in 2016-2017, including a number of large signature projects anticipated to be submitted within the next six to eight months.</p>

Status of City Auditor Recommendations With Funding Impact 2016-2017 Proposed Operating Budget

Department	Item	Remarks
Planning, Building and Code Enforcement	<p>Development Services: Improving the Experience for Homeowners – To improve communication and outreach to Permit Center customers, Planning, Building and Code Enforcement should:</p> <ul style="list-style-type: none"> a) Review and correct outdated information on its website; b) Remove jargon and provide simply-worded instructions about when, why, and how to obtain permits and approvals; and c) Upgrade the online permit interface to make it more user-friendly. <p>(Issued 9/18/14, #14)</p>	<p>The 2016-2017 Proposed Budget adds one-time funding (\$52,000) for a temporary full time position to provide bilingual translation, graphics, and outreach, support for the Planning, Building and Code Enforcement Department, including fact sheets for community meetings and presentations on ordinance changes that meet the needs of San José residents and customers. Additionally, as materials are developed, the position will assist with prioritizing the translation of key handouts and online services for the Building Development Fee Program and Code Enforcement, including Multiple Housing and Small Business Ally programs, which takes place using the contracted translation services that are currently funded. If additional funding is needed for translation services, a budget adjustment will be evaluated during the year to ensure funding is available to translate the key priority materials. The record-breaking level of building and code enforcement activity over the last few years has made the case that clear, effective permit and code information is critical to the success of departmental operations.</p>

Status of City Auditor Recommendations With Funding Impact 2016-2017 Proposed Operating Budget

Department	Item	Remarks
Public Works	<p>Facilities Maintenance: Process Improvements are Possible, but a Large Deferred Maintenance Backlog Remains – To enable better asset lifecycle management, Public Works should:</p> <ul style="list-style-type: none"> a) Identify funding, in coordination with the Manager’s Budget Office, and create a plan to conduct comprehensive condition assessments, including lifecycle cost analysis of City facilities; b) Resume regular, ongoing condition assessments of City facilities; and c) Provide this information to City Council together with an analysis of the consequences of continuing funding at current versus enhanced levels. <p>(Issued 11/13/14, #1)</p>	<p>The 2016-2017 Proposed Capital Budget provides second year (of a three year program) funding of \$300,000 to conduct building inspection and evaluation assessments of City-owned facilities. This project is needed to conduct building assessments of the City's most crucial building components and systems, which will help the City's facilities management staff determine and prioritize the replacement and repair needs of the City-owned building infrastructure and equipment.</p>

Status of City Auditor Recommendations With Funding Impact 2016-2017 Proposed Operating Budget

Department	Item	Remarks
Planning, Building and Code Enforcement	<p>Technology Deployments: Additional resources needed to shorten deployment timelines – For major technology projects, require appointment of a qualified (preferable certified) project manager dedicated to and responsible for the entire project (including planning and deployment), with clear authority, roles, and responsibilities, and accountable to the steering committee for project progress and challenges. (Issued 3/10/16, #4)</p>	<p>The 2016-2017 Proposed Budget adds one-time contractual funding for a consultant project manager (\$500,000) to ensure success of the Integrated Permit System Implementation project, which is anticipated to take 28 months from an anticipated start in May 2016. Other actions to ensure success of this high profile project include: 1.0 Supervising Applications Analyst position to lead the team in the technical aspects of the new Permitting system and work with managers and front-line staff to ensure a seamless transition and ongoing service; 1.0 Senior Analyst position to be responsible for the implementation of a new Development Fee structure being put forth by the implementation team and incorporate the new fee information into the new permitting system; and 1.0 Planner IV position, 1.0 Senior Engineer position, and funding for temporary staff will provide resources to backfill existing staff that will work on the project.</p>

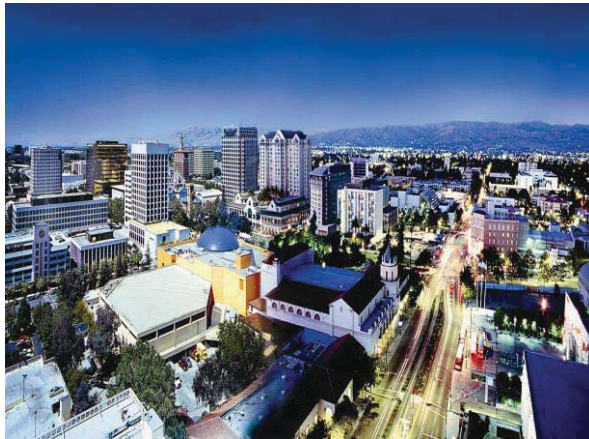
CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

STRATEGIC LOCATION

Situated between the Diablo and Santa Cruz mountain ranges, the City of San José encompasses 180.2 square miles at the southern tip of the San Francisco Bay. San José's central location between San Francisco to the north and Monterey/Carmel to the south makes the "Capital of Silicon Valley" a gateway to adventures throughout California.



With a population of one million, San José is the 10th largest city in the nation.¹ Over 1.8 million people reside in Santa Clara County, of which San José is the county seat.

HISTORY

In November 1777, El Pueblo San José de Guadalupe became the first civil settlement in California. The settlement was mostly occupied by the Ohlone Indians along the Guadalupe River and Spanish settlers. At that time, San José was a farming community cultivating a number of different crops, which served the military communities in San Francisco and Monterey. In 1850, San José became the first capital of California, but this honor remained for only two years due to flooding in downtown and the lack of hotel capacity. Furthering San José's difficulties, the City was plagued with floods, earthquakes, and fires in the early 1900s. However, over the next century, San José experienced one of the most significant economic changes in California history, transforming from an agricultural community to what is known today as the "Capital of Silicon Valley."

QUALITY OF LIFE

San José's quality of life is unsurpassed. With an average of 300 days of sunshine per year and temperatures varying from an average of 50 degrees in January to an average of 70 degrees in July, those living and working in San José can enjoy the City's many attractions, cultural and performing arts, sports and recreation opportunities, and year-round festivals and celebrations. San José has received accolades from The Milken Institute, Forbes, The Atlantic, and other national media as the place to live and do business.

DIVERSITY

Diversity is a hallmark of San José. San José is a city proud of the cultural and ethnic diversity of its population and workforce and the rich cultural identity of its many neighborhoods. City residents speak more than 50 different languages.



¹ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2014 and 2015. (Released May 2015)

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

DIVERSITY

Japantown is a popular tourist stop and a cornerstone neighborhood full of tradition. Little Saigon is a haven of Vietnamese-owned and operated businesses where customers and tourists can experience unique shopping experiences and diverse restaurants. Biblioteca Latinoamericana, one of the City’s innovative library branches, boasts one of the largest collections of Spanish language materials in northern California. The City hosts many cultural festivals and numerous ethnic chambers of commerce are active in the community. According to the 2014 American Community Survey, residents of the City are 34% Asian, 33% Hispanic, 27% White, 3% African American, and 3% other.

EDUCATION

Sixteen public school districts and an estimated 300 private and parochial schools provide families with a range of educational choices. Innovative programs in local school districts include a nationally acclaimed performing arts magnet and concentrations in aerospace, international studies, math and science, and radio and television.



Higher education facilities in and around San José are distinguished. San José State University (SJSU) is California’s oldest public university, founded in 1857. It offers strong programs in business, information technology, journalism, mass communications, and engineering, with SJSU graduating twice as many engineers annually as any nearby university. In addition, the collaboration between SJSU and the City of San José to construct and operate the Dr. Martin Luther King, Jr. Library (King Library), the first joint City/University library, earned the prestigious national title of Gale/Library Journal 2004 Library

of the Year. The King Library also received the National Medal for Museum and Library Service from the Institute of Museum and Library Services in 2011.

Area colleges include Santa Clara University, the State’s oldest institution of higher private education, founded in 1851. Other excellent nearby universities include Stanford University, University of California at Berkeley, University of California at San Francisco, and University of California at Santa Cruz.

Seven community colleges serve the County of Santa Clara, offering a variety of two-year programs and work-ready certificate programs. Community-based programs like Metropolitan Education District and the Center for Employment Training fill the need for basic skills and job training.

ECONOMIC DIVERSITY

Perhaps more important than rankings and statistics, the term “Capital of Silicon Valley” describes not only a city and geographic region, but also a culture, an entrepreneurial energy, a spirit of innovation, and a symbol of opportunity. While San José and the greater Silicon Valley are largely

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

ECONOMIC DIVERSITY

associated with the technology industry, the City's business profile is diverse and healthy. San José is home to approximately 60,000 businesses employing a total of 400,000 workers in sectors ranging from advanced manufacturing to healthcare to software. Commercial, retail, industrial, professional, and service businesses all thrive in San José.

INTERNATIONAL

On the international front, San José attracts significant foreign investment from throughout the globe, particularly in information technology industrial sectors. San José is also a leading city in exporting goods and services. To expand international economic ties, the City maintains Economic Partnership Agreements with key international cities and regions that complement San José's economic profile in technological innovation and entrepreneurship.

TOURISM

Residents and visitors enjoy the City's many attractions year-round: museums, parks, sports, multicultural festivals, theme parks, shopping, and, of course, great hotels and restaurants. Attractions include the Tech Museum of Innovation, San José Museum of Art, Raging Waters, Happy Hollow Park & Zoo, Japanese Friendship Garden, Winchester Mystery House, and Children's Discovery Museum of San José.

SPORTS

Several professional sports teams call San José home: the Sharks, National Hockey League; the Earthquakes, Major League Soccer; the Barracuda, Minor League Hockey; and the Giants, Minor League Baseball. The City also has a state-of-the-art community ice center, golf courses, and parklands, including 57 miles of beautiful walking and biking trails.



TRANSPORTATION

San José/Silicon Valley has the following mass transportation options:

- The Norman Y. Mineta San José International Airport, located within minutes of downtown, serving an estimated 10 million passengers annually, with 12 major passenger airlines operating service to 29 domestic and six international destinations.
- The Santa Clara Valley Transportation Authority (VTA) carried a total of 44.1 million passenger trips in 2015 on its bus and light rail system.
- Caltrain, a commuter rail service with 32 stations, runs from Gilroy through San José and north to San Francisco, with an average weekday ridership of 58,000. Caltrain operates 92 weekday trains, including 22 Baby Bullet express route trains that travel from San José to San Francisco in less than an hour.
- Bay Area Rapid Transit (BART) and California High-Speed Rail both have planned routes to San José. In April 2012, construction began on phase one of the BART Silicon Valley Extension. Significant construction activities are underway, including major utility relocation throughout the project corridor, trench work at major project intersections, and ongoing construction at future station sites. Passenger service is scheduled to begin in 2017-2018.

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

BASIC CITY FACTS

FOUNDED: 1777; California's first civilian settlement

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

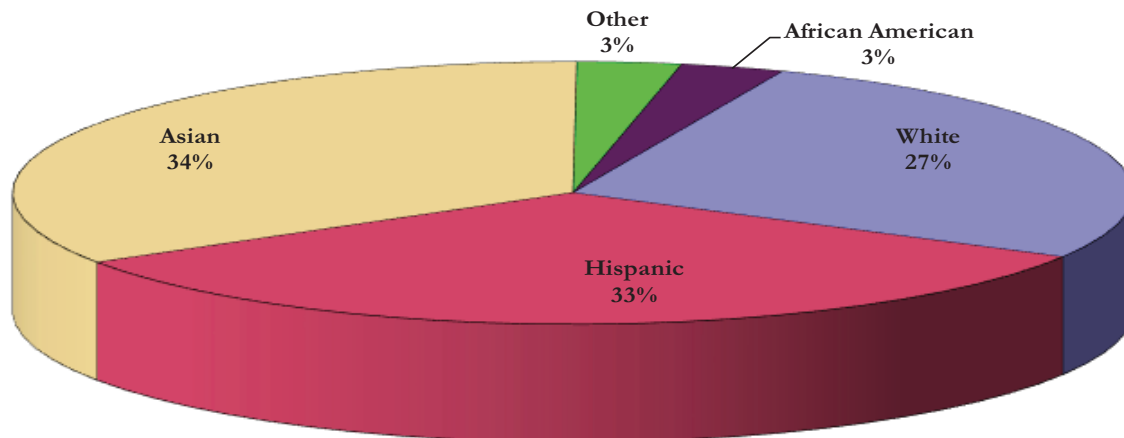
GENERAL DATA

Population ²	1,016,479
Registered Voters	385,928
Median Household Income	\$83,787
Miles of Streets	2,432
Miles of Alleys	2
Area of City (square miles)	180.2
Land Use:	
Single-Family	33.3%
Two-Family	2.3%
Multi-Family	6.5%
Mobile Home	0.8%
Commercial	5.1%
Industrial	7.6%
Government Institutions	2.8%
Airports	1.2%
Schools	4.5%
Parks/Open Space	8.6%
Roadways	20.9%
Mixed Use	0.8%
Undeveloped	5.6%



DEMOGRAPHICS

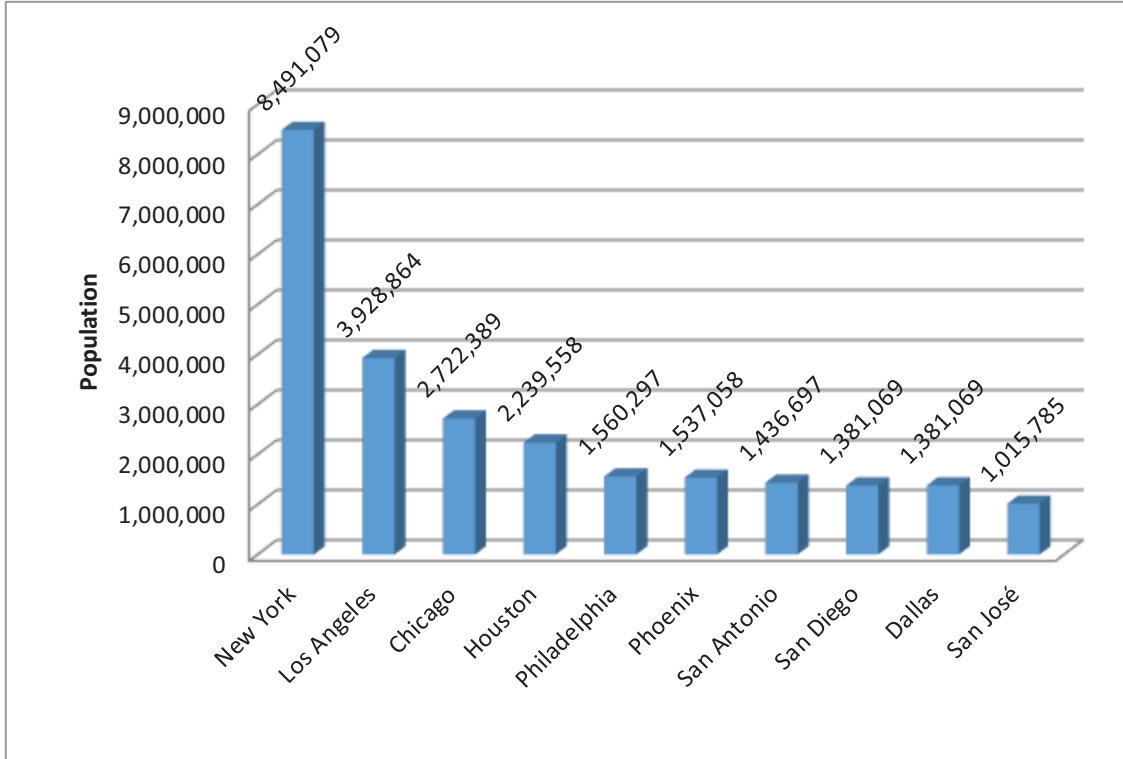
Breakdown of Race/Ethnicities (U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates)



² State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2014 and 2015. (Released May 2015).

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

POPULATION OF 10 LARGEST U.S. CITIES



Source: U.S. Census Bureau – July 2014.

MAJOR EMPLOYERS

<u>Company</u>	<u>Number of Employees</u>
Santa Clara County	17,800
Cisco Systems	14,000
City of San José*	5,945
San José State University	4,300
Western Digital/HGST	3,000
eBay	2,800
Paypal, Inc.	2,800
IBM Corporation	2,800
Adobe Systems Inc.	2,100
Kaiser Permanente	2,100
Good Samaritan Health System	2,000
Target Corporation	1,900
Brocade Communication	1,700
Cadence Design Systems Inc.	1,600
Maxim Integrated Products	1,600

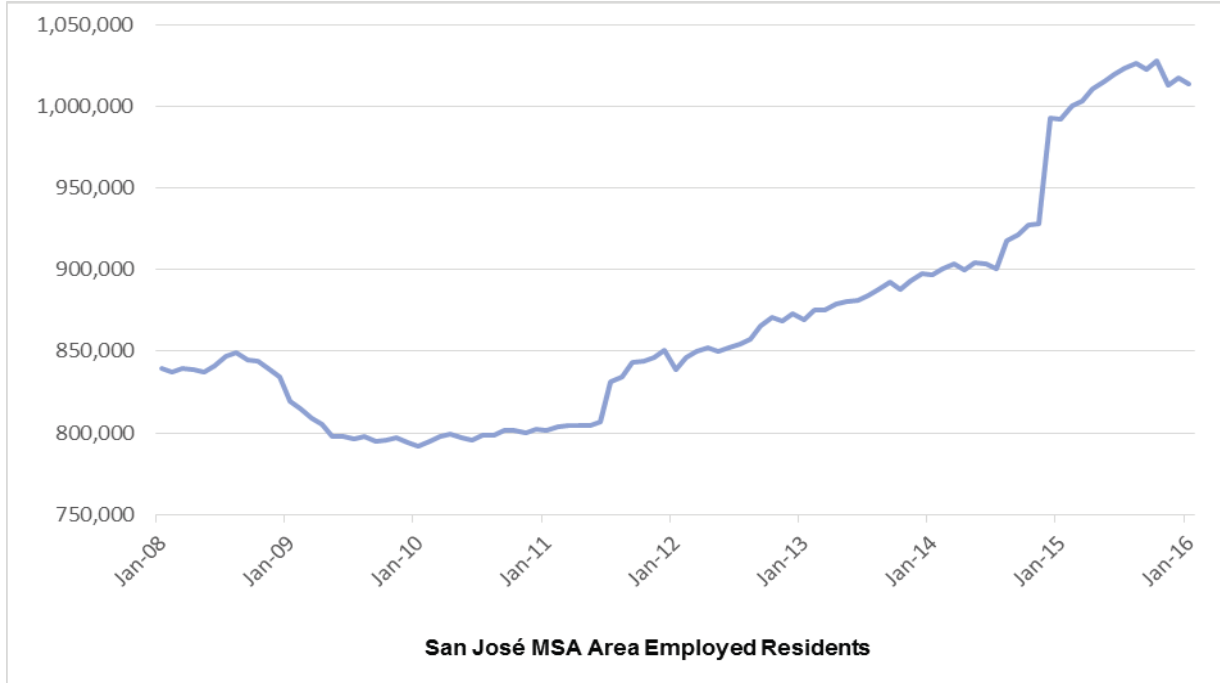
Source: City of San José, Office of Economic Development

* 2015-2016 Adopted Operating Budget

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

CITY OF SAN JOSE EMPLOYED RESIDENTS



Source: U.S. Census Bureau, California Employment Development Department

ANNUAL UNEMPLOYMENT RATES**

Unemployment Rates***	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
San José MSA	11.2%	10.0%	8.6%	7.0%	5.3%	4.5%	3.90%
State	12.4%	11.7%	10.5%	8.9%	7.5%	6.7%	5.60%
National	9.6%	8.9%	8.1%	7.4%	6.2%	5.6%	5.10%

** Average annual rates based on monthly employment statistics; 2016 reflects March data

*** Unadjusted unemployment rates

Source: U.S. Census Bureau, California Employment Development Department

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

AIRPORT*

Size	1,050	Approx. Acres
Terminals	2	
Runways	3	
Hours of Operation	24	
Flights in 2015-2016 (estimated):		
Commercial Airline Operations	76,050	
Cargo Commercial Airlines Operations	1,570	
Taxi/Commuter Commercial	19,055	
General Aviation	34,670	
Military Flights	241	
Landings per Day in 2015-2016 (estimated):		
Commercial	132	
General Aviation	47	
Number of Passengers in 2015-2016 (estimated):	10.0	Million
Public Parking Spaces:		
Hourly Parking	2,500	
Daily Parking	1,360	
Economy Parking	1,670	
Services:		
Passenger Airlines	12	
All-Cargo Airlines	2	
General Aviation Based Aircraft	136	



ENVIRONMENT AND UTILITIES*

Miles of Municipal Sewer Mains		2,308
Number of Water Pollution Control Plants ³		1
Number of Square Miles the Sanitary Sewer System Spans		179.8
Gallons of Wastewater the Plant has the Capacity to Treat Per Day		167.0 Million
Gallons of Wastewater Treated Per Day		92.0 Million
Number of Municipal Water Systems ⁴		1
Water Services in Municipal Service Water Area		26,700
Miles of Water Mains		345
Gallons of Potable Municipal Water Delivered		5.0 Billion
Gallons of Recycled Municipal Water Delivered		1.4 Billion
2015-2016 Recycled Materials:		
Tons of Paper	46,609	
Tons of Glass	16,069	
Tons of Cardboard	11,651	
Tons of Metals	4,030	
Tons of Plastics	6,317	
Tons of Other Materials	<u>563</u>	
Total Tons of Recyclables	85,239	



* Current Counts or 2015-2016 Year-End Estimates

³ Serving the San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno areas.

⁴ Serving the Evergreen, North San José, Alviso, Edenvale, and Coyote Valley areas. Other areas served by private water companies.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

ENVIRONMENT AND UTILITIES*

2015-2016 Recycled Materials:	
Multi-Family Dwelling Tons Composted	58,384
Single-Family Dwelling Tons Composted	42,274
Tons of Yard Trimmings	115,682
Tons of Used Motor Oil	229
Tons of Used Oil Filters	24

FIRE*

Fire Stations	33
Companies	40
Squad Cars	5
Equipment	
Engines:	
Front Line	30
Relief	15
Trucks:	
Front Line	9
Relief	4
Brush Patrol Apparatus:	
Front Line	7
Relief	6
Aircraft Rescue and Firefighting Apparatus:	
Front Line	2
Relief	1
Urban Search/Rescue and Hazmat Apparatus:	
Front Line	3
Auxiliary Apparatus	90
Emergency Medical Calls	54,000
Fire Safety Code Inspections	15,000
Fires	1,950



LIBRARIES*

Number of Outlets:	
Main Library	1
Branches	23
Items Checked Out (Circulation)	9,705,777
Electronic Resources Checked Out (Circulation)	546,503
Books (Inventory)	1,754,959
Audio Visual Materials (Inventory)	404,117



PARKING*

Parking Meters	2,566
Parking Lots (967 total spaces)	6
Parking Garages (6,182 total spaces)	8

* Current Counts or 2015-2016 Year-End Estimates

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

PARKS, RECREATION AND NEIGHBORHOOD SERVICES*

Park Sites**	200
Basketball Hoops	152
Bocce Ball Courts	14
Exercise Courses	35
Handball Courts	7
Horseshoe Pits	17
Lawn Bowling Greens	13
Volleyball Courts	12
Skate Parks	7
Multi-Use Fields	98
Swimming Pools	6
Tennis Courts	92
Park Acreage**	3,487
Playgrounds**	263
City-Operated Community Centers	12
Partner-Operated Re-Use Sites	39
Public Golf Courses	3
Gymnasiums	9
Fitness Rooms	6
Youth Centers	6
Walking and Biking Trails (miles)	58
Total Participation in Recreation Programs at Community Centers	662,413
Total Participation in Recreation Programs at Re-Use Centers	21,500



POLICE*

Police Stations	1
Community Policing Centers	3
Police Marked Vehicles	328
Motorcycles	52
Horses	3
Dogs	12
Aircraft:	
Helicopter	1
Fixed Wing	1
Number of Emergency Calls Received	563,000
Number of Non-Emergency Calls Received	385,000
Cases Assigned Per Year	22,000

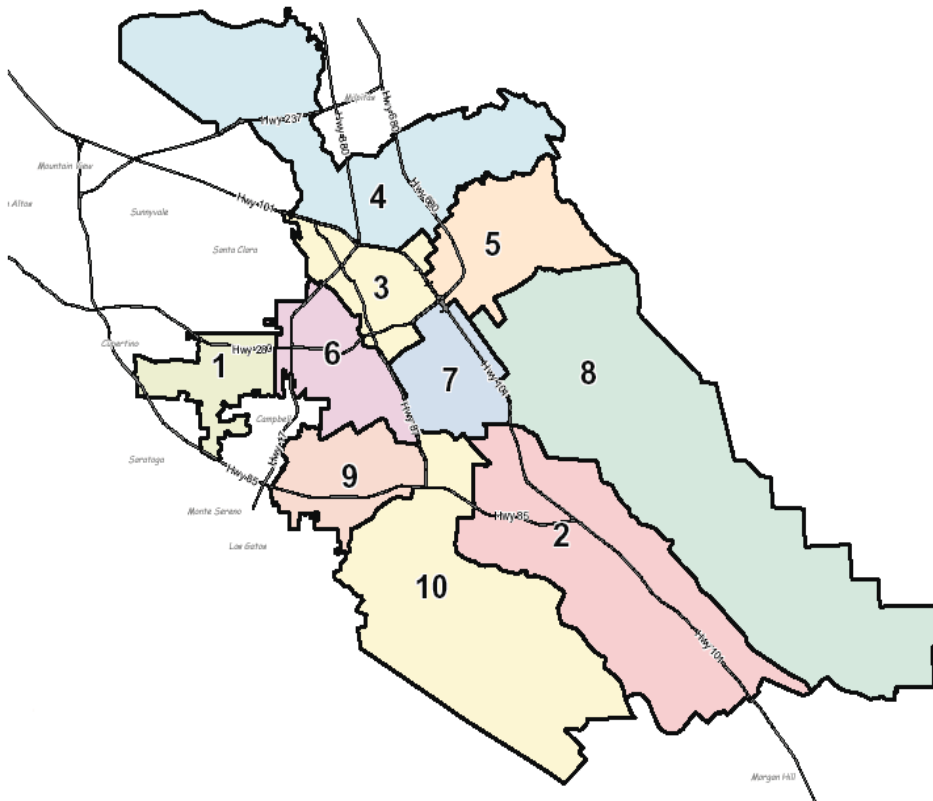


* Current Counts or 2015-2016 Year-End Estimates
 ** Data represents City services (excludes school data)

CITY OF SAN JOSE 2016-2017 PROPOSED OPERATING BUDGET

ROSTER OF ELECTED OFFICIALS

CITY COUNCIL	DISTRICT	TELEPHONE	E-MAIL
Sam Liccardo	Mayor	535-4800	mayoremail@sanjoseca.gov
Chappie Jones	1	535-4901	district1@sanjoseca.gov
Ash Kalra	2	535-4902	district2@sanjoseca.gov
Raul Peralez	3	535-4903	district3@sanjoseca.gov
Manh Nguyen	4	535-4904	district4@sanjoseca.gov
Magdalena Carrasco	5	535-4905	district5@sanjoseca.gov
Pierluigi Oliverio	6	535-4906	pierluigi.oliverio@sanjoseca.gov
Tam Nguyen	7	535-4907	district7@sanjoseca.gov
Rose Herrera	8	535-4908	rose.herrera@sanjoseca.gov
Donald Rocha	9	535-4909	district9@sanjoseca.gov
Johnny Khamis	10	535-4910	district10@sanjoseca.gov



CITY COUNCIL MEETINGS

- Every Tuesday at 1:30 p.m. in the Council Chambers.
- Evening meetings at 7:00 p.m. in addition to the afternoon meeting once a month, as listed in the approved City Council Meeting Schedule, in the Council Chambers.
- Closed sessions every Tuesday at 9:30 a.m. in the Council Chambers conference rooms.
- No meetings are held in July when the City Council is in recess.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Following is a list of significant State and local voter-approved initiatives.

2010s Initiatives

Measure B, Library Parcel Tax, authorized the collection of a parcel tax to enhance the City's library services and facilities. The tax is collected twice per year on each parcel of real property and deposited into the Library Parcel Tax Fund. All proceeds, including interest, must be expended for Library purposes. Measure B was approved by voters in 2014 and will sunset in 2039. This measure represents the third renewal of this tax; in November 1994, voters approved Measure E (sunset in 2005) and in November 2004 voters approved Measure S (sunset in 2015).

Measure D requires the payment of minimum wages in San José at \$10 per hour with an annual increase, if any, based on the Consumer Price Index beginning January 1, 2014; City enforcement through fines, penalties, civil actions, or revocation or suspension of permits or licenses; voter approval of substantive changes to the ordinance; and allows private enforcement through civil actions. Measure D was passed by the voters in 2012.

Measure B allowed the City Charter to be amended to modify retirement benefits of City employees and retirees by: increasing employees' contributions, establishing a voluntary reduced pension plan for current employees, establishing pension cost and benefit limitations for new employees, modifying disability retirement procedures, temporarily suspending retiree COLAs during emergencies, and requiring voter approval for increases in future pension benefits. Measure B was passed by the voters in 2012.

Measure K increased the Cardroom Tax rate on gross revenues from 13% to 15%, allowed each cardroom to seek City approval to increase the number of tables from 40 to 49, removed the

limit on the number of permissible card games to allow any card game permissible under State law consistent with City regulations, and increased the betting limit from \$200 to that allowed under State law. Measure K was passed by the voters in 2010.

Measure U allowed the City Council to impose a business tax on marijuana businesses in San José at a rate of up to 10% of gross receipts. The revenues from the marijuana business tax are subject to an annual audit. Measure U was passed by the voters in 2010.

Measure V changed the mandatory arbitration process regarding the selection of the Chair of the Board and required all hearings and documents submitted in arbitration to be accessible to the public. Further, it requires that the Arbitration Board consider the City's financial condition and ability to pay; provide consideration to the rate of increase or decrease of compensation approved by the City Council for other bargaining units; be precluded from rendering a decision, or issuing an award that increases the projected cost of compensation at a rate that exceeds the rate of increase in certain revenues, retroactively increases or decreases compensation, creates a new or additional unfunded liability; and interferes with the discretion of the Police or Fire Department to make managerial, operational, or staffing decisions. Measure V was passed by the voters in 2010.

Measure W allowed the City Council to adopt an ordinance to exclude future City officers and employees from any existing retirement plans or benefits and to establish retirement plans for future employees that do not provide for the current minimum requirements set forth in the San José City Charter. Measure W was passed by the voters in 2010.

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

2010s Initiatives

Proposition 22 reduces or eliminates the State's authority to delay or redirect the distribution of tax revenues for transportation, redevelopment, or local government projects and services, even during periods of severe fiscal hardship. The proposition requires the State Controller to reimburse local governments or accounts, if a court rules that the State violated a provision of Proposition 22. Proposition 22 was passed by the voters in 2010.

Proposition 26 requires that certain State fees be approved by a two-thirds vote of the Legislature and certain local fees be approved by two-thirds of voters. The proposition broadened the definition of a State or local tax to include some fees and charges that governments previously could impose with a majority vote. Proposition 26 was passed by the voters in 2010.

2000s Initiatives

Measure J replaced the Emergency Communication System Support Fee of \$1.75 per telephone line per month with a tax of \$1.57 per telephone line per month. The City ceased collecting the fee and began collecting the tax on April 1, 2009. The tax is collected from telephone users on their phone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service. Measure J was passed by the voters in 2008.

Measure K reduced the telephone utility rate from 5% to 4.5% (10% reduction) in San José. This measure broadened the base for the utility tax and the definition of technologies covered by the tax. The utility company collects the tax from consumers on a monthly basis and is required to remit the tax to the City by the 25th of the following month. The tax is not applicable

to State, County, or City agencies. Measure K was passed by the voters in 2008.

Proposition 1A prohibits the State from reducing local governments' property tax revenue. The provisions may be suspended only if the Governor declares a fiscal necessity and two-thirds of the Legislature approves the suspension. Suspended funds must be repaid within three years. Proposition 1A also requires local sales tax revenues to remain with local governments, and for the State to fund legislative mandates. Proposition 1A was passed by the voters in 2004 but became effective 2006.

Measure A, the Airport Security and Traffic Relief Act, authorized the City to implement infrastructure improvements at the Airport to meet federally mandated security requirements, improve passenger facilities, and add nine new gates once the Airport street system is within three years of completion and funding has been identified for the implementation of the Airport People Mover transit connection. Measure A was passed by the voters in 2003.

Measure O authorized the issuance of a \$159 million general obligation bond (Neighborhood Security Act Bond Measure) to improve San José's fire, police, and paramedic response times by adding and improving fire stations and police stations, training facilities, and creating state-of-the-art 9-1-1 communications facilities. Measure O was passed by the voters in 2001.

Measure K approved an update to San José's General Plan to modify greenline/urban boundaries. Measure K was passed by the voters in 2000.

Measure O authorized the issuance of \$212 million in bonds over 10 years for the establishment of six new and 14 expanded branch libraries in San José. Measure O was passed by the voters in 2000.

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

2000s Initiatives

Measure P authorized the issuance of \$228 million in general obligation bonds for the establishment of new and improved existing public parks and facilities in San José. Measure P was passed by the voters in 2000.

1990s Initiatives

Measure I authorized the construction of a new City Hall, located in downtown San José. Measure I was passed by the voters in 1996.

Proposition 218 extended the two-thirds majority vote requirement for any new user fees or new taxes to be levied at the local level. Assessments, fees, and charges must be submitted to property owners for approval or rejection, after notice and public hearing. Proposition 218 was passed by the voters in 1996.

Proposition 172 enacted a half-cent sales tax increase. Monies derived from this tax must be utilized solely for public safety services. Revenue is distributed to cities and counties for purposes such as police, sheriffs, fire, district attorneys, and corrections. Proposition 172 was passed by the voters in 1993.

Measure I established term limits for the City. City Council members and the Mayor can only serve for two successive four-year terms in office. Measure I was passed by the voters in 1990.

Proposition 8 allowed a property owner to file an assessment appeal when the market value of the property is less than the current assessed value. If the appeal is successful, the assessed valuation is lowered to reflect current market conditions. Proposition 8 also provided that the value of reassessed properties may be increased

to previous levels when market values increase. Proposition 8 was passed by the voters in 1990.

Proposition 111 enacted a statewide traffic congestion relief program and changed the procedures for calculating the Gann Limit by updating the spending limit on state and local government to better reflect the needs of a growing California population. It provided new revenues to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. Proposition 111 was passed by the voters in 1990.

1980s Initiatives

Measure C authorized the City to use public funds to build low-rent housing. Measure C was passed by the voters in 1988.

Measure H authorized the City to build a sports arena, currently known as the SAP Center at San José. Measure H was passed by the voters in 1988.

1970s Initiatives

Proposition 4, otherwise known as the “Gann Limit,” stipulated that the City must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the City can appropriate annually. The limit is adjusted each year using the following criteria: (1) the percentage change in California Per Capita Income or the change in the City’s Assessed Valuation due to new non-residential construction, whichever is greater and (2) the percentage change in the city-wide population, whichever is greater. Proposition 4 was passed by the voters in 1979.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

1970s Initiatives

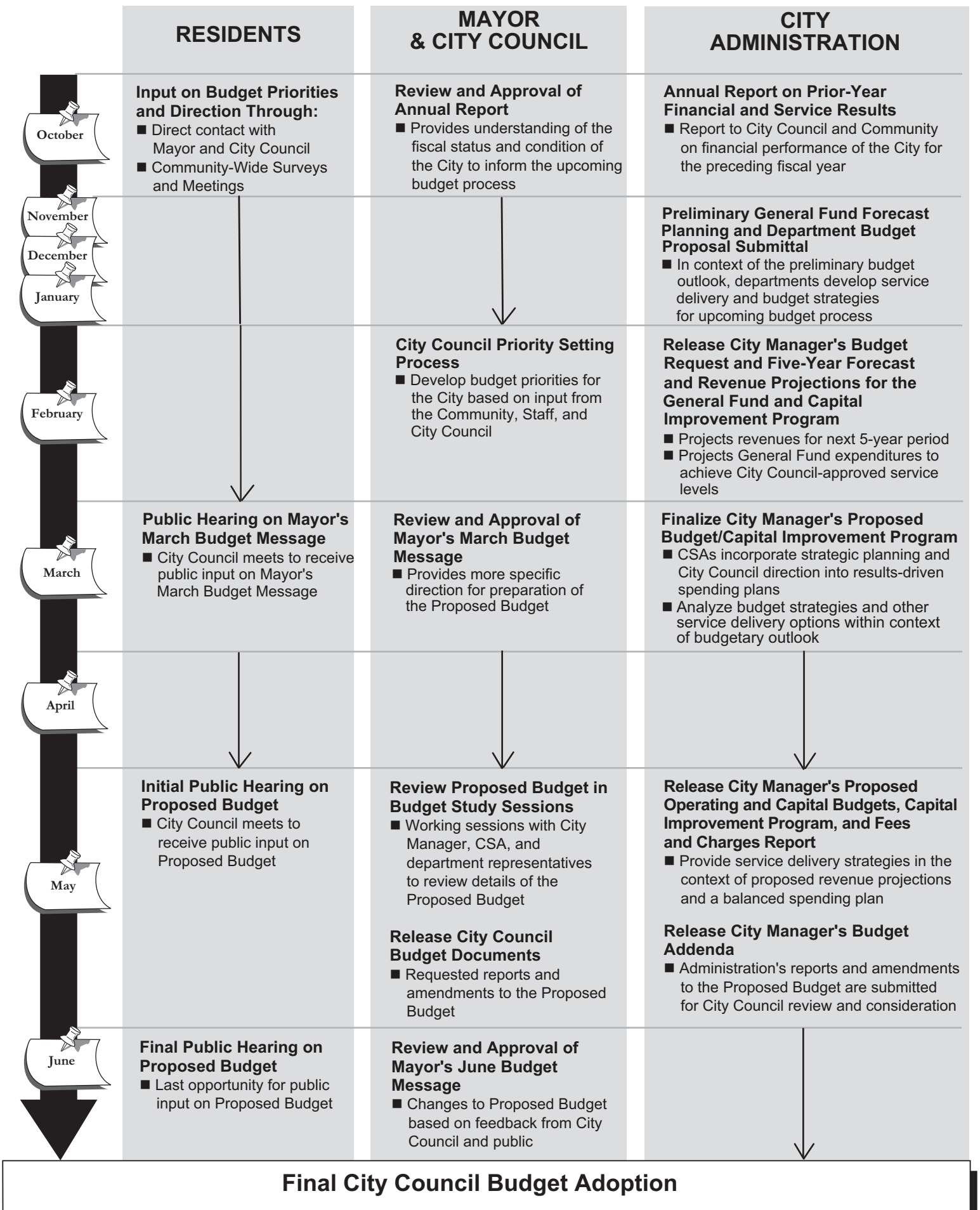
Proposition 13 placed a substantial limitation on the ability of local governments to collect sufficient property taxes commensurate with the historical role this revenue source has played in funding both municipal operations and new public facilities. Proposition 13 specified that an assessed value may increase at the rate of the Consumer Price Index, not to exceed two percent per year based on the 1979 value, unless the property is improved or sold aligning the newly assessed value to the market value. Proposition 13 was passed by the voters in 1979.

1890 – 1970 Initiatives

1965 – Passed by the voters in 1965, the City Charter reaffirms the Council-Manager form of government in San José. The City consists of 10 council members elected by district and a Mayor elected at large.

1897 – The City Charter was adopted in 1897. The Charter generally establishes the organization and structure of City government. The Charter also empowers the City Council to make and enforce all ordinances and regulations with respect to municipal affairs subject only to the limitations specified in the Charter.

CITY OF SAN JOSE ANNUAL BUDGET PROCESS



CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

CITY ORGANIZATION BY CITY SERVICE AREA

Community and Economic Development

City Manager - Economic Development
 Arts and Cultural Development
 Business Development and Economic Strategy
 Real Estate Services
 Regional Workforce Development

Fire
 Fire Safety Code Compliance

Housing
 Community Development and Investment
 Housing Development and Preservation
 Neighborhood Development and Stabilization

Planning, Building and Code Enforcement
 Development Plan Review and Building Construction Inspection
 Long Range Land Use Planning

Public Works
 Regulate/Facilitate Private Development

Environmental and Utility Services

Environmental Services
 Natural and Energy Resources Protection
 Potable Water Delivery
 Recycled Water Management
 Recycling and Garbage Services
 Stormwater Management
 Wastewater Management

Transportation
 Sanitary Sewer Maintenance
 Storm Sewer Management

Public Safety

Fire
 Emergency Response
 Fire Prevention

Independent Police Auditor
 Independent Police Oversight

Police
 Crime Prevention and Community Education
 Investigative Services
 Regulatory Services
 Respond to Calls for Service
 Special Events Services

Neighborhood Services

Library
 Access to Information, Library Materials, and Digital Resources
 Formal and Lifelong Self-Directed Education

Parks, Recreation and Neighborhood Services
 Parks Maintenance and Operations
 Recreation and Community Services

Planning, Building and Code Enforcement
 Community Code Enforcement

Public Works
 Animal Care and Services

Transportation and Aviation Services

Airport
 Airport Business Development
 Airport Facilities Maintenance
 Airport Operations
 Airport Planning and Capital Development

Police
 Traffic Safety Services

Transportation
 Parking Services
 Pavement Maintenance
 Street Landscape Maintenance
 Traffic Maintenance
 Transportation Operations
 Transportation Planning and Project Delivery

Strategic Support

Finance
 Disbursements
 Financial Reporting
 Purchasing and Risk Management
 Revenue Management
 Treasury Management

Human Resources
 Employee Benefits
 Employment Services
 Health and Safety
 Training and Development

Information Technology
 Customer Contact Center
 Enterprise Technology Systems and Solutions
 Information Technology Infrastructure

Public Works
 Facilities Management
 Fleet and Equipment Services
 Plan, Design, and Construct Public Facilities and Infrastructure

Mayor, City Council, and Appointees

Mayor and City Council
 Office of the Mayor
 City Council

City Attorney
 Legal Representation
 Legal Transactions

City Auditor
 Audit Services

City Clerk
 Facilitate the City's Legislative Process

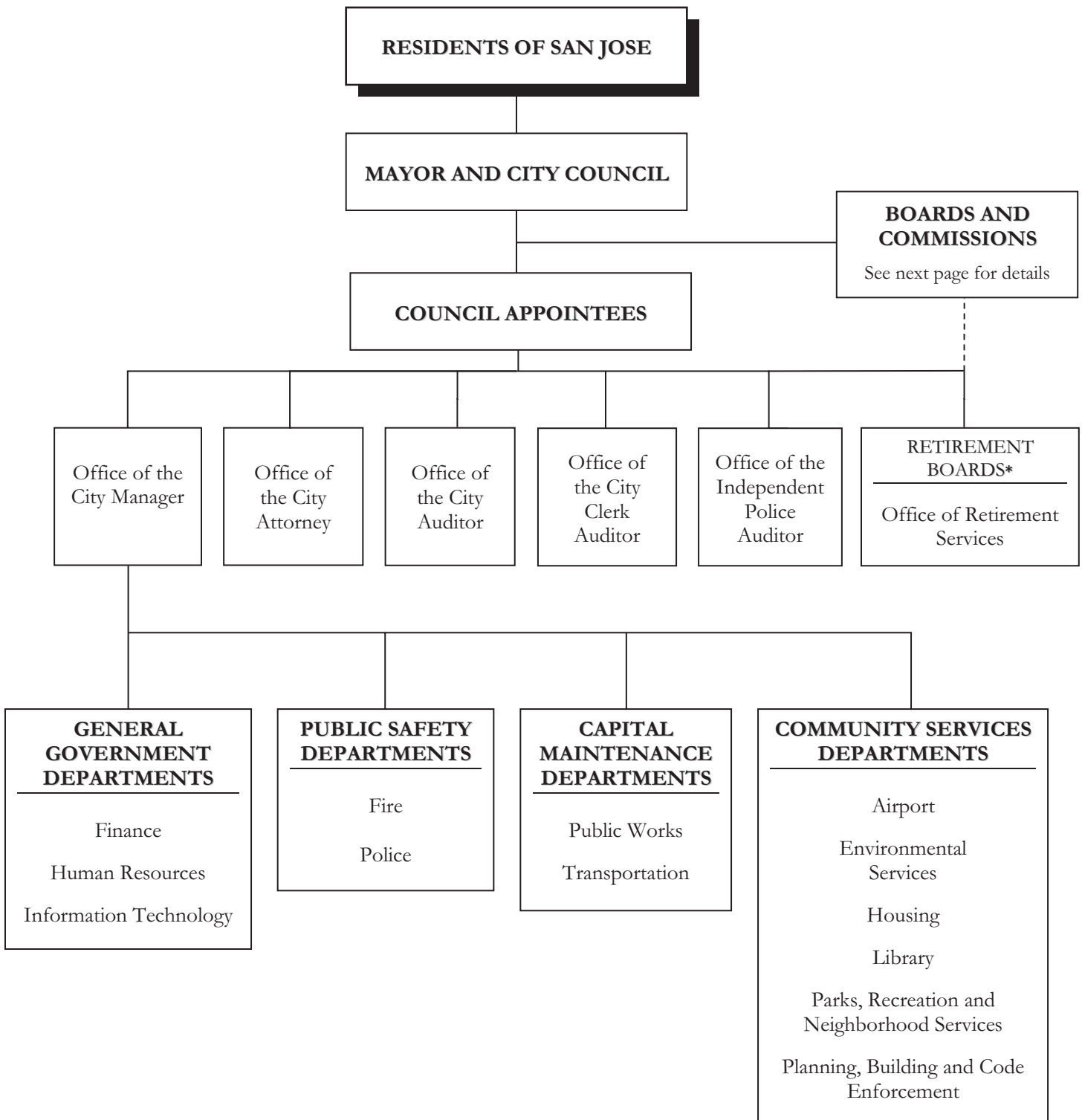
City Manager
 Analyze, Develop, and Recommend Public Policy

Lead and Advance the Organization
 Manage and Coordinate City-Wide Service Delivery

Retirement Services
 Retirement Plan Administration

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

CITY ORGANIZATION BY FUNCTION



* Federated City Employees Retirement System Board of Administration and Police and Fire Department Retirement Plan Board of Administration

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

BOARDS, COMMISSIONS AND COMMITTEES

Airport Commission
Appeals Hearing Board
Arts Commission
Bicycle Pedestrian Advisory Committee
Civil Service Commission
Council Appointment Advisory Commission
Council Salary Setting Commission
Deferred Compensation Advisory Committee
Downtown Parking Board
Ethics Commission
Federated City Employees Retirement System Board of Administration
Historic Landmarks Commission
Housing and Community Development Commission
Human Services Commission
Library and Early Education Commission
Mayor's Gang Prevention Task Force
Neighborhoods Commission
Parks and Recreation Commission
Planning Commission
Planning Director's Hearing
Police and Fire Department Retirement Plan Board of Administration
San José Arena Authority
SARA - Oversight Board Successor Agency to the San José Redevelopment Agency
Senior Citizens Commission
Treatment Plant Advisory Committee
Work2Future Board
Youth Commission

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

The Operating Budget document includes the **City Manager’s Budget Message**, outlining major policy issues and changes to City programs, including the General Fund Balancing Strategy Detail, status of Mayor and City Council referrals, and status of City Auditor recommendations with funding impact. The **Community Profile** section includes basic City information and data, the roster of elected officials, as well as a listing of State and local legislative highlights. The **Budget Guide** section provides a flow chart of the City of San José’s annual budget process, City organization charts by City Service Area and function, this operating budget guide, fund descriptions, a glossary of terms, and an acronyms index. **Summary Information** of expected revenues and expenditures is then presented, along with comparative five-year **History and Trend** information on revenues, expenditures, and staffing. The **Budget Policies and Practices** section includes budgeting policies, a City Service Area policy framework, significant accounting practices, and information regarding debt service obligations. The **General Fund Revenue Estimates** section contains assumptions used in budget development, as well as descriptions of major General Fund revenue sources. The remaining Operating Budget document is organized by the following sections as discussed below.

City Service Areas (CSAs) align services provided in individual departments into the City’s six key lines of business as viewed from the community’s perspective. A collection of core services from various partner departments, CSAs show the results of the collaboration among the departments at a higher organizational level:

- Community and Economic Development
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Transportation and Aviation Services
- Strategic Support

Strategic Support represents functions that provide organization-wide guidance and support to enable the delivery of the City’s direct services.

As an introduction to the CSA section, an **Overview** of the CSA concept, structure, and role in strategic planning and cross-departmental management of service delivery is included. Also, **City Service Area Budget** and **Position Summary** charts, including information regarding total operations and staffing, and a **City Service Area/Core Service Map** are provided.

CITY SERVICE AREAS (CSA)

Individual sections on each of the six CSAs follow. Each individual CSA section begins with a **Cover Page** that lists the **CSA Mission Statement**, **Outcomes**, and **Primary Partners**, followed by a **Service Delivery Framework** that maps the linkage between the CSA mission, outcomes, and core services. A **Budget Summary** follows, which includes the CSA’s **Expected 2016-2017**

CITY OF SAN JOSE 2016-2017 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

CITY SERVICE AREAS (CSA)

Service Delivery and **2016-2017 Budget Actions** for the next year, and a detailed **City Service Area Budget Summary**.

The CSA Budget Summary is followed by a **CSA Overview** that includes highlights of the CSA's **Service Delivery Accomplishments**, **Service Delivery Environment**, and **Priorities/Key Services**. The CSA Overview continues with the **Budget Dollars At Work: Performance Goals** section, which focuses on strategic goals and performance measures by outcome. A chart is displayed under each outcome outlining the current year, subsequent year, and five-year Strategic Goals and associated performance measures. The **Budget Changes** section provides a listing of actions including position and budget changes.

CITY DEPARTMENTS/COUNCIL APPOINTEES

Next, the **City Departments** section, organized alphabetically, reflects technical budget information for each department and provides a full description of budget changes. Each department section begins with a brief synopsis of the department, including the department's **Mission Statement**, listing of the **City Service Areas** supported by the department, and listing and description of the department's **Core Services**. A **Service Delivery Framework** follows, which maps the linkage between the department's **Core Services** and **Key Operational Services**.

This framework is followed by a **Department Budget Summary**, which includes a summary description of expected 2016-2017 service delivery, impacts of 2016-2017 key budget actions, and a list of operating funds managed by the department (if applicable). A table reflecting funding by core service, category, and funding source for four separate points in time: 2014-2015 Actual Expenditures, 2015-2016 Adopted Budget, 2016-2017 Forecast (Base Budget), and 2016-2017 Proposed Budget, follows. Total Authorized Positions by Core Service are also provided.

Next, the **Budget Reconciliation** is presented, providing significant Base Budget adjustments (such as negotiated salary and benefit changes and contractual obligations) from the prior year's Adopted Budget and a listing of Budget Proposals recommended for 2016-2017.

The details of **Budget Changes by Department** are provided next. Included for each change is a budget action title; the action's impact on positions, all funds, and the General Fund; a list of the CSAs and core services impacted; followed by a description of what will be added or deleted, the need for the change, the amount and nature of the funding involved; and performance results expected to occur when the action is implemented.

CITY OF SAN JOSE 2016-2017 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

CITY DEPARTMENTS/COUNCIL APPOINTEES

The **Performance Summary** charts are next. These charts present the measures and data used in evaluating core service results. Most core services include performance measures that describe expected results in four key measurement areas:



Quality – How well is the service doing what it is intended to do?



Cost – What resources are used to achieve results?



Cycle Time – Timeliness of service delivery.



Customer Satisfaction – How customers view the City's service efforts.

The **Activity and Workload Highlights** chart shows the scope and extent of the workload demand and the activities completed. For example, while the Performance Summary section focuses on percentages of workload accomplished successfully, the Activity and Workload Highlights section may provide a count of the total workload attempted/completed.

The City Departments section ends with a **Departmental Position Detail** that provides the authorized positions for the department and a one-year history of changes.

CITY-WIDE

The next major section of the budget document includes technical budget information. **City-Wide Expenses** are General Fund allocations that relate to more than one department or are not directly associated with ongoing departmental operations. These expenses are categorized to align to the CSAs to which they primarily contribute. **General Fund Capital, Transfers, and Reserves** includes budget information regarding capital contributions, transfers to other funds, earmarked reserves, and the contingency reserve. Both the City-Wide Expenses and General Fund Capital, Transfers, and Reserves sections include a **Mission Statement**, listing of **City Service Areas and Programs** supported by these allocations, **Budget Summary**, **Budget Reconciliation**, **Budget Changes by Program**, and **Detail of Costs Description** (a listing of all allocations for each Program).

SOURCE AND USE OF FUNDS STATEMENTS

The **Source and Use of Funds Statements** detail projected revenues, expenditures, and fund balances and are included for all budgeted special funds.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

APPENDICES

In the Proposed Budget, the appendices section includes the Mayor's March Budget Message and the Community Development Block Grant (CDBG) Fund 2016-2017 Funding Allocation. In the Adopted Budget, the Mayor's March and June Budget Messages, the Gann Limit Compliance Memorandum, and the Transient Occupancy Tax (TOT) Fund 2016-2017 Cultural Grants/Programs and Services Funding Plan are included.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Airport Capital Funds

These Enterprise Funds account for the Airport's capital expenditures and revenues and consist of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and Airport Passenger Facility Charge Fund.

Airport Operating Funds

These Enterprise Funds account for the operation of the Airport and consist of the following: Airport Revenue Fund; Airport Maintenance and Operation Fund; Airport Surplus Revenue Fund; Airport Customer Facility and Transportation Fee Fund; and the Airport Fiscal Agent Fund.

Benefit Funds

These Internal Service Funds account for the provision and financing of benefits to City employees, retirees, and their dependents. It consists of the Dental Insurance Fund, Life Insurance Fund, Unemployment Insurance Fund, and Benefit Fund.

Branch Libraries Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure O). The use of this fund is restricted to the acquisition of property and the expansion and construction of branch libraries.

Building and Structure Construction Tax Fund

This Capital Fund accounts for the tax on residential, commercial, and industrial development. The use of these funds, along with grant revenues, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting, and traffic control systems.

Business Improvement District Fund

This Special Revenue Fund accounts for assessments involving Business Improvement District activities.

Cash Reserve Fund

In the City's Comprehensive Annual Financial Report, this fund is grouped with the City's General Fund. This accounts for the payment of authorized expenditures for any fiscal year in anticipation of and before the collection of taxes and other revenues, and for payment of authorized expenses for any fiscal year that must be paid prior to the receipt of tax payments and other revenues.

City Hall Debt Service Fund

This Special Revenue Fund accounts for the debt service payments for City Hall, the City Hall off-site parking garage, and City Hall furniture, fixtures, and equipment. This fund receives transfers from the General Fund, special funds, and capital funds in amounts sufficient to cover the debt service payments.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Civic Center Construction Fund

This Capital Fund accounts for the revenues and construction costs related to the construction of City Hall.

Community Development Block Grant Fund

This Special Revenue Fund accounts for federal grant monies received from the U.S. Department of Housing and Urban Development under Title II Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

Community Facilities and Maintenance Districts Funds

These Special Revenue Funds account for the maintenance and administration of assessment districts throughout the City.

Community Facilities Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Hayes Mansion operations and provides for the accumulation and transfer of base rental income to the appropriate debt service funds for repayment of facilities-related debts.

Construction and Conveyance Tax Funds

These Capital Funds account for Construction and Conveyance tax receipts. The Construction Tax is a flat rate assessed to residential, commercial, and industrial development. The Conveyance Tax is a fee imposed at a rate of \$3.30 for each \$1,000 of the value of property conveyed. Construction and Conveyance Tax Funds are dedicated to the Parks and Community Facilities Development, Communications, Public Safety (for Fire capital purposes), Library, and Service Yards Capital Programs.

Construction Excise Tax Fund

This Capital Fund accounts for the tax on the construction of residential, commercial, and mobile home developments (also referred to as the Commercial, Residential, Mobile Home Park Building Tax). This general purpose tax is based on building valuation, with the majority of the revenues in the fund historically being used for traffic improvements.

Contingent Lien District Fund

This Capital Fund accounts for cost sharing agreements through special districts between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Convention and Cultural Affairs Fund

This Special Revenue Fund accounts for the costs of managing and operating the San José McEnery Convention Center, California Theatre, Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theatre, Parkside Hall, South Hall, and their related facilities and grounds.

Convention Center Facilities District Project Fund

This Special Revenue Fund accounts for the bond proceeds and construction costs related to the expansion and renovation of the San José McEnery Convention Center.

Convention Center Facilities District Revenue Fund

This Special Revenue Fund accounts for Special Tax revenues collected by the City on behalf of the Convention Center Facilities District No. 2008-1.

Downtown Property and Business Improvement District Fund

This Special Revenue Fund accounts for revenue collected and expenses related to maintaining and operating any public improvements, which are payable from annual assessments apportioned among the several lots of parcels or property within the Downtown area.

Economic Development Administration Loan Fund

This Special Revenue Fund accounts for federal funds and loan repayments associated with the economic development administration program, which provides loans to small businesses for business expansion, remodeling, working capital, equipment or other specified uses with the goal of generating additional employment opportunities as a result of such assistance to businesses within the City of San José.

Edward Byrne Memorial Justice Assistance Grant Trust Fund

This Special Revenue Fund accounts for the City's portion of funding from the U.S. Department of Justice through the County of Santa Clara as a fiscal agent. Funds are restricted to law enforcement, prevention and education programs, and planning, evaluation, and technology improvements for front line law enforcement.

Emergency Reserve Fund

This Special Revenue Fund accounts for reserves established from local revenues to meet public emergencies.

Emma Prusch Memorial Park Fund

This Capital Fund accounts for the development and improvement of the Emma Prusch Memorial Park.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Federal Drug Forfeiture Fund

This Special Revenue Fund accounts for federal drug forfeiture monies received pursuant to the drug abuse prevention and control provisions of Title 21, Chapter 13 of the United States Code. Federal guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Gas Tax Maintenance and Construction Fund

This Special Revenue Fund accounts for the City's portion of the State collected Gas Tax. Revenues are restricted for acquisition, construction, improvement, and maintenance of public streets subject to provisions of the Streets and Highways Code of the State of California and to provide for traffic capital improvements.

General Purpose Parking Fund

This Enterprise Fund accounts for the operation of City parking lot facilities and parking meters as well as financing of the Parking Program capital improvements.

Gift Trust Fund

This Special Revenue Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City.

Home Investment Partnership Program Trust Fund

This Special Revenue Fund accounts for all monies allocated to the City by the U.S. Department of Housing and Urban Development for affordable housing projects pursuant to the HOME Investment Partnership Act.

Housing Trust Fund

This Special Revenue Fund accounts for funding to assist non-profit service providers and organizations by providing one-time grants for housing-related projects.

Ice Centre Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Ice Centre operations and provides for the accumulation and transfer of base income to the appropriate debt service funds for repayment of facilities-related debts, as well as facility capital repair and renovation.

Improvement District Fund

This Special Revenue Fund accounts for revenues and expenditures related to the acquisition and construction of a variety of public infrastructure projects for which individual improvement districts were formed.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Integrated Waste Management Fund

This Special Revenue Fund accounts for activities related to the Integrated Waste Management Program, which includes garbage collection, recycling services, and related billing operations. The fund collects revenues from the City's Recycle Plus program. These funds are expended for programs related to the City's efforts to comply with State law requiring cities to reduce waste sent to landfills along with other integrated waste management services.

Lake Cunningham Fund

This Capital Fund accounts for the parking fees and lease payment revenues used for the purchase of equipment, maintenance, and operations at Lake Cunningham Park.

Library Parcel Tax Fund

This Special Revenue Fund accounts for annual parcel tax revenues used for enhancing the City's library services and facilities.

Low and Moderate Income Housing Asset Fund

This Special Revenue Fund accounts for housing assets and functions related to the Low and Moderate Income Housing Program retained by the City. This fund provides funding for the administrative costs associated with managing the Successor Housing Agency assets and the continuation of affordable housing programs in the future.

Major Collectors and Arterial Fund

This Capital Fund accounts for the collection of monies owed by developers for previously completed street improvements.

Major Facilities Fund

This Capital Fund accounts for fees associated with the connection of municipal water activities for many water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas. These fees are assessed for the future construction of large water mains, reservoirs, and other large projects.

Multi-Source Housing Fund

This Special Revenue Fund accounts for grants, inclusionary fees, and rental dispute mediation fees to support the rental rights and referrals program, to expand the supply of affordable housing for low and very-low income residents by providing both financial and technical assistance to non-profit organizations in the production and operation of affordable housing, and to preserve the existing supply of affordable housing by providing rehabilitation grants and loans to low and moderate income homeowners.

Municipal Golf Course Fund

This Special Revenue Fund accounts for the construction, management, and operation of various City golf courses, including the San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Neighborhood Security Act Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the March 2002 ballot (Measure O). This fund is dedicated for the acquisition of real property and construction and rehabilitation of public safety-related facilities.

Parks and Recreation Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure P). The use of this fund is restricted to acquisition of property, upgrades, and construction of neighborhood parks, community centers, trails, regional parks, and sports complexes.

Public Works Program Support Fund

This Internal Service Fund accounts for Public Works administrative costs, compensated absences, unfunded activities, and non-personal costs. An annual cost allocation plan is utilized to equitably allocate these costs to capital programs on the basis of service levels received as compensated time-off is earned rather than charging the costs when the time-off is taken. Various capital projects are charged a rate for each hour Public Works' staff spends on the project and corresponding revenue is received by this fund.

Residential Construction Tax Contribution Fund

This Capital Fund accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The tax is used to reimburse developers who have constructed that portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

Retirement Funds

These Trustee Funds account for the accumulation of resources to be used for retirement annuity payments and consist of the following: Federated Retiree Health Care Trust Fund; Federated Retirement Fund; Fire Retiree Health Care Trust Fund; Police Retiree Health Care Trust Fund; and Police and Fire Retirement Fund.

San José Arena Capital Reserve Fund

This Capital Fund provides funding for repairs and replacements of capital items at the San José Arena, including fixtures, machinery, and equipment. The fund receives revenues from San José Arena Management, the ownership group of the San Jose Sharks, and a General Fund contribution supported by revenue generated from the Arena. The amount of funding and the eligible capital repair items are specified by agreement between the City of San José and the San José Arena Management.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

San José Municipal Stadium Capital Fund

This Special Revenue Fund accounts for revenues received pursuant to an agreement with the Baseball Acquisition Company for the use, operation, and management of the Municipal Stadium.

San José-Santa Clara Treatment Plant Capital Fund

This Capital Fund accounts for the construction of improvements to the San José/Santa Clara Water Pollution Control Plant (WPCP), and the purchase of equipment through contributions from the City of Santa Clara and other tributary agencies and transfers from the Sewer Service and Use Charge Fund.

San José-Santa Clara Treatment Plant Income Fund

This Enterprise Fund accounts for revenues and expenditures not related to the day-to-day operation and maintenance of the WPCP. It contains the City's share of revenue from activities such as land rentals, legal settlements, and purchase of land located at the WPCP.

San José-Santa Clara Treatment Plant Operating Fund

This Enterprise Fund accounts for the revenues and expenditures required for day-to-day operation and maintenance of the WPCP.

Sanitary Sewer Connection Fee Fund

This Capital Fund accounts for connection fees charged to developers for access to the City's sanitary sewer system. Funds are restricted to the construction and reconstruction of the sewer system.

Sewage Treatment Plant Connection Fee Fund

This Enterprise Fund accounts for revenues from new residential, commercial, and industrial connections to the WPCP. These revenues pay the City's share of acquisition, construction, reconstruction or enlargement of the WPCP.

Sewer Service and Use Charge Fund

This Enterprise Fund accounts for Sewer Service and Use Charge fees collected from San José property owners to be used for financing, construction, and operation of the City's sewage collection system, and the City's share of the WPCP.

Sewer Service and Use Charge Capital Improvement Fund

This Capital Fund accounts for the reconstruction of the sanitary sewer system and is funded primarily by annual transfers from the Sewer Service and Use Charge Fund.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

State Drug Forfeiture Fund

This Special Revenue Fund accounts for State drug forfeiture monies received whenever the Police Department is involved in asset seizures from convicted drug law violators. City Council guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Storm Drainage Fee Fund

This Capital Fund accounts for fees collected from developers as a result of connections to the storm drainage sewer system, which may be used for expansion or capacity improvements of the storm drainage system or land acquisition for the system.

Storm Sewer Capital Fund

This Capital Fund accounts for the construction and reconstruction of the storm drainage system, and is funded primarily by transfers from the Storm Sewer Operating Fund.

Storm Sewer Operating Fund

This Special Revenue Fund accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for maintenance and operation of the storm drainage system. Expenditures are focused on maintenance and operation of the storm drainage system, as well as non-point source pollution reduction.

Subdivision Park Trust Fund

This Capital Fund accounts for payments of fees in lieu of dedication of land for park and recreation purposes in residential subdivisions. Moneys in the fund, including accrued interest, may be expended solely for the acquisition or development of improvements on parkland to serve the subdivision for which the fees were paid.

Supplemental Law Enforcement Services Fund

This Special Revenue Fund accounts for revenues received from the State of California (AB 3229) to be used for front line municipal police services.

Transient Occupancy Tax Fund

This Special Revenue Fund accounts for receipts generated through the assessment of a percentage of the rental price for transient occupancy lodging charged when the period of occupancy is less than 30 days. The tax rate is currently 10%, 6% of which is placed in this fund and 4% of which is deposited in the General Fund. The uses of revenues from this source are specified by City Ordinance and include grants and rental subsidies for fine arts and cultural programs, and subsidies for the San José Convention and Visitors Bureau, and Convention and Cultural Facilities.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Underground Utility Fund

This Capital Fund accounts for fees collected from developers in lieu of placing utility facilities underground at the time of development. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground. The fund is used to establish Rule 20B Underground Utility Districts.

Workforce Development Fund

This Special Revenue Fund accounts for the administration of a federal program that provides primary employment and training services to dislocated and low-income residents.

Vehicle Maintenance and Operations Fund

This Internal Service Fund accounts for the operation, maintenance, and replacement of City vehicles and equipment.

Water Utility Capital Fund

This Capital Fund accounts for the acquisition, construction, and installation of water system capital improvements for the Municipal Water System. This system provides water service to North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas and is primarily funded through user charges.

Water Utility Fund

This Enterprise Fund accounts for the operation of five water system districts: North San José, Evergreen, Coyote Valley, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Accrual Basis

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Balanced Budget

Budgeted revenue levels are equivalent to budgeted expenditure levels, including use of reserves and fund balance.

Base Budget

The ongoing expense level necessary to maintain service levels previously authorized by the City Council.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Expenditures

Expenditures to acquire, rehabilitate, or construct general fixed assets and major improvements.

Capital Improvement Program (CIP)

On December 18, 1986, the City Council, in order to delineate the purpose of the Five-Year Capital Improvement Plan, adopted the following definition: The Five-Year Capital Improvement Plan (Program) is a long-range study of financial wants, needs, expected revenues, and policy intentions. It provides the necessary information for prudent budget recommendations. It compares the organization's various needs over a period of five years with the various anticipated revenues and puts them into a single focus for analytical purposes. It is not law, such as an annual budget, but a planning tool that provides a collection of facts, trends, and suggestions to the City Administration and Council. After it is adopted by the City Council, it is a non-binding assertion of future intent only. However, when an appropriation for the annual capital budget is adopted as part of the regular budget, it represents the amount which will be used to implement part of the Program in the coming year.

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

City Service Area (CSA)

City Service Areas integrate Core Services provided by individual departments into the City's key lines of business, as viewed from the community's perspective. CSAs enable the City to plan and show results of the collaboration among the departments at a higher organizational level. There are six CSAs, five of which deliver direct services (Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services). The sixth, Strategic Support, represents functions that provide guidance and support contributing to the delivery of direct services.

CSA Primary Partners

City departments with Core Services most directly responsible for overall CSA service delivery.

CSA Outcome

A desirable overall condition or "Picture of Success." At the CSA level, the specified outcomes are the "ends" toward which the plans, efforts, resources, and results of the CSA are directed.

Contingency Reserve

An appropriation of funds to cover unforeseen events during the budget year, such as emergencies, newly required programs, shortfalls in revenue, or other unforeseen eventualities.

Contractual Services

Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, management services, etc.

Core Services

The City departments' key lines of business. Core Services produce the primary deliverables of a department.

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt. A complete discussion of the City's Debt Service Obligations as well as a description of its Debt Management Policy are included in the Budget Policies and Practices section.

Encumbrance

Financial commitments, such as purchase orders or contracts, which are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

General Fund

The primary operating fund used to account for all the revenues and expenditures of the City, which are not related to special or capital funds.

Infrastructure Management System (IMS)

The City's computerized system used to identify the condition of streets, sewers, and other infrastructure, forecast maintenance needs, and project future replacement expenditures.

Mission

A unifying statement of why an organization exists.

Non-Personal/Equipment Expenses

Operating costs which are not related to personnel, such as supplies, training, contract services, utilities, and vehicles.

Ongoing Cost/Savings

The 12-month value of partial year additions or reductions.

Operating Budget

An annual financial plan for the provision of direct services and support functions to the community. Per the City Charter, it shall begin with a clear general summary of its contents and shall show in detail all estimated income, including the amount proposed to be raised by property taxation, estimated unencumbered balances of funds to be carried over from the preceding year, estimated unencumbered available reserves, and all proposed expenditures, including debt service for the ensuing year.

Operational Services

Elements necessary to accomplish the Core Services of the organization; the "front line" of service delivery.

Overhead

Administrative costs associated with city-wide operations, which cannot be attributed to any specific department (such as Finance or Human Resources). These costs are subject to a city-wide overhead cost allocation plan to distribute costs on an equitable basis to departments and funds that are the beneficiaries of such expenses.

Performance Measure

Measures the results of services delivered to customers. Performance measures fall into the four Key Measurement Areas: Quality; Cost; Cycle Time; and Customer Satisfaction. Performance measures are developed at the CSA, Core Service, and Operational Service levels.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Performance Measure Goals and Targets

Quantitative benchmarks for each Performance Measure (PM). **PM Goals** represent the optimum performance level, or the long-range planned level of performance identified in the CSA Overview. **PM Targets**, for CSAs and departmental Core Services, represent the one-year performance level commitment, given allocated resources.

Personal Services

Salary and fringe benefit costs of City employees.

Program

A group of people working together to deliver a discrete service to identifiable users as part of an operational service.

Rebudget

Unspent or unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delayed program implementation.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Special Funds

Funds, exclusive of the General Fund and capital funds, which are separately administered because they are associated with a distinct function or enterprise.

Strategic Goals/Objectives

Represent elements or sub-elements of a strategic plan and are the City's planned response to address service delivery needs and priorities. Strategic goals and objectives are guided by the related Outcomes, but represent only the City's contribution toward those Outcomes. Strategic goals and objectives also determine how the City's Core Services, Operational Services, and special projects should be aligned and directed toward producing the planned service delivery response.

Strategic Support

Includes various functions that support and/or guide delivery of direct services. Examples include technology, financial and human resources administration, purchasing, and training, as well as strategic leadership and policy development.

Successor Agency

Successor Agency to the former San Jose Redevelopment Agency, a public entity.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

Vision

A guiding statement describing a desirable future state toward which efforts should be directed. An effective vision statement inspires creativity while keeping an organization "on track" for the future by aligning its priorities.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

A

ABAG	Association of Bay Area Governments
ACT	Acoustical Treatment Program
ADA	Americans with Disabilities Act
AFR	Automated Field Reporting
AIP	Airport Improvement Program
ARFF	Airport Rescue and Fire Fighting
ARRA	American Recovery and Reinvestment Act

B

BACWA	Bay Area Clean Water Agencies
BART	Bay Area Rapid Transit
BD	Budget Document (Mayor/City Council)
BEST	Bringing Everyone's Strengths Together

C

C&C	Construction and Conveyance
CAD	Computer Aided Dispatch System
CAFR	Comprehensive Annual Financial Report
CAP	Community Action and Pride Grant
CAPS	City Administrative Project System
CBO	Community-Based Organization
CCF	Convention and Cultural Facilities
CDBG	Community Development Block Grant
CDDD	Construction and Demolition Diversion Deposit
CDI	Community Development Improvements
CDLAC	California Debt Limit Allocation Committee
CED	Community and Economic Development CSA
CEQA	California Environmental Quality Act
CFC	Customer Facility Charges
CIO	Chief Information Officer
CIP	Capital Improvement Program
CIWMB	California Integrated Waste Management Board
CNEL	Community Noise Equivalent Level
CNG	Compressed Natural Gas
COPS	Citizens Option for Public Safety (State)
CPE	Cost Per Enplaned Passenger
CPMS	Capital Project Management System
CSA	City Service Area
CSMFO	California Society of Municipal Finance Officers
CVB	Convention and Visitors Bureau
CWFA	Clean Water Finance Authority

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

D

DCAC Deferred Compensation Advisory Committee
DMV Department of Motor Vehicles

E

EUS Environmental and Utility Services CSA
EHS Employee Health Services
EIR Environmental Impact Report
EMS Emergency Medical Services
EOC Emergency Operations Center
EPA Environmental Protection Agency

F

FAA Federal Aviation Administration
FCERS Federated City Employees' Retirement System
FEHA Fair Employment and Housing Act
FF&E Fixtures, Furnishings and Equipment
FMS Financial Management System
FT Full-Time
FTE Full-Time Equivalent

G

GAAP Generally Accepted Accounting Principles
GASB Government Accounting Standards Board
GIS Geographic Information System

H

HBRR Highway Bridge Replacement and Rehabilitation Program
HHW Household Hazardous Waste
HNVF Healthy Neighborhoods Venture Fund
HUD Housing and Urban Development
HVAC Heating, Ventilation, and Air Conditioning

I

I&I Inflow/Infiltration
IBS Integrated Billing System
ICC International Code Council
ICMA International City/County Management Association
IDC International Disposal Corporation
IMS Infrastructure Management System
IPA Independent Police Auditor
ITI Industrial Tool Installation
ITS Intelligent Transportation System
IWM Integrated Waste Management

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

J

K

L

LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design Program
LOCC	League of California Cities
LOI	Letter of Intent
LPT	Library Parcel Tax
LRT	Light Rail Transit

M

MBA	Manager's Budget Addendum
MCA	Master Contract Agreement
MFD	Multi-Family Dwelling
MGPTF	Mayor's Gang Prevention Task Force
MMRS	Metropolitan Medical Response System
MWS	Municipal Water System

N

NAC	Neighborhood Action Coalition
NDC	Neighborhood Development Center
NEPA	National Environmental Policy Act
NIMS	National Incident Management System
NPDES	National Pollutant Discharge Elimination System
NS	Neighborhood Services CSA

O

O&M	Operating and Maintenance
OBAG	One Bay Area Grant
OES	Office of Emergency Services
OSA	Open Space Authority
OTS	Office of Traffic Safety

P

P&CFD	Parks and Community Facilities Development
P&F	Police and Fire
PAB	Police Administration Building
PAC	Project Area Committee
PBID	Property and Business Improvement District Fund
PCI	Pavement Condition Index
PDO	Parkland Dedication Ordinance
PG&E	Pacific Gas and Electric Company
PIO	Park Impact Ordinance

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

P

PLF	Public Library Fund
PM	Performance Measure
PMMS	Parks Maintenance Management System
PMP	Parking Management Plan
PMP	Plant Master Plan
PS	Public Safety CSA
PT	Part-Time
PWCAP	Public Works Cost Allocation Plan

Q

R

RCTCF	Residential Construction Tax Contribution Fund
RECS	Registration and E-Commerce System
RFP	Request for Proposal
RFQ	Request for Quote
RLF	Revolving Loan Fund
RMS	Records Management System
RSBAP	Revised South Bay Action Plan
RWF	Regional Wastewater Facility
RWQCB	Regional Water Quality Control Board
RZH	Robert-Z'berg-Harris Urban Open Space and Recreation Grant

S

SAFER	Staffing for Adequate Fire and Emergency Response
SAN	Storage Area Network
SARA	Successor Agency to the Redevelopment Agency of the City of San José, a public entity
SBAP	South Bay Action Plan
SBWR	South Bay Water Recycling
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus
SCVWD	Santa Clara Valley Water District
SDMS	Storm Drain Management System
SERAF	Supplemental Education Revenue Augmentation Fund
SFD	Single-Family Dwelling
SJC	Norman Y. Mineta San José International Airport
SJDA	San José Downtown Association
SJMWS	San José Municipal Water System
SJPD	San José Police Department
SJRA	San Jose Redevelopment Agency
SJSU	San José State University

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

S

SNI	Strong Neighborhood Initiative
SRTF	Sunshine Reform Task Force
SS	Strategic Support CSA
SS&UC	Sewer Service and Use Charge
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
STI	Special Tenant Improvements
SUASI	Super Urban Area Security Initiative
SV-ITS	Silicon Valley Intelligent Transportation Systems
SVRCS	Silicon Valley Regional Communications System
SVRIA	Silicon Valley Regional Interoperability Authority
SVWIN	Silicon Valley Workforce Investment Network
SWRCB	State Water Resources Control Board

T

TAS	Transportation and Aviation Services CSA
TMC	Transportation Management Center
TLC	Technology Leadership Council
TOT	Transient Occupancy Tax
TSA	Transportation Security Administration
TSJ	Team San Jose

U

UAAL	Unfunded Accrued Actuarial Liability
UASI	Urban Area Security Initiative
URMP	Urban Runoff Management Plan
USGBC	United States Green Building Council
USPTO	United States Patent and Trademark Office
UUT	Utility Users Tax

V

VoIP	Voice over Internet Protocol
VTA	Valley Transportation Authority (Santa Clara)

W

WDF	Workforce Development Fund
WEP	Water Efficiency Program
WIB	Workforce Investment Board (work2future Board)
WPCP	Water Pollution Control Plant (SJ/SC)

X

Y

Z

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	2014-2015 Adopted	2015-2016 Adopted	2016-2017 Proposed
GENERAL FUND			
Fund Balance			
Encumbrance Reserve	\$ 19,650,300	\$ 40,777,371	\$ 44,394,930
Carryover	253,067,514	252,826,392	104,558,075
Beginning Fund Balance	\$ 272,717,814	\$ 293,603,763	\$ 148,953,005
General Revenue			
Property Tax	\$ 233,973,240	\$ 255,210,000	\$ 270,625,000
Sales Tax	180,024,000	190,260,000	194,695,553
Transient Occupancy Tax	11,750,000	14,700,000	17,821,000
Franchise Fees	45,346,879	47,582,232	48,916,811
Utility Tax	94,825,000	93,825,000	95,749,500
Telephone Line Tax	20,700,000	21,000,000	21,614,000
Business Taxes	43,700,000	44,425,000	48,800,000
Licenses and Permits	46,375,293	48,721,223	51,572,553
Fines, Forfeitures, and Penalties	14,205,334	15,356,042	14,910,600
Revenue from the Use of Money/Property	2,847,000	3,414,999	3,863,935
Revenue from Local Agencies	22,612,276	23,909,616	22,875,000
Revenue from the State of CA	11,194,473	11,370,763	10,902,929
Revenue from Federal Government	4,170,953	9,083,802	2,754,566
Departmental Charges	39,163,435	40,923,558	41,681,974
Other Revenue	15,161,073	26,259,638	15,144,509
Subtotal General Revenue	\$ 786,048,956	\$ 846,041,873	\$ 861,927,930
Transfers and Reimbursements			
Overhead Reimbursements	\$ 39,000,348	\$ 37,798,583	\$ 40,012,977
Transfers	19,138,313	20,307,955	21,122,689
Reimbursements for Services	15,775,406	17,657,341	18,166,732
Subtotal Transfers and Reimbursements	\$ 73,914,067	\$ 75,763,879	\$ 79,302,398
Total General Fund	\$ 1,132,680,837	\$ 1,215,409,515	\$ 1,090,183,333
Less Transfers, Loans, and Contributions	(142,673,172)	(158,093,324)	(119,956,900)
 NET GENERAL FUND TOTAL	 \$ 990,007,665	 \$ 1,057,316,191	 \$ 970,226,433

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2014-2015</u> <u>Adopted</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Proposed</u>
SPECIAL FUNDS			
Airport Customer Facility and Transportation Fee Fund	\$ 27,281,610	\$ 30,866,074	\$ 35,484,520
Airport Fiscal Agent Fund	183,610,198	176,522,022	176,461,678
Airport Maintenance and Operation Fund	111,577,643	117,447,021	119,043,190
Airport Revenue Fund	183,630,254	194,534,564	220,899,033
Airport Surplus Revenue Fund	23,164,481	24,230,451	25,263,302
Benefit Funds - Benefit Fund	59,746,861	59,148,707	61,650,975
Benefit Funds - Dental Insurance Fund	15,520,937	15,243,639	15,467,918
Benefit Funds - Life Insurance Fund	1,136,334	1,362,962	1,549,729
Benefit Funds - Unemployment Insurance Fund	3,916,454	3,570,707	2,986,034
Business Improvement District Fund	4,839,065	6,023,568	3,903,700
Cash Reserve Fund	5,607	5,651	5,705
City Hall Debt Service Fund	23,895,500	24,300,250	25,302,250
Community Development Block Grant Fund	15,719,595	18,441,025	13,068,821
Community Facilities Revenue Fund	9,994,401	10,964,397	9,980,852
Convention and Cultural Affairs Fund	14,684,347	18,641,414	23,398,227
Convention Center Facilities District Revenue Fund	34,290,127	40,489,008	44,219,466
Downtown Property and Business Improvement District Fund	3,725,500	4,071,038	4,411,740
Economic Development Administration Loan Fund	79,164	13,768	8,842
Edward Byrne Memorial Justice Assistance Grant Trust Fund	310,028	160,763	52,441
Emergency Reserve Fund	3,395,032	3,395,032	3,399,032
Federal Drug Forfeiture Fund	3,492,093	3,386,362	2,409,279
Gas Tax Maintenance and Construction Fund - 1943	7,200,000	7,100,000	7,660,000
Gas Tax Maintenance and Construction Fund - 1964	3,400,000	4,000,000	3,835,000
Gas Tax Maintenance and Construction Fund - 1990	4,400,000	5,800,000	6,005,000
General Purpose Parking Fund	32,003,275	31,259,085	33,650,282
Gift Trust Fund	3,956,997	3,786,979	3,711,190
Home Investment Partnership Program Trust Fund	15,376,452	10,573,052	14,301,353
Housing Trust Fund	3,172,756	7,469,965	2,906,042
Ice Centre Revenue Fund	10,695,215	8,149,075	7,499,593
Integrated Waste Management Fund	145,242,102	142,487,369	154,980,875
Library Parcel Tax Fund	16,662,297	18,321,226	20,522,137
Low and Moderate Income Housing Asset Fund	34,161,662	44,851,771	86,097,208
Multi-Source Housing Fund	26,916,098	28,484,692	22,240,998
Municipal Golf Course Fund	2,750,707	3,462,442	3,262,474
Public Works Program Support Fund	16,560,067	17,383,238	18,303,796
San José Arena Capital Reserve Fund	1,335,687	7,313,921	5,609,214
San José Arena Enhancement Fund	1,027,000	92,587	0
San José Municipal Stadium Capital Fund	35,000	32,000	35,190
San José-Santa Clara Treatment Plant Income Fund	28,624	28,869	29,158

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	2014-2015 Adopted	2015-2016 Adopted	2016-2017 Proposed
SPECIAL FUNDS			
San José-Santa Clara Treatment Plant Operating Fund	\$ 121,816,457	\$ 122,642,111	\$ 126,293,469
Sewage Treatment Plant Connection Fee Fund	19,839,242	17,984,238	15,010,072
Sewer Service and Use Charge Fund	188,328,697	180,451,297	191,647,193
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	713,662	703,770	671,114
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,325,780	3,458,487	3,577,374
Community Facilities District No. 8 (Communications Hill) Fund	3,975,224	3,703,169	3,582,442
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	308,350	304,394	339,992
Community Facilities District No. 12 (Basking Ridge) Fund	1,615,980	1,562,847	1,802,200
Community Facilities District No. 13 (Guadalupe Mines) Fund	117,136	263,820	313,389
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	936,182	993,022	1,123,818
Community Facilities District No. 15 (Berryessa - Sierra) Fund	0	231,249	251,280
Maint. District No. 1 (Los Paseos) Fund	881,920	728,171	796,288
Maint. District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	161,458	124,693	166,727
Maint. District No. 5 (Orchard Parkway - Plumeria Dr.) Fund	389,338	358,793	348,163
Maint. District No. 8 (Zanker - Montague) Fund	394,491	279,019	338,962
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	467,066	445,053	445,358
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	303,001	331,410	312,830
Maint. District No. 13 (Karina - O'Nel) Fund	113,535	142,354	162,263
Maint. District No. 15 (Silver Creek Valley) Fund	5,453,240	5,297,276	4,786,733
Maint. District No. 18 (The Meadowlands) Fund	148,982	139,433	143,717
Maint. District No. 19 (River Oaks Area Landscaping) Fund	295,148	299,982	406,469
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	411,118	428,414	407,230
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	322,301	263,165	343,721
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	293,057	289,778	257,881
State Drug Forfeiture Fund	678,357	1,303,470	728,538
Storm Sewer Operating Fund	49,385,156	48,533,404	49,533,591
Supplemental Law Enforcement Services Fund	1,540,185	1,550,858	943,490
Transient Occupancy Tax Fund	20,583,105	27,555,769	31,867,074
Vehicle Maintenance and Operations Fund	24,491,372	25,101,466	24,199,792
Water Utility Fund	46,382,782	53,581,263	55,993,331
Workforce Development Fund	10,202,210	11,039,371	10,598,219
Total Special Funds	\$ 1,552,813,702	\$ 1,603,506,240	\$ 1,707,008,964
Less Transfers, Loans, and Contributions	(456,057,676)	(456,040,121)	(479,793,481)
 NET SPECIAL REVENUE FUNDS TOTAL	 \$ 1,096,756,026	 \$ 1,147,466,119	 \$ 1,227,215,483
 CAPITAL IMPROVEMENT PROGRAM FUNDS			
Beginning Fund Balance	\$ 579,779,187	\$ 589,567,294	\$ 393,731,988
Commercial Paper Proceeds/Sale of Bonds	9,230,000	42,755,000	1,200,000
Fees and Charges	78,525,000	69,300,000	67,100,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
TOTAL CITY SOURCE AND USE OF FUNDS

	2014-2015 Adopted	2015-2016 Adopted	2016-2017 Proposed
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Revenue from Other Agencies	\$ 91,763,000	\$ 82,255,000	\$ 79,769,000
Transfers, Loans, and Contributions	154,073,500	170,240,000	141,781,874
Interest Income	1,815,000	2,996,000	4,178,000
Miscellaneous Revenue	21,709,000	38,659,000	40,191,000
Development Contribution	1,000,000	950,000	950,000
Total Capital Improvement Program Funds	\$ 937,894,687	\$ 996,722,294	\$ 728,901,862
Less Transfers, Loans, and Contributions	(14,293,000)	(11,317,000)	(11,123,000)
NET CAPITAL FUNDS TOTAL	\$ 923,601,687	\$ 985,405,294	\$ 717,778,862
NET CITY SOURCE OF FUNDS	\$ 3,010,365,378	\$ 3,190,187,604	\$ 2,915,220,778
GENERAL FUND EXPENDITURES			
City Attorney	\$ 13,294,574	\$ 13,952,092	\$ 14,029,522
City Auditor	2,289,489	2,268,223	2,473,336
City Clerk	2,512,130	2,608,154	2,410,287
City Manager	12,481,748	12,753,823	14,045,924
Economic Development	4,296,840	5,033,432	5,193,264
Environmental Services	703,456	967,474	1,272,274
Finance	14,024,104	14,547,789	15,619,565
Fire	174,283,010	189,342,292	197,726,359
Housing	238,047	253,746	266,593
Human Resources	7,226,032	7,574,705	7,814,815
Independent Police Auditor	1,177,134	1,284,498	1,260,406
Information Technology	15,402,395	17,897,104	18,651,093
Library	27,664,331	29,587,910	30,678,634
Mayor and City Council	11,280,532	12,174,749	10,869,494
Parks, Recreation and Neighborhood Services	56,065,473	60,449,132	65,363,490
Planning, Building and Code Enforcement	42,578,056	47,296,761	48,695,468
Police	326,289,104	336,040,899	341,723,041
Public Works	36,838,035	39,972,563	41,952,215
Transportation	28,343,511	29,521,913	29,288,980
Subtotal Departmental Charges	\$ 776,988,001	\$ 823,527,259	\$ 849,334,760
City-Wide Expenses	\$ 103,789,911	\$ 122,802,918	\$ 96,995,754
Capital Contributions	34,624,000	56,279,000	14,350,000
Transfers	35,917,380	27,074,606	27,261,710
Earmarked Reserves	129,211,245	110,948,361	22,346,179
Contingency Reserve	32,500,000	34,000,000	35,500,000
Encumbrance Reserve	19,650,300	40,777,371	44,394,930
Subtotal Non-Departmental Charges	\$ 355,692,836	\$ 391,882,256	\$ 240,848,573
Total General Fund Expenditures	\$ 1,132,680,837	\$ 1,215,409,515	\$ 1,090,183,333

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2014-2015</u> <u>Adopted</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Proposed</u>
SPECIAL FUNDS			
Airport Customer Facility and Transportation Fee Fund	\$ 27,281,610	\$ 30,866,074	\$ 35,484,520
Airport Fiscal Agent Fund	183,610,198	176,522,022	176,461,678
Airport Maintenance and Operation Fund	111,577,643	117,447,021	119,043,190
Airport Revenue Fund	183,630,254	194,534,564	220,899,033
Airport Surplus Revenue Fund	23,164,481	24,230,451	25,263,302
Benefit Funds - Benefit Fund	59,746,861	59,148,707	61,650,975
Benefit Funds - Dental Insurance Fund	15,520,937	15,243,639	15,467,918
Benefit Funds - Life Insurance Fund	1,136,334	1,362,962	1,549,729
Benefit Funds - Unemployment Insurance Fund	3,916,454	3,570,707	2,986,034
Business Improvement District Fund	4,839,065	6,023,568	3,903,700
Cash Reserve Fund	5,607	5,651	5,705
City Hall Debt Service Fund	23,895,500	24,300,250	25,302,250
Community Development Block Grant Fund	15,719,595	18,441,025	13,068,821
Community Facilities Revenue Fund	9,994,401	10,964,397	9,980,852
Convention and Cultural Affairs Fund	14,684,347	18,641,414	23,398,227
Convention Center Facilities District Revenue Fund	34,290,127	40,489,008	44,219,466
Downtown Property and Business Improvement District Fund	3,725,500	4,071,038	4,411,740
Economic Development Administration Loan Fund	79,164	13,768	8,842
Edward Byrne Memorial Justice Assistance Grant Trust Fund	310,028	160,763	52,441
Emergency Reserve Fund	3,395,032	3,395,032	3,399,032
Federal Drug Forfeiture Fund	3,492,093	3,386,362	2,409,279
Gas Tax Maintenance and Construction Fund - 1943	7,200,000	7,100,000	7,660,000
Gas Tax Maintenance and Construction Fund - 1964	3,400,000	4,000,000	3,835,000
Gas Tax Maintenance and Construction Fund - 1990	4,400,000	5,800,000	6,005,000
General Purpose Parking Fund	32,003,275	31,259,085	33,650,282
Gift Trust Fund	3,956,997	3,786,979	3,711,190
Home Investment Partnership Program Trust Fund	15,376,452	10,573,052	14,301,353
Housing Trust Fund	3,172,756	7,469,965	2,906,042
Ice Centre Revenue Fund	10,695,215	8,149,075	7,499,593
Integrated Waste Management Fund	145,242,102	142,487,369	154,980,875
Library Parcel Tax Fund	16,662,297	18,321,226	20,522,137
Low and Moderate Income Housing Asset Fund	34,161,662	44,851,771	86,097,208
Multi-Source Housing Fund	26,916,098	28,484,692	22,240,998
Municipal Golf Course Fund	2,750,707	3,462,442	3,262,474
Public Works Program Support Fund	16,560,067	17,383,238	18,303,796
San José Arena Capital Reserve Fund	1,335,687	7,313,921	5,609,214
San José Arena Enhancement Fund	1,027,000	92,587	0
San José Municipal Stadium Capital Fund	35,000	32,000	35,190
San José-Santa Clara Treatment Plant Income Fund	28,624	28,869	29,158
San José-Santa Clara Treatment Plant Operating Fund	121,816,457	122,642,111	126,293,469
Sewage Treatment Plant Connection Fee Fund	19,839,242	17,984,238	15,010,072

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	2014-2015 Adopted	2015-2016 Adopted	2016-2017 Proposed
SPECIAL FUNDS			
Sewer Service and Use Charge Fund	\$ 188,328,697	\$ 180,451,297	\$ 191,647,193
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	713,662	703,770	671,114
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,325,780	3,458,487	3,577,374
Community Facilities District No. 8 (Communications Hill) Fund	3,975,224	3,703,169	3,582,442
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	308,350	304,394	339,992
Community Facilities District No. 12 (Basking Ridge) Fund	1,615,980	1,562,847	1,802,200
Community Facilities District No. 13 (Guadalupe Mines) Fund	117,136	263,820	313,389
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	936,182	993,022	1,123,818
Community Facilities District No. 15 (Berryessa - Sierra) Fund	0	231,249	251,280
Maint. District No. 1 (Los Paseos) Fund	881,920	728,171	796,288
Maint. District No. 2 (Trade Zone - Lundy Ave.) Fund	161,458	124,693	166,727
Maint. District No. 5 (Orchard Parkway - Plumeria Drive) Fund	389,338	358,793	348,163
Maint. District No. 8 (Zanker - Montague) Fund	394,491	279,019	338,962
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	467,066	445,053	445,358
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	303,001	331,410	312,830
Maint. District No. 13 (Karina - Onel) Fund	113,535	142,354	162,263
Maint. District No. 15 (Silver Creek Valley) Fund	5,453,240	5,297,276	4,786,733
Maint. District No. 18 (The Meadowlands) Fund	148,982	139,433	143,717
Maint. District No. 19 (River Oaks Area Landscaping) Fund	295,148	299,982	406,469
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	411,118	428,414	407,230
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	322,301	263,165	343,721
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	293,057	289,778	257,881
State Drug Forfeiture Fund	678,357	1,303,470	728,538
Storm Sewer Operating Fund	49,385,156	48,533,404	49,533,591
Supplemental Law Enforcement Services Fund	1,540,185	1,550,858	943,490
Transient Occupancy Tax Fund	20,583,105	27,555,769	31,867,074
Vehicle Maintenance and Operations Fund	24,491,372	25,101,466	24,199,792
Water Utility Fund	46,382,782	53,581,263	55,993,331
Workforce Development Fund	10,202,210	11,039,371	10,598,219
Total Special Funds	\$ 1,552,813,702	\$ 1,603,506,240	\$ 1,707,008,964
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Airport Capital Improvement Fund	\$ 7,311,337	\$ 14,877,670	\$ 13,138,513
Airport Passenger Facility Charge Fund	43,817,644	39,588,424	36,872,371
Airport Renewal and Replacement Fund	15,174,716	16,228,992	15,818,812
Airport Revenue Bond Improvement Fund	66,981,657	57,646,594	17,233,447
Branch Libraries Bond Projects Fund	15,336,684	7,921,406	1,659,538
Building and Structure Construction Tax Fund	54,333,524	57,320,623	58,885,037
Construction and Conveyance Tax Funds:			
Communications C&C Tax Fund	3,212,158	2,819,419	2,239,213
District 1 Parks C&C Tax Fund	5,862,021	6,007,732	5,893,565
District 2 Parks C&C Tax Fund	2,265,140	2,298,957	2,448,737
District 3 Parks C&C Tax Fund	2,287,441	2,446,021	2,619,683

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2014-2015</u> <u>Adopted</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Proposed</u>
CAPITAL IMPROVEMENT PROGRAM FUNDS			
District 4 Parks C&C Tax Fund	\$ 4,782,877	\$ 5,702,598	\$ 5,116,112
District 5 Parks C&C Tax Fund	5,789,535	5,071,438	3,532,991
District 6 Parks C&C Tax Fund	4,600,265	4,354,905	1,953,303
District 7 Parks C&C Tax Fund	5,109,460	3,953,527	2,378,215
District 8 Parks C&C Tax Fund	5,514,890	5,158,900	3,930,782
District 9 Parks C&C Tax Fund	4,125,799	3,660,274	3,400,834
District 10 Parks C&C Tax Fund	3,750,772	2,884,288	3,146,462
Fire C&C Tax Fund	6,634,852	7,789,708	9,529,488
Library C&C Tax Fund	19,398,356	19,652,908	12,965,337
Park Yards C&C Tax Fund	3,909,282	3,915,093	4,147,537
Parks Central C&C Tax Fund	29,938,358	26,868,245	26,757,398
Parks City-Wide C&C Tax Fund	14,356,724	10,731,454	15,487,038
Service Yards C&C Tax Fund	5,847,742	22,497,135	23,461,183
Construction Excise Tax Fund	129,971,974	128,780,976	89,826,564
Contingent Lien District Fund	3,724,291	2,424,539	2,517,435
Convention and Cultural Affairs Fund	0	6,380,000	6,144,000
Convention Center Facilities District Project	0	245,707	0
Convention Center Facilities District Revenue	0	0	7,400,000
Emma Prusch Fund	447,659	505,800	261,353
General Fund Capital Improvement	34,624,000	56,279,000	14,350,000
General Purpose Parking Fund	1,770,000	6,296,000	12,347,000
Improvement District Fund	2,955,000	951,239	948,000
Lake Cunningham Fund	1,868,339	2,430,115	2,360,158
Library Parcel Tax Fund	3,696,000	2,226,000	2,400,000
Integrated Waste Management Fund	2,873,000	2,800,000	0
Major Collectors and Arterial Fund	933,095	910,350	1,107,743
Major Facilities Fund	4,236,211	4,409,331	4,587,858
Neighborhood Security Act Bond Fund	4,135,730	3,860,104	1,173,505
Park Trust Fund	71,754,646	68,847,135	56,931,391
Parks and Recreation Bond Projects Fund	20,013,256	19,173,106	17,244,560
Residential Construction Tax Contribution Fund	1,334,505	1,983,698	1,802,891
San José-Santa Clara Treatment Plant Capital Fund	181,615,697	208,011,357	122,613,493
Sanitary Sewer Connection Fee Fund	12,463,795	11,571,676	1,804,687
Sewer Service and Use Charge Capital Improvement Fund	84,972,696	92,353,592	76,187,714
Storm Drainage Fee Fund	400,121	450,175	529,926
Storm Sewer Capital Fund	32,722,794	30,582,491	19,488,793
Underground Utility Fund	4,022,501	3,058,144	5,517,760
Water Utility Capital Fund	7,018,143	12,795,448	8,741,435
Total Capital Improvement Program Funds	\$ 937,894,687	\$ 996,722,294	\$ 728,901,862
GRAND TOTAL (Gross City Use of Funds)	\$ 3,623,389,226	\$ 3,815,638,049	\$ 3,526,094,159
Less Transfers, Loans, and Contributions	(613,023,848)	(625,450,445)	(610,873,381)
NET CITY USE OF FUNDS	\$ 3,010,365,378	\$ 3,190,187,604	\$ 2,915,220,778

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved pursuant to AB X1 26. As part of the legislation, Successor Agencies are charged with winding down operations and overseeing the dissolution process in an orderly manner. On January 24, 2012, the City Council adopted Resolution No. 76128 documenting its decision to serve as the Successor Agency to the former Redevelopment Agency (“Successor Agency”), a separate public entity. Over the years, the City of San José made a number of loans to the former Redevelopment Agency for specified eligible redevelopment purposes, including loans made to pay debt service and other long-standing obligations. With narrow exceptions, loans between cities and their redevelopment agencies were invalidated by AB X1 26. However, with the approval of AB 1484 in June 2012, loans such as those outlined below may be deemed an enforceable obligation contingent upon 1) the issuance of a Notice of Completion finding by the State Department of Finance (DOF), and 2) a finding by the Oversight Board of the Successor Agency that these loans were for legitimate redevelopment purposes. The passage of California Senate Bill 107 on September 22, 2015 narrowed the scope of loans eligible to be reinstated. SB 107 does not allow the reinstatement of the outstanding loan from the Subdivision Park Trust Fund to the Successor Agency due to the reimbursable nature of the loan, and, as a result, action will be taken to write off the outstanding loan in the Subdivision Park Trust Fund. If a loan is reinstated, the loan terms need to be revised to conform to statutory criteria for interest calculations and repayment priorities. Loans between the Low and Moderate Income Housing Fund and the former Redevelopment Agency, including the Supplemental Educational Revenue Augmentation Fund (SERAF) loan, are enforceable obligations of the Successor Agency, which must be repaid prior to any other reinstated loans between the City and the Successor Agency. It should be noted that the enforceability of a portion of the SERAF loan repayment by the Successor Agency has been denied by the DOF due to the initial funding mechanism for the loan. The Administration continues to work through these issues. The other City funds portion of the SERAF loan was due and payable by the Successor Agency beginning in June 2015 and funds were budgeted in 2014-2015 accordingly to ensure payoff (as described below).

Outlined below are the outstanding loans from the City to the former Redevelopment Agency, which remained as of February 1, 2012, upon the dissolution of the former Redevelopment Agency. Currently, they remain unenforceable obligations except where otherwise noted. Should repayment from the Successor Agency not be authorized under the Dissolution Law, the impacted funds would not be repaid and a write-off of the outstanding loan would be necessary.

The 2014-2015 Adopted Budget provided funding for the City’s General Fund to pay off the \$10.0 million in loans from other City funds (Interfund Loans) to the Agency that were used to pay a portion of the former Redevelopment Agency’s SERAF obligation. This action shifted the funding source of this portion (\$10.0 million) of the SERAF loan between the City and the former Redevelopment Agency from the Sewage Treatment Plant Connection Fee Fund (\$5.0 million), Subdivision Park Trust Fund (\$3.0 million), and Ice Centre Revenue Fund (\$2.0 million) to the City’s General Fund. The Administration is planning to seek Successor Agency Oversight Board approval to reinstate this \$10.0 million portion of the SERAF loan between the City and the Successor Agency as a valid and binding obligation of the Successor Agency so that the General Fund can eventually be repaid.

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

Lending Fund	Outstanding Obligation (March 31, 2016)	Loan Description and Terms	Funding Source Backup Obligation		
			General Fund	Other Funds	Total All Funds
Supplemental Educational Revenue Augmentation Fund (SERAF) Loan					
Low and Moderate Income Housing Fund (443)	\$66,066,990	The Low and Moderate Income Housing Fund and other City funds loaned funding to the former San José Redevelopment Agency, (Agency) in order for the former Agency to make the State mandated payments of \$62.0 million and \$13.0 million to the SERAF on May 10, 2010 and May 10, 2011, respectively. Per the Loan Agreement by and among the City, the City of San José Financing Authority, and the former Agency dated May 6, 2010, the Successor Agency must repay the SERAF Loan as follows: i) \$40.0 million principal plus associated costs due to the Low and Moderate Income Housing Fund by June 30, 2015.* ii) \$12.0 million principal plus associated costs due to the Low and Moderate Income Housing Fund by June 30, 2015 (issuance of commercial paper).** iii) \$13.0 million principal plus associated costs due to the Low and Moderate Income Housing Fund by June 30, 2016.*	\$0	\$66,066,990	\$66,066,990
General Fund	\$10,202,966	In 2014-2015, the General Fund paid off the \$10.0 million principal plus interest due to the Ice Centre Revenue Fund (\$2.0 million), Sewage Treatment Plant Connection Fee Fund (\$5.0 million), and Subdivision Park Trust Fund (\$3.0 million), shifting the funding source of this portion (\$10.0 million) of the SERAF loan between the City and the former Agency.	\$10,202,966	\$0	\$10,202,966
Subtotal	\$76,269,956		\$10,202,966	\$66,066,990	\$76,269,956

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

Lending Fund	Outstanding Obligation (March 31, 2016)	Loan Description and Terms	Funding Source Backup Obligation		
			General Fund	Other Funds	Total All Funds
Parking Fund Loans					
General Purpose Parking Fund (533)	\$6,800,000	<p>In April 2005, the City and former Agency entered into a Loan Agreement whereby the City loaned the former Agency \$6.8 million from the City's Parking Fund, representing approximately two years of debt service the former Agency would be paying on the 4th and San Fernando Street Parking Garage. The loan was requested by the former Agency in response to reductions in its tax increment revenue to "ensure the continuity of Agency projects and essential redevelopment programs." The loan was originally scheduled for repayment in January 2009. In 2007, the loan was amended to defer repayment of the \$6.8 million loan until July 31, 2012 and eliminating the accrual of interest after June 30, 2007 if the loan was repaid by July 31, 2012.</p> <p>In February 2010, the loan was amended again. The principal payment date was extended to be due on or before June 30, 2015. Payment was not made by this date, interest on the \$6.8 million would be waived. Payment was not made by that date, therefore, interest is due on the \$6.8 million. Under the Dissolution Law, interest accrues at the City's LAIF rate from June 30, 2007. Accrued interest is not included in the amount shown in the table pending the application of interest in the City's accounting system.</p>	\$0	\$6,800,000	\$6,800,000

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

Lending Fund	Outstanding Obligation (March 31, 2016)	Loan Description and Terms	Funding Source Backup Obligation		
			General Fund	Other Funds	Total All Funds
Parking Capital Development Fund (556)	\$6,728,294	In February 2010, the City Council approved an additional loan to the former Agency for debt service payments on the 4 th and San Fernando Street Parking Garage: \$1.7 million for the second debt service payment due in 2009-2010, \$3.4 million in 2010-2011, and \$1.7 million in 2011-2012. An agreement between the City and the Redevelopment Agency calls for a full repayment of this \$6.7 million loan to the Parking Capital Development Fund in 2015-2016. The loaned amounts to the former Agency for these purposes do not accrue interest.	\$0	\$6,728,294	\$6,728,294
Subtotal	\$13,528,294		\$0	\$13,528,294	\$13,528,294
Other Obligations					
Subdivision Park Trust Fund (375)	\$8,111,800	The former Agency owes the City deferred payments under the Parkland In-Lieu Fee for Low-Income Residential Units Voucher Program. In February 2010, the City Council/Agency Board approved scheduling the payment by the Agency for 2015-2016. Per California Senate Bill 107, which became effective on September 22, 2015, this loan is no longer eligible to be reinstated, and the outstanding obligation will be updated when the amount is written off in the City's accounting system.	\$0	\$8,111,800	\$8,111,800
Total	\$97,910,050		\$10,202,966	\$87,707,084	\$97,910,050

* It should be noted that a finding by the State Department of Finance has denied the enforceability of this obligation in both the Housing Due Diligence Report and the Housing Asset Transfer Report because of the initial funding mechanism of the loan; the Administration continues to work through this issue.

** The issuance of commercial paper (approximately \$12.0 million) has been identified as an enforceable obligation and is included on the Recognized Obligation Payment Schedule. As such, the outstanding amounts are being paid.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

Successor Agency Obligations with City Impacts

The City is not liable for the debts of the Successor Agency, but there may be policy reasons for the City Council to continue to make payments of certain Successor Agency obligations. The City is only contractually obligated to make payments for the following Successor Agency enforceable obligations: 4th and San Fernando Parking Garage Debt Service, Convention Center Debt Service, Federal Department of Housing and Urban Development (HUD) Section 108 loan payments, Educational Revenue Augmentation Fund (ERAF) Loan Payments, and Interfund Loans made in connection with the SERAF Loan (as discussed above).

As part of determining the current financial state of the Successor Agency, the Administration continues to project future property tax increment revenues and analyze the current level of enforceable obligations. Based on that analysis, it is projected that there would not be sufficient property tax increment revenue to pay all of the enforceable obligations in the foreseeable future. This analysis assumed the continued withholding of the PERS and Water District levies due to the continued uncertainty surrounding litigation between the Successor Agency and the County of Santa Clara (County) in regards to these monies and the priority of enforceable obligations of the Successor Agency. Due to the Successor Agency's insufficient funds situation, it is assumed that City funds would be used to ensure adequate funding for Successor Agency administrative expenses in 2016-2017. Based on a recent review of financial cash flow of funds, included in this 2016-2017 Proposed Operating Budget is an estimated direct subsidy level of \$975,000 in the General Fund.

Should the Successor Agency be unable to make the loan repayment for the HUD Section 108 loan program to the Federal Department of Housing and Urban Development, Community Development Block Grant (CDBG) funds may be used to cover this payment, which is again the case for 2016-2017. Per the bond covenants for the 4th and San Fernando Parking Garage, revenues of both the Successor Agency and the General Purpose Parking Fund are pledged to make the loan repayment for the annual debt service of approximately \$3.4 million related to this facility. If the Successor Agency has insufficient revenues to make the payment, the General Purpose Parking Fund is required to cover the payment. It is assumed in 2016-2017 that no payment will need to be made by the General Purpose Parking Fund.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

Reimbursement Agreement between the Successor Agency and the City of San José

Beginning in 2012-2013, the City has provided financial support to the Successor Agency as a result of insufficient property tax increment revenues to pay all enforceable obligations. Through the 2012-2013 Reimbursement Agreement and the subsequent Amended and Reinstated Long-Term Reimbursement Agreement (together the “Reimbursement Agreement”) between the City and the Successor Agency, “City Advance Amounts,” advanced during 2012-2013 through 2014-2015 as outlined below, were eligible for either inter-year or intra-year reimbursements, the outstanding portion of which totals \$15.2 million for the three years. As a result of the timing of the distribution of property tax increment revenues, the City may be required to provide cash flow loans as well as structural deficit loans in the event revenues are insufficient to cover all enforceable obligations. Below are the obligations outlined in the Reimbursement Agreement:

- **City Supported Agency Obligations:** City of San José Financing Authority Revenue Bonds Series 2001A (4th and San Fernando Parking Garage) Debt Service; City of San José Financing Authority Lease Revenue Bonds Series 2001F (Convention Center) Debt Service; and ERAF payments.
- **Administrative Costs** pursuant to an administrative cost budget approved by the Oversight Board, including employee costs (for administrative, professional, technical, financial, and legal staffing), third party contractual services, office equipment and supplies, (including staffing from the City Manager’s Office, City Clerk’s Office, City Attorney’s Office, Finance Department, and the Housing Department) and other operational costs related to the general winding down of the former Redevelopment Agency.

On September 22, 2015, California Senate Bill 107 was signed into law. SB 107 amended the redevelopment dissolution law, which now disallows the Successor Agency’s ability to reimburse the City for cash advances on an intra-year basis. As such, the City did receive reimbursement for the cash advance made for the City Supported Obligations of \$9.8 million for the Convention Center and \$1.6 million for the 4th and San Fernando Parking Garage debt payments. Along with the outstanding portion of advances made from 2011-2012 through 2014-2015, the loans made in 2015-2016 will not be repaid until there is sufficient property tax revenue to pay all other enforceable obligations since obligations to the City are subordinate to all other enforceable obligations. However, under SB 107, the City would be entitled to interest on the loan at the Local Agency Investment Fund (LAIF) rate. Furthermore, after all SERAF repayments are made to the Low and Moderate Income Housing Fund (LMIHF), the Dissolution law provides that twenty percent (20%) of any additional loan repayments to the City shall be transferred to the LMIHF.

At the end of 2015-2016, the total enforceable obligation to be repaid by the Successor Agency is estimated to be \$29.6 million for the accrued outstanding portion of prior year subsidies, but does not include actual 2015-2016 Successor Agency direct administrative or City support costs that will be finalized as of June 30, 2016. Based on continued, moderate tax increment growth, repayment is expected in 10 to 15 years. Using the current level of annual distributions from the RPTTF and the

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

continued ability to reserve RPTTF each year for debt service, it is anticipated the Successor Agency will be able to pay all of its debt service going forward without an advance from the City. However, this may change if property tax revenues decrease in the future.

It should be noted that the HUD Section 108 loan is not included in the Reimbursement Agreement, approximately \$2.0 million annually paid by the Community Development Block Grant (CDBG) Fund, per a DOF determination. DOF determined that since CDBG funds are an allowable source of funds for the HUD Section 108 loan repayments and the CDBG funds are security for the payment of the HUD Section 108 loans, the City may not be reimbursed for funds advanced for the purpose of repaying the HUD Section 108 loans. As discussed earlier, in this 2016-2017 Proposed Budget and consistent with past practice beginning in 2012-2013, CDBG funds are once again programmed to complete a maximum of \$2.2 million in loan repayment without an assumption for reimbursement from the Successor Agency.

City Financial Support Description	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ESTIMATE
<u>General Fund</u>			
- Convention Center Debt Service	\$9,834,157	\$12,627,600	\$9,800,000
- Educational Revenue Augmentation Fund (ERAF) Loan	1,615,000	0	0
- General Fund Subsidy for direct Successor Agency Administrative Costs	1,355,607	931,690	1,101,109
- City Support Services: City Attorney's Office, City Clerk's Office, City Manager's Office, and Finance Department Staffing (and associated overhead costs)	1,506,789	1,267,224	1,576,644
- Unsecured Enforceable Obligations	310,236	140,710	250,000
- City Hall Rent - 13th/14th floor offices	100,000	100,000	24,452
<u>General Purpose Parking Fund</u>			
- 4th and San Fernando Parking Garage Debt Service	3,362,653	1,681,713	1,681,576
<u>Low and Moderate Income Housing Asset Fund</u>			
- City Support Services: Housing Department support related to Successor Agency Enforceable Obligations (and associated overhead costs)	51,380	5,317	5,704
Total City Financial Support	\$18,135,822	\$16,754,254	\$14,439,485
SARA Reimbursement	(12,902,222)	(12,759,251)	
Outstanding City Subsidy	5,233,600	3,995,003	14,439,485

City Advance Amount

As a result of the continued projected insufficient property tax increment revenues to fund all of the Successor Agency's enforceable obligations, the City has assumed payment of administrative costs until sufficient property tax increment revenues are received. The net "City Advance Amounts" as outlined in this 2016-2017 Proposed Operating Budget and City Support Services, as approved by the Successor Agency Oversight Board for the ROPS 2016-2017, are detailed below. It should be

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

**SUMMARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OBLIGATIONS AND RISKS TO THE CITY**

noted that this may be modified during the year through a City Council approved action. The “City Advance Amounts” below excludes CDBG funds, which are planned to make a maximum of \$2.2 million in HUD Section 108 loan payment in 2016-2017 due to the DOF ruling as discussed earlier in this section.

**2016-2017 Proposed Budget City Advance Amount
City Support for the Successor Agency**

Description	General Fund	All Funds
General Fund Subsidy for direct Successor Agency Administrative Costs	\$975,000	\$975,000
City Support Services: City Attorney's Office, City Clerk's Office, City Manager's Office, Finance, and Housing Department staffing (and associated overhead costs)	1,103,101	1,103,101
City Hall Rent - 13th floor offices	16,112	16,112
Total City Support	\$2,094,213	\$2,094,213

In 2016-2017, insufficient property tax increment (RPTTF) continues to be projected such that the Successor Agency will not be able to pay all of its enforceable obligations, therefore it is anticipated that the City will assist in paying Successor Agency administrative costs requiring a General Fund subsidy of \$975,000. This figure includes a \$175,000 reduction in the budgeted administrative costs of the Successor Agency; additional details can be found in the *City-Wide Expenses* section of this document.

As of June 30th of each fiscal year, prior to the adoption of California Senate Bill 107 as discussed in the section entitled “Reimbursement Agreement between the Successor Agency and the City of San José”, the Successor Agency was obligated to reimburse the City up to the eligible intra-year advance amount for that year consistent with the procedures and priority of obligations outlined in the Reimbursement Agreement between the City and the Successor Agency. Any portion that remained outstanding each year has accrued as an Enforceable Obligation under the Dissolution Law and will be repaid as set forth in Health and Safety Code Section 34182. Due to the passage of California Senate Bill 107, this is no longer the case, and any required intra-year advance amounts to the Successor Agency will now be accrued as an Enforceable Obligation to be repaid in 10 to 15 years. It should be noted that the City Attorney’s Office and the Administration continue to review all of the Successor Agency obligations to reduce the impact on the General Fund, the CDBG Fund, and the General Purpose Parking Fund.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	<u>Beginning Fund Balance 07/01/2016</u>	<u>Revenue and Transfers</u>	<u>Estimated Sources Available</u>	<u>Expenses Transfers</u>	<u>Ending Fund Balance 06/30/2017</u>	<u>Estimated Uses Available</u>
General Fund						
001 General Fund	148,953,005	941,230,328	1,090,183,333	1,045,788,403	44,394,930	1,090,183,333
Special Funds						
519 Airport Customer Facility And Transportation Fee Fund	12,512,259	22,972,261	35,484,520	20,582,149	14,902,371	35,484,520
525 Airport Fiscal Agent Fund	80,208,444	96,253,234	176,461,678	96,085,924	80,375,754	176,461,678
523 Airport Maintenance And Operation Fund	36,469,536	82,573,654	119,043,190	81,057,743	37,985,447	119,043,190
521 Airport Revenue Fund	74,889,413	146,009,620	220,899,033	138,787,783	82,111,250	220,899,033
524 Airport Surplus Revenue Fund	17,046,312	8,216,990	25,263,302	7,216,990	18,046,312	25,263,302
160 Benefit Funds - Benefit Fund	553,975	61,097,000	61,650,975	61,095,628	555,347	61,650,975
155 Benefit Funds - Dental Insurance Fund	3,785,918	11,682,000	15,467,918	12,144,212	3,323,706	15,467,918
156 Benefit Funds - Life Insurance Fund	79,729	1,470,000	1,549,729	1,431,637	118,092	1,549,729
157 Benefit Funds - Unemployment Insurance Fund	2,966,034	20,000	2,986,034	948,486	2,037,548	2,986,034
351 Business Improvement District Fund	40,755	3,862,945	3,903,700	3,862,945	40,755	3,903,700
002 Cash Reserve Fund	5,652	53	5,705		5,705	5,705
210 City Hall Debt Service Fund	79,192	25,223,058	25,302,250	25,299,000	3,250	25,302,250
441 Community Development Block Grant Fund	4,178,830	8,889,991	13,068,821	11,652,795	1,416,026	13,068,821
371 Community Facilities District No. 1 (Capitol Auto Mall) Fund	504,414	166,700	671,114	372,522	298,592	671,114
374 Community Facilities District No. 11 (Adeline-Mary Helen) Fund	270,192	69,800	339,992	73,142	266,850	339,992
376 Community Facilities District No. 12 (Basking Ridge) Fund	1,363,800	438,400	1,802,200	220,842	1,581,358	1,802,200
310 Community Facilities District No. 13 (Guadalupe Mines) Fund	240,868	72,521	313,389	90,664	222,725	313,389
379 Community Facilities District No. 14 (Raleigh - Charlotte) Fund	577,129	546,689	1,123,818	577,835	545,983	1,123,818
369 Community Facilities District No. 2 (Aborn-Murillo) And Community Facilities District No. 3 (Silverland-Capriana) Fund	2,030,374	1,547,000	3,577,374	1,478,044	2,099,330	3,577,374
373 Community Facilities District No. 8 (Communications Hill) Fund	3,124,042	458,400	3,582,442	666,563	2,915,879	3,582,442

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	<u>Beginning Fund Balance 07/01/2016</u>	<u>Revenue and Transfers</u>	<u>Estimated Sources Available</u>	<u>Expenses Transfers</u>	<u>Ending Fund Balance 06/30/2017</u>	<u>Estimated Uses Available</u>
Special Revenue Funds (Cont'd.)						
370 Community Facilities District No.15 (Berryessa-Sierra)	129,260	122,020	251,280	111,393	139,887	251,280
422 Community Facilities Revenue Fund	1,238,975	8,741,877	9,980,852	9,439,877	540,975	9,980,852
536 Convention & Cultural Affairs Fund	8,575,362	14,822,865	23,398,227	13,525,302	9,872,925	23,398,227
791 Convention Center Facilities District Revenue Fund	27,467,466	16,752,000	44,219,466	19,503,000	24,716,466	44,219,466
302 Downtown Property And Business Improvement District Fund	1,370,377	3,041,363	4,411,740	2,862,627	1,549,113	4,411,740
444 Economic Development Administration Loan Fund	7,292	1,550	8,842		8,842	8,842
474 Edward Byrne Memorial Justice Assistance Grant Trust Fund	52,441		52,441		52,441	52,441
406 Emergency Reserve Fund	3,381,532	17,500	3,399,032	1,781,538	1,617,494	3,399,032
419 Federal Drug Forfeiture Fund	2,189,279	220,000	2,409,279		2,409,279	2,409,279
409 Gas Tax Maintenance And Construction Fund - 1943		7,660,000	7,660,000	7,660,000		7,660,000
410 Gas Tax Maintenance And Construction Fund - 1964		3,835,000	3,835,000	3,835,000		3,835,000
411 Gas Tax Maintenance And Construction Fund - 1990		6,005,000	6,005,000	6,005,000		6,005,000
533 General Purpose Parking Fund	17,133,282	16,517,000	33,650,282	23,478,388	10,171,894	33,650,282
139 Gift Trust Fund	3,711,190		3,711,190	3,645,081	66,109	3,711,190
445 Home Investment Partnership Program Trust Fund	2,786,353	11,515,000	14,301,353	8,603,240	5,698,113	14,301,353
440 Housing Trust Fund	1,786,042	1,120,000	2,906,042	1,699,528	1,206,514	2,906,042
432 Ice Centre Revenue Fund	5,577,378	1,922,215	7,499,593	1,932,215	5,567,378	7,499,593
423 Integrated Waste Management Fund	27,694,289	127,286,586	154,980,875	131,681,161	23,299,714	154,980,875
418 Library Parcel Tax Fund	11,790,901	8,731,236	20,522,137	10,113,585	10,408,552	20,522,137
346 Low And Moderate Income Housing Asset Fund	70,047,208	16,050,000	86,097,208	19,531,971	66,565,237	86,097,208
352 Maintenance District No. 1 (Los Paseos) Fund	518,757	277,531	796,288	713,056	83,232	796,288
364 Maintenance District No. 11 (Brokaw Rd. From Junction Ave. To Old Oakland Rd.) Fund	238,446	74,384	312,830	107,334	205,496	312,830
366 Maintenance District No. 13 (Karina-O'Nel) Fund	111,633	50,630	162,263	50,066	112,197	162,263
368 Maintenance District No. 15 (Silver Creek Valley) Fund	3,918,379	868,354	4,786,733	2,083,826	2,702,907	4,786,733
372 Maintenance District No. 18 (The Meadowlands) Fund	51,517	92,200	143,717	140,057	3,660	143,717

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	<u>Beginning Fund Balance 07/01/2016</u>	<u>Revenue and Transfers</u>	<u>Estimated Sources Available</u>	<u>Expenses Transfers</u>	<u>Ending Fund Balance 06/30/2017</u>	<u>Estimated Uses Available</u>	
Special Funds (Cont'd.)							
359	Maintenance District No. 19 (River Oaks Area Landscaping) Fund	264,443	142,026	406,469	113,516	292,953	406,469
354	Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund	85,988	80,739	166,727	71,403	95,324	166,727
365	Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund	335,339	71,891	407,230	103,474	303,756	407,230
356	Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund	248,794	94,927	343,721	217,740	125,981	343,721
367	Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund	163,828	94,053	257,881	118,918	138,963	257,881
357	Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund	273,132	75,031	348,163	82,286	265,877	348,163
361	Maintenance District No. 8 (Zanker-Montague) Fund	242,478	96,484	338,962	112,452	226,510	338,962
362	Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund	273,347	172,011	445,358	171,306	274,052	445,358
448	Multi-Source Housing Fund	15,362,797	6,878,201	22,240,998	8,984,118	13,256,880	22,240,998
518	Municipal Golf Course Fund	587,474	2,675,000	3,262,474	2,953,000	309,474	3,262,474
150	Public Works Program Support Fund	3,038,796	15,265,000	18,303,796	15,191,511	3,112,285	18,303,796
459	San Jose Arena Capital Reserve Fund	4,089,214	1,520,000	5,609,214		5,609,214	5,609,214
476	San Jose Municipal Stadium Capital Fund	3,190	32,000	35,190	35,190		35,190
514	San Jose/Santa Clara Treatment Plant Income Fund	28,886	272	29,158		29,158	29,158
513	San Jose/Santa Clara Treatment Plant Operating Fund	36,172,069	90,121,400	126,293,469	97,287,719	29,005,750	126,293,469
539	Sewage Treatment Plant Connection Fee Fund	12,876,072	2,134,000	15,010,072	3,381,600	11,628,472	15,010,072
541	Sewer Service And Use Charge Fund	43,934,393	147,712,800	191,647,193	151,624,853	40,022,340	191,647,193
417	State Drug Forfeiture Fund	623,538	105,000	728,538	535,000	193,538	728,538
446	Storm Sewer Operating Fund	16,836,086	32,697,505	49,533,591	31,757,025	17,776,566	49,533,591
414	Supplemental Law Enforcement Services Fund	943,490		943,490		943,490	943,490
461	Transient Occupancy Tax Fund	5,289,074	26,578,000	31,867,074	29,970,000	1,897,074	31,867,074
552	Vehicle Maintenance And Operations Fund	3,657,782	20,542,010	24,199,792	20,477,637	3,722,155	24,199,792
515	Water Utility Fund	13,073,181	42,920,150	55,993,331	45,225,607	10,767,724	55,993,331

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	<u>Beginning Fund Balance 07/01/2016</u>	<u>Revenue and Transfers</u>	<u>Estimated Sources Available</u>	<u>Expenses Transfers</u>	<u>Ending Fund Balance 06/30/2017</u>	<u>Estimated Uses Available</u>
Special Funds (Cont'd)						
290 Workforce Development Fund	1,078,960	9,519,259	10,598,219	8,322,453	2,275,766	10,598,219
Capital Improvement Program Funds						
520 Airport Capital Improvement Fund	4,461,513	8,677,000	13,138,513	8,662,000	4,476,513	13,138,513
529 Airport Passenger Facility Charge Fund	15,978,371	20,894,000	36,872,371	24,810,000	12,062,371	36,872,371
527 Airport Renewal And Replacement Fund	11,650,812	4,168,000	15,818,812	4,337,000	11,481,812	15,818,812
526 Airport Revenue Bond Improvement Fund	16,994,447	239,000	17,233,447	6,738,000	10,495,447	17,233,447
472 Branch Libraries Bond Projects Fund	1,304,538	355,000	1,659,538	1,604,000	55,538	1,659,538
429 Building And Structure Construction Tax Fund	31,919,037	26,966,000	58,885,037	58,240,694	644,343	58,885,037
397 C & C Tax Fund - Communications	1,002,213	1,237,000	2,239,213	1,867,000	372,213	2,239,213
392 C & C Tax Fund - Fire	6,443,830	3,085,658	9,529,488	8,646,000	883,488	9,529,488
393 C & C Tax Fund - Library	7,344,152	5,621,185	12,965,337	8,874,000	4,091,337	12,965,337
398 C & C Tax Fund - Park Yards Maintenance	3,697,537	450,000	4,147,537	3,778,000	369,537	4,147,537
390 C & C Tax Fund - Parks Central	3,358,398	23,399,000	26,757,398	24,050,000	2,707,398	26,757,398
391 C & C Tax Fund - Parks City-Wide	10,299,736	5,187,302	15,487,038	14,958,000	529,038	15,487,038
377 C & C Tax Fund - Parks District 1	4,768,280	1,125,285	5,893,565	5,042,000	851,565	5,893,565
378 C & C Tax Fund - Parks District 2	1,897,737	551,000	2,448,737	1,518,000	930,737	2,448,737
380 C & C Tax Fund - Parks District 3	2,137,921	481,762	2,619,683	2,203,000	416,683	2,619,683
381 C & C Tax Fund - Parks District 4	4,464,967	651,145	5,116,112	4,791,000	325,112	5,116,112
382 C & C Tax Fund - Parks District 5	2,682,991	850,000	3,532,991	3,196,000	336,991	3,532,991
384 C & C Tax Fund - Parks District 6	1,136,313	816,990	1,953,303	1,466,000	487,303	1,953,303
385 C & C Tax Fund - Parks District 7	1,806,924	571,291	2,378,215	1,982,000	396,215	2,378,215
386 C & C Tax Fund - Parks District 8	3,094,782	836,000	3,930,782	3,434,000	496,782	3,930,782
388 C & C Tax Fund - Parks District 9	2,665,834	735,000	3,400,834	2,342,000	1,058,834	3,400,834
389 C & C Tax Fund - Parks District 10	2,575,462	571,000	3,146,462	2,548,000	598,462	3,146,462
395 C & C Tax Fund - Service Yards	2,785,183	20,676,000	23,461,183	21,208,000	2,253,183	23,461,183
465 Construction Excise Tax Fund	53,225,308	36,601,256	89,826,564	88,640,272	1,186,292	89,826,564
634 Contingent Lien District Fund	2,517,435		2,517,435	2,457,435	60,000	2,517,435
131 Emma Prusch Fund	173,353	88,000	261,353	100,000	161,353	261,353
599 Improvement District Fund	948,000		948,000	948,000		948,000
462 Lake Cunningham Fund	1,455,158	905,000	2,360,158	1,698,000	662,158	2,360,158
421 Major Collectors And Arterials Fund	1,103,743	4,000	1,107,743	5,000	1,102,743	1,107,743

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	<u>Beginning Fund Balance 07/01/2016</u>	<u>Revenue and Transfers</u>	<u>Estimated Sources Available</u>	<u>Expenses Transfers</u>	<u>Ending Fund Balance 06/30/2017</u>	<u>Estimated Uses Available</u>
Capital Improvement Program Funds (Cont'd.)						
502 Major Facilities Fund	4,531,858	56,000	4,587,858	3,115,000	1,472,858	4,587,858
475 Neighborhood Security Act Bond Fund	1,165,505	8,000	1,173,505	1,173,505		1,173,505
375 Park Trust Fund	56,931,391		56,931,391	56,931,391		56,931,391
471 Parks And Recreation Bond Projects Fund	17,146,560	98,000	17,244,560	17,048,560	196,000	17,244,560
420 Residential Construction Tax Contribution Fund	1,617,891	185,000	1,802,891	299,000	1,503,891	1,802,891
512 San Jose/Santa Clara Treatment Plant Capital Fund	45,916,493	76,697,000	122,613,493	118,096,000	4,517,493	122,613,493
540 Sanitary Sewer Connection Fee Fund	1,095,687	709,000	1,804,687	1,284,000	520,687	1,804,687
545 Sewer Service And Use Charge Capital Improvement Fund	42,407,714	33,780,000	76,187,714	72,391,000	3,796,714	76,187,714
413 Storm Drainage Fee Fund	348,926	181,000	529,926	264,000	265,926	529,926
469 Storm Sewer Capital Fund	11,000,793	8,488,000	19,488,793	18,586,000	902,793	19,488,793
416 Underground Utility Fund	4,737,760	780,000	5,517,760	2,236,000	3,281,760	5,517,760
500 Water Utility Capital Fund	2,937,435	5,804,000	8,741,435	8,449,000	292,435	8,741,435
TOTAL CITY FUNDS	<u>\$ 1,132,871,571</u>	<u>\$ 2,350,581,588</u>	<u>\$ 3,483,453,159</u>	<u>\$ 2,804,690,217</u>	<u>\$ 678,762,942</u>	<u>\$ 3,483,453,159</u>

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NOTE: The total in the Summary of Fund Activity schedule is higher than the net total presented in the Total City Source and Use of Funds schedule due to the Summary of Fund Activity schedule including all interfund transfers, loans, and contributions, but excluding all capital related expenditures in the General Fund, Convention and Cultural Affairs Fund, Convention Center Facilities District Revenue Fund, General Purpose Parking Fund, and Library Parcel Tax Fund to avoid double counting.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

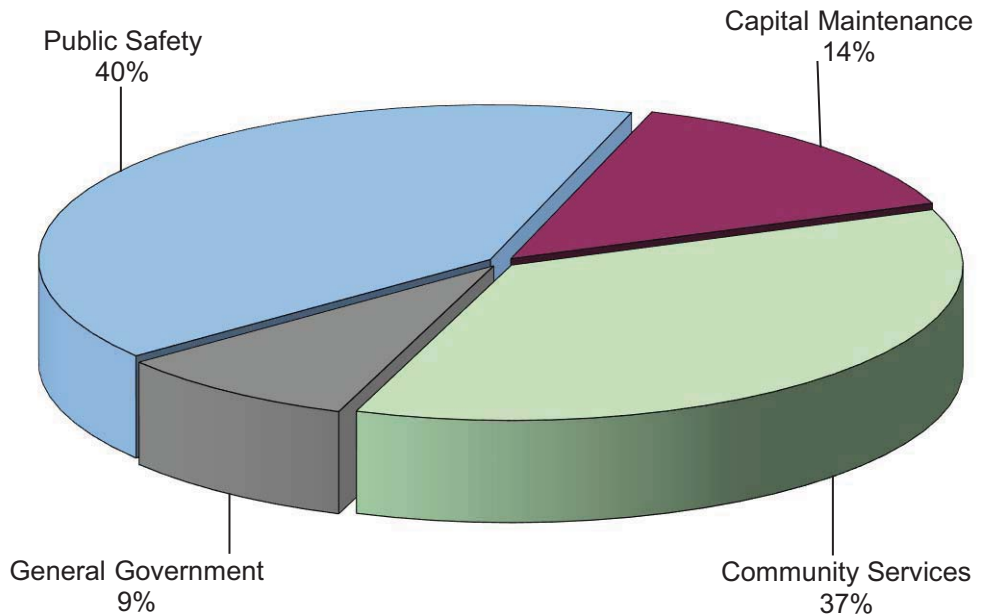
SUMMARY OF TOTAL OPERATIONS
BY DEPARTMENT (ALL FUNDS)

Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Transportation and Public Works Departments.

Community Services Departments - provide for programs that affect citizens on a daily basis, such as Airport, Environmental Services, Housing, Parks, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Finance, Economic Development, Independent Police Auditor, Information Technology, Retirement Services, City Attorney, City Manager, Mayor and City Council, City Auditor, and City Clerk.



TOTAL OPERATIONS \$1,340,506,403

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF TOTAL OPERATIONS
BY DEPARTMENT (ALL FUNDS)*

	<u>General Fund</u>	<u>Special Funds</u>	<u>Capital Funds</u>	<u>TOTAL</u>
GENERAL GOVERNMENT DEPARTMENTS				
City Attorney	\$ 14,029,522	\$ 2,927,631	\$ 361,133	\$ 17,318,286
City Auditor	2,473,336	0	0	2,473,336
City Clerk	2,410,287	0	0	2,410,287
City Manager	14,045,924	144,546	0	14,190,470
Economic Development	5,193,264	5,285,866	731,063	11,210,193
Finance	15,619,565	2,626,395	27,934	18,273,894
Human Resources	7,814,815	2,283,056	0	10,097,871
Independent Police Auditor	1,260,406	0	0	1,260,406
Information Technology	18,651,093	3,003,882	10,132	21,665,107
Mayor and City Council	10,869,494	0	0	10,869,494
Retirement Services	0	6,551,984	0	6,551,984
Total General Government Departments	\$ 92,367,706	\$ 22,823,360	\$ 1,130,262	\$ 116,321,328
PUBLIC SAFETY DEPARTMENTS				
Fire	\$ 197,726,359	\$ 0	\$ 529,370	\$ 198,255,729
Police	341,723,041	606,245	0	342,329,286
Total Public Safety Departments	\$ 539,449,400	\$ 606,245	\$ 529,370	\$ 540,585,015

* Department operations include personal services and non-personal/equipment expenditures for all funds. Capital funds are also included but are based on the budgeted amount.

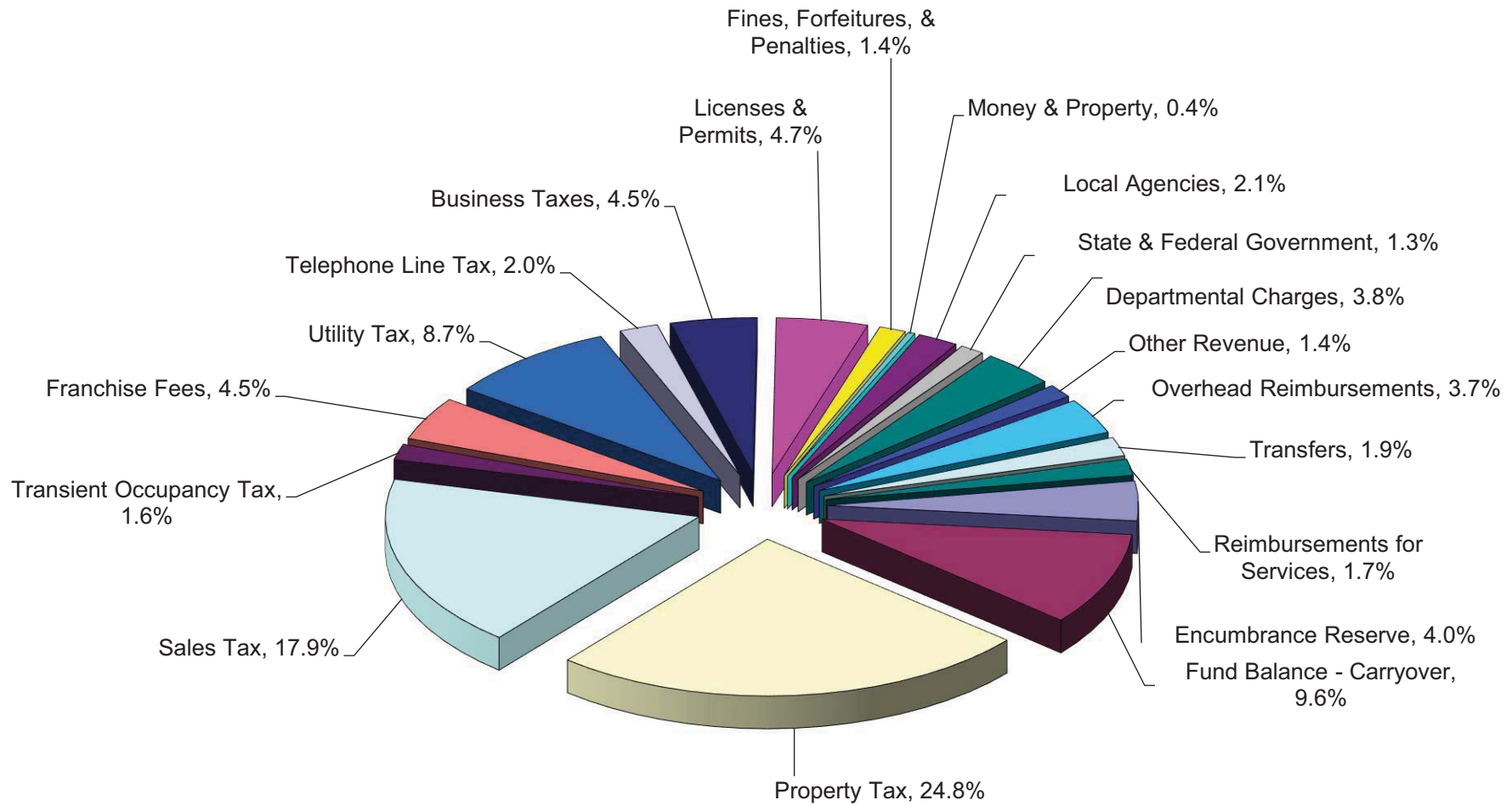
CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF TOTAL OPERATIONS
BY DEPARTMENT (ALL FUNDS)*

	<u>General Fund</u>	<u>Special Funds</u>	<u>Capital Funds</u>	<u>TOTAL</u>
CAPITAL MAINTENANCE DEPARTMENTS				
Public Works	\$ 41,952,215	\$ 26,130,579	\$ 33,156,477	\$ 101,239,271
Transportation	29,288,980	41,295,997	17,459,233	88,044,210
Total Capital Maintenance Departments	\$ 71,241,195	\$ 67,426,576	\$ 50,615,710	\$ 189,283,481
COMMUNITY SERVICES DEPARTMENTS				
Airport	\$ 0	\$ 63,251,206	\$ 0	\$ 63,251,206
Environmental Services	1,272,274	252,024,567	4,356,420	257,653,261
Housing	266,593	10,009,017	0	10,275,610
Library	30,678,634	7,582,790	472,868	38,734,292
Parks, Recreation and Neighborhood Services	65,363,490	435,837	7,312,046	73,111,373
Planning, Building and Code Enforcement	48,695,468	2,277,125	318,244	51,290,837
Total Community Services Departments	\$ 146,276,459	\$ 335,580,542	\$ 12,459,578	\$ 494,316,579
TOTAL DEPARTMENT USES	\$ 849,334,760	\$ 426,436,723	\$ 64,734,920	\$ 1,340,506,403

* Department operations include personal services and non-personal/equipment expenditures for all funds. Capital funds are also included but are based on the budgeted amount.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES



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TOTAL GENERAL FUND SOURCES \$1,090,183,333

For a more detailed discussion on General Fund Sources, please refer to the section entitled "General Fund Revenue Estimates"

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES

SOURCE OF FUNDS	1 2014-2015 Actuals	2 2015-2016 Adopted Budget	3 2015-2016 Modified Budget*	4 2016-2017 Forecast Budget	5 2016-2017 Proposed Budget	2 TO 5 % Increase/ (Decrease)
FUND BALANCE						
Encumbrance Reserve	\$ 40,777,371	\$ 40,777,371	\$ 44,394,930	\$ 44,394,930	\$ 44,394,930	8.9%
Carryover	270,637,410	252,826,392	265,520,448	65,825,927	104,558,075	(58.6%)
Total Fund Balance	\$ 311,414,781	\$ 293,603,763	\$ 309,915,378	\$ 110,220,857	\$ 148,953,005	(49.3%)
GENERAL REVENUE						
Property Tax	\$ 247,258,146	\$ 255,210,000	\$ 255,210,000	\$ 270,625,000	\$ 270,625,000	6.0%
Sales Tax	180,406,911	190,260,000	190,260,000	194,695,553	194,695,553	2.3%
Transient Occupancy Tax	14,734,573	14,700,000	17,136,000	17,821,000	17,821,000	21.2%
Franchise Fees	46,908,555	47,582,232	47,582,232	48,903,200	48,916,811	2.8%
Utility Tax	91,547,670	93,825,000	93,825,000	95,749,500	95,749,500	2.1%
Telephone Line Tax	21,097,282	21,000,000	21,000,000	21,614,000	21,614,000	2.9%
Business Taxes	47,344,824	44,425,000	44,425,000	48,800,000	48,800,000	9.8%
Licenses and Permits	47,508,875	48,721,223	50,221,223	50,632,528	51,572,553	5.9%
Fines, Forfeitures, and Penalties	14,491,423	15,356,042	15,356,042	14,910,600	14,910,600	(2.9%)
Revenue from Use of Money/Property	3,580,694	3,414,999	4,207,909	3,863,935	3,863,935	13.1%
Revenue from Local Agencies	39,858,774	23,909,616	16,447,530	22,875,000	22,875,000	(4.3%)
Revenue from the State of CA	12,024,115	11,370,763	12,314,002	10,619,429	10,902,929	(4.1%)
Revenue from Federal Government	10,626,611	9,083,802	13,284,974	2,526,566	2,754,566	(69.7%)
Departmental Charges	41,704,532	40,923,558	42,684,658	39,782,190	41,681,974	1.9%
Other Revenue	154,598,297	26,259,638	129,530,651	15,128,362	15,144,509	(42.3%)
Total General Revenue	\$ 973,691,282	\$ 846,041,873	\$ 953,485,221	\$ 858,546,863	\$ 861,927,930	1.9%
TRANSFERS AND REIMBURSEMENTS						
Overhead Reimbursements	\$ 37,491,697	\$ 37,798,583	\$ 37,431,363	\$ 39,143,411	\$ 40,012,977	5.9%
Transfers	19,044,624	20,307,955	21,241,793	20,854,026	21,122,689	4.0%
Reimbursements for Services	18,449,674	17,657,341	17,657,341	18,166,732	18,166,732	2.9%
Total Transfers and Reimbursements	\$ 74,985,995	\$ 75,763,879	\$ 76,330,497	\$ 78,164,169	\$ 79,302,398	4.7%
TOTAL SOURCE OF FUNDS	\$ 1,360,092,058	\$ 1,215,409,515	\$ 1,339,731,096	\$ 1,046,931,889	\$ 1,090,183,333	(10.3%)

* As of March 31, 2016

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF GENERAL FUND USES

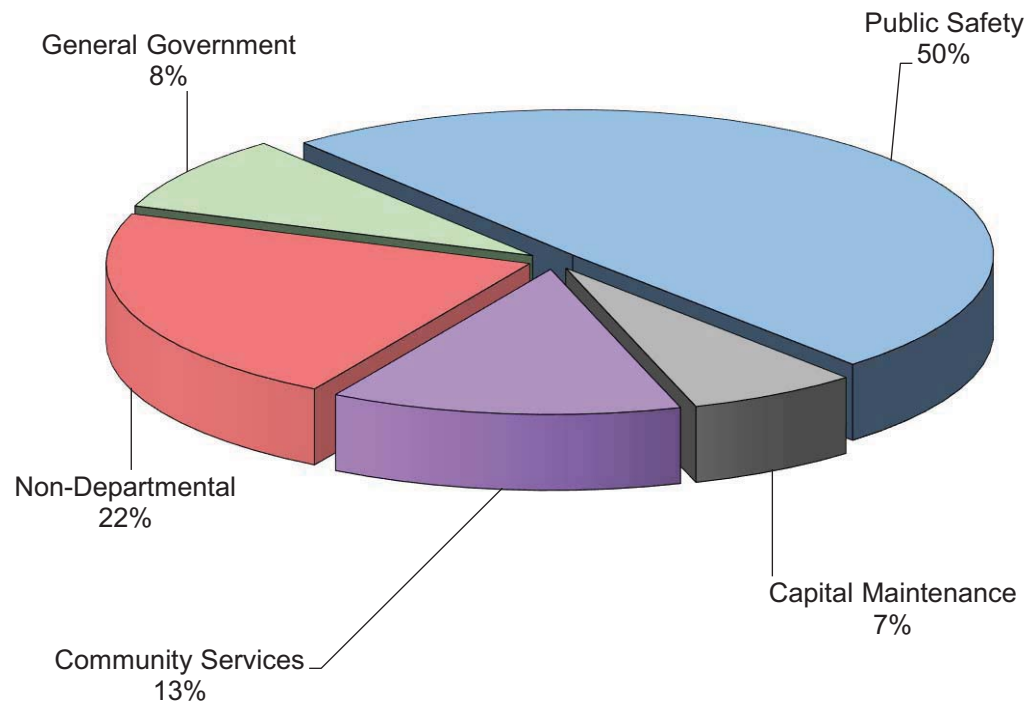
Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Public Works and Transportation Departments.

Community Services Departments - provide programs that affect citizens on a daily basis, such as Environmental Services, Housing, Parks, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Economic Development, Information Technology, Finance, Independent Police Auditor, City Manager, City Auditor, City Clerk, Mayor and City Council, and City Attorney.

Non-Departmental - include City-Wide expenses, capital contributions, transfers and reserves.



TOTAL GENERAL FUND USES \$1,090,183,333

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF GENERAL FUND USES

	1	2	3	4	5	2 TO 5
	2014-2015	2015-2016	2015-2016	2016-2017	2016-2017	%
	Actuals	Adopted	Modified	Forecast	Proposed	Increase/
	Actuals	Budget	Budget*	Budget	Budget	(Decrease)
GENERAL GOVERNMENT DEPARTMENTS						
City Attorney	\$ 12,975,181	\$ 13,952,092	\$ 14,064,478	\$ 14,115,740	\$ 14,029,522	0.6%
City Auditor	2,115,412	2,268,223	2,256,798	2,473,336	2,473,336	9.0%
City Clerk	1,974,872	2,608,154	2,585,075	2,410,287	2,410,287	(7.6%)
City Manager	11,511,554	12,753,823	12,674,549	13,044,236	14,045,924	10.1%
Economic Development	3,777,083	5,033,432	5,280,631	4,993,264	5,193,264	3.2%
Finance	13,316,476	14,547,789	14,518,316	15,539,565	15,619,565	7.4%
Human Resources	5,984,764	7,574,705	7,689,079	6,603,773	7,814,815	3.2%
Independent Police Auditor	1,196,155	1,284,498	1,269,646	1,260,406	1,260,406	(1.9%)
Information Technology	13,496,164	17,897,104	17,831,318	16,831,901	18,651,093	4.2%
Mayor and City Council	8,772,115	12,174,749	12,777,142	10,869,494	10,869,494	(10.7%)
Total General Government Departments	\$ 75,119,776	\$ 90,094,569	\$ 90,947,032	\$ 88,142,002	\$ 92,367,706	2.5%
PUBLIC SAFETY DEPARTMENTS						
Fire	\$ 178,608,661	\$ 189,342,292	\$ 192,127,823	\$ 196,344,839	\$ 197,726,359	4.4%
Police	311,561,534	336,040,899	340,032,191	333,519,372	341,723,041	1.7%
Total Public Safety Departments	\$ 490,170,195	\$ 525,383,191	\$ 532,160,014	\$ 529,864,211	\$ 539,449,400	2.7%
CAPITAL MAINTENANCE DEPARTMENTS						
Public Works	\$ 37,483,314	\$ 39,972,563	\$ 40,186,311	\$ 40,789,213	\$ 41,952,215	5.0%
Transportation	27,395,049	29,521,913	29,579,328	29,206,967	29,288,980	(0.8%)
Total Capital Maintenance Departments	\$ 64,878,363	\$ 69,494,476	\$ 69,765,639	\$ 69,996,180	\$ 71,241,195	2.5%

* As of March 31, 2016

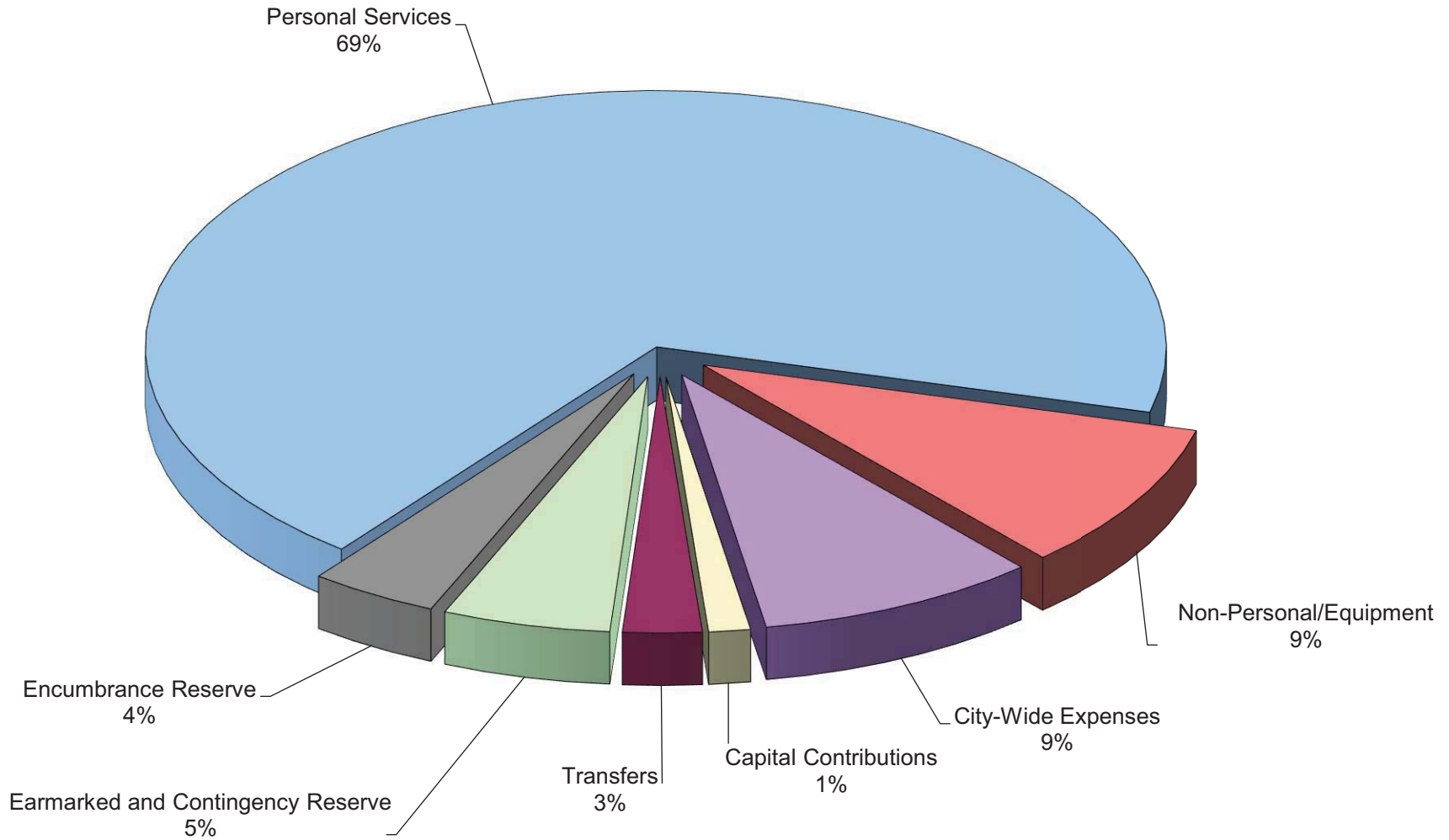
CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF GENERAL FUND USES

	1	2	3	4	5	2 TO 5
	2014-2015	2015-2016	2015-2016	2016-2017	2016-2017	%
	Actuals	Adopted	Modified	Forecast	Proposed	Increase/ (Decrease)
	Actuals	Budget	Budget*	Budget	Budget	(Decrease)
COMMUNITY SERVICES DEPARTMENTS						
Environmental Services	\$ 284,593	\$ 967,474	\$ 966,222	\$ 906,735	\$ 1,272,274	31.5%
Housing	230,461	253,746	252,522	266,593	266,593	5.1%
Library	27,544,502	29,587,910	29,968,911	30,802,634	30,678,634	3.7%
Parks, Recreation and Neighborhood Services	57,277,471	60,449,132	62,684,124	62,610,717	65,363,490	8.1%
Planning, Building and Code Enforcement	38,284,102	47,296,761	48,719,182	45,361,502	48,695,468	3.0%
Total Community Services Departments	\$ 123,621,129	\$ 138,555,023	\$ 142,590,961	\$ 139,948,181	\$ 146,276,459	5.6%
Total Departmental Uses	\$ 753,789,463	\$ 823,527,259	\$ 835,463,646	\$ 827,950,574	\$ 849,334,760	3.1%
NON-DEPARTMENTAL						
City-Wide Expenses	\$ 241,074,930	\$ 122,802,918	\$ 238,792,189	\$ 87,435,854	\$ 96,995,754	(21.0%)
Capital Contributions	18,556,541	56,279,000	57,487,599	5,250,000	14,350,000	(74.5%)
Transfers	36,755,743	27,074,606	27,149,755	27,261,710	27,261,710	0.7%
Earmarked Reserves	N/A	110,948,361	101,942,977	13,203,434	22,346,179	(79.9%)
Contingency Reserve	N/A	34,000,000	34,500,000	34,500,000	35,500,000	4.4%
Encumbrance Reserve	44,394,930	40,777,371	44,394,930	44,394,930	44,394,930	8.9%
Total Non-Departmental Uses	\$ 340,782,144	\$ 391,882,256	\$ 504,267,450	\$ 212,045,928	\$ 240,848,573	(38.5%)
TOTAL USE OF FUNDS	\$ 1,094,571,607	\$ 1,215,409,515	\$ 1,339,731,096	\$ 1,039,996,502	\$ 1,090,183,333	(10.3%)

* As of March 31, 2016

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES BY CATEGORY



TOTAL GENERAL FUND USES \$1,090,183,333

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF GENERAL FUND USES BY CATEGORY

USE OF FUNDS	1 2014-2015 Actuals	2 2015-2016 Adopted Budget	3 2015-2016 Modified Budget*	4 2016-2017 Forecast Budget	5 Proposed Increase/ (Decrease)	6 2016-2017 Proposed Budget	2 TO 6 % Increase/ (Decrease)
DEPARTMENTAL							
Personal Services	\$ 657,859,538	\$ 717,073,055	\$ 721,011,371	\$ 733,327,809	\$ 13,971,452	\$ 747,299,261	4.2%
Non-Personal/Equipment	95,929,925	106,454,204	114,452,275	94,622,765	7,412,734	102,035,499	(4.2%)
Departmental Total	\$ 753,789,463	\$ 823,527,259	\$ 835,463,646	\$ 827,950,574	\$ 21,384,186	\$ 849,334,760	3.1%
NON-DEPARTMENTAL							
City-Wide Expenses	\$ 241,074,930	\$ 122,802,918	\$ 238,792,189	\$ 87,435,854	\$ 9,559,900	\$ 96,995,754	(21.0%)
Capital Contributions	18,556,541	56,279,000	57,487,599	5,250,000	9,100,000	14,350,000	(74.5%)
Transfers	36,755,743	27,074,606	27,149,755	27,261,710	0	27,261,710	0.7%
Earmarked Reserves	N/A	110,948,361	101,942,977	13,203,434	9,142,745	22,346,179	(79.9%)
Ending Fund Balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contingency Reserve	N/A	34,000,000	34,500,000	34,500,000	1,000,000	35,500,000	4.4%
Encumbrance Reserve	44,394,930	40,777,371	44,394,930	44,394,930	0	44,394,930	8.9%
Total Non-Departmental	\$ 340,782,144	\$ 391,882,256	\$ 504,267,450	\$ 212,045,928	\$ 28,802,645	\$ 240,848,573	(38.5%)
TOTAL EXPENDITURES	\$ 1,094,571,607	\$ 1,215,409,515	\$ 1,339,731,096	\$ 1,039,996,502	\$ 50,186,831	\$ 1,090,183,333	(10.3%)

* As of March 31, 2016

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM SOURCE OF FUNDS

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
Beginning Fund Balance	393,731,988	76,244,005	54,685,558	49,662,558	47,081,020	393,731,988 *
Sale of Bonds		84,230,000	80,000,000	190,000,000	25,000,000	379,230,000
Revenue from Other Agencies:						
Federal Government	29,148,000	22,586,000	3,473,000	11,532,000	250,000	66,989,000
State Government	6,375,000	5,135,000	3,000,000	3,000,000	3,000,000	20,510,000
Water Pollution Control Plant User Agencies	35,466,000	53,009,000	57,572,000	108,461,000	33,926,000	288,434,000
County of Santa Clara	46,000					46,000
Valley Transportation Authority	6,680,000	6,377,000	5,900,000	5,900,000	5,900,000	30,757,000
Other Agencies	2,054,000	4,204,000	4,104,000	454,000	454,000	11,270,000
Taxes, Fees and Charges:						
Building and Structure Construction Tax	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	65,000,000
Construction Excise Tax	17,000,000	17,000,000	17,000,000	17,000,000	16,000,000	84,000,000
Construction and Conveyance Tax	36,000,000	35,000,000	35,000,000	35,000,000	35,000,000	176,000,000
Residential Construction Tax	175,000	175,000	175,000	175,000	175,000	875,000
Sanitary Sewer Connection Fees	650,000	650,000	650,000	650,000	650,000	3,250,000
Storm Drainage Fees	175,000	175,000	175,000	175,000	175,000	875,000
Water Utility Fees	100,000	100,000	100,000	100,000	100,000	500,000
Contributions, Loans and Transfers from:						
General Fund	14,350,000	5,750,000	6,550,000	7,200,000	7,200,000	41,050,000
Special Funds	116,308,874	88,356,000	93,693,000	97,217,000	113,104,000	508,678,874
Capital Funds	11,123,000	10,650,000	10,175,000	9,971,000	9,347,000	51,266,000
	4,178,000		5,404,000	7,544,000	6,586,000	28,474,000

* The 2017-2018 through 2020-2021 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM SOURCE OF FUNDS

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
Interest Income		4,762,000				
Miscellaneous Revenue	40,191,000	22,934,000	23,346,000	23,857,000	24,369,000	134,697,000
Developer Contributions	950,000	1,000,000	1,050,000	1,100,000	1,150,000	5,250,000
Commercial Paper Proceeds	1,200,000					1,200,000
TOTAL SOURCE OF FUNDS	<u><u>728,901,862</u></u>	<u><u>451,337,005</u></u>	<u><u>415,052,558</u></u>	<u><u>581,998,558</u></u>	<u><u>342,467,020</u></u>	<u><u>2,292,083,862</u></u> *

* The 2017-2018 through 2020-2021 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
<u>Construction Projects</u>						
Airport	14,399,000	17,790,000	7,642,000	16,382,000	5,100,000	61,313,000
Communications	100,000	100,000	100,000	100,000	100,000	500,000
Developer Assisted Projects	1,750,000	1,300,000	250,000	1,200,000	1,500,000	6,000,000
Library	1,777,000	1,508,000	1,758,000	918,538	888,000	6,849,538
Municipal Improvements	22,959,000	4,900,000	1,300,000	1,300,000	1,300,000	31,759,000
Parking	11,329,000	2,010,000	1,510,000	1,505,000	1,005,000	17,359,000
Parks and Community Facilities Development	28,817,000	2,833,000			160,000	31,810,000
Public Safety	2,124,000	478,000	478,000	478,000	478,000	4,036,000
Sanitary Sewer System	62,861,000	29,817,000	31,259,000	25,799,000	23,515,000	173,251,000
Service Yards	1,132,000	459,000	459,000	459,000	459,000	2,968,000
Storm Sewer System	15,789,000	3,794,000	2,008,000	2,008,000	2,008,000	25,607,000
Traffic	80,260,000	32,454,000	23,175,000	22,446,000	21,855,000	180,190,000
Water Pollution Control	91,383,000	132,369,000	161,755,000	327,346,000	96,747,000	809,600,000
Water Utility System	5,147,000	2,254,000	2,497,000	3,358,000	2,754,000	16,010,000
Total Construction Projects	339,827,000	232,066,000	234,191,000	403,299,538	157,869,000	1,367,252,538
<u>Non-Construction</u>						
Contributions, Loans and Transfers to Capital Funds						
Library	350,000	247,000				597,000
Parks and Community Facilities Development	10,773,000	10,403,000	10,175,000	9,971,000	9,347,000	50,669,000
Total Contributions, Loans and Transfers to Capital Funds	11,123,000	10,650,000	10,175,000	9,971,000	9,347,000	51,266,000
Contributions, Loans and Transfers to General Fund						

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
<u>Non-Construction</u>						
Contributions, Loans and Transfers to General Fund						
Communications	13,000	13,000	13,000	13,000	13,000	65,000
Developer Assisted Projects	10,000	10,000	10,000	10,000	10,000	50,000
Library	80,000	80,000	80,000	80,000	80,000	400,000
Parks and Community Facilities Development	4,207,000	4,101,000	4,101,000	4,101,000	4,101,000	20,611,000
Public Safety	41,000	40,000	40,000	40,000	40,000	201,000
Sanitary Sewer System	7,000					7,000
Service Yards	15,000	15,000	15,000	15,000	15,000	75,000
Storm Sewer System	4,000	2,000	2,000	2,000	2,000	12,000
Traffic	1,765,000	1,750,000	1,750,000	1,750,000	1,750,000	8,765,000
Water Pollution Control	3,000					3,000
Water Utility System	1,000					1,000
Total Contributions, Loans and Transfers to General Fund	6,146,000	6,011,000	6,011,000	6,011,000	6,011,000	30,190,000
Contributions, Loans and Transfers to Special Funds						
Airport	29,598,000	35,442,447	23,225,000	22,127,000	22,627,000	133,019,447
Communications	3,000	3,000	3,000	3,000	3,000	15,000
Developer Assisted Projects	15,000	15,000	16,000	16,000	16,000	78,000
Library	30,000	31,000	34,000	34,000	34,000	163,000
Parks and Community Facilities Development	554,000	387,000	418,000	418,000	418,000	2,195,000
Public Safety	30,000	31,000	34,000	34,000	34,000	163,000
Sanitary Sewer System	389,000	405,000	438,000	438,000	438,000	2,108,000
Service Yards	8,000	8,000	9,000	9,000	9,000	43,000
Storm Sewer System	104,000	108,000	117,000	117,000	117,000	563,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
<u>Non-Construction</u>						
Contributions, Loans and Transfers to Special Funds						
Traffic	972,000	1,008,000	1,089,000	1,089,000	1,089,000	5,247,000
Water Pollution Control	172,000	178,000	193,000	193,000	193,000	929,000
Water Utility System	13,000	13,000	14,000	14,000	14,000	68,000
Total Contributions, Loans and Transfers to Special Funds	31,888,000	37,629,447	25,590,000	24,492,000	24,992,000	144,591,447
Other Non-Construction Items						
Airport	550,000	200,000	561,000	200,000	200,000	1,711,000
Communications	1,751,000	1,773,000	2,158,000	2,176,000	2,184,000	10,042,000
Developer Assisted Projects	1,209,000	844,000	770,000	654,000	613,000	4,090,000
Library	8,641,000	7,571,000	7,603,000	7,767,000	7,655,000	39,237,000
Municipal Improvements	885,000	200,000	200,000	200,000	200,000	1,685,000
Parking	1,018,000	19,000	25,000	6,000	6,000	1,074,000
Parks and Community Facilities Development	24,696,000	14,832,000	14,771,000	14,680,000	14,896,000	83,875,000
Public Safety	10,064,000	5,911,000	5,705,000	5,733,000	5,761,000	33,174,000
Sanitary Sewer System	8,018,000	8,105,000	8,010,000	6,914,000	6,960,000	38,007,000
Service Yards	20,053,000	3,441,000	3,451,000	3,469,000	3,486,000	33,900,000
Storm Sewer System	2,953,000	2,544,000	2,346,000	2,273,000	2,275,000	12,391,000
Traffic	15,295,000	11,977,000	11,030,000	9,760,000	9,671,000	57,733,000
Water Pollution Control	21,538,000	34,321,000	22,508,000	24,983,000	31,454,000	134,804,000
Water Utility System	1,943,000	1,955,000	1,330,000	1,340,000	1,370,000	7,938,000
Total Other Non-Construction Items	118,614,000	93,693,000	80,468,000	80,155,000	86,731,000	459,661,000
Reserves						
Developer Assisted Projects	2,008,435					2,008,435

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
<u>Non-Construction</u>						
Reserves						
Library	2,000,000	5,905,000				7,905,000
Parks and Community Facilities Development	78,338,951	3,954,000	5,075,000	5,175,000	5,075,000	97,617,951
Public Safety	1,310,505	4,346,000	500,000	400,000	400,000	6,956,505
Sanitary Sewer System	2,400,000					2,400,000
Traffic	49,541,966	2,000,000	3,000,000	5,000,000	4,500,000	64,041,966
Water Pollution Control	5,000,000					5,000,000
Water Utility System	4,460,000	397,000	380,000	414,000	466,000	6,117,000
Total Reserves	145,059,857	16,602,000	8,955,000	10,989,000	10,441,000	192,046,857
Total Non-Construction	312,830,857	164,585,447	131,199,000	131,618,000	137,522,000	877,755,304
<u>Ending Fund Balance</u>						
Airport	38,516,143	24,676,696	23,399,696	23,700,696	24,001,696	24,001,696*
Communications	372,213	186,213	415,213	626,213	829,213	829,213*
Developer Assisted Projects	4,845,651	3,686,651	3,690,651	2,910,651	1,916,651	1,916,651*
Library	4,146,875	2,837,875	1,502,875	834,337	307,337	307,337*
Parks and Community Facilities Development	10,524,168	8,621,168	8,421,168	8,223,168	7,761,168	7,761,168*
Public Safety	883,488	140,488	113,488	158,488	175,488	175,488*
Sanitary Sewer System	4,317,401	3,184,401	576,401	879,401	3,425,401	3,425,401*
Service Yards	2,253,183	1,418,183	572,183	358,183	127,183	127,183*
Storm Sewer System	1,168,719	1,144,719	961,719	852,719	742,719	742,719*
Traffic	2,933,378	3,801,378	3,436,378	3,070,378	2,859,378	2,859,378*
Water Pollution Control	4,517,493	3,202,493	4,337,493	3,646,493	2,978,493	2,978,493*
Water Utility System	1,765,293	1,785,293	2,235,293	1,820,293	1,951,293	1,951,293*
Total Ending Balance	76,244,005	54,685,558	49,662,558	47,081,020	47,076,020	47,076,020*
TOTAL USE OF FUNDS	728,901,862	451,337,005	415,052,558	581,998,558	342,467,020	2,292,083,862

* The 2016-2017 through 2019-2020 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Airport				
Self Service Kiosk Replacement	This project funds the procurement and installation of four Automated Passport Control (APC) Kiosks in the Federal Inspection Services (FIS) building and establishes a phased replacement schedule for the Airport's Common Use Self Service (CUSS) Kiosks.	\$300,000	\$700,000	\$700,000
Southeast Ramp Reconstruction	This project funds the reconstruction of the cargo ramp in the southeast quadrant of the Airport, adjacent to 1277 Airport Boulevard and 1311 Airport Boulevard. The approximate size of the area is 182,000 square feet. This project is contingent upon the timing and availability of FAA grant funding.	\$9,390,000	\$10,400,000	\$14,743,000
Communications				
Silicon Valley Regional Communications System - Radios	This allocation funds the replacement of radio equipment for Police, Fire, and non-public safety City operations in preparation for the Silicon Valley Regional Communications System.	\$500,000	\$2,500,000	*
Developer Assisted Projects				
Underground Utility Administration (20A)	PG&E and other utility companies allocate their own funds to replace existing overhead electrical facilities with underground electrical facilities within the communities they serve. This allocation provides funding for the day-to-day administration of the undergrounding program, including design and plan review, coordination, inspection of undergrounding projects, underground service alert location, and legislation of the Underground Utility Districts.	\$300,000	\$1,620,000	*

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Developer Assisted Projects				
Underground Utility Program (20B)	Rule 20B Underground Utility Districts are established with fees paid to the City when a developer opts out of placing facilities underground at the time of development. Projects are prioritized with a five-year plan based on several criteria, the largest of which is the total amount of fees collected within the Underground District. This allocation is used for the design, construction, and administration of these projects.	\$1,750,000	\$6,000,000	*
Library				
Acquisition of Materials	This allocation provides funding for the acquisition of books, periodical subscriptions, DVDs/Blu-rays, electronic resources, and other types of materials for the Library's collection.	\$5,500,000	\$27,500,000	*
Automation Projects and System Maintenance	This allocation provides funding for automation equipment to improve information access and electronic processing. Funds may be used to purchase, maintain, and upgrade catalogs, automated reference resources, and costs related to the installation and maintenance of the online system.	\$1,000,000	\$5,000,000	*
Dr. Martin Luther King, Jr. Library Escalator Replacements	This project provides funding for the six escalator replacements at Dr. Martin Luther King, Jr. Library. The replacement projects are scheduled through 2022-2023. Per the agreement between the City and San José State University (SJSU), this project will be managed by SJSU's Facilities Development and Operations Department in coordination with the Library Department. The identified expense in the CIP reflects the City's estimated 50% cost-share amount.	\$23,000	\$915,000	\$1,361,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Municipal Improvements				
City Hall HVAC Control System Replacement	This project will replace the HVAC control system in City Hall with a new up-to-date control system in two phases. The first phase will require extensive system evaluation, preliminary design, and detailed cost estimates. The second phase will fund plans and specifications, parts acquisition, and installation.	\$5,000,000	\$5,000,000	\$5,000,000
Convention Center Exhibit Hall Lighting and Ceiling Upgrades	This project funds the upgrade of the Convention Center's Exhibit Hall ceiling and lighting. A recently completed study confirmed that the current ceiling and lighting configuration is out of date and inefficient, making it less attractive for client booking. Under a design/build contract, work includes the removal of the existing ceiling, and upgrades to the lighting system and ceiling structure to improve the hall's capacity to host large scale events.	\$6,000,000	\$6,000,000	\$6,300,000
San José Civic Auditorium HVAC Rehabilitation	This allocation provides funding to replace the heating, ventilation, and air conditioning (HVAC) system at the San José Civic Auditorium.	\$4,439,000	\$4,439,000	\$4,726,000
Parking				
Downtown Event Parking Dynamic Message Sign Repair and Upgrades	This project provides funding to repair and upgrade eight existing electronic message signs that are used to provide real-time traffic and parking condition information during Downtown and SAP Center special events. The eight electronic signs, of which only five are currently operable and functioning, are nearly 20 years old and the parts for these signs have become obsolete.	\$1,163,000	\$1,163,000	\$1,480,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Parking				
Greater Downtown Area Multi-Modal/Streetscape Improvements	This ongoing allocation provides City funding to implement various traffic and pedestrian upgrades within the Greater Downtown area. Improvements include Light-Emitting Diode (LED) streetlight upgrades, enhanced crosswalks, and other enhancements for bicycle and pedestrian facilities. These improvements will support the development of a multi-modal environment with a variety of transportation alternatives.	\$2,100,000	\$4,600,000	*
Greater Downtown Parking Garage	Consistent with the Mayor's March Budget Message for Fiscal Year 2016-2017, this allocation provides funding for the evaluation, planning, and development of an additional parking garage to serve the cultural facilities in the greater Downtown, with a priority given to the Diridon Station Area.	\$1,000,000	\$1,000,000	\$1,000,000
Revenue Control & Meter Upgrades	This allocation provides ongoing funding for replacement meters and upgrades to parking access and revenue control equipment at parking facilities.	\$4,500,000	\$5,500,000	*
Parks and Community Facilities Development - City-Wide Parks				
Overfelt Gardens Improvements	This project provides funding for improvements at the Overfelt Gardens. Project elements include installing an iron fence throughout the park, renovating statues and monuments, installing an irrigation system, repairing the roof, and installing park signage with a historic theme.	\$998,000	\$998,000	\$1,000,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Parks and Community Facilities Development - Council District 1				
Hathaway Park Renovation	The project provides funding to renovate Hathaway Park. Project elements may include replacing the par course stations, renovating the sport courts, rehabilitating the restroom, replacing the play equipment, renovating the turf, replacing existing trees, modifying the irrigation system at the ballfields, replacing the resilient surfacing throughout the park, and acquiring new park furniture.	\$122,000	\$1,222,000	\$1,222,000
Parks and Community Facilities Development - Council District 10				
Waterford Park Improvements	This project provides funding for improvements at Waterford Park. Project elements may include installing water efficient irrigation system upgrades, reducing the existing turf, renovating the landscaping, replacing park furniture, renovating the playground, and other minor improvements.	\$150,000	\$150,000	\$150,000
Parks and Community Facilities Development - Council District 2				
Silver Leaf Park Renovation	This project provides funding to renovate the existing play area at Silver Leaf Park. Project elements may include installing par course stations, replacing the play equipment, installing resilient rubber surfacing, replacing the drinking fountains, and installing security lighting.	\$715,000	\$715,000	\$815,000
Parks and Community Facilities Development - Council District 3				
Roosevelt Park Improvements	This project provides funding for improvements at Roosevelt Park. Project elements include renovating the existing electrical system, installing night lighting at the roller hockey rink and softball field, removing the scorekeeper booth, renovating the backstop area, and installing a drainage system under the roller hockey rink.	\$463,000	\$463,000	\$550,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Parks and Community Facilities Development - Council District 4				
Agnews Property Development	This project provides partial funding for acquisition costs and site preparation of approximately 21.6 acres of the former Agnews Developmental Care Center. Project elements include acquisition of the property from the State of California (including escrow fees), demolition of buildings on the property, review and inspection, and site preparation that is needed for future park development.	\$889,000	\$889,000	\$1,291,000
Alviso Park Improvements	This project provides funding for improvements at Alviso Park. Project elements may include installing water efficient irrigation system upgrades, renovating turf areas, replacing drinking fountains, fencing improvements, replacing the existing backstop, and replacing the playground equipment.	\$368,000	\$368,000	\$478,000
Parks and Community Facilities Development - Council District 5				
Plata Arroyo Park Improvements	This project provides funding for improvements at Plata Arroyo Park. Project elements may include renovating the restroom, modifying the concrete pathway, installing water efficient irrigation system upgrades, constructing a concrete sound wall, expanding the existing playground, installing a picnic area shade structure, planting new trees, installing new par course stations, constructing a new parking lot, and installing new park signage.	\$983,000	\$983,000	\$1,124,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Parks and Community Facilities Development - Council District 6				
Del Monte Park Expansion Phase II Master Plan and Design	This project provides funding for master planning efforts and design documents for the expansion of Del Monte Park (Phase II). Community outreach regarding expanding the park by an additional 4.0 acres, including construction of a multi-purpose field, will be included in the master planning process.	\$75,000	\$75,000	\$500,000
Parks and Community Facilities Development - Council District 7				
Vietnamese-American Community Center Planning and Fundraising	As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, this allocation provides funding to assist with fundraising and planning efforts related to developing the Vietnamese-American Community Center. Once completed, the Vietnamese-American Community Center will serve as a public gathering space for events, civic dialogue, and for provision of services and information in the Vietnamese language.	\$300,000	\$300,000	\$300,000
Parks and Community Facilities Development - Council District 8				
Fowler Creek Park Improvements	This project provides funding for improvements at Fowler Creek Park. Project elements include constructing a new parking lot, installing new park benches, constructing a new picnic pavillion, and installing other park furnishings associated with the new pavilion.	\$807,000	\$807,000	\$923,000
Parks and Community Facilities Development - Council District 9				
Butcher Park Playlot Renovation	This project provides funding for renovations at Butcher Park. Project elements may include replacing the playground equipment in the youth lot, installing resilient rubber sufacing, and landscaping improvements around the play area.	\$120,000	\$900,000	\$900,000

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Parks and Community Facilities Development - Lake Cunningham				
Lake Cunningham Bike Park	This project provides funding for the design and construction of a 5.0 acre bike park adjacent to the existing skate park at Lake Cunningham Park. Project features include a pump track, pump park, flow trail, dirt jump area, trials area, freeride area, freeride drop zone, dual slalom course, single track, and walking paths. Once completed, the bike park will embrace a variety of bike disciplines, such as mountain biking, free-style, slope-style, and cycle-cross.	\$400,000	\$400,000	\$1,180,000
Parks and Community Facilities Development - Park Trust Fund				
Agnews Property Development	This project provides partial funding for acquisition costs and site preparation of approximately 21.6 acres of the former Agnews Developmental Care Center. Project elements include acquisition of the property from the State of California (including escrow fees), demolition of buildings on the property, review and inspection, and site preparation that is needed for future park development.	\$2,369,000	\$2,369,000	\$15,130,000
Del Monte Park Expansion Phase II	This project provides funding for the Phase II expansion of Del Monte Park. Project elements include constructing a lighted multi-purpose field, installing new fencing, landscaping improvements, installing a trash enclosure/storage bin, and constructing improvements along the front of the park.	\$4,825,000	\$4,825,000	\$4,825,000
Iris Chang Park Development	This project provides funding to prepare a master plan, design, and construct a new 2.6 acre neighborhood park in Council District 4. The new park may contain a playground, a picnic area, basketball courts, and park furnishings.	\$2,143,000	\$2,143,000	\$2,714,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Parks and Community Facilities Development - Park Trust Fund				
Rincon South Park Development	This project provides funding to prepare a master plan, design, and construct a new 0.9 acre neighborhood park in Council District 3. The new park may contain a playground, a picnic area, basketball courts, and park furnishings.	\$1,575,000	\$1,575,000	\$1,800,000
TRAIL: Coyote Creek (Story Road to Selma Olinder Park)	This project provides partial funding for the design and construction of a 0.70 mile paved trail along the east bank of Coyote Creek. Project elements include design and construction of the trail, including centerline striping, signage, and decorative gateways. The completed trail reach will link to the existing Coyote Creek Trail within Selma Olinder Park and support future interconnectivity with the future Five Wounds Trail and the planned Coyote Creek Trail south of Story Road.	\$1,577,000	\$1,577,000	\$2,000,000
TRAIL: Three Creeks (Lonus Street to Guadalupe River)	This project provides funding to construct an additional 0.90 mile trail segment in the Three Creeks Trail system. Project elements include construction of the paved trail, landscaping, decorative gateways, a pedestrian signal, directional signage, striping, decorative pavement, and traffic crossings. When completed, the trail segment will extend from Lonus Street to the Guadalupe River.	\$2,700,000	\$2,700,000	\$2,700,000
Watson Park Improvements	This project provides funding to implement master plan improvements at Watson Park, a 26.6 acre neighborhood park in Council District 3. Project elements may include constructing a group picnic area and volleyball courts, installing new fencing along the Coyote Creek riparian edge, planting additional trees throughout the park, installing additional shade structures throughout the park and at the existing play area, and minor renovations to the dog park area.	\$797,000	\$797,000	\$900,000

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Public Safety				
Fire Apparatus Replacement	This allocation provides funding for scheduled fire apparatus replacement based on the following replacement intervals: overhead vehicles (formerly battalion chief vehicles), 10 years; brush patrols, 12 years; engines, light units, rescue units, USARs, and other special equipment, 20 years; and trucks, 25 years.	\$6,094,000	\$22,694,000	*
Fire Facilities Remediation	This allocation provides funding for necessary capital improvements, repairs, and maintenance at various fire stations. In 2015-2016, repairs at Fire Stations 18 and 23 began and will be completed by summer 2017. Remediation at Fire Station 3 will begin in 2016-2017. An in-depth analysis on the condition of fire facilities is currently being undertaken by the Fire Department and Public Works Department. The initial phase of this analysis was completed in August 2015. Once the final analysis is complete, the schedule and costs may be revised as part of the 2017-2018 budget development process.	\$1,319,000	\$1,319,000	\$2,441,000
Fire Station Alert System	This allocation provides funding for the implementation of an Internet Protocol (IP)-based alert system. Several agencies that moved to IP-based alerting with text-to-speech broadcasts have significantly reduced response times for emergency events. The IP system allows the broadcast of an event to happen immediately upon unit assignment (less than one second delay). This is due to the vocal alarm using an IP pathway that does not need to wait for the dispatch channel to be clear. One agency, similar to the San José Fire Department in size and call volume, reduced their overall response time an average of over 30 seconds per call in the first year of implementation.	\$1,275,000	\$1,275,000	\$1,275,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Public Safety				
Mobile Data Computer Replacements	This allocation provides funding to procure Mobile Data Computers to be placed in every fire apparatus for direct access to the Department's Computer Aided Dispatch (CAD) system and other Department technology tools.	\$523,000	\$744,000	\$780,000
Sanitary Sewer System				
60" Brick Interceptor, Phase VIA and VIB	This project replaces approximately 5,000 linear feet of existing 54-inch reinforced concrete sanitary sewer with an 84-inch lined reinforced concrete pipe. The start and completion dates above refer to Phase VIA. The prior year funding in the chart below includes earlier phases of this project, and this CIP only provides funding to complete Phase VIA. Phase VIB will rehabilitate the existing 60-inch brick sewer after the completion of Phase VIA.	\$29,038,000	\$30,381,000	\$68,479,382
Bollinger Road - Moorpark Avenue - Williams Road Sanitary Sewer Improvements	The project will include the capacity upgrade of approximately 17,000 feet of sanitary sewer mains. The project will be completed in two phases. The first phase is at Moorpark Avenue from Lawrence Expressway to Williams Road and along Williams Road to Saratoga Avenue. The second phase is at Bollinger Road from Blaney Avenue to Lawrence Expressway.	\$353,000	\$8,931,000	\$13,241,000
Rehabilitation of Sanitary Sewer Pump Stations	This allocation is used to assess, rehabilitate, and/or replace the mechanical and electrical components of the City's sanitary sewer pump stations and manhole structures. The average age of the City's sanitary sewer pump stations is approximately 30 years. Electrical and mechanical components should be rehabilitated or replaced at a minimum every 25 years.	\$1,098,000	\$1,098,000	\$7,245,000

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Sanitary Sewer System				
Trimble Road and Capewood Lane Sanitary Sewer Improvements	This project upsizes and replaces approximately 7,600 feet of 8-inch diameter Vitrified Clay Pipe (VCP) with 10, 12, and 15-inch diameter VCP along Laneview Drive, Amberwood Lane, and Trimble Road in North San José. The project also installs 600 feet of new pipe under Highway 680.	\$4,840,000	\$4,840,000	\$5,522,000
Service Yards				
Mabury Yard Improvements	This allocation provides funding to address required improvements at the Mabury Yard which include the following: renovate the second floor restroom to replace fixtures, flooring, partitions, and paint; complete remodel of the locker rooms and showers; remodel the kitchen to include new cabinets, counters, a stove/oven, hood and ventilation, additional and upgraded electrical connections, paint, flooring, and address roof penetration; and retrofit an existing space to provide a break area for staff.	\$373,000	\$373,000	\$410,000
Roof Replacement, Painting, and Supplemental Needs	This allocation funds emergency repairs and miscellaneous projects such as parking site improvements and repaving, roof repair and replacement, and painting.	\$400,000	\$2,000,000	*
West Yard - Restroom Retrofit	This project funds a restroom retrofit at the West Yard, including design and construction of shower and locker rooms for City staff. This yard currently houses all sewer, landscaping, and roadway crews.	\$300,000	\$300,000	\$300,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Storm Sewer System				
Chynoweth Avenue Green Street	This project will create bioretention areas and install permeable pavers along Chynoweth Avenue to meet stormwater treatment requirements set forth by the Municipal Regional Permit using Low Impact Development (LID) techniques.	\$2,187,000	\$2,187,000	\$2,637,000
Large Trash Capture Devices	This project includes the installation of Large Trash Capture (LTC) devices throughout the City in order to meet the Municipal Regional Permit Provision C.10 trash reduction requirements. The City must install certified LTC units in order for the treated acreage to count toward the City's trash reduction goals.	\$6,000,000	\$6,000,000	\$13,170,000
Ocala Avenue Green Street Project	This project incorporates bioretention areas in the park strip and a landscaped median island along Ocala Avenue between Daytona Drive and Capitol Expressway to meet stormwater treatment requirements set forth by the Municipal Regional Permit using Low Impact Development (LID) techniques.	\$2,250,000	\$2,526,000	\$2,787,000
Park Avenue Green Street Pilot	This project will install bioretention areas along Park Avenue between Meridian Avenue and Sunol Street in order to provide stormwater treatment for this segment of Park Avenue.	\$1,200,000	\$1,200,000	\$1,413,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Traffic				
Autumn Street Extension	This project provides funding to extend and construct improvements on Autumn Street including curb, gutter, sidewalk, and lighting between Coleman Avenue and Julian Street as well as begin design and right-of-way acquisition for Phase II between Julian and Santa Clara Streets. This project will enhance connectivity between Coleman Avenue and Santa Clara Street and will provide a new alternative route into west Downtown and the SAP Center.	\$7,291,000	\$7,291,000	\$13,500,000
Montague Expressway Improvements Phase 2	This project provides funding to widen Montague Expressway from six to eight lanes from Lick Mill Boulevard to First Street and River Oaks Parkway to Trade Zone Boulevard. It is anticipated that Santa Clara County will complete this project; however, if no agreement is reached, the City will complete construction of this project.	\$12,000,000	\$12,000,000	\$12,000,000
Pavement Maintenance - City	In March 2012, the City Council approved the designation of a 400-mile Priority Street Network. The Priority Street Network consists of 400 miles of the City's 800 miles of major roads. The major roads carry 87% of all city-wide traffic, with the Priority Street Network including those roads deemed to be the most important in achieving the City Council policy goals. This allocation, funded by the Construction Excise Tax, provides funding to seal and resurface streets in the Priority Street Network throughout the City.	\$4,575,000	\$21,175,000	*

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Traffic				
Pavement Maintenance - Measure B	In March 2012, the City Council approved the designation of a 400-mile Priority Street Network. The Priority Street Network consists of 400 miles of the City's 800 miles of major roads. The major roads carry 87% of all city-wide traffic, with the Priority Street Network including those roads deemed to be the most important in achieving the City Council policy goals. This allocation, funded by Measure B vehicle registration fees, provides funding to seal and resurface streets in the Priority Street Network throughout the City.	\$5,900,000	\$29,500,000	*
Pavement Maintenance - State Gas Tax	In March 2012, the City Council approved the designation of a 400-mile Priority Street Network. The Priority Street Network consists of 400 miles of the City's 800 miles of major roads. The major roads carry 87% of all city-wide traffic, with the Priority Street Network including those roads deemed to be the most important in achieving the City Council policy goals. This allocation, funded by the State Gas Tax, provides funding to seal and resurface streets in the Priority Street Network throughout the City, repair potholes, and administer the pavement program.	\$1,650,000	\$8,250,000	*
Route 101/Blossom Hill Road Interchange	This project provides funding for staff and consultant services for the development of improvements at the Route 101/Blossom Hill Interchange.	\$3,267,000	\$4,496,000	\$6,499,000

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Traffic				
Safety - Pedestrian Improvements	This allocation provides funding for traffic safety enhancements focused on improving pedestrian crossings on major roads. Potential improvements include crosswalks enhanced with flashing beacons, high visibility markings, median refuges, and curb return treatments. Other traffic devices having a positive safety impact, such as speed radar signs, will also be considered.	\$1,400,000	\$7,000,000	*
Safety - Traffic Signal Modifications/Construction	This allocation provides funding to enhance traffic safety and mobility along major roadways. Construction of new traffic signal systems or modification to the existing traffic signal system are anticipated to be the main elements of this program. Work will also include traffic safety evaluation, data collection, identification of operational improvements, and design and construction of such improvements to better support safer travel across intersections for all modes.	\$2,700,000	\$6,700,000	*

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Water Pollution Control				
Aeration Tanks and Blower Rehabilitation	This project rehabilitates the secondary and nitrification aeration tanks including structural, mechanical, electrical, and instrumentation upgrades. It also replaces the remaining existing coarse bubble diffusers with fine bubble diffusers; installs partition walls and reconfigures air piping to optimize process treatment capabilities; repairs concrete and applies coatings; installs Variable Frequency Drives (VFDs), new motors, new Motor Control Centers (MCC), and new controls to the electric driven blowers in Building 40 and Tertiary Blower Building; decommissions the engine driven blowers in the Secondary Blower Building; and replaces the S11 switchgear. A condition assessment study and process conversion analysis will be completed to inform the ultimate project scope.	\$15,717,000	\$115,875,000	\$119,299,000
Digested Sludge Dewatering Facility	This project will construct a new mechanical dewatering facility and support systems to replace the existing sludge storage lagoons and open air solar drying beds. All new mechanical dewatering units, feed tank, storage, conveyance, and chemical dosing facilities will be housed in an odor-controlled building.	\$2,927,000	\$94,804,000	\$99,022,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Water Pollution Control				
Digester and Thickener Facilities Upgrade	This project will rehabilitate up to ten anaerobic digesters through a phased approach. This first phase rehabilitates four digesters and modifies the system to operate as a two phase Temperature Phased Anaerobic Digestion (TPAD) system. The project also rehabilitates and modifies six dissolved air flotation units for co-thickening of primary and secondary sludge, pressure saturation tanks, pipes, pumps, and ancillary equipment. A new odor control system, primary sludge screening facility, heat exchangers, waste biogas flare, and polymer dosing facility will be constructed. The digester gas conveyance and tunnel systems will also be upgraded.	\$10,259,000	\$23,033,000	\$213,158,000
East Primary Rehabilitation, Seismic Retrofit, and Odor Control	This project rehabilitates the existing primary clarifiers, including the coating of concrete and replacement of clarifier mechanisms with corrosion resistant materials. It also includes structural retrofits to allow new covers to be installed over a portion or all of the primary treatment area to contain odors. A new odor extraction and treatment system will also be constructed.	\$195,000	\$35,899,000	\$113,209,000
Energy Generation Improvements	This project will install new, lower-emission engine-generators to replace the aged existing engine-generators and allow the aged engine-driven blowers to be retired. It includes a new generator building, gas cleaning and blending systems, piping, control system, and motor control centers. This project will also install emergency diesel generators and storage tanks to provide backup power in the event of an extended PG&E power outage.	\$31,986,000	\$89,161,000	\$120,349,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Water Pollution Control				
Lagoons and Drying Beds Retirement	This project will decommission the use of the existing sludge storage lagoons and open-air solar drying beds for post digestion processing through a phased approach. It involves successively turning over and emptying the existing lagoons of their biosolids contents in coordination with commissioning of the new biosolids dewatering facility. The project does not address follow up earthwork or rehabilitation needs to prepare the site for future development.	\$1,358,000	\$10,796,000	\$34,382,000
New Headworks	This project will construct a new headworks to serve as the Plant's duty headworks. It also involves potentially increasing the equalization basin volume and installing lining and spraydown systems to facilitate cleaning. The project will also be tasked with odor control over select areas, such as junction boxes and grit collection. The new headworks system will consider coordination with the Headworks 2 hydraulics and simplification of the existing hydraulics and piping considering the eventual decommissioning of Headworks 1.	\$2,725,000	\$92,610,000	\$95,798,000
Nitrification Clarifier Rehabilitation	This project includes phased rehabilitation of the 16 nitrification clarifiers. Structural improvements may include concrete repairs and coating, new clarifier mechanisms and baffle installations, pipe support and meter vault replacements, and walkway improvements. Mechanical improvements may include piping, valve and actuator replacements, spray water system replacements, scum skimmer system upgrades, and return activated sludge piping lining. Electrical and instrumentation improvements may include motor control center replacements, new wiring, and other electrical equipment upgrades. Other incidental work may include grouting, painting, coating, and other surface treatments.	\$3,773,000	\$48,734,000	\$51,630,000

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Water Pollution Control				
Secondary Clarifier Rehabilitation	The Plant has 26 secondary clarifiers configured with peripheral mix liquor feed channel, and either central or peripheral launders. The first phase of this project rehabilitates one secondary (BNR1) clarifier and retrofits it to receive a new baffle configuration based on computational fluid dynamic (CFD) modeling results. The new configuration is expected to improve clarifier performance and efficiency. The subsequent phases of the project will rehabilitate and convert the remaining 25 clarifiers based on the results of the first phase. Rehabilitation will include structural, mechanical, electrical, and instrumentation improvements.	\$104,000	\$26,040,000	\$26,559,000
Support Building Improvements	This project constructs various tenant improvements to the administration, operations, engineering, and other support buildings located throughout the Plant. It may include floor, ceiling, wall, partition, plumbing, heating, ventilation and air conditioning upgrades, fire protection, and security improvements, as well as ancillary landscaping improvements. It also constructs new warehousing facilities and an electronic warehouse management system which may include new computers, a central database, barcode scanners, mobile tablets, and other technology improvements. This project will be constructed in phases based on a detailed tenant improvement study, warehouse design study, and priority of needs.	\$2,300,000	\$54,085,000	\$55,134,000
Water Utility System				
Gumdrop Drive Main Replacement	This project includes the replacement and relocation of approximately 2,050 feet of an 8-inch steel water main on Gumdrop Drive, Almond Drive, and Coconut Drive.	\$60,000	\$1,140,000	\$1,140,000

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

DESCRIPTION OF MAJOR CAPITAL PROJECTS

Project	Description	2016-2017	5-Year CIP	Total Project Budget
Water Utility System				
Meter Replacements	This allocation provides funding to replace existing manual-read water meters with remote-read water meters. Approximately 20,000 of the 27,000 meters will be replaced, which will complete the replacement of all water meters in the Municipal Water System (Muni Water) service area.	\$1,200,000	\$1,200,000	\$4,517,000
North San José Well #5 Development and Construction	This allocation provides funding for the development and construction of a groundwater production well in the North San José service area. The location for this well will be determined based on the results of the North San José Water Well Evaluation and Rehabilitation project that is anticipated to be completed by December 2016.	\$1,500,000	\$1,500,000	\$1,560,000

* Selected budget information is not provided due to the ongoing nature of this project.

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

Summary of Operating Budget Impact from Capital Projects

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
<u>Municipal Improvements</u>				
San José Civic Auditorium HVAC Rehabilitation				
Operating	(\$150,000)	(\$300,000)	(\$300,000)	(\$300,000)
Total Municipal Improvements	(\$150,000)	(\$300,000)	(\$300,000)	(\$300,000)
<u>Parks and Community Facilities Development - Bond Projects</u>				
Arcadia Softball Facility				
Maintenance	\$95,000	\$304,000	\$310,000	\$316,000
Cost Offset	(\$165,000)	(\$572,000)	(\$583,000)	(\$595,000)
Operating	\$505,000	\$1,006,000	\$1,056,000	\$1,109,000
Total Parks and Community Facilities Development - Bond Projects	\$435,000	\$738,000	\$783,000	\$830,000
<u>Parks and Community Facilities Development - Council District 5</u>				
Alum Rock Avenue and 31st Street Park				
Maintenance	\$23,000	\$23,000	\$24,000	\$24,000
TRAIL: Lower Silver Creek Reach 4/5A (Alum Rock Avenue to Highway 680)				
Operating	\$3,000	\$5,000	\$5,000	\$5,000
Maintenance	\$17,000	\$35,000	\$36,000	\$36,000
Total Parks and Community Facilities Development - Council District 5	\$43,000	\$63,000	\$65,000	\$65,000
<u>Parks and Community Facilities Development - Council District 6</u>				
Del Monte Park Expansion Phase II				
Maintenance	\$48,000	\$73,000	\$75,000	\$77,000
Total Parks and Community Facilities Development - Council District 6	\$48,000	\$73,000	\$75,000	\$77,000
<u>Parks and Community Facilities Development - Park Trust Fund</u>				
Communications Hill Hillsdale Fitness Staircase				
Operating	\$3,000	\$5,000	\$5,000	\$6,000
Maintenance	\$19,000	\$33,000	\$34,000	\$35,000
Communications Hill Turnkey Park				
Maintenance	\$36,000	\$37,000	\$38,000	\$38,000
Houge Park Pickleball Courts				
Maintenance	\$5,000	\$5,000	\$5,000	\$5,000

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

Summary of Operating Budget Impact from Capital Projects

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
<u>Parks and Community Facilities Development - Park Trust Fund</u>				
Rincon South Park Development				
Maintenance	\$12,000	\$29,000	\$30,000	\$31,000
Total Parks and Community Facilities Development - Park Trust Fund	\$75,000	\$109,000	\$112,000	\$115,000
<u>Traffic</u>				
Bicycle and Pedestrian Facilities				
Maintenance	\$8,000	\$11,000	\$11,000	\$11,000
Park Avenue Bicycle Lane Improvements				
Maintenance	\$38,000	\$78,000	\$80,000	\$82,000
Safety - Pedestrian Improvements				
Maintenance	\$11,000	\$23,000	\$24,000	\$25,000
Total Traffic	\$57,000	\$112,000	\$115,000	\$118,000
<u>Water Pollution Control</u>				
Construction-Enabling Improvements				
Operating	\$154,000	\$160,000	\$166,000	\$173,000
Digester and Thickener Facilities Upgrade				
Maintenance			\$300,000	\$312,000
Operating			\$1,200,000	\$1,248,000
Energy Generation Improvements				
Maintenance	\$38,000	\$40,000	\$41,000	\$42,000
Operating	\$41,000	\$42,000	\$43,000	\$45,000
Iron Salt Feed Station				
Cost Offset	(\$668,000)	(\$676,000)	(\$683,000)	(\$691,000)
Operating	\$1,415,000	\$1,435,000	\$1,454,000	\$1,474,000
Maintenance	\$8,000	\$8,000	\$8,000	\$8,000
Total Water Pollution Control	\$988,000	\$1,009,000	\$2,529,000	\$2,611,000
Total Operating Budget Impact	\$1,496,000	\$1,804,000	\$3,379,000	\$3,516,000

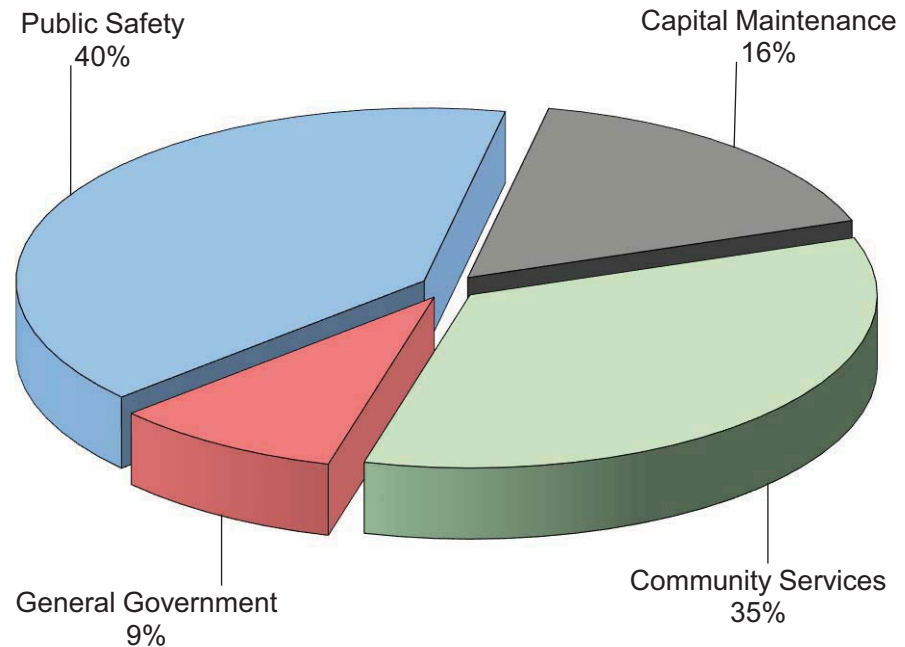
CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
SUMMARY OF TOTAL STAFFING BY DEPARTMENT

Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Transportation and Public Works Departments.

Community Services Departments - provide for programs that affect citizens on a daily basis, such as Airport, Environmental Services, Housing, Parks, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Finance, Economic Development, Independent Police Auditor, Information Technology, Retirement Services, City Attorney, City Manager, Mayor and City Council, City Auditor, and City Clerk.



TOTAL STAFFING BY DEPARTMENT 6,099.16

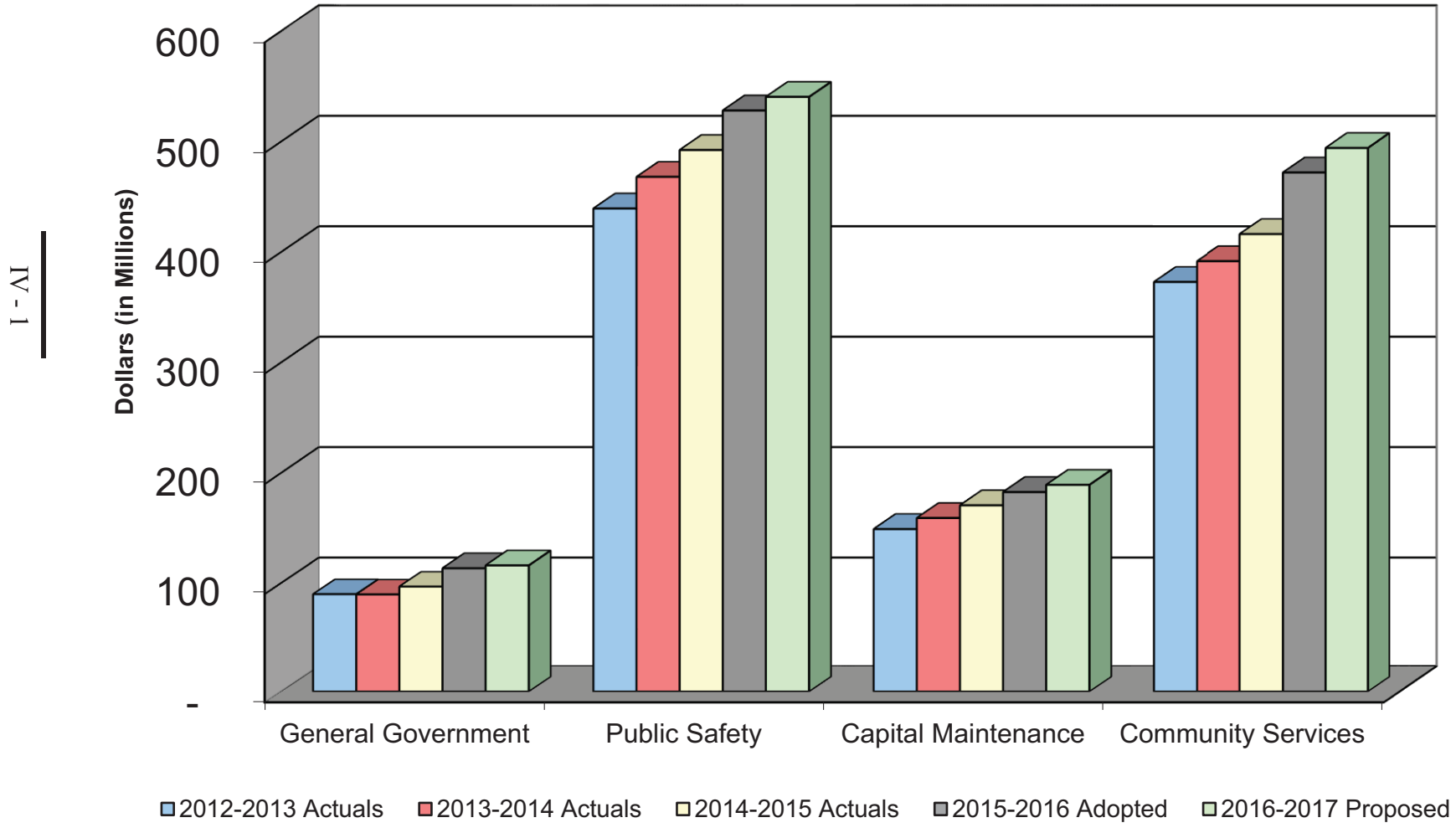
CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SUMMARY OF TOTAL STAFFING BY DEPARTMENT

DEPARTMENT	2015-2016 Adopted	Changes in 2016-2017 Forecast	Changes in 2016-2017 Proposed	Net-Zero Inter-department Transfers	Total Changes	2016-2017 Proposed
GENERAL GOVERNMENT DEPARTMENTS						
City Attorney	76.50	0.00	1.00	0.00	1.00	77.50
City Auditor	15.00	0.00	0.00	0.00	0.00	15.00
City Clerk	15.00	0.00	0.00	0.00	0.00	15.00
City Manager	63.10	0.00	2.00	0.00	2.00	65.10
Economic Development	57.00	(2.00)	2.00	0.00	0.00	57.00
Finance	117.00	0.00	0.00	0.00	0.00	117.00
Human Resources	51.00	(2.00)	4.90	0.00	2.90	53.90
Independent Police Auditor	6.00	0.00	0.00	0.00	0.00	6.00
Information Technology	82.50	(1.00)	1.00	0.00	0.00	82.50
Mayor and City Council	27.00	0.00	0.00	0.00	0.00	27.00
Retirement Services	39.75	(2.00)	2.00	0.00	0.00	39.75
Total General Government Departments	549.85	(7.00)	12.90	0.00	5.90	555.75
PUBLIC SAFETY DEPARTMENTS						
Fire	793.48	12.00	5.00	0.00	17.00	810.48
Police	1,610.67	0.00	13.00	0.00	13.00	1,623.67
Total Public Safety Departments	2,404.15	12.00	18.00	0.00	30.00	2,434.15
CAPITAL MAINTENANCE DEPARTMENTS						
Public Works	551.87	(1.00)	5.00	0.00	4.00	555.87
Transportation	439.00	(1.00)	11.00	(2.00)	8.00	447.00
Total Capital Maintenance Departments	990.87	(2.00)	16.00	(2.00)	12.00	1,002.87
COMMUNITY SERVICES DEPARTMENTS						
Airport	187.00	0.00	0.00	0.00	0.00	187.00
Environmental Services	536.00	(10.00)	12.00	2.00	4.00	540.00
Housing	58.00	0.00	4.00	0.00	4.00	62.00
Library	354.29	0.00	5.58	0.00	5.58	359.87
Parks, Recreation and Neighborhood Services	560.13	(3.36)	83.75	0.00	80.39	640.52
Planning, Building and Code Enforcement	305.00	(3.00)	15.00	0.00	12.00	317.00
Total Community Services Departments	2,000.42	(16.36)	120.33	2.00	105.97	2,106.39
TOTAL DEPARTMENT STAFFING	5,945.29	(13.36)	167.23	0.00	153.87	6,099.16

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CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF TOTAL OPERATIONS
BY DEPARTMENT (ALL FUNDS)



**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

**FIVE-YEAR COMPARISON OF TOTAL OPERATIONS
BY DEPARTMENT (ALL FUNDS)***

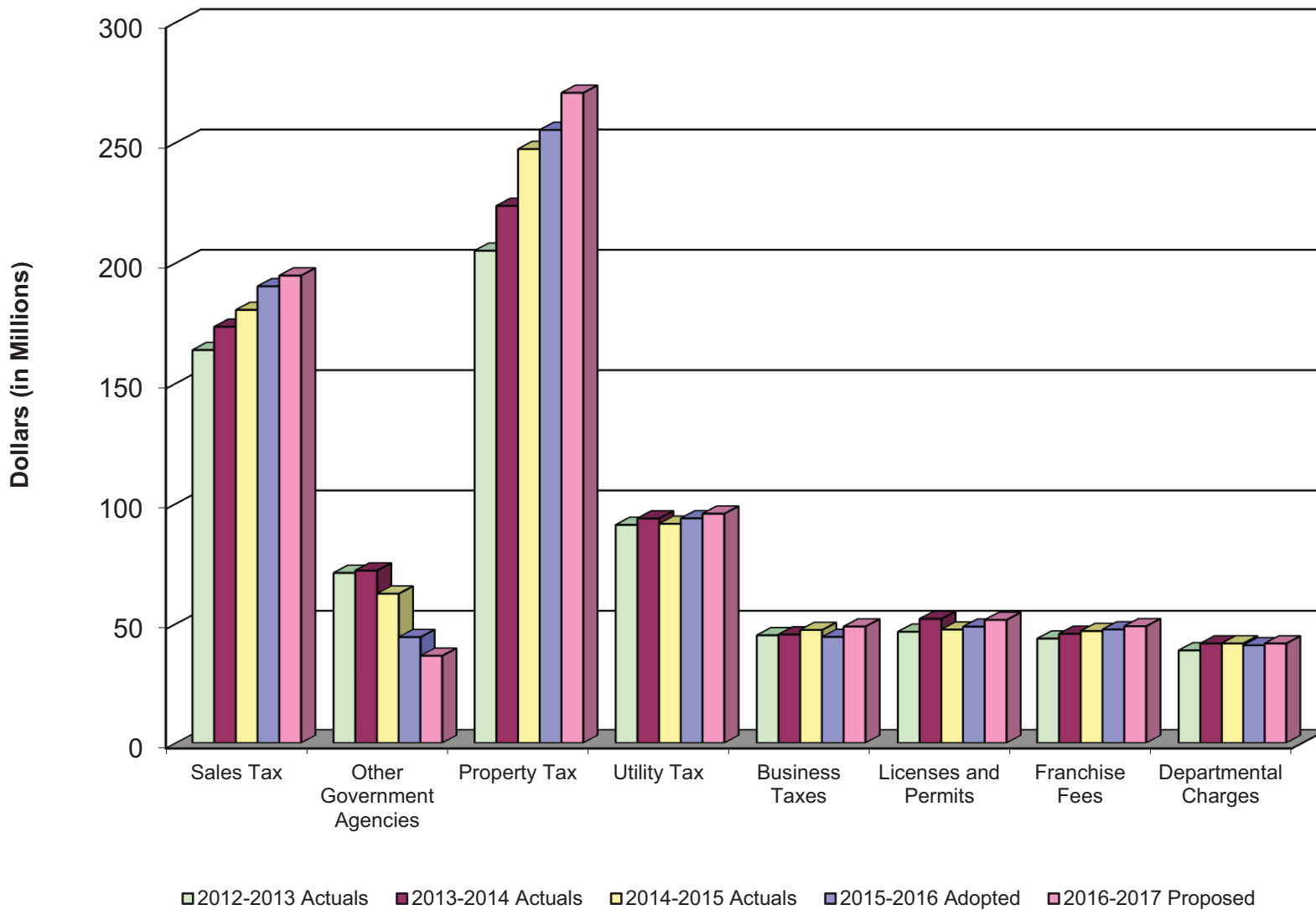
	1 2012-2013 ACTUALS	2 2013-2014 ACTUALS	3 2014-2015 ACTUALS	4 2015-2016 ADOPTED	5 2016-2017 PROPOSED
GENERAL GOVERNMENT					
City Attorney	\$ 13,716,858	\$ 14,321,071	\$ 15,437,203	\$ 16,732,315	\$ 17,318,286
City Auditor	1,948,886	1,905,811	2,240,221	2,414,656	2,473,336
City Clerk	1,795,183	1,945,607	1,974,872	2,608,154	2,410,287
City Manager	9,959,137	10,034,145	11,838,026	12,896,372	14,190,470
Economic Development	12,566,944	10,030,943	9,267,656	10,951,661	11,210,193
Finance	14,386,100	14,375,972	15,793,104	17,452,318	18,273,894
Human Resources	7,335,927	7,381,076	7,864,344	9,930,862	10,097,871
Independent Police Auditor	997,044	1,114,743	1,196,155	1,284,498	1,260,406
Information Technology	15,001,813	15,891,839	17,079,097	20,983,179	21,665,107
Mayor and City Council	8,350,543	8,504,920	8,772,115	12,174,749	10,869,494
Retirement	3,797,386	4,076,752	5,366,258	6,314,579	6,551,984
Total General Government	\$ 89,855,821	\$ 89,582,879	\$ 96,829,051	113,743,343	116,321,328
PUBLIC SAFETY					
Fire	\$ 152,614,589	\$ 162,826,894	\$ 179,280,396	\$ 189,845,256	\$ 198,255,729
Police	286,903,343	305,296,727	313,189,202	338,449,842	342,329,286
Total Public Safety	\$ 439,517,932	\$ 468,123,621	\$ 492,469,598	\$ 528,295,098	\$ 540,585,015
CAPITAL MAINTENANCE					
Public Works	\$ 80,527,512	\$ 86,392,881	\$ 91,370,448	\$ 97,308,826	\$ 101,239,271
Transportation	68,747,275	72,870,812	79,365,551	85,491,470	88,044,210
Total Capital Maintenance	\$ 149,274,787	\$ 159,263,693	\$ 170,735,999	\$ 182,800,296	\$ 189,283,481
COMMUNITY SERVICES					
Airport	\$ 53,017,027	\$ 53,809,590	\$ 55,983,770	\$ 62,651,270	\$ 63,251,206
Environmental Services	199,568,100	208,625,854	217,042,538	245,716,687	257,653,261
Housing	7,705,417	7,137,024	8,063,047	10,231,734	10,275,610
Library	27,584,037	30,140,839	31,873,946	37,327,010	38,734,292
Parks, Recreation & Neighborhood Services	54,737,935	57,014,757	63,492,857	67,148,379	73,111,373
Planning, Building and Code Enforcement	30,382,428	35,056,698	39,892,062	49,051,574	51,290,837
Total Community Services	\$ 372,994,944	\$ 391,784,762	\$ 416,348,220	\$ 472,126,654	\$ 494,316,579
TOTAL DEPARTMENT USES	\$1,051,643,484	\$1,108,754,955	\$1,176,382,868	\$1,296,965,391	\$1,340,506,403

* Department Operations include personal services and non-personal/equipment expenditures for all funds. Capital funds are also included but are based on the budgeted amount.

**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF KEY GENERAL FUND SOURCES

IV - 3

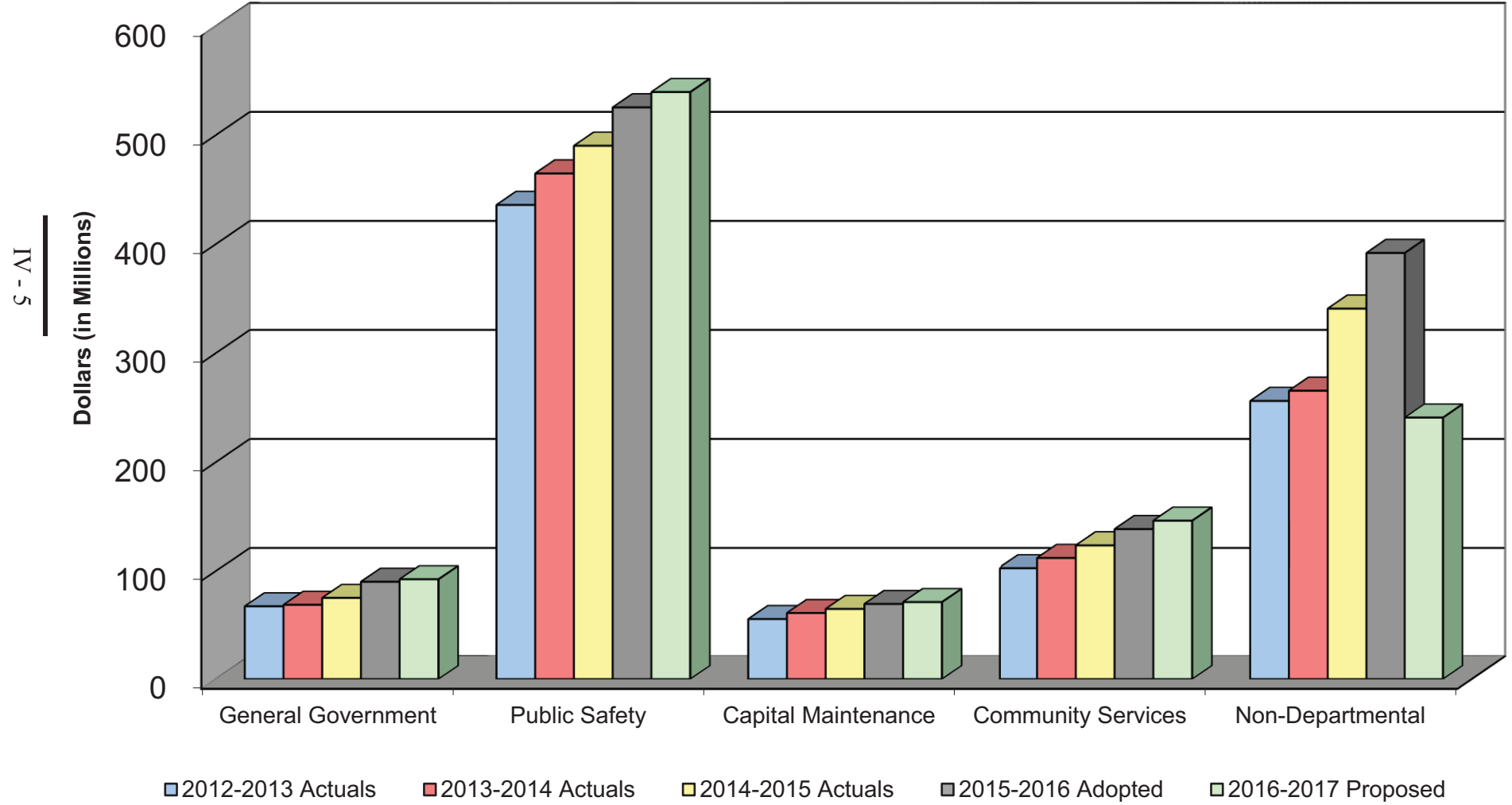


**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF GENERAL FUND SOURCES

SOURCE OF FUNDS	1 2012-2013 ACTUALS	2 2013-2014 ACTUALS	3 2014-2015 ACTUALS	4 2015-2016 ADOPTED	5 2016-2017 PROPOSED
FUND BALANCE					
Encumbrance Reserve	\$ 20,634,920	\$ 19,650,300	\$ 40,777,371	\$ 40,777,371	\$ 44,394,930
Carryover	168,299,570	215,180,741	270,637,410	252,826,392	104,558,075
Total Fund Balance	\$ 188,934,490	\$ 234,831,041	\$ 311,414,781	\$ 293,603,763	\$ 148,953,005
GENERAL REVENUE					
Property Tax	\$ 205,016,137	\$ 223,644,896	\$ 247,258,146	\$ 255,210,000	\$ 270,625,000
Sales Tax	163,751,105	173,411,643	180,406,911	190,260,000	194,695,553
Transient Occupancy Tax	10,103,383	11,873,017	14,734,573	14,700,000	17,821,000
Franchise Fees	43,741,122	45,748,758	46,908,555	47,582,232	48,916,811
Utility Tax	91,108,958	93,793,831	91,547,670	93,825,000	95,749,500
Telephone Line Tax	20,640,471	20,692,277	21,097,282	21,000,000	21,614,000
Business Taxes	45,140,285	45,478,124	47,344,824	44,425,000	48,800,000
Licenses and Permits	46,605,784	52,013,564	47,508,875	48,721,223	51,572,553
Fines, Forfeitures, and Penalties	14,554,960	14,835,608	14,491,423	15,356,042	14,910,600
Revenue from Use of Money/Property	3,890,457	3,472,854	3,580,694	3,414,999	3,863,935
Revenue from Local Agencies	34,765,946	46,687,157	39,858,774	23,909,616	22,875,000
Revenue from the State of CA	16,856,606	11,931,668	12,024,115	11,370,763	10,902,929
Rev. from the State of CA-Recovery Act	15,061	1,178		0	0
Revenue from Federal Government	15,993,061	13,477,021	10,626,611	9,083,802	2,754,566
Rev. from Fed Gov't-Recovery Act	3,518,445	19,929	0	0	0
Departmental Charges	38,798,389	41,682,729	41,704,532	40,923,558	41,681,974
Other Revenue	121,891,450	137,402,203	154,598,297	26,259,638	15,144,509
Total General Revenue	\$ 876,391,620	\$ 936,166,457	\$ 973,691,282	\$ 846,041,873	\$ 861,927,930
TRANSFERS AND REIMBURSEMENTS					
Overhead Reimbursements	\$ 32,214,412	\$ 36,445,839	\$ 37,491,697	\$ 37,798,583	\$ 40,012,977
Transfers	19,495,615	16,916,462	19,044,624	20,307,955	21,122,689
Reimbursements for Services	15,736,916	18,481,157	18,449,674	17,657,341	18,166,732
Total Transfers and Reimbursements	\$ 67,446,943	\$ 71,843,458	\$ 74,985,995	\$ 75,763,879	\$ 79,302,398
TOTAL SOURCE OF FUNDS	\$ 1,132,773,053	\$ 1,242,840,956	\$ 1,360,092,058	\$ 1,215,409,515	\$ 1,090,183,333

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF GENERAL FUND USES



**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

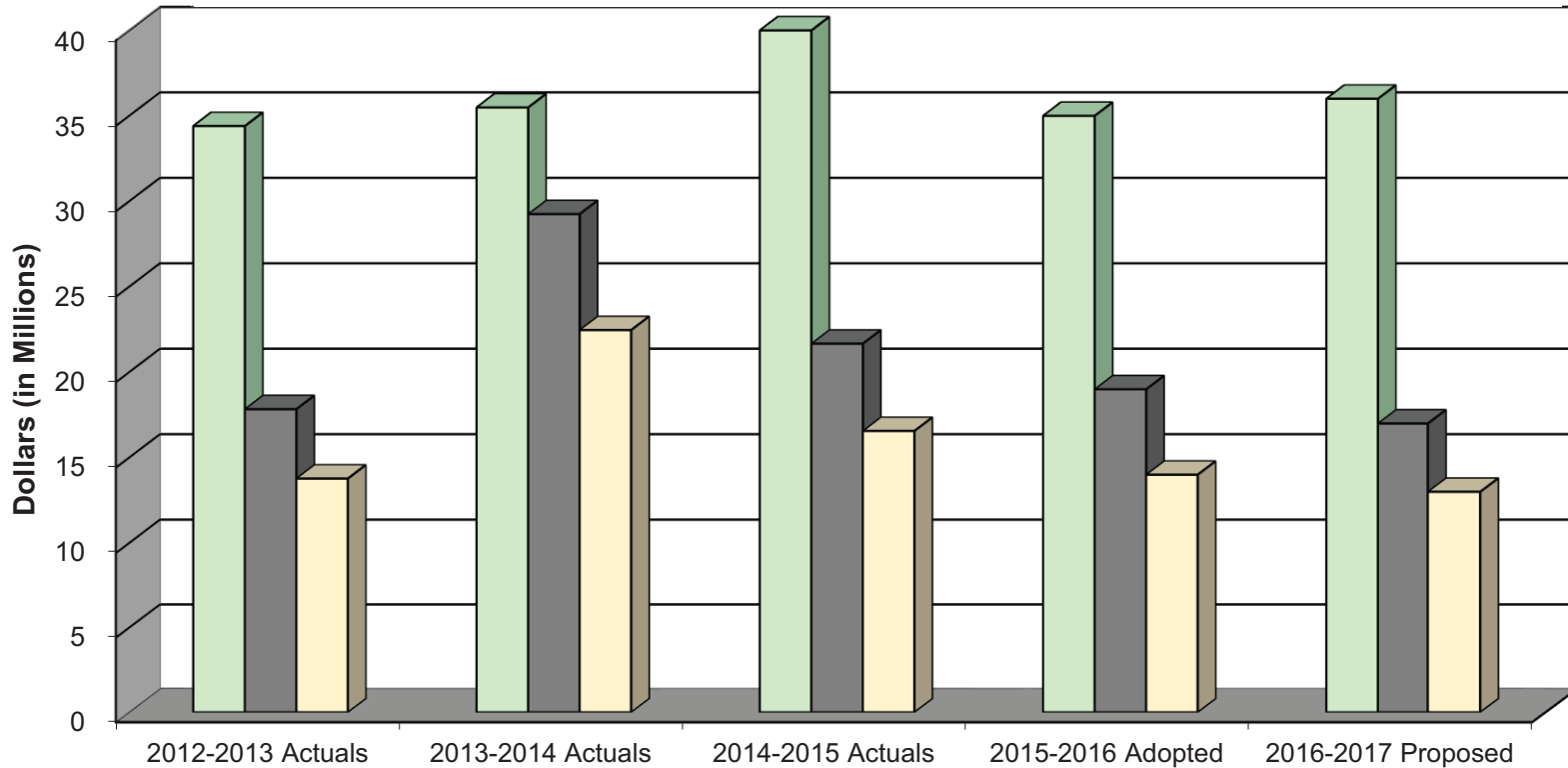
FIVE-YEAR COMPARISON OF GENERAL FUND USES

USE OF FUNDS	1 2012-2013 ACTUALS	2 2013-2014 ACTUALS	3 2014-2015 ACTUALS	4 2015-2016 ADOPTED	5 2016-2017 PROPOSED
GENERAL GOVERNMENT DEPARTMENTS					
City Attorney	\$ 11,152,273	\$ 11,859,351	\$ 12,975,181	\$ 13,952,092	\$ 14,029,522
City Auditor	1,842,294	1,905,811	2,115,412	2,268,223	2,473,336
City Clerk	1,795,183	1,945,607	1,974,872	2,608,154	2,410,287
City Manager	9,693,756	9,727,248	11,511,554	12,753,823	14,045,924
Economic Development	5,004,714	3,991,034	3,777,083	5,033,432	5,193,264
Finance	11,985,358	12,063,507	13,316,476	14,547,789	15,619,565
Human Resources	5,423,327	5,356,175	5,984,764	7,574,705	7,814,815
Independent Police Auditor	997,044	1,114,743	1,196,155	1,284,498	1,260,406
Information Technology	11,066,371	12,203,256	13,496,164	17,897,104	18,651,093
Mayor and City Council	8,350,543	8,504,920	8,772,115	12,174,749	10,869,494
Total General Government Departments	\$ 67,310,863	\$ 68,671,652	\$ 75,119,776	\$ 90,094,569	\$ 92,367,706
PUBLIC SAFETY DEPARTMENTS					
Fire	\$ 152,158,408	\$ 162,150,992	\$ 178,608,661	\$ 189,342,292	\$ 197,726,359
Police	283,752,547	302,670,138	311,561,534	336,040,899	341,723,041
Total Public Safety Departments	\$ 435,910,955	\$ 464,821,130	\$ 490,170,195	\$ 525,383,191	\$ 539,449,400
CAPITAL MAINTENANCE DEPARTMENTS					
Public Works	\$ 30,700,479	\$ 35,466,801	\$ 37,483,314	\$ 39,972,563	\$ 41,952,215
Transportation	24,823,011	25,651,841	27,395,049	29,521,913	29,288,980
Total Capital Maintenance Departments	\$ 55,523,490	\$ 61,118,642	\$ 64,878,363	\$ 69,494,476	\$ 71,241,195
COMMUNITY SERVICES DEPARTMENTS					
Environmental Services	\$ 419,036	\$ 705,040	\$ 284,593	\$ 967,474	\$ 1,272,274
Housing	241,634	175,120	230,461	253,746	266,593
Library	23,828,935	25,897,508	27,544,502	29,587,910	30,678,634
Parks, Recreation and Neighborhood Services	49,311,193	51,553,016	57,277,471	60,449,132	65,363,490
Planning, Building and Code Enforcement	28,732,718	33,754,863	38,284,102	47,296,761	48,695,468
Total Community Services Departments	\$ 102,533,516	\$ 112,085,547	\$ 123,621,129	\$ 138,555,023	\$ 146,276,459
Total Departmental	\$ 661,278,824	\$ 706,696,971	\$ 753,789,463	\$ 823,527,259	\$ 849,334,760
NON-DEPARTMENTAL					
City-Wide Expenses	\$ 201,111,662	\$ 196,578,935	\$ 241,074,930	\$ 122,802,918	\$ 96,995,754
Capital Contributions	6,178,088	3,266,995	18,556,541	56,279,000	14,350,000
Transfers	29,162,358	24,882,289	36,755,743	27,074,606	27,261,710
Earmarked Reserves	N/A	N/A	N/A	110,948,361	22,346,179
Contingency Reserve	N/A	N/A	N/A	34,000,000	35,500,000
Encumbrance Reserve	19,650,300	40,777,371	44,394,930	40,777,371	44,394,930
Total Non-Departmental	\$ 256,102,408	\$ 265,505,590	\$ 340,782,144	\$ 391,882,256	\$ 240,848,573
TOTAL USE OF FUNDS	\$ 917,381,232	\$ 972,202,561	\$ 1,094,571,607	\$ 1,215,409,515	\$ 1,090,183,333

CITY OF SAN JOSE 2016-2017 PROPOSED OPERATING BUDGET

FIVE-YEAR COMPARISON OF KEY CAPITAL FUND SOURCES

Construction and Conveyance Taxes
 Construction Excise Tax
 Building and Structure Construction Tax

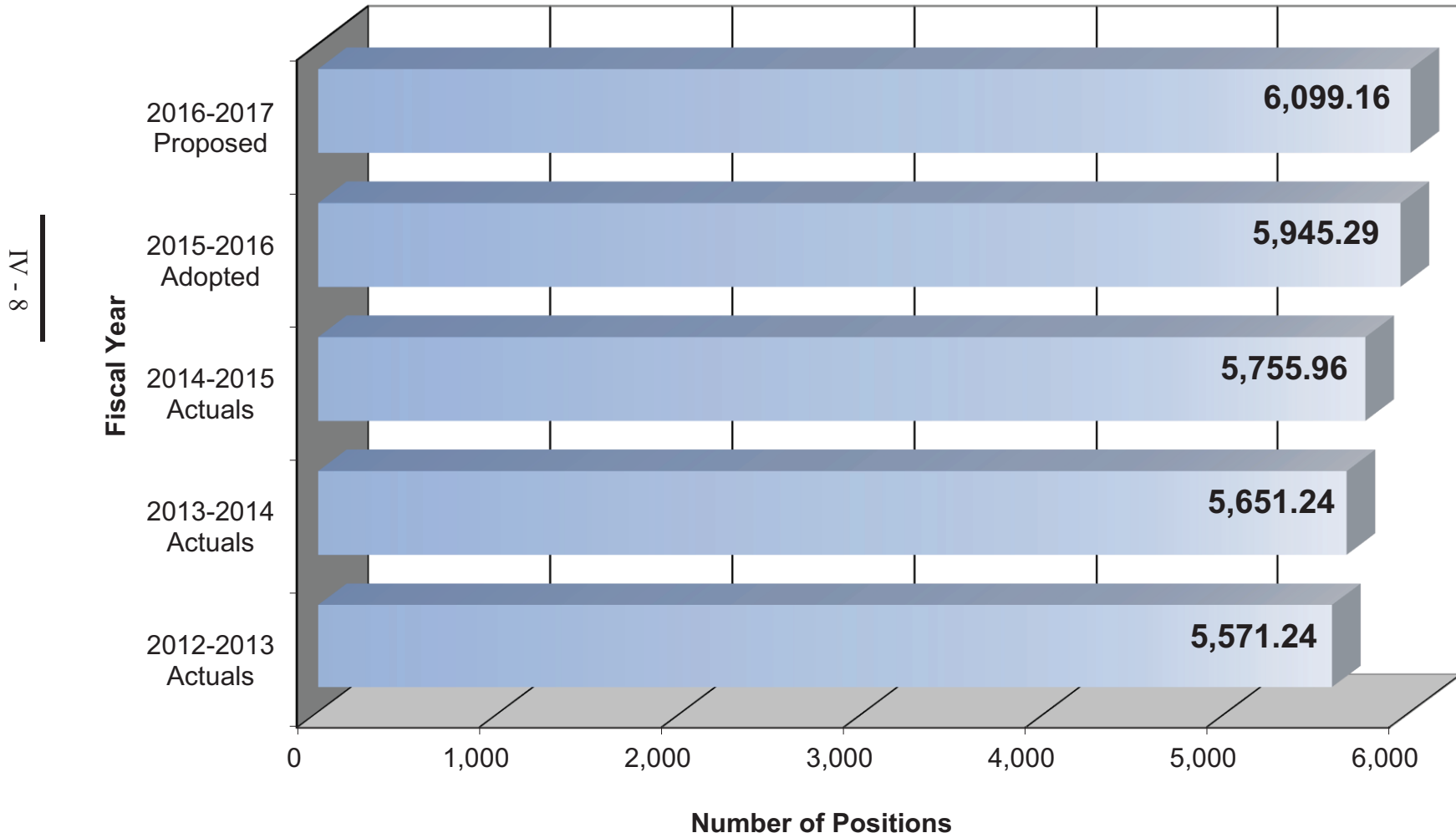


Construction and Conveyance Taxes - The Construction Tax is a flat fee assessed to residential, commercial, and industrial developments. The Conveyance Tax is a fee based on the value of property conveyed. These funds are dedicated to the Parks and Community Facilities Development, Communications, Public Safety, Library, and Service Yards capital programs.

Construction Excise Tax - A tax on the construction of residential, commercial, and mobile home developments. This general tax is based on building valuation, and revenues produced are used primarily for traffic improvements.

Building and Structure Construction Tax - A tax on residential, commercial, and industrial development. These funds are used for traffic capital improvements.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF TOTAL STAFFING



**CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF TOTAL STAFFING BY DEPARTMENT

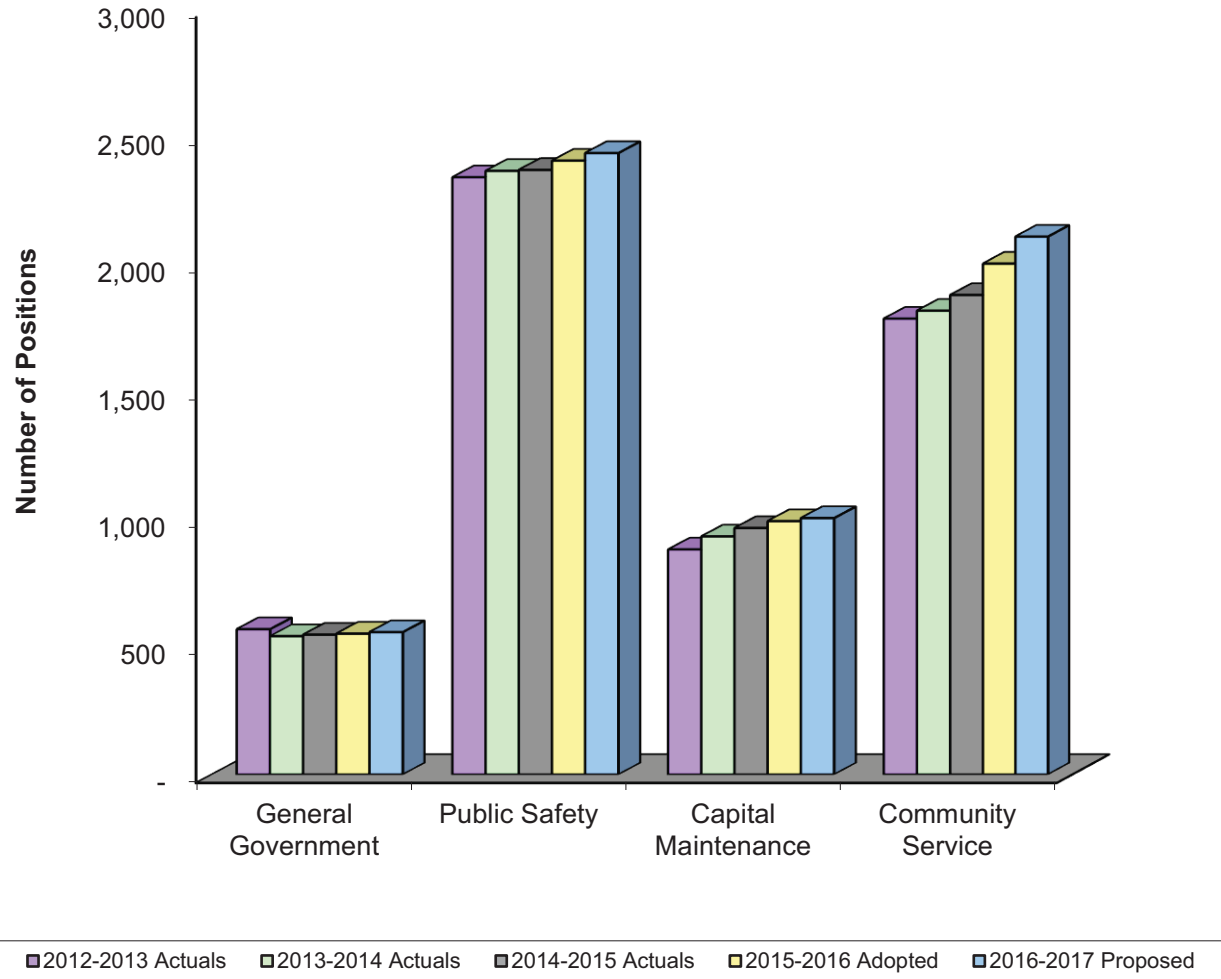
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General Government Departments provide for the overall management and administrative functions of the City, including Human Resources, Finance, City Manager, City Attorney, City Auditor, City Clerk, Economic Development, Independent Police Auditor, Information Technology, and Retirement.

Public Safety Departments provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments provide for the construction and maintenance of the City's infrastructure by Public Works and Transportation.

Community Services Departments provide programs that affect citizens on a daily basis, such as Airport, Environmental Services, Housing, Parks, Library, and Planning, Building and Code Enforcement.



CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF TOTAL STAFFING BY DEPARTMENT

DEPARTMENT	1 2012-2013 ACTUALS	2 2013-2014 ACTUALS	3 2014-2015 ACTUALS	4 2015-2016 ADOPTED	5 2016-2017 PROPOSED
GENERAL GOVERNMENT DEPARTMENTS					
City Attorney	72.00	72.00	74.50	76.50	77.50
City Auditor	15.00	15.00	15.00	15.00	15.00
City Clerk	15.00	15.00	15.00	15.00	15.00
City Manager	58.50	61.75	61.10	63.10	65.10
Economic Development	77.00	53.00	54.00	57.00	57.00
Finance	114.50	115.00	118.00	117.00	117.00
Human Resources	54.25	48.25	49.00	51.00	53.90
Independent Police Auditor	7.00	6.00	6.00	6.00	6.00
Information Technology	91.50	90.50	87.50	82.50	82.50
Mayor and City Council	27.00	27.00	27.00	27.00	27.00
Retirement Services	35.50	36.50	38.75	39.75	39.75
Total General Government Departments	567.25	540.00	545.85	549.85	555.75
PUBLIC SAFETY DEPARTMENTS					
Fire	790.98	791.98	792.98	793.48	810.48
Police	1,548.37	1,572.37	1,575.67	1,610.67	1,623.67
Total Public Safety Departments	2,339.35	2,364.35	2,368.15	2,404.15	2,434.15
CAPITAL MAINTENANCE DEPARTMENTS					
Public Works	488.87	525.37	537.87	551.87	555.87
Transportation	391.00	405.50	426.00	439.00	447.00
Total Capital Maintenance Departments	879.87	930.87	963.87	990.87	1,002.87
COMMUNITY SERVICES DEPARTMENTS					
Airport	187.00	187.00	187.00	187.00	187.00
Environmental Services	499.95	502.95	513.95	536.00	540.00
Housing	62.00	57.00	58.00	58.00	62.00
Library	314.63	315.08	317.46	354.29	359.87
Parks, Recreation and Neighborhood Services	480.19	493.99	510.68	560.13	640.52
Planning, Building and Code Enforcement	241.00	260.00	290.50	305.00	317.00
Total Community Services Departments	1,784.77	1,816.02	1,877.59	2,000.42	2,106.39
TOTAL DEPARTMENT STAFFING	5,571.24	5,651.24	5,755.96	5,945.29	6,099.16

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

BUDGET POLICIES

The Operating and Capital Budgets and the Capital Improvement Program are prepared and administered in accordance with several sources of policy direction. First, the City Charter requires that the budget be balanced, include a complete financial plan for all City funds, and meet certain legal deadlines for submittal. Second, the City Council has established two budget policies: (1) the Operating Budget and Capital Improvement Program Policy (Council Policy 1-18), which includes guidelines, standards, and requirements for preparation and monitoring of both the Operating and Capital Budgets; and (2) the Estimating Construction Costs and Development of Project Budget Policy (Council Policy 8-12), which establishes guidelines for estimating construction project costs and developing project budgets (the complete text of the adopted policies is presented below). Third, the budget is developed in accordance with the Mayor's budget priorities and direction as approved by the City Council in March and June of each year. Fourth, recommendations of special studies by Council-appointed task forces, boards, commissions, and committees may be considered upon the direction of the City Council. Finally, public input is considered throughout the process, with scheduled public hearings at key City Council decision points.

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

1. General

The budget should be a performance, financing, and spending plan agreed to by the Mayor, City Council, City Manager, and other Council Appointees. It should contain information and data regarding expected revenues and resources (inputs), expected expenditures, and expected performance (outcomes). During the fiscal year, actual experience (revenues, expenditures, and performance) will be periodically measured against the plan.

The City will prepare and annually refine written goals and policies to guide the preparation of financing, spending, and performance plans for the City budget. Proposed budgets will comply with the adopted budget policies and Council priorities.

The City uses a performance-based budget. The core service is the lowest level in the organization for which budgets are prepared. Each core service budget will include financing and spending plans. Each core service will also propose an annual performance plan. The plan must identify ongoing performance targets and corresponding indicators, which measure performance. The plan should also include specific performance targets, which will have results during the budget year. All performance at the core service level must be consistent with the mission statements at the department level and the outcomes of the City Service Area at the City level, meeting the performance as well as budget goals and policies established by the Mayor and City Council.

Department and program managers will not exceed the Council-approved appropriations in any fund. Appropriations for departmental operations are approved by the City Council in two categories: Personal Services and Non-Personal/Equipment. These appropriations are

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

1. *General (Cont'd.)*

shown in the departmental budgets. In addition, appropriations are approved for Capital Projects, City-Wide projects, and other targeted functions with special and capital funds.

The City Council may approve modifications to these appropriations throughout the year as warranted by revenue collections and activity demands.

2. *Fiscal Integrity*

The City will maintain the fiscal integrity of its operating, debt service, and capital improvement budgets, which provide services and maintain public facilities, streets, and utilities.

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. Interfund loans will not be used as a funding mechanism to address ongoing gaps between revenues and costs. If a new program is added on an ongoing basis, an ongoing revenue source will be identified to fund the program costs. Any available carryover balance will only be used to offset one-time costs.

3. *Contingency Funds or Accounts*

Several different contingency funds or accounts are established:

a) General Purpose Reserves

Within the General Fund, unrestricted reserves shall be set aside as a safety net for general city operations. Currently, the Contingency Reserve, Budget Stabilization Reserve, and Workers' Compensation/General Liability Catastrophic Reserve are available for general purposes. The combined funding goal for these reserves in the aggregate shall be 10 percent of General Fund Operating Budget expenditures. Within capital and special funds, reserves may be set aside as a safety net for city operations pertaining to the respective fund or to provide stability for customer rates when there are fluctuations to revenue and expenditures.

1) Contingency Reserve

Within the General Fund, a contingency reserve, which is a minimum of 3% of the General Fund operating budget, is established. The purpose of this reserve is

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

3. Contingency Funds or Accounts (Cont'd.)

to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means. Any use of the General Fund Contingency Reserve shall require two-thirds vote of approval by the City Council. The Contingency Reserve shall be budgeted at a minimum of 3% of the General Fund operating budget in the annual Adopted Budget. This allocation will include replenishment of any amounts expended or appropriated to another fund during the previous year.

Appropriate levels of contingency funds will be determined and maintained in the capital and special funds as part of the City Council's adoption of the annual Capital Budget or the Operating Budget, as applicable.

2) Budget Stabilization Reserve

Within the General Fund, a Budget Stabilization Reserve may be maintained at a level as determined by the City Council to be adequate. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. Any use of the General Fund Budget Stabilization reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually as part of the City Council's adoption of the Operating Budget. The replenishment or use of this reserve shall be incorporated into the annual Adopted Operating Budget as resources are available to replenish and/or increase this reserve, or as funds are needed to address a budget shortfall.

Appropriate levels of Budget Stabilization Reserve funds will be determined and maintained in the capital and special funds, as applicable.

3) Workers' Compensation/General Liability Catastrophic Reserve

Within the General Fund, a Workers' Compensation/General Liability Catastrophic Reserve may be maintained at a level as determined by the City Council to be adequate. The purpose of this reserve is to provide funding for potential workers' compensation or general liability claims that exceed the

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

3. Contingency Funds or Accounts (Cont'd.)

budgeted amounts as the City, for the most part, is self-insured. Any use of the General Fund Workers' Compensation/General Liability Catastrophic Reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually as part of the City Council's adoption of the Operating Budget. The replenishment of this reserve shall be incorporated into the annual Adopted Operating Budget as resources are available to replenish and/or increase this reserve.

Appropriate levels of Workers' Compensation and/or General Liability Catastrophic Reserves will be determined and maintained in the capital and special funds, as applicable.

b) Cash Reserve Fund

An adequate revolving fund (Cash Reserve Fund 002), as mandated by the City Charter, shall be determined and maintained at an adequate level as determined by the City Council. The purpose of this reserve fund is for the payment of any authorized expenditures of the City for any fiscal year in anticipation of and before the collection of taxes and other revenues of the City for such fiscal year.

c) Emergency Reserve Fund

An adequate emergency reserve fund (Emergency Reserve Fund 406), as mandated by the City Charter, shall be determined and maintained at an adequate level as determined by the City Council. The purpose of this reserve fund is to meet any public emergency involving or threatening the lives, property, or welfare of the people of the City or property of the City.

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2016-2017 PROPOSED OPERATING BUDGET

BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

4. Fund Balance

The appropriation of carryover fund balances must be approved judiciously. This should ensure that ongoing expenditures will be budgeted only to the extent that proven revenue streams exist.

In the annual budget, and in subsequent reports, there will be a presentation on fund balances and their anticipated uses.

- a) The first increment of any General Fund “Ending Fund Balance” identified in the City Manager’s Annual Report shall be split 50% for unmet/deferred infrastructure and maintenance needs in the areas of: 1) transportation; 2) technology infrastructure and software upgrades; 3) fleet replacement; and 4) building facilities at the recommendation of the City Manager and approval by the City Council, and 50% to offset any projected deficit for the following fiscal year, after necessary appropriation adjustment actions to re-budget funds, correct errors, or reflect updated cost information have been accounted for in the fund balance reconciliation.
- b) If the projected deficit is less than the amount allocated for this purpose, the remaining funds shall be allocated for the following uses:
 - 1) Budget Stabilization Reserve and/or Contingency Reserve.
 - 2) Unmet/deferred infrastructure and maintenance needs.
 - 3) Other one-time urgent funding needs.
- c) Annual surplus funds shall not be used for ongoing expenditures, unless those expenditures can be accommodated in Year Two and possibly Year Three of the five-year financial forecast. Any available carryover balance should only be used to offset one-time costs or to increase revenues.

5. Mid-Year Adjustments

Mid-Year budget adjustments recommended by Council Committees, task forces, or the full Council, should be referred to the Mid-Year Budget Review or the annual budget process for consideration along with other competing budgets needs and priorities. In general, ongoing budget changes should be dealt with during the annual budget process while one-time budget changes may be considered during either the Mid-Year Budget Review or during the annual budget process.

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2016-2017 PROPOSED OPERATING BUDGET

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**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

5. *Mid-Year Adjustments (Cont'd.)*

The authority to make expenditures in accordance with a City Council-approved spending plan is only valid as long as revenue for the budgets is equal to or greater than estimated expenditures.

All appropriation amendments and revenue estimate changes will be reported in the monthly financial report.

6. *Overhead Cost Allocation*

All overhead costs shall be allocated to the appropriate program within the limits of local, State, and federal laws. The City utilizes a two step method (double step down method) where costs are first allocated among the central service support programs to arrive at the total cost of the central service programs. These total costs are then allocated down in priority order to the departments and funds that are benefitting from their services. The allocating support program costs are charged to the associated departmental funding source and corresponding revenue is received by the General Fund.

7. *Budget System*

The City will maintain a budget control system to adhere to the budget.

There will be delivery of a Proposed Budget, in accordance with the Adopted Budget schedule, that accurately depicts the financial condition and goals of the City. This budget should be in a form that enables decision makers to set the direction and policy of the City.

The Proposed Budget will illustrate the General Fund, special funds, and capital funds so that the entire resources of the City may be viewed comprehensively for decision-making.

Decision-making for capital improvements will be coordinated with the operating budget to make effective use of the City's overall resources for operating and maintaining facilities.

The adoption of the annual appropriations ordinance will coincide with the adoption of the resolution setting forth the annual revenue estimates.

Budget detail shall contain line-item detail for the core service spending plan, a personnel summary report listing the types of positions for each department, and a corresponding core service performance plan. It shall also contain department and fund summaries for spending and personnel as well as a detailed financing plan for the core service.

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2016-2017 PROPOSED OPERATING BUDGET

BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

8. *Debt*

The City Council adopted a Debt Management Policy (Council Policy 1-15) that establishes the following equally important objectives:

- a) Minimize debt service and issuance costs.
- b) Maintain access to cost-effective borrowing.
- c) Achieve the highest practical credit rating.
- d) Full and timely repayment of debt.
- e) Maintain full and complete financial disclosure and reporting.
- f) Ensure compliance with applicable State and Federal laws.

As described in Council Policy 1-15, prior to bringing forward a lease financing (financing the acquisition, construction, or improvement by the City of real property or equipment) to the City Council for approval, the Finance Department shall perform initial due diligence on the project to be financed. The due diligence will include identifying the revenue source for repayment, and performing a feasibility study to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections, including worst/best case scenarios and the impact on any repayment source identified as the backstop to the project revenues. In order to proceed with the preparation of the documents necessary for the lease financing, two-thirds majority approval by the City Council of the proposed plan of finance is required. When the lease financing is brought forward for City Council approval, the Finance Department will provide the City Council with an update to the due diligence report and any feasibility study. Approval of the lease financing will require two-thirds majority approval by the City Council. These provisions do not apply to a refunding of a lease financing transaction.

In order to reduce principal on outstanding debt and minimize debt service costs, one-time savings generated from debt restructurings and refundings should be used to pay down the outstanding principal of other existing City debt, whenever possible, taking into consideration any fund restrictions.

9. *Self Insurance*

The budget will provide for the adequate funding for the City's self-insurance programs.

10. *Capital and Equipment Maintenance*

The budget will provide for the adequate maintenance and orderly replacement of capital, plant, and equipment.

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

11. Retirement

The budget will provide for the adequate funding of all retirement systems.

12. Monthly Report

The Administration will prepare regular monthly reports comparing actual revenues and expenditures to budgeted amounts.

The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely monthly report.

All budget amendments, both for revenues and expenditures, will be noted in the monthly report.

13. Multi-Year Estimates

Each year the City will update expenditure and revenue projections for the next five years. Projections will include estimated maintenance and operating costs of future capital improvements that are included in the capital budget.

This budget data will be presented to elected officials in a form that will facilitate annual budget decisions, based on a multi-year strategic planning perspective.

14. Performance and Productivity

The City will integrate performance measurement and productivity indicators within the budget. Prior to implementation, performance objectives and service levels will be submitted for all new and existing programs established during the budget process. The selection of performance standards should be made on the basis of information reliability relevance to current year budget change proposals, value to Mayor/City Council decision making, and utility for program management.

The City will promote the understanding that City employees are the most valuable resource of the City and that their understanding and involvement in the budget process is crucial to the City's continuing success on behalf of the community.

The City will employ good management practices when planning for service delivery by including money in budget requests to pursue activities such as:

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BUDGET POLICIES

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(COUNCIL POLICY 1-18)**

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14. Performance and Productivity (Cont'd.)

- a) office automation and computer applications that increase productivity;
- b) equipment modernization;
- c) work-flow simplification;
- d) risk management, exposure reduction, and employee safety;
- e) preventive maintenance;
- f) energy conservation;
- g) life-cycle costing in purchasing of equipment;
- h) lease-purchase options for high-cost equipment and purchases that reduce operating expenses;
- i) performance planning, reporting, and evaluation; and
- j) employee training.

The City will prepare and evaluate program performance plans that relate to financing and spending plans in the annual City budget.

15. Public Involvement

Public involvement shall be encouraged in the annual budget decision making process through public hearings, public outreach and information, and informal meetings.

16. "Distinguished Budget" Presentation

The approved budget shall be submitted to the Government Finance Officers Association and the California Society of Municipal Finance Officers for consideration for professional awards and recognition for Distinguished Budget Presentation.

17. Fees

Fees shall be set to cover 100% of the cost of service delivery, unless such amount prevents residents from obtaining an essential service. Fees or service charges should not be established to generate money in excess of the costs of providing services.

Fees may be less than 100% if Council determines that other factors (e.g. market forces, competitive position, etc.) need to be recognized.

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

18. Non-Profit Organizations

Future funding decisions regarding non-profit organizations will be based on guidelines, policies and priorities determined by the Mayor/City Council and availability of funding based on spending priorities.

The City shall execute performance contracts with those agencies that receive City funding.

19. Master Plans

Master plans for specific service areas brought forward for Council consideration shall include options for capital and operating financing. Master plans shall be required to propose funding mechanisms for all recommendations.

20. Office of the Mayor and City Council District Office Budgets in Transition Years

For fiscal years in which the term of office of the Mayor or Councilmember(s) will expire and, as a result, the official may leave office due to election results or term limits (a "Transition Year"), two separate appropriations to maintain separate budget allocations for the outgoing and incoming elected officials shall be established. The total budget allocation will include: (a) office general budget; (b) constituent outreach budget; and (c) any carryover available from the prior fiscal year, from both office general and constituent outreach budgets. The first appropriation shall be for the July through December period for the Mayor and Councilmember(s) whose terms expire in December of that year, representing 50% of the total allocation. The second appropriation shall be for the January through June period for the newly elected Mayor and Councilmember(s), representing the remaining 50% of the total allocation. Outgoing Mayor and Councilmember(s) shall take into account the costs associated with any contracts entered into and all of their office's personnel costs, including leave balance payouts for their staff so as not to reduce the amount budgeted for the incoming official. Any remaining budget allocation at the conclusion of the first appropriation shall be reappropriated to the second appropriation for that specific office as part of the annual Mid-Year Budget Review process. Should an election result in no change in the office holder, as part of the Mid-Year Budget Review process, the second appropriation shall be combined into the first for continuity of operations.

21. Interfund Loans

Interfund loans are loans from one City fund to another City fund for a designated purpose. To ensure that all interfund loans are appropriate, properly documented, and not established

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

OPERATING BUDGET

21. Interfund Loans (Cont'd.)

to the detriment of the fund issuing the loan, the following interfund loan eligibility and documentation requirements are established.

- a) Interfund Loan Eligibility Requirements – Interfund loans may not be used to solve ongoing structural budget problems. Interfund loans must have an identified repayment source and date; include an interest component that equals the investment earnings the fund would have received had the loan not occurred; and be immediately due and payable if needed by the fund that provided the loan.
- b) Interfund Loan Documentation Requirements – Loan amount, term, and repayment source will be identified any time a loan is recommended. Loans will be coordinated with the City Attorney’s Office to ensure compliance with the Municipal Code and will be approved by the City Council. Payments made on outstanding loans shall be reflected in the Proposed and Adopted Budget and Annual Report, as applicable. A summary of all outstanding loans will also be included in the annual Proposed and Adopted Operating Budget and the Comprehensive Annual Financial Report (CAFR). The CAFR will also consistently include the loan term, rate of interest, and the interest amount due in its calculation of the total liability associated with the loan.

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies

- a) Capital project proposals should include complete, reliable, and attainable cost estimates. Based upon a thorough analysis of the project, project cost estimates for the Five-Year Capital Improvement Plan will vary in reliability depending upon whether they are to be undertaken in the first or fifth year of the Plan. Project estimates for the Five-Year Capital Improvement Plan should include the basis on which the project costs were prepared (conceptual design, master plan, etc.), and the relative reliability of those estimated costs.
- b) Capital project proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources needed to complete any given phase of a project in addition to the total project. The City Manager’s Office is responsible and accountable for providing Council with an accurate, comprehensive resource plan.

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

- c) Changes in project estimates for the comprehensive resource plan shall be fully reported to the City Council for review and approval.
- d) Project proposals should indicate the project impact on the operating budget. Each project that is proposed in any year of the Five-Year Capital Improvement Program shall have an estimate of the costs for furniture, fixtures, equipment, and technology and the annual operations and maintenance costs in the appropriate year of the Operating Budget or in the Five-Year Forecast and Revenue Projections.
- e) During the annual Capital Budget process for multi-year budgeted projects, the City Manager will provide the Council with more information regarding the project including the original budget, budget addendums, and the projected schedule in spreadsheet format.
- f) At the time of award of the construction contract, each project shall include reasonable provision for contingencies.
- g) At the time of award of the construction contract, each project shall include reasonable provisions for furniture, fixtures, equipment, and technology that are separately identified in a line item or items in the construction budget and those costs shall be noted in the staff report to the Council.
- h) At the time of award of the construction contract, each project's estimated annual operating and maintenance costs shall be identified in the staff report to the Council and shall be included in the Operating Budget or in the Five Year Forecast and Revenue Projections for projects expected to be completed after the end of the budget year.
- i) The contingency amounts to be used for various types of projects were approved by the City Council on December 3, 2002 and amended on December 15, 2009, and are as follows:
 - 5% of the total contract for street, sidewalk and park projects;
 - 10% of the total contract amount for trails, utilities and building projects;
 - 15% of the total contract amount for building renovation projects; or
 - Such other amounts as approved by the Mayor/City Council for a particular project.

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BUDGET POLICIES

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

- j) Project contingencies may, unless otherwise determined by the City Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.
- k) For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project's budgeted appropriation, including contingency, will be replaced with a new appropriation equal to the approved project contract contingency developed in the manner described above.
- l) The City Administration shall seek ways of ensuring that administrative costs of carrying out the Capital Improvement Program are kept at appropriate levels.
- m) The Annual Capital Budget shall include only those projects that can reasonably be accomplished in the indicated timeframe. Multi-year budgeting of projects shall be used to ensure a reasonable timeframe for projecting costs. The detail sheet for each budgeted capital project should include a projected schedule.
- n) The status of all capital projects, and the entire Capital Budget, will be monitored by the Mayor/Council as part of the Mid-Year Budget Review. Large projects of crucial importance may be monitored on a more frequent basis as determined by the City Council.
- o) Capital projects that are not encumbered or completed during the fiscal year will be re-budgeted to the next fiscal year except as reported to and subsequently approved by the City Council. All re-budgeted capital projects should be so noted in the Proposed Capital Budget.

2. Capital Improvement Plan Policies

Public participation in the Capital Improvement Program is a priority concern for the City. Among the activities conducted to address this need are the following:

- a) The Capital Improvement Plan shall be provided to the City Council in a timely manner as required by the City Charter to allow for Council members to review the proposal with constituents before it is considered for adoption.

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BUDGET POLICIES

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(COUNCIL POLICY 1-18)**

CAPITAL IMPROVEMENT PROGRAM

2. Capital Improvement Plan Policies (Cont'd.)

- b) Council budget review study sessions on the Capital Improvement Plan shall be open to the public and advertised sufficiently in advance of the meetings to allow for public attendance.
- c) Prior to the adoption of the Capital Improvement Plan, the City Council shall hold noticed public hearings to provide an opportunity for residents to express their opinions on the proposed plan.
- d) The City Planning Commission shall review the proposed Capital Improvement Plan and provide their comments on its contents before the Council considers the plan for final adoption.
- e) All projects included in the Capital Improvement Program shall be consistent with the City's General Plan and the City's Energy and Water Policies. The goals and policies within the General Plan relating to community development, housing, services and facilities, transportation, solid waste, aesthetic, cultural and recreational resources, natural resources and hazards should be followed in the development of the Capital Improvement Plan. The General Plan service-level goals will be clearly stated in the Capital Improvement Program.
- f) Capital projects shall be financed to the greatest extent possible through user fees and benefit districts where construction of the project results in direct benefit to users.
- g) The Council will annually review and establish criteria for measuring proposed capital improvement projects. Among the factors that will be considered for priority ranking are the following:
 - Projects that have a positive impact on the operating budget, such as reduced expenditures or increased revenues.
 - Projects that are programmed in the Five-Year Operating Budget Forecast.
 - Projects that can be completed or significantly advanced during the Five-Year Capital Improvement Plan.
 - Projects that can realistically be accomplished during the year they are scheduled.
 - Projects that implement prior Council-adopted reports and strategies.
- h) Projects that involve inter-governmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.

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**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY
(COUNCIL POLICY 1-18)**

CAPITAL IMPROVEMENT PROGRAM

3. Debt

The City Council has adopted a Debt Management Policy (Council Policy 1-15) that establishes the following equally important objectives:

- a) Minimize debt service and issuance costs.
- b) Maintain access to cost-effective borrowing.
- c) Achieve the highest practical credit rating.
- d) Full and timely repayment of debt.
- e) Maintain full and complete financial disclosure and reporting.
- f) Ensure compliance with applicable state and federal laws.

As described in Council Policy 1-15, prior to bringing forward a lease financing (financing the acquisition, construction, or improvement by the City of real property or equipment) to the City Council for approval, the Finance Department shall perform initial due diligence on the project to be financed. The due diligence will include identifying the revenue source for repayment, and performing a feasibility study to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections, including worst/best case scenarios and the impact on any repayment source identified as the backstop to the project revenues. In order to proceed with the preparation of the documents necessary for the lease financing, two-thirds majority approval by the City Council of the proposed plan of finance is required. When the lease financing is brought forward for City Council approval, the Finance Department will provide the City Council with an update to the due diligence report and any feasibility study. Approval of the lease financing will require two-thirds majority approval by the City Council. These provisions do not apply to a refunding of a lease financing transaction.

In order to reduce the principal on outstanding debt and minimize debt service costs, one-time savings generated from debt restructurings and refundings should be used to pay down the outstanding principal of other existing City debt, whenever possible, taking into consideration any fund restrictions.

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BUDGET POLICIES

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

The City Council adopted on August 22, 2000, an Estimating Construction Costs and Development of Project Budget Policy (Council Policy 8-12) to improve the quality and effectiveness of the City's Capital Budget Process and accuracy of capital project construction by assuring that:

1. Capital projects have realistic budgets.
2. The City Council has enough information and data to establish the budget once a project is approved.
3. The public is clearly informed about project "budgets".

This policy improves the Capital planning and budgeting process by setting definitions of project estimation relative to the degree of project design definition and level of completion. The policy establishes a consistent and uniform approach for estimating and reporting construction project costs and establishing realistic construction project budgets.

POLICY

"Program" and "Preliminary" level estimates are useful tools in a long-term capital budget planning process. However, an estimate must have a level of certainty provided by a "Budget" level estimate to realistically establish a final project.

From project initiation as a concept through the award of a construction contract, there are six essential milestones or steps in the development of a project. These steps are shown below.

At various points within these steps, four different kinds of estimates that are prepared as the project progresses from start to finish. As more detail, specificity and definition are developed through the stages of design, these estimates become more certain and realistic as noted below.

The six milestones or steps in a project and the point at which these estimates are prepared are as follows:

<u>Project Milestone/Phase</u>	<u>Type of Estimate</u>
1. Project Initiation	Program Estimate
2. Planning/Programming	Preliminary Estimate
3. Design	
Conceptual Design	
Schematic Design	Budget Estimate
4. Construction Documents/ Bidding/Contract Award	Engineer's Estimate
5. Construction	
6. Occupancy/Opening	

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

BUDGET POLICIES

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

POLICY

The four estimates are defined by this policy as follows:

- **The “Program Estimate”** is created in the Project Initiation Phase for the long-term, multi-year planning and for initial feasibility studies. It is based on a general description of the project as a concept and does not include any design, architectural work or detailed scope. It may typically include components for land acquisition, design, construction, and construction management.
Level of Certainty: $\pm 35\%$

- **The “Preliminary Estimate”** is prepared during the Planning/Programming Phase and is based on an initial program containing building and site square footages and general site work. It is typically not based on any formal engineering or architectural work, which usually has not yet occurred. The Preliminary Estimate is most commonly used to develop the next year’s budget or to add a project to a current year budget to allow for further design development. For smaller projects of shorter duration and minimal complexity, the Program Estimate step may be eliminated in favor of the Preliminary Estimate.
Level of Certainty: $\pm 20\%$

- **The “Budget Estimate”** is prepared during the Schematic Design Phase and is based on a defined scope and schematic design work. It is prepared using estimated material quantities and unit prices taken from the plans and applying a general unit cost to each item. This estimate includes all changes in definition and scope that have been identified and incorporated into the project design since the Preliminary Estimate. Items associated with the commencement of construction such as bonds, insurance, mobilization and overhead costs are also included. This estimate is used for evaluating project alternatives, value engineering, and evaluation of the project budget established by the Preliminary Estimate in the Planning/Programming Phase. For projects of a multi-year duration, the Budget Estimate should include an inflationary factor that escalates the cost to the dollar value at the mid-point of the construction schedule.
Level of Certainty: $\pm 10\%$

- **The “Engineer’s Estimate”** is a detailed estimate prepared using the final construction documents prior to bidding and contract award. It is prepared using unit prices for exact quantities of materials and labor taken from the plans. The Engineer’s Estimate is used to establish the final funding within the budget and to evaluate bids received.
Level of Certainty: $\pm 5\%$

Smaller projects of shorter duration may not require all four levels of estimates. In most cases, however, a larger project would require as a minimum “Preliminary”, “Budget”, and “Engineer’s” estimates.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

BUDGET POLICIES

**ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT
BUDGET POLICY (COUNCIL POLICY 8-12)**

POLICY

To support the establishment and implementation of this policy, a set of detailed administrative procedures to be followed for project managers and staff engaged in capital construction projects will be developed. These procedures are to provide specific and detailed instructions and guidelines on how and when estimates are prepared, reviewed and approved in accordance with this Council Policy.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

CITY SERVICE AREA POLICY FRAMEWORK

A variety of master plans, strategic plans, regulations, and City Council direction comprise a City Service Area policy framework that guides City operations and the development of the Capital and Operating Budgets. A listing of the framework's major components is provided below.

- Airline Master Lease Agreements
- Airport Master Plan
- Airport Public Art Master Plan (2005)
- Airport Security and Traffic Relief Act (ASTRA) Ballot Measure A
- Aquatics Master Plan (2007)
- Blue Ribbon Report (2008)
- Business Process Transformation/Infrastructure Optimization Information Technology 10 Year Investment Roadmap
- City Charter and Municipal Code
- City Council Policies
- City Council Priorities
- City of San José Consolidated Plan
- City of San José Traffic Calming Policy and Traffic Signal Warrant Policy
- City of San José Transportation Impact Policy
- Cultural Connection: San José's Cultural Plan for 2011-2020
- Deferred Maintenance and Infrastructure Backlog Status Report
- Destination: Home Community Plan to End Homelessness (2015)
- Economic Development Strategy
- Environmental Management Policies as set by regulatory agencies including CalTrans Aeronautics Program, California Air Resources Board, Bay Area Air Quality Management District, Regional Water Quality Control Board, California Department of Fish and Game, Santa Clara Valley Water District, and Santa Clara County Department of Environmental Health
- Envision San José 2040 General Plan
- Federal Aviation Administration and Transportation Security Administration Policies and Mandates
- Framework for Evaluating Proposed Conversions of Industrial Lands (updated 2007)
- Greenprint: A 20-Year Strategic Plan for Parks and Community Facilities and Programs (2009)
- Information Technology Operations – Green Technology Initiatives
- Investment and Debt Management Policies
- Local Area Development Policies (i.e. North San José, Edenvale, and Evergreen)
- Mayor's Gang Prevention Task Force Strategic Plan (2015-2017)
- National Pollutant Discharge Elimination System Stormwater Permit (2015)
- National Pollutant Discharge Elimination System Wastewater Permit (2014)
- Neighborhood Security Bond Act (2002)
- "One Voice" Development Services
- Parks and Library Bond Measures (2000)
- Priority Street Network (2012)
- Public Art Master Plan (2007)
- Public Art Policy

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

CITY SERVICE AREA POLICY FRAMEWORK

- San José Greater Downtown Strategy for Development: Downtown Parking Management Plan (2007)
- San José Green Vision (2007)
- San José Public Library Master Plan and Branch Facilities Master Plan (2008)
- Santa Clara County Emergency Medical Services contract (2010)
- Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan (2013)
- Schools and City Collaborative Policy
- Strategic Plan for Persons with Disabilities (2000)
- Sustainable City Major Strategy
- Taxi Regulatory and Service Model Study
- Ten-Year Strategic Plan to Advance the Well-Being of Older Adults in Santa Clara County
- Trail Master Plans
- Transportation 2035 Plan for the San Francisco Bay Area (Metropolitan Transportation Commission)
- Transportation Level of Service Policy
- Tree Preservation Policy
- Urban Environmental Accords
- Urban Runoff Management Plan (URMP)
- Use of Plant Buffer Lands Policy
- Valley Transportation Plan 2035 (VTA)
- Water Policy Framework (2006)
- Water Pollution Control Plant Master Plan (2011)
- Various City of San José policies, ordinances, and studies

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SIGNIFICANT ACCOUNTING PRACTICES

The following information summarizes the significant accounting practices of the City of San José.

BUDGETARY BASIS

The budget is prepared in accordance with Generally Accepted Accounting Principles, except for encumbrances being recognized as expenditures. The budget for governmental funds has been prepared on a modified accrual basis. The modified accrual basis recognizes expenditures when the related fund liability is incurred. Revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

FUND STRUCTURE AND BASIS OF ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Under the modified accrual basis of accounting, revenues are recognized only to the extent that they are susceptible to accrual, which means “when they become both measurable and available to be used to finance expenditures of the fiscal period.” Revenue is considered to be available when it is “collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.” If accrued revenues are not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue, and revenue recognition occurs only when the revenue becomes available. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. The various funds are grouped into three broad fund categories (governmental, proprietary, and fiduciary). A general description of each follows:

- ***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City’s expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental funds include the General Fund, Special Revenue, Debt Service, and Capital Project funds of the City. These funds are maintained on a modified accrual basis where the measurement focus is on the current financial resources and the recognition of revenue in the period when the revenue becomes both measurable and available to finance expenditures of the fiscal period.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

SIGNIFICANT ACCOUNTING PRACTICES

FUND STRUCTURE AND BASIS OF ACCOUNTING

- *Proprietary Fund Types*

Proprietary funds, which include Enterprise and Internal Service funds, are used to account for the City's business-type activities. Proprietary funds use the economic resources measurement focus and accrual basis of accounting, which are the same as used for private-sector business enterprises. These funds are used where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

- *Fiduciary Fund Types*

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds; therefore, these funds cannot be used to support the City's own programs. Fiduciary funds include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds. Investment trust funds are used to report on the external portion of investment pools. Private-purpose trust funds are used to report on trust arrangements under which principal and income benefit individuals, private organizations, or other governments, and to report the assets and liabilities of the dissolved Redevelopment Agency. Agency funds are used to account for resources held in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

OVERHEAD COST ALLOCATION

All overhead costs are allocated to the appropriate program within the limits of local, State, and federal laws. The City utilizes a two-step method (double-step-down method) where costs are first allocated among the central service support programs to arrive at the total cost of the central service programs. These total costs are then allocated down to the departments and funds that are benefiting from these expenses. The Finance Department uses this process to develop overhead rates that recover these central support program costs borne by the General Fund from various funds and fee programs. The corresponding revenue is collected by the General Fund.

CITY OF SAN JOSE

2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

OVERVIEW

The City's debt service obligations include general obligation bonds, enterprise revenue bonds and commercial paper notes, special assessment bonds, special tax bonds, and a tax and revenue anticipation note. The City of San José Financing Authority has issued lease revenue bonds and lease revenue commercial paper notes for which the City is responsible for making lease payments, and has also issued revenue bonds. The City is also responsible for making lease payments on equipment that was procured through a lease-purchase agreement.

- **General obligation bonds** are issued to finance various public improvements in the City for which the source for repayment is the levy of additional ad valorem tax on property within the City.
- **Revenue bonds** are issued by the City or one of its related entities to acquire or construct assets owned or co-owned by the City whereby the City or a related entity pledges revenues derived from the asset or enterprise to pay the debt service.
- **City of San José Financing Authority lease revenue bonds** are secured by the Authority's pledge of lease revenues received by the Authority under a Project Lease of a leased asset between the City and the Authority. The City makes the lease payments to the Authority in exchange for use of the leased property and covenants to annually appropriate funds so long as the City has beneficial use of the leased asset. These payments are included in the City budget as part of the annual appropriation process.
- **Commercial paper** is a short-term promissory note issued by the City or its related entities with a maturity of 270 days or less. Maturing commercial paper notes are repaid from the proceeds of sale of new commercial paper notes or bonds, or from other funds provided by the City.
- **Special assessment bonds** are issued to pay for public infrastructure improvement costs in special assessment districts and are fully secured by liens against the privately-owned properties benefited by the improvements for which the bonds were issued.
- **Special tax bonds** are issued to finance the construction and/or acquisition of facilities in community facilities districts, including the City's convention center facilities district. The source of repayment for these types of bonds is a special tax on privately-owned properties within the community facilities districts.
- **A tax and revenue anticipation note** is a short-term promissory note that is issued for cash flow purposes and repaid by the City from ad valorem property tax revenues or other tax and revenues anticipated to be received by the City within the same fiscal year.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

OVERVIEW

- **Lease-purchase agreements** are entered into to finance various public improvements or equipment in the City, including energy conservation equipment installed at City-owned facilities and for the replacement of streetlights. The City's lease-purchase agreements for energy conservation equipment are secured by lease payments for the City's beneficial use of the equipment that the City appropriates on an annual basis and which may be offset by utility cost savings and electricity rebates.

The City Council has adopted a general debt management policy, which allows flexibility when opportunities arise, but at the same time establishes parameters for entering into debt obligations. In addition, the City Council has approved two supplemental financing policies: (1) Multi-Family Housing Revenue Bond Policy and (2) Criteria and Guidelines for Bond Financing of Residential Development Policy.

The City of San José Charter establishes the following requirements associated with debt limitations:

- Section 1216 sets the bonded debt limit for General Obligation bonds at fifteen percent (15%) of the total assessed valuation of all the real and personal property within the City.
- Section 1220 establishes the power of the City Council to issue revenue bonds to finance the acquisition, construction, establishment, expansion, improvement, maintenance, operation, and administration of off-street vehicular parking facilities within the City or of municipal airport facilities. No additional voter authorization is necessary to issue bonds under this section of the City Charter.
- Section 1221 provides that no revenue bonds may be issued by the City for the purpose of supplying its inhabitants, or any portion thereof, with water, light, heat, power, railroad, motor vehicle transportation services (other than airport service), telephone, telegraph, or wireless communication service unless authorized by the affirmative vote of a majority of the electors voting on such a proposition in each case.
- Section 1222 states that revenue bonds may be issued by the City for purposes other than those specified in Sections 1220 and 1221 only under and pursuant to the laws of the State of California.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

DEBT STATUS AND CAPACITY

The City of San José Charter limits bonded indebtedness for General Obligation bonds to fifteen percent (15%) of the total assessed valuation of all real and personal property within the City. As of June 30, 2015, the total assessed value of taxable property was \$150.0 billion, which results in a total debt limit capacity of approximately \$22.5 billion. As of June 30, 2015, the City had \$401.7 million of General Obligation bonds outstanding which represents approximately 1.8% of the debt limit.

Tables A to C in the following pages illustrate the debt service obligations of the City and its related entities, excluding Multi-Family Housing Revenue conduit debt and debt issued by the Successor Agency to the Redevelopment Agency of the City of San José. As shown in Table A, the City and related entities did not issue any new long-term debt however, \$86.6 million of long-term debt was repaid in 2015-2016 resulting in an estimated total long-term debt balance of \$2.5 billion as of June 30, 2016. Table B summarizes the City's and related entities' long-term debt by issuance and maturity, plus short-term commercial paper notes, for a combined estimated outstanding debt balance of \$2.6 billion estimated at June 30, 2016. It should be noted that long-term lease obligations are not considered indebtedness under the State Constitution. Table C summarizes the City and related entities' annual requirements to amortize principal and pay interest due on all long-term debt outstanding for each of the next five fiscal years and thereafter.

The Debt Management Policy (Council Policy 1-15) for the City was adopted by the City Council on May 21, 2002, and is reviewed annually by the City Council. The Debt Management Policy was subsequently amended on December 5, 2012, and most recently on June 9, 2015. The first set of program-specific financing policies for debt issued for multi-family housing projects in the City (Council Policy 1-16) was adopted by the City Council on June 11, 2002, and was subsequently amended on December 6, 2005.

Descriptions of City of San José and related entity debt activity for 2015-2016, as well as issues planned for 2016-2017, are provided in the following sections.

2015-2016 DEBT ISSUES

The following debt issues were completed in 2015-2016:

- **2015 Tax and Revenue Anticipation Note** The City issued a short-term note (the "2015 Note") to facilitate the prefunding of employer retirement contributions for 2015-2016. The \$100 million note was purchased by Bank of America, N.A. on July 1, 2015. Security for repayment of the 2015 Note was a pledge of the City's 2015-2016 secured property tax revenues and sales tax revenues plus all other legally available General Fund revenues, if required.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

2016-2017 PLANNED DEBT ISSUES

The following debt issues are planned for 2016-2017:

- **2016 Tax and Revenue Anticipation Note** The City plans to issue a short-term note (the “2016 Note”) to facilitate the prefunding of employer retirement contributions for 2016-2017, in an estimated amount of \$100 million. The Note is expected to be sold on July 1, 2016. Security for repayment of the 2016 Note will be a pledge of the City’s 2016-2017 secured property tax revenues and sales tax revenues plus all other legally available General Fund revenues, if required.
- **City of San José Financing Authority Lease Revenue Commercial Paper Notes** The City anticipates issuing approximately \$1.2 million in commercial paper notes in 2016-2017 to provide funding to the San José Municipal Water System for the replacement of approximately 5,000 remaining manual-read water meters with remote-read water meters.
- **City of San José Financing Authority Lease Revenue Commercial Paper Notes – Energy Conservation Equipment** The City anticipates executing approximately \$7.4 million in tax-exempt and taxable commercial paper notes in late 2015-2016, or in the 2016-2017 to finance the acquisition and installation of energy conservation equipment at City-owned facilities.
- **Refinancings** The Finance Department is reviewing options for refinancing existing General Obligation Bonds, Airport Revenue Bonds and Lease Revenue Bonds issued, by both the City and the City of San José Financing Authority.

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

(A) Summary of Changes in Long-Term Debt for the Year Ending June 30, 2016
(In Thousands of Dollars)

	Balance June 30, 2015	Additions to Long-Term Obligations	Current Maturities and Retirements	Estimated Balance June 30, 2016
GENERAL LONG TERM DEBT				
General Obligation Bonds	\$ 401,735	\$ -	\$ 19,650	\$ 382,085
HUD Section 108 Loan	1,196	-	239	957
Lease-Purchase Agreement (Taxable)	19,173	-	1,224	17,949
Special Assessment and Special Tax Bonds with Limited Governmental Commitment	145,895	-	4,790	141,105
CITY OF SAN JOSE FINANCING AUTHORITY				
Lease Revenue Bonds, Series 2001F	100,260	-	10,530	89,730
Lease Revenue Bonds, Series 2003A	12,290	-	1,150	11,140
Lease Revenue Bonds, Series 2006A	54,765	-	-	54,765
Lease Revenue Bonds, Series 2007A	26,830	-	1,920	24,910
Lease Revenue Bonds, Series 2008C	10,915	-	-	10,915
Lease Revenue Bonds, Series 2008D (Taxable)	26,330	-	2,790	23,540
Lease Revenue Bonds, Series 2008E-1 (Taxable)	9,860	-	750	9,110
Lease Revenue Bonds, Series 2008E-2 (Taxable)	9,850	-	750	9,100
Lease Revenue Bonds, Series 2008F (Taxable)	39,685	-	1,290	38,395
Lease Revenue Bonds, Series 2011A	30,985	-	430	30,555
Lease Revenue Bonds, Series 2013A	302,605	-	4,830	297,775
Lease Revenue Bonds, Series 2013B	29,720	-	750	28,970
Revenue Bonds, Series 2001A	29,880	-	1,895	27,985
CITY OF SAN JOSE ENTERPRISE FUNDS				
Airport Revenue Bonds	1,337,140	-	23,660	1,313,480
Sewer Revenue Bonds/State Revolving Fund Loan	46,942	-	9,993	36,949
TOTAL	\$ 2,636,056	\$ -	\$ 86,641	\$ 2,549,415

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

(B) Summary of Bonds and Notes Payable at June 30, 2016 by Individual Issue

	<u>Due To</u>	<u>Effective</u>	<u>Estimated (\$ Thousands)</u>
CITY OF SAN JOSE			
General Obligation Bonds, Series 2001	2031	5.00-5.125%	\$ 37,840
General Obligation Bonds, Series 2002	2032	4.25-5.00%	65,780
General Obligation Bonds, Series 2004	2034	4.125-5.00%	75,190
General Obligation Bonds, Series 2005	2035	4.00-4.50%	30,900
General Obligation Bonds, Series 2006	2036	4.00-5.00%	73,810
General Obligation Bonds, Series 2007	2037	4.00-5.50%	66,000
General Obligation Bonds, Series 2008	2038	4.00-5.00%	25,365
General Obligation Bonds, Series 2009	2039	4.00-5.00%	7,200
HUD Section 108 Loan	2024	Variable Rate	957
Lease-Purchase Agreement (Taxable)	2034	3.21-6.01%	17,949
Total City of San José			<u><u>\$ 400,991</u></u>
SPECIAL ASSESSMENT AND SPECIAL TAX BONDS WITH LIMITED GOVERNMENTAL COMMITMENT			
	2042	4.75-6.65%	<u><u>\$ 141,105</u></u>
CITY OF SAN JOSE FINANCING AUTHORITY			
Lease Revenue Bonds, Series 2001F	2022	5.00%	\$ 89,730
Lease Revenue Bonds, Series 2003A	2023	4.00-4.70%	11,140
Lease Revenue Bonds, Series 2006A	2039	4.25-5.00%	54,765
Lease Revenue Bonds, Series 2007A	2030	4.125-4.75%	24,910
Lease Revenue Bonds, Series 2008C	2027	Variable Rate	10,915
Lease Revenue Bonds, Series 2008D (Taxable)	2025	Variable Rate	23,540
Lease Revenue Bonds, Series 2008E-1 (Taxable)	2025	Variable Rate	9,110
Lease Revenue Bonds, Series 2008E-2 (Taxable)	2025	Variable Rate	9,100
Lease Revenue Bonds, Series 2008F (Taxable)	2034	Variable Rate	38,395
Lease Revenue Bonds, Series 2011A	2042	3.00-5.75%	30,555
Lease Revenue Bonds, Series 2013A	2039	4.00-5.00%	297,775
Lease Revenue Bonds, Series 2013B	2039	3.00-5.00%	28,970
Revenue Bonds, Series 2001A	2026	4.50-5.25%	27,985
Commercial Paper Notes	Short Term	Various	37,000
Total City of San José Financing Authority			<u><u>\$ 693,890</u></u>

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

(B) Summary of Bonds and Notes Payable at June 30, 2016 by Individual Issue

	Due To	Effective	Estimated (\$ Thousands)
ENTERPRISE FUNDS			
Norman Y. Mineta San José International Airport			
Revenue Bonds, Series 2007A (AMT)	2047	5.00-6.00%	\$ 527,530
Revenue Bonds, Series 2007B	2037	4.375-5.00%	172,235
Revenue Bonds, Series 2011A-1 (AMT)	2034	5.00-5.75%	132,970
Revenue Bonds, Series 2011A-2 (Non-AMT)	2034	4.00-5.25%	76,430
Revenue Bonds, Series 2011B	2041	4.09-5.70%	262,790
Revenue Bonds, Series 2012A	2018	1.53%	17,045
Revenue Bonds, Series 2014A (AMT)	2026	2.00-5.00%	56,185
Revenue Bonds, Series 2014B (Non-AMT)	2028	5.00%	28,010
Revenue Bonds, Series 2014C (Non-AMT)	2031	5.00%	40,285
Commercial Paper Notes	Short Term	Various	37,926
San José-Santa Clara Clean Water Financing Authority:			
Revenue Refunding Bonds, Series 2005A	2016	3.75%	5,130
Revenue Refunding Bonds, Series 2009A	2020	3.00-3.50%	21,420
State of California Revolving Loan	2019	Various	10,399
Total Enterprise Funds			\$ 1,388,355
GRAND TOTAL			\$ 2,624,341

CITY OF SAN JOSE
2016-2017 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

**(C) Annual Requirements to Amortize Principal and Interest Due on All Long-Term
Debt Outstanding as of June 30, 2016***
(In Thousands of Dollars)

Year Ending June 30	City of San José	Special Assessment and Special Tax Bonds	City of San José Financing Authority	Enterprise Funds
2017	\$ 39,830	\$ 13,511	\$ 54,745	\$ 106,973
2018	39,042	13,509	56,378	106,361
2019	38,158	13,498	59,130	100,712
2020	37,216	13,498	58,336	99,060
2021	36,114	13,492	58,707	99,708
Thereafter	399,257	196,742	680,654	1,985,701
Total	\$ 589,617	\$ 264,250	\$ 967,950	\$ 2,498,515

* The following all-in interest rates were used to project debt service for the City of San Jose Financing Authority's variable-rate bonds and the City's variable-rate HUD loan:

	Tax-Exempt	Taxable	HUD Section 108
2016-2017	1.27%	1.51%	1.46%
2017-2018	1.68%	2.10%	2.01%
2018-2019	2.03%	2.59%	2.43%
2019-2020	2.24%	2.90%	2.77%
2020-2021	2.44%	3.18%	3.04%
Thereafter	2.44%	3.18%	3.04%

GENERAL FUND REVENUE ESTIMATES

OVERVIEW

For 2016-2017, General Fund revenue estimates (excluding fund balance) total \$941.2 million, representing a 2.1% increase from the 2015-2016 Adopted Budget level. When Fund Balance-Carryover is included, General Fund resources total \$1.045 billion, which is 11.0% below the prior year. This comparison, however, is misleading as the Proposed Budget does not yet contain estimates for carryover rebudget funding, which was a significant portion of the 2015-2016 Adopted Budget Fund Balance total. Rebudgets for the 2016-2017 budget will be brought forward later in the budget process.

Estimates for the 2016-2017 Beginning Fund Balance and for over 450 separate General Fund revenue accounts were formulated as part of the 2017-2021 Five-Year Forecast prepared in February 2016. These estimates have been reviewed continually since the Forecast document was released and have been revised, as appropriate, in this Proposed Budget based on more recent information. Estimates for each account are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Most estimates involve two projections: an estimate for the amount to be collected in 2015-2016, an estimate for the increase or decrease in activity, and receipts anticipated for 2016-2017. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The 2016-2017 General Fund revenue estimates are summarized below and discussed in detail in the material that follows.

Revenue Category	1 2014-2015 Actuals	2 2015-2016 Adopted	3 2015-2016 Forecast	4 2016-2017 Proposed	2 to 4 % Change	% of Total
Property Tax	247,258,146	255,210,000	270,625,000	270,625,000	6.0%	25.9%
Sales Tax	180,406,911	190,260,000	194,695,553	194,695,553	2.3%	18.6%
Transient Occupancy Tax	14,734,573	14,700,000	17,821,000	17,821,000	21.2%	1.7%
Franchise Fees	46,908,555	47,582,232	48,903,200	48,916,811	2.8%	4.7%
Utility Taxes	91,547,670	93,825,000	95,749,500	95,749,500	2.1%	9.2%
Telephone Tax	21,097,282	21,000,000	21,614,000	21,614,000	2.9%	2.1%
Business Taxes	47,344,824	44,425,000	48,800,000	48,800,000	9.8%	4.7%
Licenses and Permits	47,508,875	48,721,223	50,632,528	51,572,553	5.9%	4.9%
Fines, Forfeitures and Penalties	14,491,423	15,356,042	14,910,600	14,910,600	(2.9%)	1.4%
Rev. from Money and Property	3,580,694	3,414,999	3,863,935	3,863,935	13.1%	0.4%
Rev. from Local Agencies	39,858,774	23,909,616	22,875,000	22,875,000	(4.3%)	2.2%
Rev. from State Government	12,024,115	11,370,763	10,619,429	10,902,929	(4.1%)	1.0%
Rev. from Federal Government	10,626,611	9,083,802	2,526,566	2,754,566	(69.7%)	0.3%
Departmental Charges	41,704,532	40,923,558	39,782,190	41,681,974	1.9%	4.0%
Other Revenue	154,598,297	26,259,638	15,128,362	15,144,509	(42.3%)	1.4%
Transfers and Reimbursements	74,985,995	75,763,879	78,164,169	79,302,398	4.7%	7.6%
Subtotal	1,048,677,277	921,805,752	936,711,032	941,230,328	2.1%	90.1%
Fund Balance-Carryover (1)	-	252,826,392	65,825,927	104,558,075	(58.6%)	9.9%
Total General Fund Sources	1,048,677,277	1,174,632,144	1,002,536,959	1,045,788,403	(11.0%)	100.0%

(1) The Fund Balance figure does not include the Reserve for Encumbrances.

GENERAL FUND REVENUE ESTIMATES

OVERVIEW

Economic Performance

The 2016-2017 revenue estimates were built on the assumption of moderate continued economic growth, which will have a modest positive impact on the City's economic performance.

The following is a discussion of both the national and local economic outlooks used to develop the 2016-2017 revenue estimates. Various economic forecasts are reviewed in the development of the revenue estimates, including the national and State economic forecasts produced by the Anderson School of Management at University of California – Los Angeles (UCLA). The City also uses an economic forecasting consultant to assist in the development of the General Fund revenue estimates. In addition, consultants that focus on particular revenue categories such as Sales Tax and Transient Occupancy Tax were asked to weigh in on the current projections and future outlooks in these areas. A more detailed discussion on forecasted economic conditions can be found in the 2016-2017 Five-Year General Fund Forecast, released February 2016.

National Outlook

Moderate economic growth appears likely for the next several years, driven by growth across most sectors of the economy, according to the December 2015 UCLA Anderson Business School Forecast.

A modest rate of inflation is a key driver for business and consumer demand, and for future property and sales taxes. The Consumer Price Index (CPI) increased 0.1% in March 2016 (seasonally adjusted) and increased 0.9% over the last 12 months (before seasonal adjustment)¹. The index for all items less food and energy has increased 2.2% over the last 12 months. As the Federal Reserve Board targets a core annual inflation rate of 2%, it continues to signal that it will begin to gradually raise interest rates in 2016, though will be influenced by any changes in economic conditions as they arise.

The UCLA Anderson Business School Forecast anticipates moderate growth, with a GDP growth rate of 2.7% for 2016, and continued growth in employment, as the economy operates at full employment. Further, it is anticipated that the Federal Reserve Board is expected to increase the Fed funds rate, with the first one likely to be in June; growth will be driven by increases in consumer spending and housing along with the end of the inventory correction currently being experienced.

¹ U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index News Release, April 14, 2016

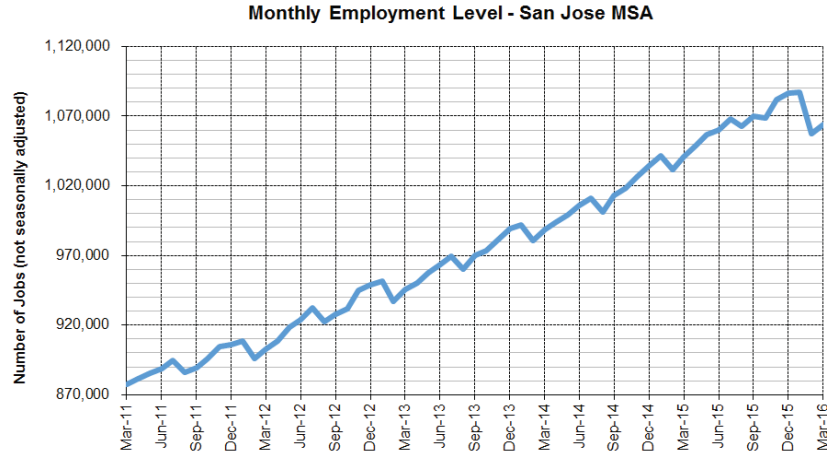
GENERAL FUND REVENUE ESTIMATES

OVERVIEW

Economic Performance

City of San José Outlook

The majority of economic indicators continue to show improvement from the same period a year ago. The March 2016 employment level in the San José, Sunnyvale, Santa Clara Metropolitan Statistical Area (MSA) of 1.02 million was 2.3% above the March 2015 level of 994,000.



Unemployment Rate (Unadjusted)

	March 2015	Feb 2016	March 2016
San José Metropolitan Statistical Area*	4.5 %	3.8%	3.9%
State of California	6.7%	5.7%	5.6%
United States	5.6%	5.2%	5.1%

* San Benito and Santa Clara Counties
Source: California Employment Development Department

The unemployment rate in the San José metropolitan area continues to improve in 2015-2016, dropping from 4.5% in March 2015 to 3.9% in March 2016. These rates remain well below the double digit levels that had been experienced during the Great Recession. The March 2016 unemployment rate in this region is less than the unadjusted rate for the State (5.6%) and the nation (5.1%).

Construction activity hit a peak of \$1.7 billion in 2013-2014 and remained strong in 2014-2015 at a valuation of \$1.3 billion. In 2015-2016, activities continue to reflect still strong, but declining development activity.

Private Sector Construction Activity (Valuation in \$ Millions)			
	YTD Mar. 2015	YTD Mar. 2016	% Chng
Residential	\$ 515.0	\$ 347.3	-32.6%
Commercial	\$ 243.5	\$ 300.7	23.5%
Industrial	\$ 247.7	\$ 320.4	29.4%

The number of new residential dwelling units permits issued through March 2016 (1,324) was below the prior year level of 3,076 by 57.0%. While residential activity is down, commercial and industrial activity is up compared to the prior year. Private construction activity is a driver for several development related taxes and fees and is an indicator of future activity for several other categories, such as the storm and sanitary sewer system fees.

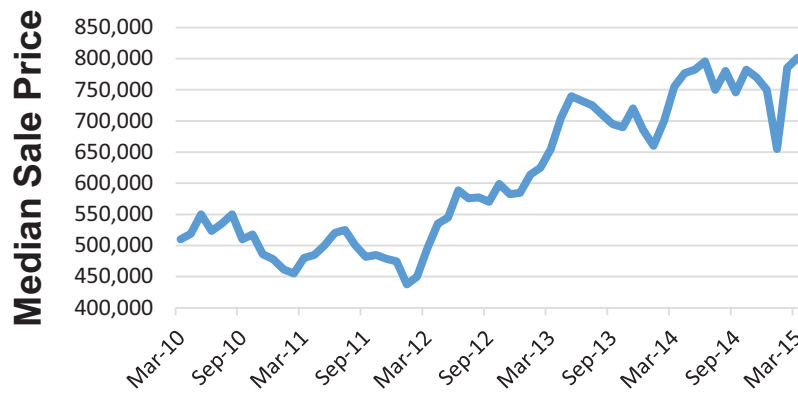
GENERAL FUND REVENUE ESTIMATES

OVERVIEW

Economic Performance

The housing market also continued to improve in 2015-2016. The median price for single family homes increased in value, with a median home price in March 2015 of \$801,000, up 6.1% from the March 2014 price of \$755,000. In addition, the amount of time it takes to sell a home (single-family and multi-family dwelling units) has decreased in the past year from 23 days in March 2015 to 19 days in March 2016, a 17.4% decrease. The March 2015 figure reflects the fewest days on market since June 2015. The number of home sales (single-family and multi-family dwelling units), has also increased over the past year (6.2%) from 5,477 sales in 2014-2015 to 5,818 sales in 2015-2016.

Median Price - Single Family Homes



Moderate economic growth is expected to continue in 2016-2017. Due to this outlook, the economically sensitive revenues, such as Sales Tax and Property Tax receipts, are expected to experience modest growth.

Non-Economically Sensitive Revenue Drivers

The economic conditions discussed above are the primary drivers for the economically sensitive revenues, with the most significant impacts in the Sales Tax and Property Tax categories. However, performance in other areas is primarily driven by other factors. For example, the Utility Tax and Franchise Fees categories are more heavily impacted by utility rate changes, energy prices, and consumption levels. Collections from local, State, and federal agencies are primarily driven by the grant and reimbursement funding available from these agencies. As a result, these General Fund revenues experience no significant net gain or loss in times of an economic expansion or slowdown, respectively. Because these revenue sources do not track directly with the performance of the economy, the growth in these areas, even in times of moderate growth, can dampen the City's overall revenue growth. Conversely, in an economic slowdown, these categories can act as a buffer, easing the impact of declines in the economically sensitive revenue categories.

GENERAL FUND REVENUE ESTIMATES

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Revised General Fund Forecast

Between the issuance of the Five-Year Forecast in February 2016 and the release of the Proposed Budget in May 2016, staff continued to review and update the estimated revenue collections for 2016-2017. Based on this analysis, a number of the revenue estimates presented in the February Forecast were revised in this budget to reflect more recent information. The net result of these revisions is an upward adjustment of \$773,000 to the Forecast from \$1.002 billion to \$1.003 billion.

Following is a summary table and descriptions of the changes incorporated into the Revised Forecast that was used as the starting point in preparing the 2016-2017 Proposed Budget.

2016-2017 Revised Forecast Changes

<u>Category</u>	<u>\$ Change</u>
Sales Tax	\$ 500,000
Departmental Charges	454,460
Business Taxes	350,000
Other Revenue	300,000
Revenue from the State	177,748
Revenue from the Federal Government	87,870
Licenses and Permits	(185,408)
Transfers and Reimbursements	(911,945)
Total	\$ 772,725

A brief discussion of these changes follows.

Sales Tax

- An increase of \$500,000 to the General Sales Tax revenue estimate (\$194.2 million to \$194.7 million) to reflect higher than anticipated collections for the second quarter of 2015-2016, providing a higher base starting point for next year's anticipated growth.

Departmental Charges

- An increase of \$270,000 adjusts the Solid Waste Enforcement Fee aligns program revenues to costs to maintain 100% cost recovery levels.
- An increase of \$124,000 to the Parks, Recreation and Neighborhood Services Departmental Charges aligns revenues with estimated activity levels at the Happy Hollow Park and Zoo.
- An increase of \$60,000 to the Department of Transportation fees and charges to reflect fee revisions based on estimated activity levels.

GENERAL FUND REVENUE ESTIMATES

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Revised General Fund Forecast

Business Taxes

- An increase of \$200,000 to the estimate for Disposal Facility Tax (\$12.0 million to \$12.2 million) based on current collection trends experienced in 2015-2016, which has seen increased activity from neighboring agencies dumping in San José landfills, consistent with 2014-2015 actual collections.
- An increase of \$150,000 to the estimate for General Business Taxes (\$11.5 million to \$11.7 million) based on current collection trends experienced in 2015-2016.

Other Revenue

- An increase of \$250,000 to the estimate for Senate Bill 90 reimbursements (\$500,000 to \$750,000) based on current collection trend experienced in 2015-2016.
- An increase of \$50,000 to reflect an increase in incentive payments from the City's procurement credit card (P-card) vendor.

Revenue from the State

- An increase of \$150,000 to the estimate for Tobacco Settlement (\$8.75 million to \$8.90 million) based on current collection trend experience in 2015-2016 and prior year actuals.
- An increase of \$28,000 to recognize a one-time grant from the California Department Conservation Sustainability Commission.

Revenue from the Federal Government

- An increase of \$88,000 to recognize a one-time grant received from the Metropolitan Transportation Commission.

Licenses and Permits

- A decrease of \$179,000 to the Multiple Housing Occupancy Permits revenue estimate (from \$5.63 million to \$5.45 million) to align anticipated 2016-2017 program reimbursed costs.
- A net decrease of \$6,200 reflects the realignment of revenues for the Animal Care and Services licensing and permits (-\$5,800) and Auto Dismantler Permit (\$-400).

Transfers and Reimbursements

- A net decrease of \$912,000 to reflect updated overhead reimbursements from capital funds and operating funds based on the final 2016-2017 base budget and final 2016-2017 overhead rates as approved by the Finance Department.

Changes from Forecast to Proposed Budget

From the Revised Forecast of \$1.003 billion, a net increase of \$43.3 million to the General Fund revenue estimates is recommended, bringing the 2016-2017 Proposed Budget revenue estimate to \$1.05 billion. The components of this increase include an increase to the estimate for 2015-2016

GENERAL FUND REVENUE ESTIMATES

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Changes from Forecast to Proposed Budget

Ending Fund Balance/2016-2017 Beginning Fund Balance (\$38.8 million) and an increase to various revenue categories (\$4.5 million). These changes are summarized in the following table:

2016-2017 Proposed Budget Changes

<u>Category</u>	<u>\$ Change</u>
Beginning Fund Balance	\$38,732,148
Departmental Charges	1,899,784
Transfers and Reimbursements	1,138,229
Licenses and Permits	940,025
Revenue from the State of California	283,500
Revenue from the Federal Government	228,000
Other Revenue	16,147
Franchise Fees	13,611
Total	\$ 43,251,444

Beginning Fund Balance

An increase of \$38.7 million from the Revised Forecast is included bringing the estimated 2016-2017 Beginning Fund Balance from \$65.8 million to \$104.6 million to reflect the following:

- Liquidation of various reserves totaling \$16.3 million including: \$5.0 million 2016-2017 Police Department Overtime Reserve, \$3.9 million Development Fee Program Reserves, \$3.7 million Cultural Facilities Capital Maintenance Reserve, \$1.6 million Police Department Staffing/Operations Reserve, \$1.3 million Employee Market Competitiveness Reserve, \$676,000 Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve, \$110,000 2016-2017 Long Range Planning Project Staffing Reserve, and \$50,000 Retiree Healthcare Solutions Reserve.
- Additional anticipated fund balance of \$22.4 million from increased expectations for additional revenue and expenditure savings in 2015-2016 that will be available for use in 2016-2017 including: One-time Sales Tax payment of \$12.1 million as a result of the wind-down of the "Triple Flip"², \$5.0 million in personal services savings that will occur in the Police Department due to a higher number of departmental vacancies, additional Property Tax of \$4.6 million for the distribution of excess 2014-2015 Education Revenue Augmentation Fund (ERAF) funds that are anticipated in 2015-2016, and \$750,000 in other departmental vacancy savings.

² As part of the Proposition 57 State fiscal recovery funding mechanism (passed by the voters in march 2004), one-quarter cent of the City's one cent Bradley Burns sales tax has been temporarily suspended and replaced dollar-for-dollar with property tax revenue. This action, which went into effect on July 1, 2004, remains in effect until the State's bond obligations have been satisfied.

GENERAL FUND REVENUE ESTIMATES

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Changes from Forecast to Proposed Budget

Departmental Charges

- An increase of \$1.9 million to the Parks, Recreation and Neighborhood Services Department Charges aligns revenues with estimated activity levels. The increase primarily reflects a net increase of \$1.6 million in the fee activity program revenues. Additional adjustments include: a \$236,000 increase in facility rental activities; a \$92,000 increase in Happy Hollow Park and Zoo revenues; and increase of \$40,000 for Viva Calle fees; and a reduction of (\$30,000) in Alum Rock parking permits.
- An increase of \$45,000 in the Police Department fees and charges to reflect various fee revisions.
- An increase of \$27,000 to the Transportation Department fees and charges to reflect various fee revisions and maintain cost recovery levels.
- An increase of \$24,000 reflects revisions to the Abandoned Cart Program Fee.
- An increase of \$8,000 adjusts the Solid Waste Enforcement to maintain 100% cost recovery levels.
- An increase of \$2,800 in the City Clerk's Office fees to reflect various revisions and maintain cost recovery levels.
- A decrease of (\$132,000) in the Library Department reflects various fees revisions.

Transfers and Reimbursements

- A one-time transfer of \$150,000 from various special and capital funds for the Human Resources/Payroll/Budget Systems upgrade to cover a portion of the additional \$500,000 added to the project in the 2016-2017 Proposed Budget to provide additional project contingency to help ensure the project remains on schedule and meets anticipated "go-live" dates.
- A one-time transfer of \$140,000 from the General Purpose Parking Fund to continue the coordination and development of the Diridon Station Area Plan, as approved by the City Council on June 17, 2014.
- A net increase of \$848,000 (\$698,000 ongoing) in anticipated overhead reimbursements to reflect the impact of various budget actions in the 2016-2017 Budget that change the staffing levels funded by special and capital funds.

Licenses and Permits

- An increase of \$533,000 in revenue to reflect revised calculations for the Medical Marijuana fees.
- An increase of \$185,000 reflects adjustments to the three-tier program for Multiple Housing Occupancy Permits and to align with slightly increased costs associated with the addition of mobile devices for Inspectors.

GENERAL FUND REVENUE ESTIMATES

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Changes from Forecast to Proposed Budget

Licenses and Permits (Cont'd.)

- An increase of \$130,000 to adjust various Police Department permits to maintain cost recovery levels.
- An increase of \$57,000 in Fire non-development permits to maintain 100% cost recovery level.
- An increase of \$30,000 to adjust various Code Fees to bring them to 100% cost recovery.
- An increase of \$4,000 to adjust the Transportation Department Taxi Stand fees to maintain cost recovery levels.

Revenue from the State of California

- A one-time increase of \$212,000 reflects the estimated reimbursement from the California High Speed Rail to continue the coordination and development of the Diridon Station Area Plan.
- A one-time increase of \$72,000 reflects the estimated reimbursement from the Strategic Growth Council for urban village master planning and zoning revisions for East Santa Clara Street and Alum Rock Avenue.

Revenue from the Federal Government

- A one-time increase of \$228,000 reflects the estimated reimbursement from the Metropolitan Transportation Commission to develop plans for several urban villages.

Other Revenue

- An increase of \$18,000 for the estimated reimbursement from the Christmas in the Park Foundation. Part-time City staff hours are needed to transport props to and from the City warehouse. Incurred costs are fully reimbursed by the Christmas in the Park Foundation.
- A decrease of \$1,900 for Department of Transportation new subdivision traffic control signs and pavement markings revenues to reflect fee adjustments to maintain cost recovery levels.

Franchise Fees

- An increase of \$13,000 reflects an increase in the Commercial Solid Waste (CSW) fees by 0.12% based on the projected change in the consumer price index (CPI). In October 2010, the City Council amended the CSW fee to charge franchises based on geographic collection districts rather than volume. The fee structure started with a base of \$5.0 million per year for each of the two geographic collection districts plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and South District. The revised structure is subject to an annual increase based on the percentage change in the annual CPI rate during the prior two calendar years.

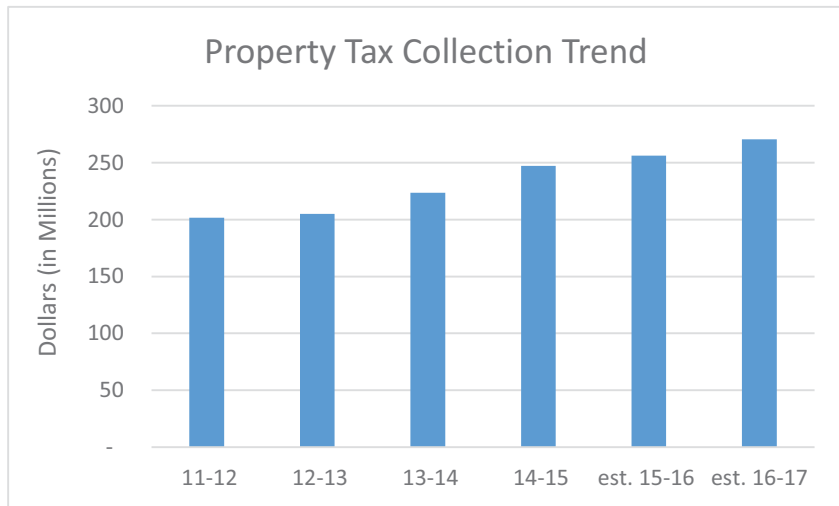
GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX	
2014-2015 Actual	\$ 247,258,146
2015-2016 Adopted	\$ 255,210,000
2016-2017 Forecast	\$ 270,625,000
2016-2017 Proposed	\$270,625,000
% of General Fund	25.9 %
% Change from 2015-2016 Adopted	6.0 %

Revenue Estimates

Property Tax Category	Proposed Budget
Secured Property Tax	\$ 248,300,000
Unsecured Property Tax	14,238,000
SB 813 Property Tax	4,422,000
Aircraft Property Tax	2,635,000
Homeowner's Property Tax Relief Exemption	1,030,000
Total	\$ 270,625,000

Property Tax receipts of \$260.8 million are projected for 2015-2016, which represents 5.5% growth from the prior year. The 2015-2016 projection reflects continued growth, but at a slightly more moderate pace, as well as a 1.998% California Consumer Price Index (CCPI) assessed in the Secured Property Tax category.



The County of Santa Clara provided information about an anticipated one-time payment

to the City of San José as a result of an Educational Revenue Augmentation Fund (ERAF) payment. Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder will be returned to the taxing entities that contributed to it. It is anticipated that a payment of \$6.6 million will be distributed to the City of San José in 2015-2016, which is slightly above the ERAF payment received in 2014-2015 of \$6.0 million and approximately \$4.6 million higher than what was assumed in the 2015-2016 Budget. This has been included in the development of the estimate for 2015-2016 Ending Fund Balance/2016-2017 Beginning Fund Balance. In 2016-2017, an ERAF payment of \$2.0 million is assumed as this revenue stream may vary from year to year and the higher levels received in the last two years may not be sustained.

GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

Revenue Estimates

In 2016-2017, Property Tax receipts are estimated at \$270.6 million, which reflects growth of 3.8% over the estimated 2015-2016 collections. However, excluding the ERAF payments from 2015-2016 and 2016-2017, the adjusted growth in 2016-2017 is 5.7%. The 2016-2017 estimate reflects continued solid growth as well as a 1.53% CCPI increase that will be assumed in the Secured Property Tax category.

Secured Property Tax

Secured Property Taxes account for over 90% of the revenues in this category. In 2015-2016, Secured Property Tax receipts are expected to total \$238.8 million, reflecting an increase of 6.4% from the 2014-2015 collection level. This reflects an increase in assessed value for 2015-2016, due to the California Consumer Price Index (CCPI) increase of 1.998%, an ERAF payment of \$6.6 million, increased valuation due to changes in ownership or new construction, and the full or partial restoration of property values that were temporarily reassessed downwards under Proposition 8 due to the declining market value. On a County-wide basis, the 2015-2016 roll growth was driven primarily by changes in ownership (42.7%), new construction (15.8%), change in the CCPI (15.79%), and Proposition 8 adjustments (9.45%).

In 2016-2017, Secured Property Tax receipts, which will be based on real estate activity through January 1, 2016, are expected to increase by 4.0% to \$248.3 million. As discussed above, an ERAF payment of \$2.0 million is incorporated into the 2016-2017 Secured Property Tax estimate. Excluding ERAF payments, year-over-year growth of 6.0% is assumed. This projected increase is related to two factors: the change in the CCPI and the net change in residential and commercial valuation. Under Proposition 13, assessed values of all real property adjust with the CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustment. The CCPI adjustment for the 2016-2017 tax roll is 1.525%; below the prior year level of 1.998%.

A net increase in residential and commercial valuation is also anticipated from the combination of changes in ownership, new construction, and the continued partial or full restoration of property values that had previously been reassessed downward under Proposition 8 due to declining home values. The majority of properties that had been adjusted downwards during the “Great Recession” have been fully or partially restored. As a result, these adjustments are expected to be less of a contributing factor to the growth in this category than experienced in recent years. The increases in property sale prices will continue to be a positive factor driving growth in this category. In calendar year 2015, residential real estate experience gains as the December 2015 median sales price of \$825,000 for single-family homes was 10.0% above the December 2014 level of \$750,000.

Unsecured Property Tax

Unsecured Property Taxes are the second largest revenue source in this category. Growth in this category is driven primarily by increases in the value of personal property (e.g. equipment and machinery used by business and industry for manufacturing and production). During the last decade, performance in this category has been volatile with annual growth or declines reaching double-digit

GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

Revenue Estimates

Unsecured Property Tax (Cont'd.)

levels based primarily on the strength of the local business sector. Based on actual collections, Unsecured Property Tax receipts are estimated at \$14.0 million in 2015-2016, which is 5.7% above the prior year level of \$13.2 million. Collections are expected to increase 2.0% in 2016-2017 to \$14.2 million based on the current economic conditions.

Other

It is estimated that an additional \$8.1 million will be received from the following: SB 813 Property Tax (\$4.4 million), Airplane Property Tax (\$2.6 million), and Homeowners Property Tax Relief (\$1.0 million).

GENERAL FUND REVENUE ESTIMATES

SALES TAX	
2014-2015 Actual	\$ 180,406,910
2015-2016 Adopted	\$ 190,260,000
2016-2017 Forecast	\$ 194,695,553
2016-2017 Proposed	\$194,695,553
% of General Fund	18.6 %
% Change from 2015-2016 Adopted	2.3 %

* The 2016-2017 Forecast was increased \$500,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

Distribution of Sales Tax

Sales Tax Category	Proposed Budget
General Sales Tax	\$ 188,754,553
Proposition 172 Sales Tax	5,941,000
Total	\$ 194,695,553

As shown in the following table, the City receives 1.0% of the 8.75% Sales Tax collected for items sold in San José. In addition, the City receives a portion of the Public Safety Fund (Proposition 172) Sales Tax collected State-wide.

Agency	Distribution Percentage	Revenue Estimates
State of California	5.750%	Excluding one-time revenues associated with the “Triple Flip ³ ” wind down, Sales Tax receipts are estimated to generate \$189.1 million in 2015-2016, which is up 4.8% from the 2014-2015 collection level. In 2016-2017, Sales Tax receipts are projected at \$194.7 million, a 3.0% increase from the 2015-2016 estimated collection level.
City of San José	1.000%	
Santa Clara County	0.875%	
Santa Clara Valley Transportation Authority	0.625%	
Public Safety Fund (Proposition 172)	0.500%	
Total Sales Tax Rate	8.750%	

General Sales Tax

The General Sales Tax revenue estimate is built on estimated collections of \$184.1 million in 2015-2016 (excluding the one-time funding from the Triple Flip wind down), which reflects a 5.0% increase from the 2014-2015 collection level. Collections in 2015-2016 will be impacted by prior year accrual adjustments and the Triple Flip prior year payment from the State.

³ As part of the Proposition 57 State fiscal recovery funding mechanism (passed by the voters in March 2004), one-quarter cent of the City’s one cent Bradley Burns sales tax has been temporarily suspended and replaced dollar-for-dollar with property tax revenue. This action, which went into effect on July 1, 2004, was to remain in effect until the State’s bond obligations were satisfied. These bonds were paid off and the Triple Flip will sunset in 2015-2016.

GENERAL FUND REVENUE ESTIMATES

SALES TAX

General Sales Tax (Cont'd.)

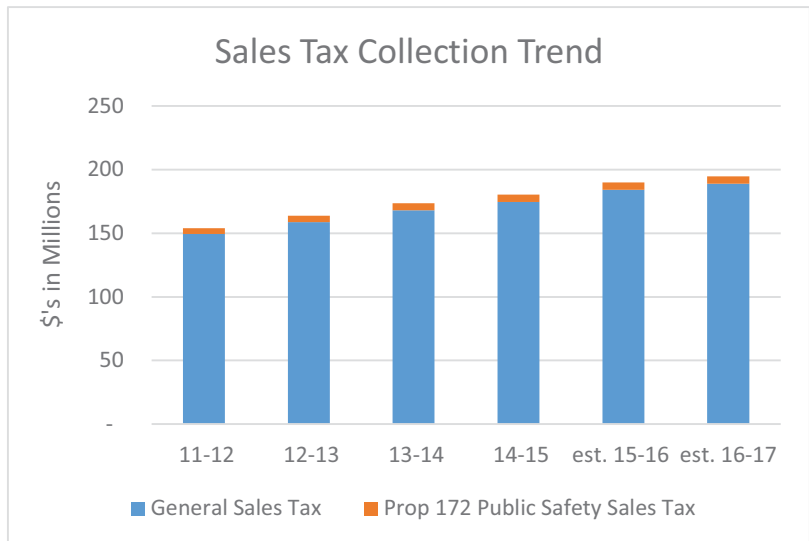
Sales Tax by Economic Sector

Economic Sector	% of Total Revenue
General Retail	28.6%
Transportation	22.4%
Business-to-Business	22.2%
Food Products	16.0%
Construction	10.1%
Miscellaneous	0.7%
Total	100.0%

Source: MuniServices, October 2014 - December 2015 quarter

The first quarter 2015-2016 General Sales Tax revenues were up 2.9% while receipts in the second quarter which covers the holiday period, were up 7.9% from the same quarter in the prior year compared to the budgeted estimate of 4%. However, due to a business reporting erroneously to San José, approximately \$876,000 will be reversed, resulting in growth of 6.0% in the second quarter (5.0% growth is assumed ongoing for purposes of developing the 2016-2017 estimate). Growth of 4.0% is assumed for

the remaining two quarters. In 2016-2017, the General Sales Tax revenue estimate is \$188.8 million, reflecting an increase of 3.0% from the estimated 2015-2016 collection level. This reflects underlying growth in taxable sales activity of 3.5% applied to an adjusted base in 2015-2016 that excludes one-time adjustments. As shown in the chart, a number of economic sectors contributed to the total Sales Tax receipts though nearly 75% was generated from General Retail, Transportation, and Business to Business categories.



In 2015-2016, the wind down of the Triple Flip is anticipated. Based on information from the City’s Sales Tax consultant, MuniServices anticipated adjustments associated with the 2015-2016 Triple Flip payment (including the 2014-2015 true-up payment received in January 2016 and the final true-up payment anticipated in August 2016, which will be accrued to 2015-2016), revenues are projected to exceed the budgeted estimate of \$184.1 million by approximately \$12.1 million. This additional revenue has been included in the development estimate for the 2015-2016 Ending Fund Balance/2016-2017 Beginning Fund Balance and allocated as part of the 2016-2017 Proposed Budget. The figures described above exclude the one-time “Triple Flip” wind down payment.

Public Safety (Proposition 172) Sales Tax

Proposition 172 Sales Tax collections (representing the one-half cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs) are expected to total \$5.7 million in 2015-2016, which is at the prior year collection level. In 2016-2017, collections are projected to increase 3.5%, to \$5.9 million.

GENERAL FUND REVENUE ESTIMATES

TRANSIENT OCCUPANCY TAX

2014-2015 Actual	\$ 14,734,573
2015-2016 Adopted	\$ 14,700,000
2016-2017 Forecast	\$ 17,821,000
2016-2017 Proposed	\$ 17,821,000
% of General Fund	1.7 %
% Change from 2015-2016 Adopted	21.2 %

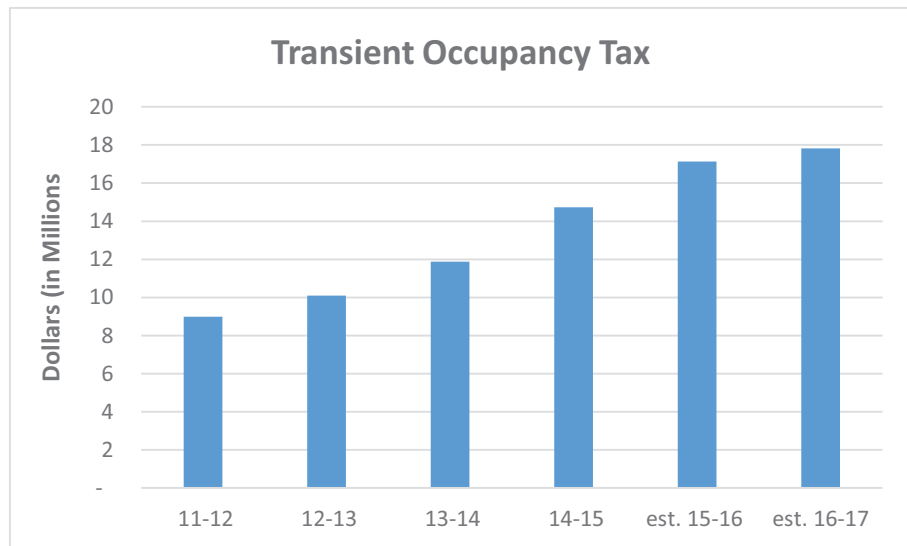
Distribution of Transient Occupancy Tax

The City of San José assesses a ten percent Transient Occupancy Tax (TOT) on the rental price for transient lodging. Of this ten percent, six percent is placed in the Transient Occupancy Tax Fund and four percent is deposited in the General Fund. This discussion addresses the portion of the Transient Occupancy Tax that is allocated to the General Fund.

In addition, as directed in the Mayor's March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, the growth in Transient Occupancy Tax receipts over the 2013-2014 actual collection level are to be set aside in a Cultural Facilities Capital Maintenance Reserve.

Revenue Estimates

Transient Occupancy Tax (TOT) receipts in 2015-2016 are projected to reach \$17.1 million, reflecting an increase of 15.8% from the 2014-2015 collection level. Current year receipts mark the sixth year of growth and the fifth year of double-digit strong growth in this category.



Overall, the hotel industry continues to experience year-over-year growth in fiscal year 2015-2016 with increases in average daily room rates (approximately 13%), and an average revenue-per-available room (approximately 12.3%).

In 2016-2017, growth of 4.0% from the 2015-2016 estimate to \$17.8 million is anticipated based on information received from the City's consultant, Conventions, Sports and Leisure (CSL), which reflects continued strong performance in this category. Of this amount, \$5.9 million will be allocated to the Cultural Facilities Capital Maintenance Reserve.

GENERAL FUND REVENUE ESTIMATES

FRANCHISE FEES	
2014-2015 Actual	\$ 46,908,554
2015-2016 Adopted	\$ 47,582,232
2016-2017 Forecast	\$ 48,903,200
2017-2018 Proposed	\$48,916,811
% of General Fund	4.7 %
% Change from 2015-2016 Adopted	2.8 %

Revenue Estimates

Franchise Category	Proposed Budget
Electric	\$ 20,818,000
Gas	4,794,000
Commercial Solid Waste	11,413,611
Cable Television	10,608,000
City Generated Tow	900,000
Great Oaks Water	311,000
Nitrogen Gas Pipeline Fees	66,000
Jet Fuel Pipeline Fees	6,000
Total	\$ 48,916,811

Overall, collections are projected at \$48.1 million in 2015-2016, an increase of 2.5% from prior year receipts of \$46.9 million. The increase in 2015-2016 is primarily due to higher collections in Electric and Cable Television services. In 2016-2017, Franchise Fees are expected to increase 1.7% to \$48.9 million due to growth in the Gas (2.0%), Electric (2.0%), Cable (2.0%), Commercial Solid Waste (0.6%), and Great Oaks Water (15.2%) categories, including a \$13,611 increase generated from the CPI adjustment to the Commercial Solid Waste fees recommended in 2016-2017.

Electricity, Gas, and Water Utility Services

Franchise Fees for electricity and gas services provided by Pacific Gas & Electric (PG&E) are based on the revenues of that company in the calendar year (revenues in 2015-2016 are based on calendar year 2015, and the 2015-2016 estimates reflect actual data from PG&E). Projections in this category are typically based upon an examination of electricity and gas rate changes, industry actions, and actual collection patterns in the utility tax categories.

In the Electric Franchise Fee category, collections in 2015-2016 are expected to reach \$20.4 million, reflecting growth of 3.0 % compared to actual receipts in 2014-2015. In 2016-2017, growth of 2.0% from 2015-2016 estimates is anticipated.

In the Gas Franchise Fee Category, the 2015-2016 estimated collections of \$4.7 million reflect a 0.7% increase from the \$4.67 million received in the prior year. In 2016-2017, Gas Franchise Fee collections are projected to increase by 2.0%.

GENERAL FUND REVENUE ESTIMATES

FRANCHISE FEES

Revenue Estimates

Electricity, Gas, and Water Utility Services (Cont'd.)

Water Franchise Fees are expected to total \$270,000 in 2015-2016, a 0.6% decline from the 2014-2015 collection level of \$272,000. This decline reflects the combined impact of significant water conservation efforts as a result of the current drought in California, partially offset by rate increases driven by increases in the wholesale price of water. In 2016-2017, estimated collections of \$311,000 reflect the continuation of the current trend with rate increases due to higher water costs, offset by declines in consumption in response to the drought.

Commercial Solid Waste

Commercial Solid Waste (CSW) Franchise Fee collections are estimated to reach budgeted levels of \$11.3 million in 2015-2016, a 1.5% increase from the prior year collections. Effective July 1, 2012, the CSW fee is charged to franchises based on geographic collection districts rather than volume. The revised fee structure started with a base of \$5.0 million per year for each of two geographic collection districts plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and the South District. This structure is subject to an annual increase based on the percentage change in the annual CPI rate during the prior two calendar years. It should be noted that this increase is not automatic, a 1.46% increase was approved in 2014-2015 and 0.69% was approved in 2015-2016. Included in this document is a 0.12% increase, which will generate an additional \$14,000 and is incorporated into the revenue estimate, bringing the budgeted estimate to \$11.4 million in 2016-2017. This 0.12% increase in the franchise fees is based on a percentage change in the annual CPI rate during the prior two calendar years.

Cable Television

The 2015-2016 Cable Television Franchise Fee estimate is \$10.4 million, which is 4.0% above the 2014-2015 actual collection level of \$10.0 million. In 2016-2017, estimated collections of \$10.6 million reflect projected modest growth of 2.0%.

City-Generated Towing, Nitrogen and Jet Fuel Pipelines

In the City-Generated Towing category, projected revenues of \$900,000 in 2016-2017 are at anticipated 2015-2016 collections. The Nitrogen and Jet Fuel Pipeline Franchise Fees are anticipated to generate \$72,000 in both 2015-2016 and 2016-2017.

GENERAL FUND REVENUE ESTIMATES

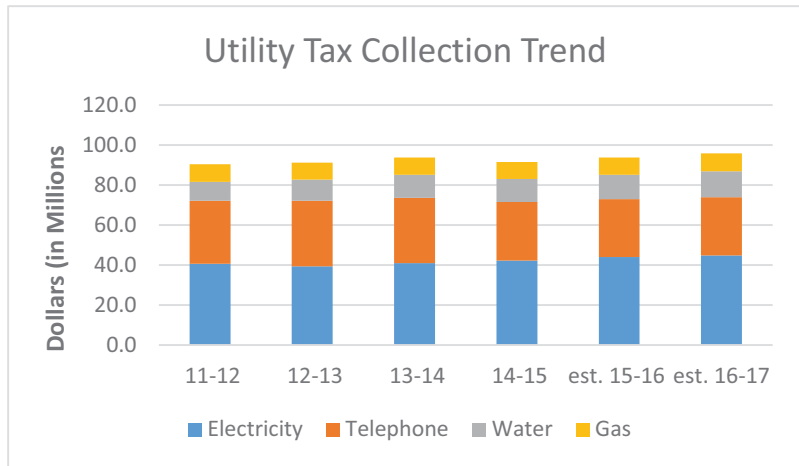
UTILITY TAX	
2014-2015 Actual	\$ 91,547,669
2015-2016 Adopted	\$ 93,825,000
2016-2017 Forecast	\$ 95,749,500
2016-2017 Proposed	\$ 95,749,500
% of General Fund	9.2 %
% Change from 2015-2016 Adopted	2.1 %

Revenue Estimates

Utility Tax Category	Proposed Budget
Electricity	\$ 44,818,000
Gas	8,925,000
Water	12,960,000
Telephone	29,046,500
Total	\$ 95,749,500

Utility Taxes are imposed on electricity, gas, water, and telephone usage. Collections in 2015-2016 are anticipated to total \$93.8 million, representing an increase of 2.4% from the 2014-2015 collection level.

In 2016-2017, Utility Tax collections are projected to increase 2.1% to \$95.7 million.



Electricity Utility Tax

The Electricity Utility Tax is anticipated to generate \$43.9 million in 2015-2016, a 4.0% increase from prior year levels. In 2016-2017, revenues are estimated to increase 2.0% to \$44.8 million, which annualizes 2015-2016 increases (January 2016 average system-wide 6.2% and March 2016 average system-wide 1.5% rate increases) and allows for some decline in consumption due to weather conditions and changes in sources of energy.

Gas Utility Tax

Gas Utility Taxes are anticipated to generate \$8.8 million in 2015-2016, a 3.2% increase from 2014-2015 levels, based on current collection trends. In 2016-2017, revenues are projected to increase by approximately 2.0% to \$8.9 million once the 2015-2016 rate changes and activity levels are annualized. Actual collections continue to be subject to significant fluctuations from the impact of weather conditions and/or rate changes.

GENERAL FUND REVENUE ESTIMATES

UTILITY TAXES

Revenue Estimates

Water Utility Tax

Water Utility Tax receipts of \$12.0 million are anticipated to be received in 2015-2016, a 4.0% increase from prior year collection levels. In 2016-2017, receipts are projected to increase 8.0% to \$13.0 million based on the continued rising wholesale price of water with an estimated increase in price in April 2016, July 2016, and January 2017 totaling approximately 16.0% with continued dampened consumption levels.

Telephone Utility Tax

In the Telephone Utility Tax category, revenues are collected on landlines, wireless, and VoIP. Based on current tracking, receipts in 2015-2016 are anticipated to reach \$29.1 million, an approximately 0.7% decline from 2014-2015 (\$29.3 million) due to lower receipts in cellular (-8.0%), partially offset by higher anticipated receipts in landline (\$700,000) and pre-paid wireless services (\$650,000).

Beginning January 1, 2016, AB 1717 (otherwise known as the Local Prepaid Mobile Telephony Services Collection Act) will require California retailers to collect the local utility users tax on prepaid wireless services at the same time it collects the sales tax on its other retail products. Under this new law, all local jurisdictions are required to contract with the Board of Equalization in order to receive their portion of local taxes imposed on prepaid wireless services sold by retailers. In 2015-2016, it is estimated that that new tax will generate approximately \$650,000 (\$1.2 million on an annual basis).

In 2016-2017, Telephone Utility Tax revenues are anticipated to remain relatively flat at \$29.05 million. Based on collection trends in recent years, cellular receipts are expected to continue to decline. This drop is expected to be roughly offset by the addition of local prepaid mobile services tax application that was implemented beginning January 1, 2016. Ongoing implications of the changes in service delivery of telecommunication activities through alternative services such as Wi-Fi and broadband are unknown.

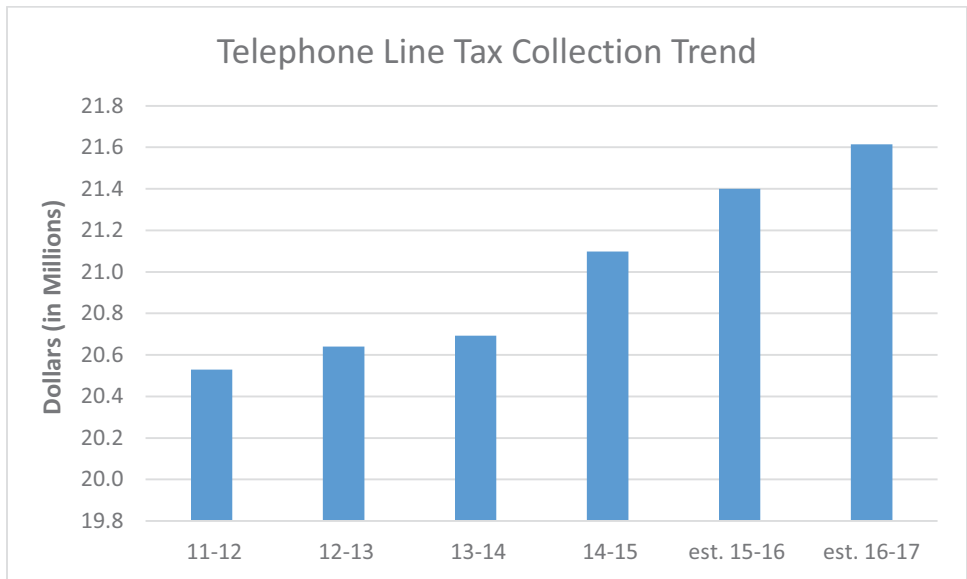
GENERAL FUND REVENUE ESTIMATES

TELEPHONE LINE TAX	
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2014-2015 Actual	\$ 21,097,282
2015-2016 Adopted	\$ 21,000,000
2016-2017 Forecast	\$ 21,614,000
2016-2017 Proposed	\$ 21,614,000
% of General Fund	2.1 %
% Change from 2015-2016 Adopted	2.9 %

Revenue Estimates

Based on the current collection trend for Telephone Line Tax, receipts in 2015-2016 are estimated to total \$21.4 million, a 1.4% increase from prior year levels. In 2016-2017, receipts are anticipated to increase to \$21.6 million.



GENERAL FUND REVENUE ESTIMATES

BUSINESS TAXES

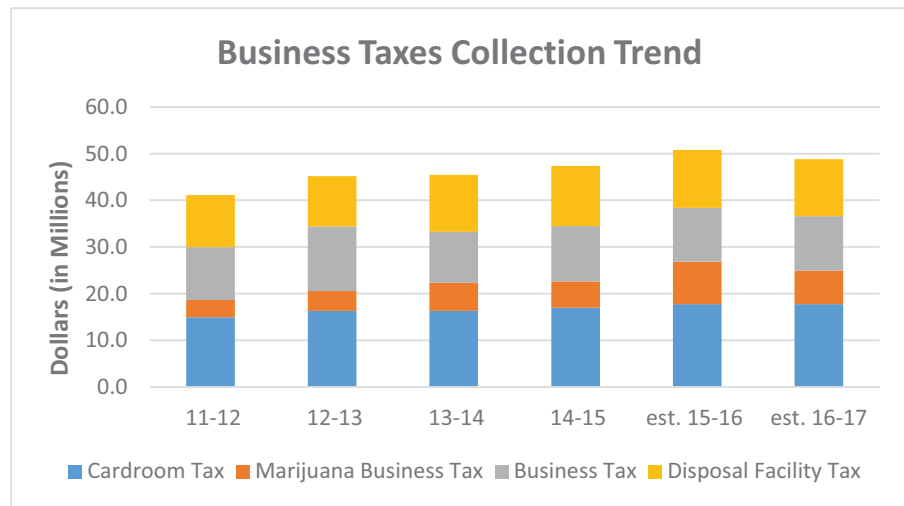
2014-2015 Actual	\$ 47,344,824
2015-2016 Adopted	\$ 44,425,000
2016-2017 Forecast	\$ 48,800,000
2016-2017 Proposed	\$ 48,800,000
% of General Fund	4.7 %
% Change from 2015-2016 Adopted	9.8 %

* The 2016-2017 Forecast was increased \$350,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

Revenue Estimates

Business Taxes Category	Proposed Budget
Cardroom Taxes	\$ 17,800,000
Marijuana Business Taxes	7,150,000
General Business Taxes	11,650,000
Disposal Facility Taxes	12,200,000
Total	\$ 48,800,000

In 2015-2016, Business Taxes are estimated to reach \$50.8 million, a 7.3% increase from prior year levels. In 2016-2017, revenues are estimated to decrease 3.9% to \$48.8 million due to decreases in Medical Marijuana Business Tax compliance revenue and Disposal Facility Tax.



Cardroom Tax

Based on current performance, collections in the Cardroom Tax category are estimated at \$17.8 million in 2015-2016, a 4.6% increase from prior year levels (\$17.0 million). Receipts are anticipated to remain at 2015-2016 levels in 2016-2017 with estimated collections of \$17.8 million.

Business Tax

In 2015-2016, General Business Tax revenues are expected to reach \$11.5 million, a decrease of 3.0% from the prior year level of \$11.9 million and takes into consideration the remaining billing cycles, account closeouts and clean-ups anticipated in 2015-2016. In 2016-2017, revenues are anticipated to increase 1.3% to \$11.7 million.

GENERAL FUND REVENUE ESTIMATES

BUSINESS TAXES

Revenue Estimates

Disposal Facility Tax

Disposal Facility Taxes (DFT) are business taxes based on the tons of solid waste disposed at landfills within the City. This revenue stream varies due to factors that affect the amount of waste generated and how it is disposed including: economic activity, weather, diversion programs, and price sensitivity to disposal rates. In past years, revenues in this category declined due, in large part, to increased waste diversion and the overall slowdown in the economy. However, in 2014-2015, collections of \$12.9 million grew 5.3% from prior year collection levels of \$12.2 million. This increase primarily reflected increased activity from neighboring agencies dumping in San José landfills. In 2015-2016, revenues are projected to reach \$12.4 million, a decrease of 3.7% from the prior year; and in 2016-2017, revenues are projected to fall 1.6% below estimated 2015-2016 levels to \$12.2 million, to the former trend of slight annual declines.

GENERAL FUND REVENUE ESTIMATES

LICENSES AND PERMITS

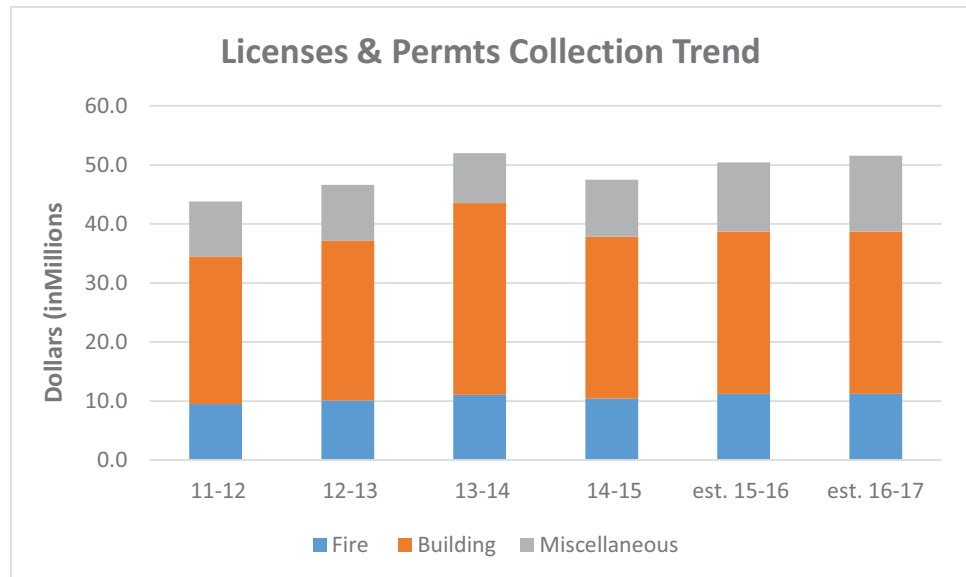
2014-2015 Actual	\$ 47,508,875
2015-2016 Adopted	\$ 48,721,223
2015-2016 Forecast	\$ 50,632,528
2016-2017 Proposed	\$ 51,572,553
% of General Fund	4.9 %
% Change from 2015-2016 Adopted	5.9 %

* The 2015-2016 Forecast was decreased \$185,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

Revenue Estimates

Licenses and Permits Category	Proposed Budget
Building	\$ 27,500,000
Fire Permits	11,211,000
Other Licenses and Permits	12,861,553
Total	\$ 51,572,553

The Licenses and Permits category contains fees and charges collected by various departments. The most significant revenue sources are development-related fees. Revenue collection levels are projected based on City Council-approved cost-recovery policies with the goal of a net-zero impact on the General Fund.



Building Permits

In 2015-2016, Building Permits revenue is projected to total \$27.5 million. This revenue estimate assumes the continuation of strong development performance, though below the recent peak activity levels seen in 2013-2014. In 2016-2017, a sustained level of activity is anticipated with Building Permits revenue estimated at \$27.5 million. The Building Development Fee Program costs are expected to exceed this estimated revenue level in 2016-2017. The Building Development Fee Program Reserve, however, is sufficient to support the base program costs as well as the program additions in 2016-2017 without a general fee increase.

GENERAL FUND REVENUE ESTIMATES

LICENSES AND PERMITS

Revenue Estimates

Building Permits (Cont'd.)

In the 2017-2021 February Forecast, it was assumed that the use of \$6.9 million of the Building Development Fee Program Reserve would be necessary to balance this fee program in 2016-2017. In addition, a number of expenditure proposals totaling \$2.0 million are recommended, resulting in the addition of 7.5 positions and non-personal/equipment expenditures in order to improve target cycle times and customer service levels and begin implementation of the Integrated Permit System. In total, \$8.9 million of the Building Development Fee Program will be used to balance this fee program and remain 100% cost recovery in 2016-2017. After accounting for these adjustments, a remaining Building Development Fee Program Reserve of \$13.8 million at the beginning of 2016-2017 is estimated, primarily for works-in-progress projects.

Additional detail on these budget actions is provided in the Planning, Building and Code Enforcement, Finance, and Information Technology Departments under the *City Departments* section of this document. A more detailed description of the various fees is provided in the 2016-2017 Fees and Charges document that is released under separate cover.

Fire Permits

In 2016-2017, the Fire Permits revenue estimate of \$11.2 million aligns with the 2015-2016 collection level of \$11.2 million. This fee program includes both the Development and Non-Development Fee areas. To maintain cost recovery in these areas and ensure that service delivery needs are met for 2016-2017, a number of budget actions are included in this document.

In the Fire Development Fee Program area, the 2016-2017 revenue estimate of \$7.0 million, is 0.8% above the 2015-2016 estimated collection level of \$6.9 million. The 2016-2017 revenue estimate assumes steady development performance. The Fire Development Fee Program costs are expected to exceed estimated revenue level in 2016-2017. The Fire Development Fee Program Reserve, however, is sufficient to support the base program costs as well as the program additions in 2016-2017 without a general fee increase. In the 2017-2021 February Forecast, it was assumed that the use of \$610,000 of the Fire Development Fee Program Reserve would be necessary to balance this fee program in 2016-2017. In addition, a few expenditure proposals totaling \$421,000 are recommended, including shared resources, to improve current cycle time performance in plan check and inspection activities and raise performance levels to meet customer needs as well as begin implementation of the new Integrated Permit System. In total \$1.03 million of the Fire Development Fee Program will be used to balance this fee program and remain 100% cost recovery in 2016-2017. After accounting for these adjustments, a remaining Fire Development Fee Program Reserve of \$4.7 million at the beginning of 2016-2017 is estimated, primarily for works-in progress projects.

In the Fire Non-Development Fee area, the 2016-2017 revenue estimate of \$4.3 million aligns with the current 2015-2016 estimate. Overtime funding to help improve the percentage of occupancies (state-mandated and assemblies) receiving inspections is recommended.

GENERAL FUND REVENUE ESTIMATES

LICENSES AND PERMITS

Revenue Estimates

Fire Permits (Cont'd.)

Additional detail on these budget actions is provided in the Fire Department under the *City Departments* section of this document. A more detailed description of the various fees is provided in the 2016-2017 Fees and Charges document that is released under separate cover.

Miscellaneous Other Licenses and Permits

The 2016-2017 Proposed Budget includes \$12.9 million for a variety of other Licenses and Permits; a net increase of \$884,000 from the 2016-2017 Revised Forecast level of \$12.0 million. This increase primarily reflects an additional \$533,000 for Medical Marijuana fees to reflect updated costs associated with this program, including the cost of a temporary Planner III position to work on preparing and reviewing environmental analyses for Municipal code amendments associated with expanding medical marijuana operations in the City and consultant services for the preparation of the necessary environmental documents.

Additional adjustments resulting in an increase of \$351,000 reflect fee adjustments to maintain cost-recovery and anticipated changes in activity levels. These adjustments include:

- An increase of \$186,000 for the Multiple Housing Occupancy Permits.
- An increase of \$130,000 to adjust various Police Department permits to reflect various fee revisions and maintain cost recovery levels;
- An increase of \$31,000 to adjust various PBCE fees to reflect various fee revisions and maintain cost recovery levels; and
- An increase of \$4,000 to adjust the Transportation Department Taxi Stand fees to maintain cost recovery levels.

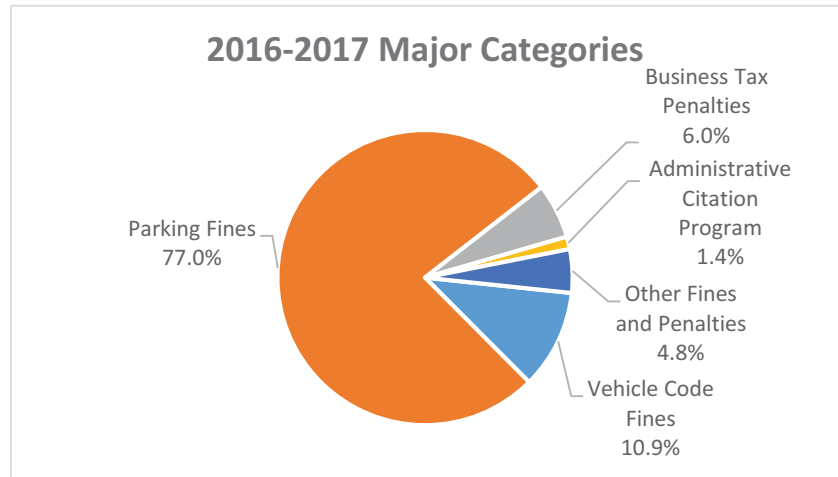
GENERAL FUND REVENUE ESTIMATES

FINES, FORFEITURES, AND PENALTIES

2014-2015 Actual	\$ 14,491,424
2015-2016 Adopted	\$ 15,356,042
2016-2017 Forecast	\$ 14,910,600
2016-2017 Proposed	\$ 14,910,600
% of General Fund	1.4 %
% Change from 2015-2016 Adopted	(2.9%)

Revenue Estimates

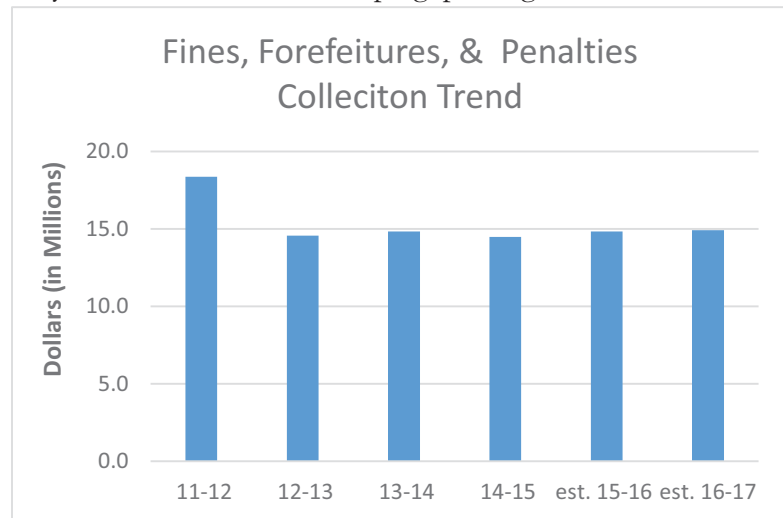
In 2016-2017, overall collections of \$14.9 million are projected in the Fines, Forfeitures, and Penalties category, which is slightly above the 2015-2016 estimate. Following is a discussion of major components of this category.



Parking Fines

Parking Fines are expected to generate approximately \$11.0 million in 2015-2016, 7.8% above 2014-2015 actuals collections of \$10.2 million.

In 2016-2017, Parking Fines revenues are expected to increase \$125,000 to \$11.1 million. Issuance of citations for non-compliance with safety-related and street sweeping parking violations, such as parking in a bike path or blocking disabled sidewalk access, or parking in a posted No Parking zone for street sweeping activities, is one tool the Transportation Department uses to heighten awareness around roadway safety, with the goal of changing driver behavior.



In addition to parking fines, collections of \$350,000 are anticipated in 2016-2017 from the City's participation in a program under which the State of California Franchise Tax Board collects past-due parking fines on behalf of the City. This estimate is consistent with projected 2015-2016 collections and slightly below actual collections of \$368,000 in 2014-2015.

GENERAL FUND REVENUE ESTIMATES

FINES, FORFEITURES, AND PENALTIES

Revenue Estimates

Vehicle Code and Municipal Court Fines

In 2016-2017, Vehicle Code Fines are estimated at \$1.2 million and the Municipal Court Fines are expected to reach \$380,000, consistent with current tracking for these categories.

Business Tax Penalties

Business Tax penalties are projected at \$900,000 for 2016-2017, which is slightly below the 2015-2016 estimate of \$950,000 as this category can fluctuate from year to year.

Administrative Citation Program

The 2016-2017 Administrative Citation Program is projected to generate \$205,000 in total collections, including \$175,000 in fines and an additional \$30,000 in penalties. This collection level is consistent with the 2015-2016 year-end estimates.

Other Fines and Penalties

Other Fines and Penalties of \$711,000 are estimated to be received in 2016-2017 and reflect a variety of sources, including but not limited to: \$250,000 for Code Enforcement administrative remedies, \$125,000 multiple housing permit penalties, \$120,000 associated with Fire safety penalties, \$100,000 in Blight Fines, \$40,000 in False Alarm Fines, and \$76,000 in other fines and penalties.

GENERAL FUND REVENUE ESTIMATES

REVENUE FROM USE OF MONEY AND PROPERTY

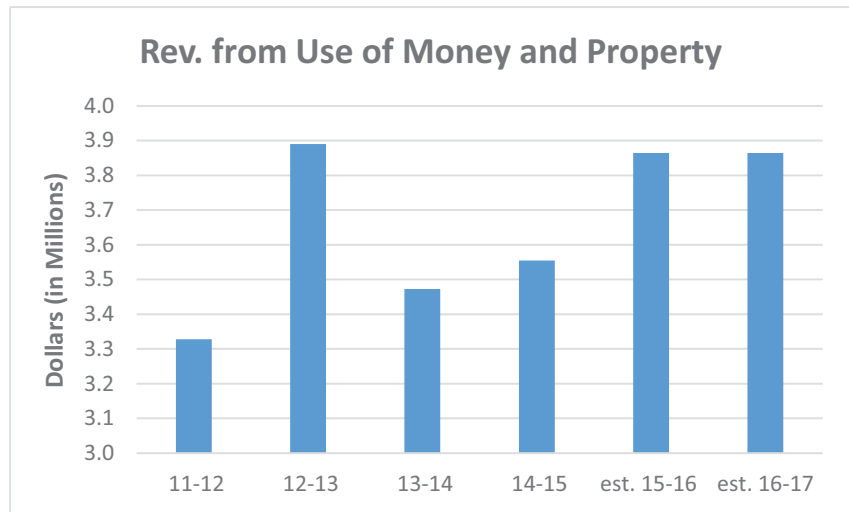
2014-2015 Actual	\$ 3,554,354
2015-2016 Adopted	\$ 3,414,999
2016-2017 Forecast	\$ 3,863,935
2016-2017 Proposed	\$ 3,863,935
% of General Fund	0.4 %
% Change from 2015-2016 Adopted	13.1 %

Revenue Estimates

In 2016-2017, overall collections of \$3.9 million are projected in the Use of Money and Property category.

Rental of City-Owned Property

In 2016-2017 it is anticipated that approximately \$2.3 million will be generated from the rental of City-owned property compared to estimated collections of \$2.6 million in 2015-2016. This decline reflects the expiration of two telecommunication leases in 2016-2017.



General Fund Interest Earnings

This anticipated collection levels in 2015-2016 and 2016-2017 for interest earnings is \$1.0 million, which is 14.8% above 2014-2015 actuals of \$871,000.

Miscellaneous Collections

An additional \$540,000 in miscellaneous sources is estimated to be generated in 2016-2017 primarily from Subrogation Recovery (\$300,000), Property Tax and Conveyance Tax Interest (\$100,000), the rental of the 4th Street banquet facility (\$50,000), and Fairmont Catering (\$50,000).

GENERAL FUND REVENUE ESTIMATES

REVENUE FROM LOCAL AGENCIES

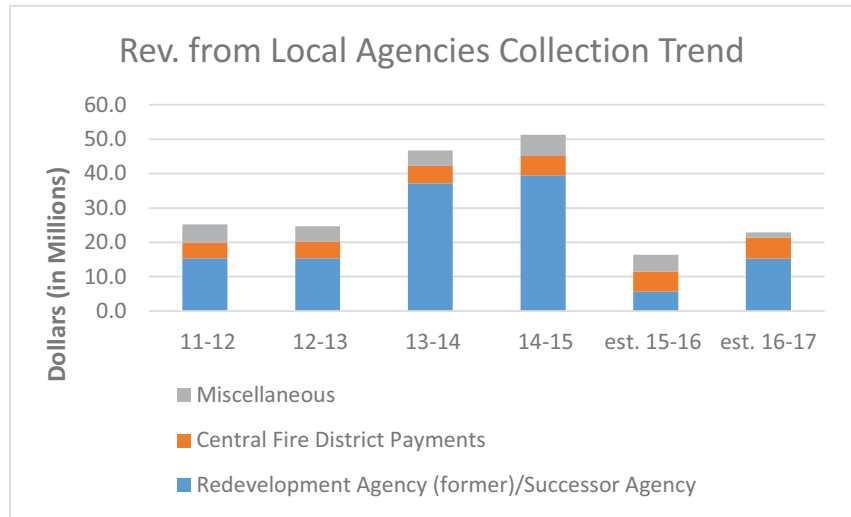
2014-2015 Actual	\$ 39,893,013
2015-2016 Adopted	\$ 23,909,616
2016-2017 Forecast	\$ 22,875,000
2016-2017 Proposed	\$ 22,875,000
% of General Fund	2.2 %
% Change from 2015-2016 Adopted	(4.3 %)

Revenue Estimates

In 2016-2017, revenue of \$23.9 million is projected from other local agencies, such as the Successor Agency to the Redevelopment Agency and Central Fire District, to reimburse the City for services provided.

Successor Agency to the Redevelopment Agency

In 2016-2017, a reimbursement from the Successor Agency to the Redevelopment Agency of \$15.3 million is budgeted to reimburse the General Fund for the Convention Center Lease payments. A corresponding expenditure is assumed in the City-Wide Expenses category for this debt service payment. This is \$9.8 million above the 2015-2016 estimate of \$5.48 million. When the 2015-2016 Adopted Budget was developed, it was assumed that SARA would reimburse the City for the Convention Center Debt Service payment that is budgeted in the General Fund of \$15.28 million. However, as part of the 2014-2015 Annual Report actions approved by the City Council in October 2015, the reimbursement was reduced by \$9.8 million to \$5.48 million as a result of Senate Bill 107 that disallowed the reimbursement mechanism used to pay this obligation. The General Fund has been advancing funds to SARA since 2012-2013 to pay debt service on certain City-backed debt, including the Convention Center payment. A reimbursement agreement was established between the City and SARA to reimburse the General Fund within the same fiscal year the advance was made for fiscal years 2012-2013 through 2014-2015, using redevelopment funds for the following period. Due to the passage of Senate Bill 107 on September 22, 2015, which amended redevelopment dissolution law, the mechanism allowing SARA to reimburse the City on an intra-year basis was disallowed. As such the City did not receive reimbursement for the 2015-2016 loan from the General Fund of approximately \$9.8 million in August 2015 to cover the Convention Center debt payment. The loan will not be repaid until there is sufficient property tax revenue to pay all other enforceable obligations, since obligations to the City are subordinate to all other enforceable obligations, which is expected in 10 to 15 years. Using the current level of annual distributions from the Redevelopment Property Tax Trust



GENERAL FUND REVENUE ESTIMATES

REVENUE FROM LOCAL AGENCIES

Revenue Estimates

Successor Agency to the Redevelopment Agency

Fund (RPTTF) and the continued ability to reserve RPTTF each year for debt service, it is anticipated SARA will be able to pay all of its debt service going forward.

This obligation however, continues to be evaluated as part of the winding down of the Successor Agency and the method, timing, and ability to reimburse the payment continues to be under review.

Central Fire District

The City receives reimbursement from the Central Fire District for the County areas covered by the San José Fire Department. These payments are based on the property tax assessments for fire services collected in those areas, which are passed on to the City. Based on an estimate provided by Central Fire District staff, the 2015-2016 payment is expected to total approximately \$5.8 million. This reflects an increase of 2.2% from 2014-2015 levels. In 2016-2017, collections of \$6.2 million are anticipated.

Other Miscellaneous Payments

In 2016-2017, other projected payments from local agencies total \$1.4 million, the largest of which are reimbursements for services provided by the Animal Care and Services Program (\$930,000), payments associated with the annexation of the Cambrian area to the City of Campbell (\$199,000), County Social Services (\$127,000), and other revenue totaling \$185,000.

The ongoing payment from the County of Santa Clara for the first responder advanced life support program (Paramedic Program) was eliminated from the budget beginning in 2014-2015 and the Proposed Budget continues to assume no revenue collections in 2016-2017. Beginning in 2013-2014, the County began withholding payments for the first responder advanced life support program (Paramedic Program) because the City had not met the response time performance standards set forth in the agreement with the County. In 2014, the City and County continued to negotiate regarding this issue and executed a Second Agreement to the 911 Emergency Medical Services (EMS) Provider Agreement in December 2014 that expired December 2015. Under this agreement, additional Annex B, Category A funds totaling approximately \$450,000 are expected to be received in 2015-2016 and \$2.0 million was received in 2014-2015 to account for back payments from April 2013 through 2014-2015. If an agreement is extended through the remainder of the year, approximately \$900,000 may be received in 2015-2016. For 2016-2017 and beyond, the City and County will begin discussions over the next several months on a new 911 EMS Provider Agreement as the primary agreement expires June 30, 2016. If an agreement is reached, corresponding reimbursements revenue for next year will be incorporated in the budget, as appropriate. It should be noted that the direct incremental cost to the City to provide the paramedic program totals over \$5.0 million annually.

GENERAL FUND REVENUE ESTIMATES

REVENUE FROM THE STATE OF CALIFORNIA

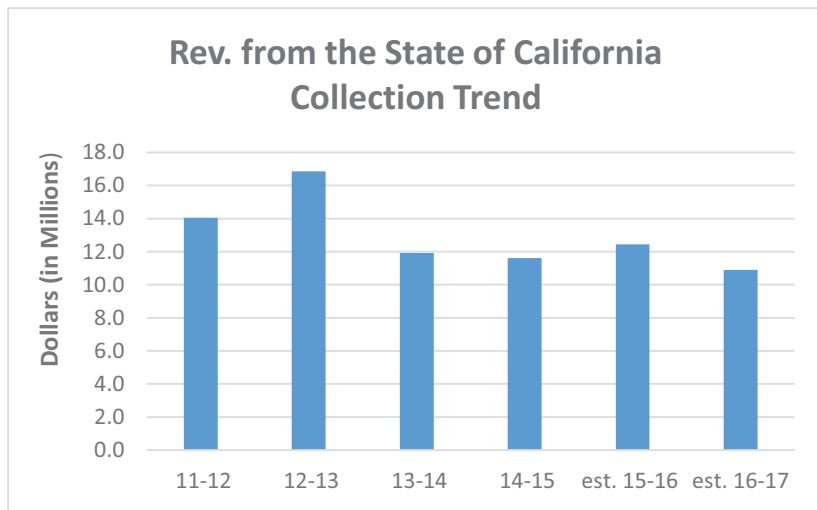
2014-2015 Actual	\$ 11,604,847
2015-2016 Adopted	\$ 11,370,763
2016-2017 Forecast*	\$ 10,619,429
2016-2017 Proposed	\$10,902,929
% of General Fund	1.0 %
% Change from 2015-2016 Adopted	(4.1 %)

* The 2016-2017 Forecast was increased \$178,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section

Revenue Estimates

Revenues in this category include Tobacco Settlement and State Grants/Reimbursements.

Collections in this category are estimated to reach \$12.4 million in 2015-2016 and decrease to \$10.9 million in 2016-2017. This decrease reflects the elimination of one-time grants and reimbursements.



Tobacco Settlement Revenue

Beginning in 2010-2011, Tobacco Settlement revenue from the State is deposited in the General Fund. Based on the most recent information from the State, the 2015-2016 Tobacco Settlement payments total \$8.9 million, below the \$9.4 million received in 2014-2015. In 2016-2017, collections are anticipated to remain at the 2015-2016 level of \$8.9 million.

State Grants/Reimbursements

On an annual basis, the City receives a number of grants and reimbursements. The following State grants and reimbursements are expected in 2016-2017: Abandoned Vehicles Abatement (\$675,000); Auto Theft reimbursement (\$300,000); Highway Maintenance Charges reimbursement (\$105,000); Strategic Growth Council Grant (\$100,000); California Gang Reduction, Intervention and Prevention (CALGRIP) Grant (\$147,000); and Local Enforcement Agency Grant for Planning, Building and Code Enforcement Department (\$30,000).

GENERAL FUND REVENUE ESTIMATES

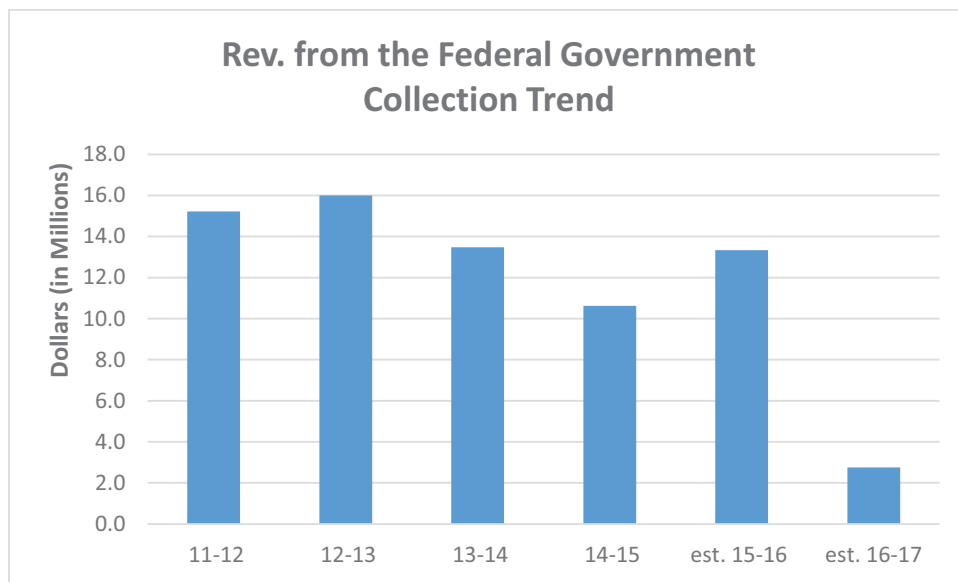
REVENUE FROM THE FEDERAL GOVERNMENT

2014-2015 Actual	\$ 10,626,611
2015-2016 Adopted	\$ 9,083,802
2016-2017 Forecast*	\$ 2,526,566
2016-2017 Proposed	\$2,754,566
% of General Fund	0.3 %
% Change from 2015-2016 Adopted	(69.7 %)

* The 2016-2017 Forecast was increased \$88,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section

Revenue Estimates

The revenue in this category is received from various grant programs. The following grants are anticipated in 2016-2017: Fire Staffing for Adequate Fire and Emergency Response grant (SAFER) (\$1.8 million); Emergency Management Performance Grant (EPMG) (\$738,000); and FEMA Training Reimbursement (\$35,000). The corresponding expenditures are included in this budget.



GENERAL FUND REVENUE ESTIMATES

DEPARTMENTAL CHARGES

2014-2015 Actual	\$ 41,704,532
2015-2016 Adopted	\$ 40,923,558
2015-2016 Forecast*	\$ 39,782,190
2016-2017 Proposed	\$ 41,681,974
% of General Fund	4.0 %
% Change from 2014-2015 Adopted	1.9 %

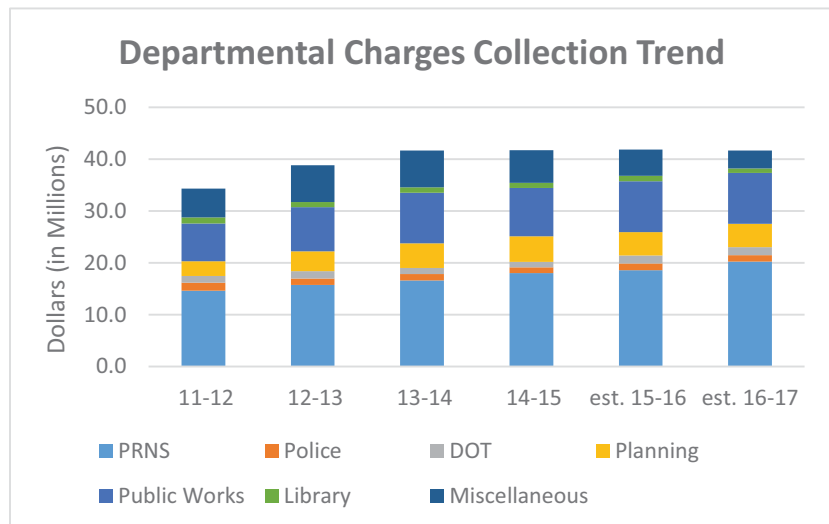
* The 2016-2017 Forecast was increased \$454,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

Revenue Estimates

Departmental Charges Category	2016-2017 Proposed Budget
Parks, Recreation and Neighborhoods Services (PRNS)	\$ 20,208,351
Public Works Department	9,815,000
Planning, Building and Code Enforcement	4,500,000
Department of Transportation (DOT)	1,536,938
Police Department	1,264,034
Library	889,044
Miscellaneous	3,468,607
Total	\$ 41,681,974

Contained in this revenue category are the various fees and charges levied to recover costs of services provided by several City departments. In the 2016-2017 Proposed Budget, Departmental Charges of \$41.7 million are 0.4% below 2015-2016 estimated levels of \$41.9 million.

The Proposed Budget includes an increase of \$1.9 million from the Revised Forecast with adjustments to various individual categories. These adjustments are brought forward to recognize revenues from new fees, maintain cost recovery levels of existing programs, and account for anticipated activity changes in 2016-2017.



GENERAL FUND REVENUE ESTIMATES

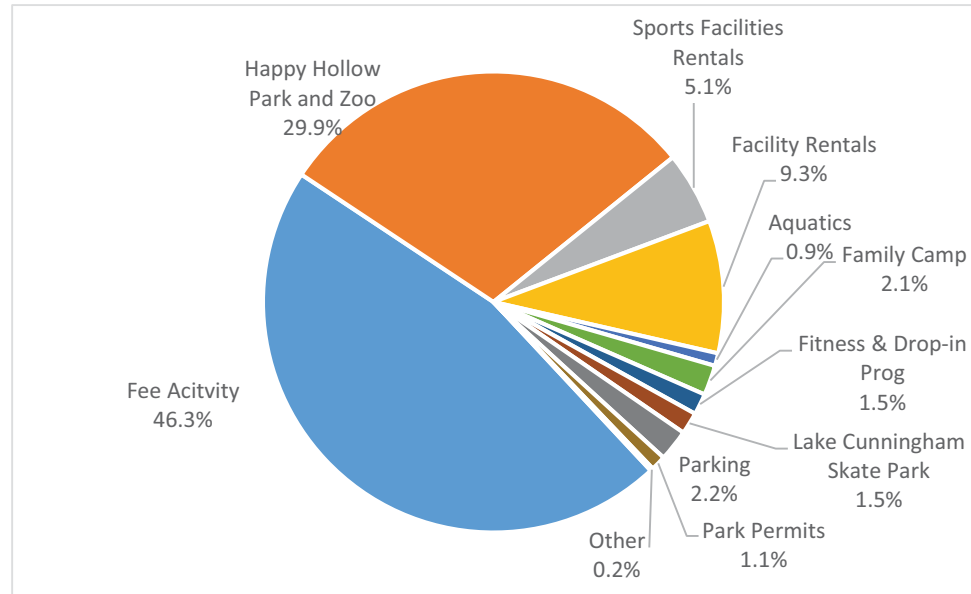
DEPARTMENTAL CHARGES

Revenue Estimates

This section highlights the major fee programs in this category. A more detailed description of the changes to various fee programs is available in the 2016-2017 Fees and Charges document that is released under separate cover.

Parks, Recreation and Neighborhood Services Fees

Parks, Recreation and Neighborhood Services Department (PRNS) fee collections are estimated at \$20.2 million in 2016-2017 based on projected activity levels and fees. The 2016-2017 Proposed Operating Budget includes a few upward revenue adjustments totaling \$1.9 million reflecting anticipated activity levels in the



following areas: fee activity revenue (\$1.6 million); increased rentals revenue at the 54 community centers (\$207,000); Happy Hollow Park and Zoo Admissions (\$92,000); increased rental revenues (e.g. booths) from Viva Calle activity (\$40,000); a decrease of \$30,000 in parking revenues; and increased Sports Facilities Rentals/Reservations (\$29,000).

Public Works Fees

In 2015-2016 and 2016-2017, Public Works fee revenues are projected to total \$9.8 million. This collection level, along with the use of a portion of the Public Works Development Fee Program Reserve, is sufficient to support the program additions in 2016-2017. No fee increases are included in this budget.

A number of expenditure actions totaling \$295,000 are included in the Proposed Budget, including the addition of 1.0 Senior Construction Inspector position to address the increasing demand for services in the Development Fee Program, shared resources in order to improve target cycle times and customer service levels, as well as those costs associated with the implementation of the new Integrated Permit System. The 2016-2017 estimated collection level, however, is below the projected cost to deliver this program. In order to balance this program and remain at 100% cost recovery, the use of the Public Works Development Fee Program Reserve is included as part of this budget. This includes \$1.4 million that was incorporated into the Forecast and an additional \$338,000 to provide

GENERAL FUND REVENUE ESTIMATES

DEPARTMENTAL CHARGES

Revenue Estimates

Public Works Fees (Cont'd.)

funding for budget actions in 2016-2017. These actions will result in an estimated remaining Public Works Development Fee Program Reserve of \$4.8 million at the beginning of 2016-2017, primarily for works-in-progress projects.

Additional detail on these budget actions is provided in the Public Works, Planning, Building and Code Enforcement, and Information Technology Departments under the *City Departments* section of this document. A more detailed description of the various fees is provided in the 2016-2017 Fees and Charges document that is released under separate cover.

Planning Fees

The Planning, Building and Code Enforcement Department administers a variety of fees and charges related to the processing of planning permit applications.

In 2015-2016 and 2016-2017, Planning Fees are anticipated to generate approximately \$4.5 million. The 2016-2017 revenue estimate assumes the continuation of strong development performance. This collection level, along with the use of a portion of the Planning Development Fee Program Reserve, is sufficient to support program additions in 2016-2017 without any fee increases. Expenditure additions proposed in this budget, include 4.0 positions and funding of \$30,000 to upgrade computers and monitors and purchase Adobe Acrobat Professional and Microsoft Project. This program will also support shared resources expenditures including those associated with the implementation of the new Integrated Permit System.

The 2016-2017 estimated collection level is below the projected cost to deliver this program. In order to balance this program and remain at 100% cost recovery, the use of the Planning Development Fee Program Reserve is included as part of this budget. This includes \$939,000 that was incorporated into the Forecast and an additional \$946,000 to provide funding for budget actions in 2016-2017. These actions will result in an estimated remaining Planning Development Fee Program Reserve of \$832,000 at the beginning of 2016-2017.

Additional detail on these budget actions is provided in the Planning, Building and Code Enforcement and Information Technology Departments under the *City Departments* section of this document. A more detailed description of the various fees is provided in the 2016-2017 Fees and Charges document that is released under separate cover.

Transportation Fees

The revenue estimate for Transportation Fees totals \$1.54 million in 2016-2017, which is in line with 2015-2016 estimated activity. Fee adjustments resulting in a net increase of \$27,000 to various Transportation fees and charges are included based on an analysis of the cost to deliver various services.

GENERAL FUND REVENUE ESTIMATES

DEPARTMENTAL CHARGES

Revenue Estimates

Police Fees

The 2016-2017 revenue estimate for Police Fees totals \$1.26 million, slightly below the 2015-2016 anticipated collection levels of \$1.33 million. Fee adjustments resulting in a net increase of \$45,000 to various Police fees and charges are included based on an analysis of the cost to deliver various services.

Library Fees and Fines

Library Department fees and fines for 2016-2017 are estimated at \$889,000, 13.2% below the 2015-2016 estimate of \$1.0 million. This is primarily due to the reductions in various library fines, such as: Overdue Materials Fine from \$0.50 per day/\$20 maximum per item to \$0.25 per day/\$5 maximum per item (\$-108,000); elimination of the Held Materials Fine of \$3 (-\$20,000); and reduction of the handling fee from \$20 to \$10 for Damaged Materials and Lost Materials and Equipment (-\$7,000).

Miscellaneous Departmental Fees

Collections of \$3.5 million are anticipated in 2016-2017 from a variety of fees and charges, which is 32.1% below the 2015-2016 estimate of \$5.1 million.

The majority of the revenue in this category is generated from the Solid Waste Enforcement Fee (SWEF) Program with a 2016-2017 revenue estimate of \$2.1 million which is well below the 2015-2016 Adopted Budget revenue estimate of \$4.2 million based on a realignment of this program's costs and revenues. From the February Forecast, this revenue estimate has been increased by \$270,000 as part of the Revised Forecast Base and by an increase of \$8,000 associated with proposed budget actions. With these adjustments, the fee is proposed to be reduced from \$1.08 per ton to \$0.53 per ton. This program is projected to be 100% cost recovery in 2016-2017. Other Miscellaneous Departmental Fees total \$1.4 million and are recommended to be increased by \$27,000 in 2016-2017, primarily reflecting an upward adjustment to the Abandoned Cart Fee revenue estimate of \$24,000.

GENERAL FUND REVENUE ESTIMATES

OTHER REVENUE

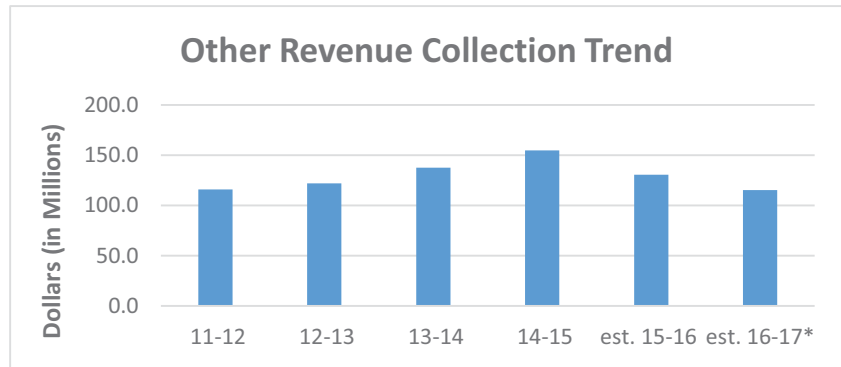
2014-2015 Actual*	\$ 154,598,300
2015-2016 Adopted	\$ 26,259,638
2016-2017 Forecast**	\$ 15,128,362
2016-2017 Proposed	\$ 15,144,509
% of General Fund	1.4 %
% Change from 2015-2016 Adopted	(42.3 %)

* The 2014-2015 Actual includes revenues associated with the issuance of a \$100 million TRANs based on cash flow needs.

** The 2016-2017 Forecast was increased \$300,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section

Revenue Estimates

The Other Revenue category includes litigation settlements, SAP Center at San José revenues, Investment Program Reimbursement, Public, Education, and Government (PEG) Access Facilities; Sale of Surplus Property, Sidewalk Repair and Tree Maintenance



*Assumes \$100.0 million for the TRANs revenue that is anticipated in 2016-2017.

Activities, and Miscellaneous Other Revenue. In 2016-2017, the revenue estimate of \$15.1 million assumes the continuation of current year activity levels with revisions, where appropriate, for 2016-2017 costs or agreements and the elimination of one-time funding sources. This figure excludes revenues associated with the issuance of the Tax Revenue Anticipation Notes (TRANs) that will be brought forward in 2016-2017 with an offsetting expenditure based on estimated cash flow needs for comparison purposes, the chart assumes \$100.0 million in TRANs will be issued in 2016-2017 as has been the case for the last couple of years.

Litigation Settlements

In 2015-2016, Litigation Settlements revenue of \$265,000 is estimated based on actual collections, this is a 63.55% decline compared to the \$725,000 received in 2014-2015. For 2016-2017, Litigation Settlements revenue of \$275,000 is included in the Proposed Budget.

SAP Center at San José Revenues

The City receives payments from Arena Management associated with the use of SAP Center at San José. In 2016-2017, \$5.1 million is estimated from the Arena Fixed Fee.

Investment Program Reimbursement

The 2016-2017 revenue estimate for this category is \$1.3 million based on the estimated costs of Investment Program in the Finance Department that will be reimbursed from investment earnings.

GENERAL FUND REVENUE ESTIMATES

OTHER REVENUE

Revenue Estimates

Public, Education, and Government (PEG) Access Facilities

In 2016-2017, payments from Comcast and AT&T required under the Franchise Agreement are estimated at \$2.1 million. As defined in the Franchise Agreement, these funds will be used to support the Public, Education, and Government (PEG) Access Facilities. There is an associated City-Wide Expenses allocation for this purpose.

Sale of Surplus Property

In 2016-2017, the proceeds from the Sale of Surplus Property category is estimated at \$1.0 million based on the anticipated assets that will be sold next fiscal year.

Sidewalk Repair and Tree Maintenance Activities

When the City performs sidewalk repair services for non-owner occupied residences, the property owners reimburse the City for those costs. The 2016-2017 revenue estimate for this category is \$1.8 million. There is a corresponding City-Wide Expenses allocation to fund the contractual sidewalk repairs, as described in the *City-Wide Expenses* section of this document.

Property owners are also assessed for the costs of tree services provided by the City. If the City performs emergency tree services, such as removing a tree that has fallen in the street during a storm, the property owner is assessed a fee to cover the cost of this service. This fee is expected to generate \$300,000 in 2016-2017 and there is a corresponding City-Wide Expenses allocation to provide this service.

Miscellaneous Other Revenue

Various other revenue sources are included in this revenue category including: Silicon Valley Energy Watch Grant (\$1.3 million), SB90 reimbursements from the State of California (\$750,000, an increase of \$250,000 in the Base after the release of the Forecast based on current and prior year actuals), P-Card Incentive Payments (\$200,000), City Hall parking revenues (\$100,000), wrecked vehicle sales (\$97,000), and Secondary Employer Insurance reimbursement from Police Officers (\$84,000).

Included in the 2016-2017 Proposed Budget are the following additional adjustments:

- An increase of \$18,000 for the estimated reimbursement from the Christmas in the Park Foundation. Part-time City staff hours are needed to transport props to and from the City warehouse. Incurred costs are fully reimbursed by the Christmas in the Park Foundation.
- A decrease of \$1,900 for new subdivision traffic control signs and pavement markings revenues to reflect fee adjustments to maintain cost recovery levels.

GENERAL FUND REVENUE ESTIMATES

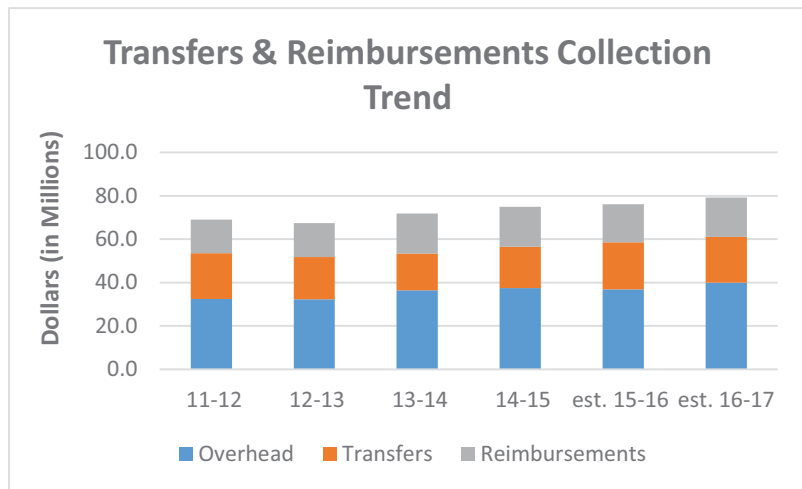
TRANSFERS AND REIMBURSEMENTS

2014-2015 Actual	\$ 74,985,995
2015-2016 Adopted	\$ 75,763,879
2016-2017 Forecast*	\$ 78,164,169
2016-2017 Proposed	\$ 79,302,398
% of General Fund	7.6 %
% Change from 2014-2015 Adopted	4.7 %

* The 2016-2017 Forecast was decreased \$912,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

Revenue Estimates

The Transfers and Reimbursements revenue category is used to account for funds received by the General Fund from other City funds through a combination of means, including overhead charges, reimbursements for services rendered, or simple transfers. In total, Transfers and Reimbursements are anticipated to generate approximately \$79.3 million in 2016-2017. This amount is above the current 2015-2016 estimate of \$76.2 million due to increased overhead reimbursements and budgeted transfers. The following is a discussion of the three major subcategories, including detail regarding the net increase of \$1.1 million proposed for 2016-2017.



Overhead Reimbursements

The Overhead Reimbursements category includes overhead reimbursements from both operating and capital funds. In 2016-2017, a total of \$40.0 million in reimbursements are projected based on 2016-2017 overhead rates prepared by the Finance Department applied against the projected 2016-2017 applicable salaries. This figure reflects the following: a decrease of \$910,000 incorporated into the Revised Forecast based on final overhead rates and updated allocations of staff across funds; and an increase of \$848,000 incorporated into the 2016-2017 Proposed Budget (\$698,000 ongoing) generated from various budget actions that changed the staffing levels funded by capital and special funds. Descriptions of the budget actions that generate these overhead reimbursement changes can be found in the *City Departments* Section of this document. Following is a summary of the overhead reimbursement changes from the Revised Forecast by fund.

GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

Revenue Estimates

Overhead Reimbursements (Cont'd.)

<u>Fund</u>	<u>Overhead Adjustment</u>
Capital Funds	\$ 267,319
Water Utility Fund (515)	192,322
Sewer Service and Use Charge Fund (541)	144,755
San José/Santa Clara Treatment Plant Operating Fund (513)	102,617
Low and Moderate Income Housing Asset Fund (346)	59,856
Maintenance District Funds (various)	39,263
General Purpose Parking Fund (533)	34,536
Benefit Fund (160)	32,791
Integrated Waste Management Fund (423)	26,560
Multi-Source Housing Fund (448)	9,070
Public Works Program Support Fund (150)	944
Vehicle Maintenance and Operations Fund (552)	(2,646)
Community Development Block Grant Fund (441)	(10,891)
Storm Sewer Operating Fund (446)	(13,108)
Home Investment Partnership Program	(13,822)
Total Adjustments	\$ 869,566

Transfers

The Transfers category is projected at \$21.1 million in 2016-2017. The largest component of this category (\$11.9 million) is a transfer from the Airport Maintenance and Operating Fund to reimburse the General Fund for police and aircraft rescue and firefighting services provided by the Police and Fire Departments. These reimbursements have been built to cover the 2016-2017 direct costs as well as the indirect costs. For the Fire Rescue reimbursement, the indirect costs have been discounted to help with cost competitiveness of this service. Additional large transfers programmed for 2016-2017 include the following: Construction and Conveyance Tax Fund transfer (\$3.5 million) associated with park maintenance costs and methane monitoring; Construction Excise Tax Fund transfer (\$1.8 million); General Purpose Parking Fund (\$707,000); Workforce Development Act Fund for the reuse of City facilities (\$548,000); Convention and Cultural Facilities Affairs Fund (\$371,000); interest earnings from various funds, the largest of which is the Construction and Conveyance Tax Fund (\$500,000).

In addition, the 2016-2017 Proposed Budget incorporates a one-time transfer of \$129,000 from various special and capital funds for the Human Resources/Payroll/Budget Systems upgrade to provide additional project contingency to help ensure that the project remains on schedule and meets anticipated "go-live" dates. A one-time transfer from the General Purpose Parking Fund (\$140,000) is also proposed to continue the coordination and development of the Diridon Station Area Plan, as approved by the City Council on June 17, 2014.

GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

Revenue Estimates

Reimbursements for Services

Reimbursements for services represent the cost to the General Fund for staff and supplies provided on behalf of other City funds. For 2016-2017, the revenue estimate for this category is \$18.2 million.

The largest single source of revenue in this category is reimbursements from the Gas Tax Funds for the cost of City street-related expenses. Based on year-to-date performance, the Gas Tax receipts in 2015-2016 are projected to reach \$16.9 million, which is below the prior year level collection level of \$17.8 million. Collections are expected to increase to \$17.5 million in 2016-2017. Several factors impact collections, including volatile gas prices, current economic conditions, and a move to more energy efficient automobiles. In addition, a portion of the Gas Tax revenue is allocated to cover various State-wide expenses, which affects net receipts as well.

The Reimbursements for Services category also includes reimbursement for actual City costs associated with administering the Deferred Compensation Program (\$507,000) and the Maintenance Assessment District Funds (\$160,000).

GENERAL FUND REVENUE ESTIMATES

BEGINNING FUND BALANCE

Rebudget: Contingency Reserve	\$ 34,500,000
Unexpended Earmarked Reserves*	\$ 27,608,075
2015-2016 Expenditure Savings/Additional Revenue*	\$ 41,450,000
Liquidation of Prior Year Encumbrances*	\$ 1,000,000
Fund Balance Subtotal:	\$ 104,558,075
Reserve for Encumbrances	\$44,394,930
Fund Balance Total:	\$ 148,953,005
% of General Fund**	10.0%

* Used for 2016-2017 Proposed Budget balancing purposes.

** Excludes Reserve for Encumbrances.

Estimates for both the unrestricted and restricted (reserve for encumbrances) portions of the 2015-2016 Ending Fund Balance/2016-2017 Beginning Fund Balance, totaling \$149.0 million, are included as part of the 2016-2017 Proposed Budget. The estimate for the encumbrance reserve is set at the 2014-2015 actual level (\$44.4 million). The Proposed Budget included a matching expenditure amount intended to reflect the corresponding encumbrances that are estimated for 2016-2017.

The estimate for unrestricted fund balance is set at \$104.6 million, representing a \$38.8 million increase from the revised 2016-2017 Forecast level of \$65.8 million. When the initial Forecast was developed, the fund balance projection totaled \$65.8 million and included the following: an unexpended (rebudgeted) Contingency Reserve estimate of \$34.5 million; a combination of excess revenues, expenditure savings, and the liquidation of prior year carryover encumbrances totaling \$20.0 million; and additional funding of approximately \$11.3 million from various reserves to support specific costs programmed in 2016-2017 (\$6.9 million from the Building Development Fee Program Reserve, \$1.4 million from the Public Works Development Fee Program Reserve, \$939,000 from the Planning Development Fee Program Reserve, and \$610,000 from the Fire Development Fee Program Reserve were included in the fund balance estimate to cover costs associated with these fee programs in 2016-2017; and \$1.5 million from the Salaries and Benefits Reserve to pay for the second year salary increases approved for members represented by the International Association of Fire Fighters, Local 230).

The \$38.8 million increase in the fund balance projection from the Revised Forecast Base (remained at \$65.8 million from the Forecast), recommended in this document includes the following:

GENERAL FUND REVENUE ESTIMATES

BEGINNING FUND BALANCE

- The use of various Unexpended Earmarked Reserves of \$16.3 million:

Earmarked Reserves	\$ Liquidated
2016-2017 Police Department Overtime Reserve	5,000,000
Development Fee Program Reserves	3,892,301
Cultural Facilities Capital Maintenance Reserve	3,708,000
Police Department Staffing/Operations Reserve	1,596,000
Employee Competitiveness Market Reserve	1,250,000
Staffing for Adequate Fire and Emergency Response (SAFER) Reserve	675,847
2016-2017 Long Range Planning Project Staffing Reserve	110,000
Retiree Healthcare Solutions Reserve	50,000
TOTAL	16,282,148

- Additional anticipated fund balance of \$22.5 million is also included primarily due to a one-time payment of \$12.1 million from the Sales Tax Triple Flip Wind Down; a one-time payment of \$5.0 million that recognizes projected personal services savings that will occur in the Police Department due to the higher number of departmental vacancies in 2015-2016; a one-time Property Tax ERAF payment of \$4.6 million from 2014-2015 excess ERAF funds; and \$750,000 in projected vacancy savings from various departments.

GENERAL FUND REVENUE DESCRIPTIONS

PROPERTY TAX

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the State Constitution and placed restrictions on the valuation of real property and on the imposition of ad valorem property tax. Under current law, all taxable real and personal property is subject to a tax rate of one percent of the assessed value. (In June 1986, California voters approved a Constitutional Amendment, which provides for an exception to the one-percent limitation. The Amendment allows local governments and school districts to raise property taxes above one percent to finance general obligation bond sales. A tax increase can only occur if two-thirds of those voting in a local election approve the issuance of bonds.) The assessed value of real property that has not changed ownership adjusts by the change in the California Consumer Price Index up to a maximum of two percent per year. Property which changes ownership, property which is substantially altered, newly-constructed property, State-assessed property, and personal property are assessed at the full market value in the first year and subject to the two percent cap, thereafter.

In 1979, in order to mitigate the loss of property tax revenues after approval of Proposition 13, the State legislature approved Assembly Bill 8 (AB 8). This action was approved to provide a permanent method for allocating the proceeds from the one percent property tax rate, by allocating revenues back to local governments based on their historic shares of property tax revenues. AB 8 shifted approximately \$772 million of school district property tax revenue to local governments and backfilled schools' lost revenue with subsidies from the State General Fund. Actions taken by the State in order to balance the 1992-1993 and 1993-1994 State budgets partially reversed the AB 8 formula. The 1992-1993 action reduced the City's Property Tax proceeds by nine percent, and shifted this funding to schools in order to reduce the amount of State backfill required. As part of the State's 1993-1994 Budget, the AB 8 formula was again altered requiring another ongoing shift in City Property Tax revenue to K-12 schools and community colleges.

In November 1993, the City Council elected to participate in the Teeter Plan, which is an alternative method for County property tax apportionment. Under this alternative method authorized by the State legislature in 1949, the County apportions property tax on the basis of the levy without regard for delinquencies. With the adoption of the Teeter Plan in 1993-1994, the City received a one-time buy out of all current, secured property tax delinquencies as of June 30, 1993, which totaled \$3.5 million. Under this system, the City's current secured tax payments are increased for amounts that typically were delinquent and flowed to the secured redemption roll, but the City gave up all future penalties and interest revenue derived from the delinquencies.

In 2004-2005, the State budget included a permanent reduction of the Motor Vehicle In-Lieu (MVLIF) tax rate from 2% to 0.65% (its current effective rate). As part of the State budget action, the loss of MVLIF was approved to be replaced with a like amount of property tax revenue, on a dollar-for-dollar basis, and will now grow based on assessed valuations.

GENERAL FUND REVENUE DESCRIPTIONS

SALES AND USE TAX

The Sales Tax is an excise tax imposed on retailers for the privilege of selling tangible personal property. The Use Tax is an excise tax imposed on a person for the storage, use, or other consumption of tangible personal property purchased from any retailer. The proceeds of sales and use taxes imposed within the boundaries of San José are distributed by the State to various agencies, with the City of San José receiving one percent.

The current distribution of the sales tax proceeds is outlined below. Recent voter approved changes include: a 1/8 cent increase enacted by the Santa Clara Valley Transportation Authority (VTA) on July 1, 2012 (limited to 30 years) to provide operating and maintenance expenses and capital reserve contributions for the Silicon Valley Rapid Transit Project Extension; a State of California 1/4 cent increase effective January 2013; and a Santa Clara County 1/8 cent increase effective April 2013.

Agency	Distribution Percentage
State of California	5.750%
City of San José*	1.000%
Santa Clara County	0.875%
Santa Clara Valley Transportation Authority	0.625%
Public Safety Fund (Proposition 172)	<u>0.500%</u>
Total Sales Tax	8.750%

Major items, such as services, are exempt from the tax code. As part of a 1991-1992 legislative action, tax exemptions were removed from candy and snack foods, bottled water, newspapers and periodicals, and fuel and petroleum products sold to certain carriers. The removal of these exemptions became effective July 1991. On November 3, 1992, however, the voters approved Proposition 163, which partially repealed the prior action, re-establishing the exemption for snack food, candy, and bottled water effective December 1, 1992.

On November 2, 1993, Proposition 172 was approved allowing for the permanent extension of the half-cent State sales tax that was originally imposed on July 15, 1991, and was to sunset on June 30, 1993. (On July 1, 1993, a six month extension of the tax was granted by the State in order to provide a source of one-time funding for cities and counties to partially offset 1993-1994 ongoing property tax reductions.) The passage of the Proposition 172 legislation, effective January 1, 1994, required that the proceeds from the half-cent tax be diverted from the State to counties and cities on an ongoing basis for funding public safety programs.

The local Sales and Use Tax is collected and administered by the State Board of Equalization and is authorized by the Uniform Local Sales and Use Tax Law and the Bradley-Burns Uniform Local Sales and Use Tax Law.

* Note: As part of the Proposition 57 State fiscal recovery funding mechanism (passed by the voters in March 2004), starting July 1, 2004, 0.25% of the City's one percent Bradley-Burns sales tax has been temporarily suspended and replaced dollar-for-dollar with property tax revenue (primarily Educational Revenue Augmentation Funds). This action is to remain in effect until the State's bond obligations have been satisfied. The City will, however, continue to record the replacement property tax revenues as sales tax receipts because the growth formula for these receipts is tied to sales tax and because this action is considered to be temporary. This mechanism is scheduled to sunset during 2015-2016 with the unwinding of the triple flip anticipated to be completed by July 2016.

GENERAL FUND REVENUE DESCRIPTIONS

TRANSIENT OCCUPANCY TAX

The Transient Occupancy Tax is assessed as a percentage of the rental price for transient lodging charged when the period of occupancy is 30 days or less. The tax rate is currently ten percent, six percent of which is placed in the Transient Occupancy Tax Fund and four percent of which is deposited in the General Fund. The tax is authorized by Title 4 of the Municipal Code, Section 4.74, Ordinance number 21931.

The expenditure of the Transient Occupancy Tax Fund portion of the revenues (six percent of room rent) is restricted by Title 4 of the Municipal Code, Section 4.72, Ordinance number 23481 to the following uses:

- 1) Funding for the Convention and Visitors Bureau (approximately 25%).
- 2) Funding for the cultural grant program and fine arts division programs, including funding of cultural grants and expenses of the fine arts division, including, but not limited to, personal and non-personal/equipment expenses, fringe benefits, and overhead (approximately 25%).
- 3) Funding for the City's operating subsidy to the convention and cultural facilities of the City of San José (approximately 50%).

The General Fund portion of the Transient Occupancy Tax was enacted as a general tax.

FRANCHISE FEES

The City collects compensation from Pacific Gas and Electric Company (PG&E) for the use of City streets in the distribution of natural **gas** and **electricity**. PG&E is assessed 2.0% of the gross receipts representing its sale of electricity and natural gas for a calendar year within the City limits. The taxes are authorized by Title 15 of the Municipal Code, Chapter 15.32, and no authorized exemptions exist.

On February 9, 2010, the City Council approved ordinances amending the franchises with PG&E for the sale of natural gas and the sale of electricity. These amendments added a franchise fee surcharge of 0.3%, resulting in a total franchise fee remitted to the City of 2.3% of gross receipts from the sale of gas and electricity in the City through 2021. The 0.3% surcharge was approved by the California Public Utilities Commission (CPUC) effective May 5, 2010. Implementation of the surcharge began in September 2010.

From the sale of **nitrogen gas**, the City collects an annual fee of \$0.119/linear foot of gas-carrying pipe installed within public streets. In addition, each customer is required to pay an annual per connection fee of \$118.76 multiplied by the inside diameter of pipe expressed in inches at the property line. A minimum of \$1,000 total franchise fees per calendar year is required. The fee is authorized by City Ordinance number 20822 and amended by Ordinance 25054, and there are no authorized exemptions.

GENERAL FUND REVENUE DESCRIPTIONS

FRANCHISE FEES

On July 1, 1996, **Commercial Solid Waste** (CSW) collection franchise fees were converted to a volume basis. This revision amended the previous structure (which had been in effect since January 1, 1995) that assessed a franchise fee equal to 28.28% of gross receipts in excess of \$250,000. With that change, fees were set at \$1.64 per cubic yard per collection for cubic yards in excess of 43,000 (the cubic yard basis is tripled if the waste has been compacted) in a fiscal year, and were assessed on any commercial business engaged in the collection, transportation, or disposal of garbage and/or rubbish (solid waste) accumulated or generated in the City of San José. In December 1997, the City Council increased the rate to \$2.41 effective on January 1, 1998. In 1999-2000, this fee was increased to \$2.84 per cubic yard. In 2002-2003, a three year gradual shift in the revenue distribution between the CSW and AB 939 fees (also known as the “commercial source reduction and recycling fee” collected and deposited in the Integrated Waste Management Fund) was approved, that increased the amount collected for CSW to \$3.34 per cubic yard in 2004-2005. In 2005-2006, the City Council increased the fee by 4.5% (\$0.15 per cubic yard) to \$3.49 per cubic yard. In 2006-2007, an additional 5.0% increase was approved by the City Council, which brought the fee to \$3.67 per cubic yard. In 2009-2010, the elimination of the fee exclusion for the first 20,000 cubic yards hauled in the fiscal year was approved.

On October 19, 2010, the City Council amended the CSW fee to a fee for franchises based on geographic collection districts rather than volume. The base fee of \$5.0 million per year for each of two geographic collection districts plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and the South District became effective July 1, 2012, and is subject to an annual Consumer Price Index (CPI) adjustment. The CSW fee is authorized by Title 9 of the Municipal Code, Chapter 9.08. For 2016-2017, CSW fees are estimated to total \$11.2 million; \$5.11 million per year for each of the two geographic collection districts plus a supplemental fee of \$1.18 million once adjusted for the recommended 0.12% CPI increase included in the 2016-2017 Proposed Budget.

The City collects a **Cable Television Franchise Fee** from any company that provides cable television (Municipal Code, Title 15, Chapter 15.34). The current fee requires each State video franchise holder to pay the city a franchise fee that is five percent of gross revenues derived from subscriptions. Excluded from the gross receipts are amounts derived from installation, late charges, advertising, taxes, line extensions, and returned check charges.

The **Water Franchise Fee** was established in 1995-1996 (effective July 27, 1995, Title 15 of the Municipal Code, Section 15.40). The assessment of the fee is allowable under State law, which asserts that a city can collect a franchise fee from a water utility company for laying pipelines and operating them in public right-of-ways. The fee is equal to the greater of either: 1) two percent of the utility’s gross annual receipts arising from the use, operation, or possession of facilities located in public streets within the City limits established on or after October 10, 1911, or 2) one percent of all gross receipts derived from the sale of water within the City limits. Those portions of the water company’s system that are established in private right-of-ways or utility easements granted by private developers are exempted from the franchise fee assessment. It should be noted that the City is not assessing a Water Franchise Fee on the San Jose Water Company due to a Santa Clara Superior Court ruling that states San José cannot impose a franchise fee on that company.

GENERAL FUND REVENUE DESCRIPTIONS

UTILITY TAX

The Utility Tax is charged to all users of a given utility (electricity, gas, water, and telephone) other than the corporation providing the utility (i.e., a utility company's consumption of all utilities used in the production or supply of their service is not taxed). For the electricity, gas, and water categories, consumers pay 5.0% of their utility charges to the utility company that acts as a collection agent for the City. For the telephone utility tax, consumers pay 4.5% on all intrastate, interstate, and international communication services regardless of the technology used to provide such services. Private communication services, voice mail, paging, and text messaging are treated the same as traditional telephone services. In November 2008, voters approved Measure K that reduced the telephone utility rate from 5.0% to 4.5% and broadened the base for the tax and the definition of technologies covered by the tax. The tax is not applicable to State, County, or City agencies. Also, per State regulations, insurance companies and banks are exempted from the tax. This tax is authorized by Title 4 of the Municipal Code, Section 4.68.

TELEPHONE LINE TAX

In November 2008, voters approved Measure J that replaced the Emergency Communication System Support (ECSS) Fee with a tax in an amount that is 10% less than the ECSS Fee. The tax amount is \$1.57 per telephone line per month and \$11.82 per commercial type trunk line. The City ceased collecting the fee and began collecting the tax by April 1, 2009. The tax is collected from telephone users on their telephone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service.

BUSINESS TAXES

The **General Business Tax** is assessed according to the following schedule:

Category	Annual Tax
1 – 8 Employees	\$150
9 – 1,388 Employees	\$150 plus \$18 per Employee
1,389 and over Employees	\$25,000

In addition to the rates listed above, City Ordinance number 21518 specifies the assessment of taxes by grouping taxed businesses (each at a different rate) in the following categories: Rental or Lease of Residential or Non-Residential property, Mobile Home Parks, and Water Companies. Rented or leased properties (if three or more residential rental units) are subject to the \$150 minimum tax, but are also assessed \$5/rental unit over 30 units for residential properties and \$0.01 per square foot in excess of 15,000 square feet for non-residential properties. Taxes for both residential and non-residential properties are limited to a maximum of \$5,000. Mobile home parks are treated as residential properties. Water companies are assessed by a schedule that assigns an amount (from \$200 to \$20,000) depending on the number of active metered connections. In November 1996, the rates were increased to reflect an annual inflation factor as part of the New Realities Task Force recommendations contingent on voter approval. Because the voters did not approve the

GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

continuation of the increase in November 1998, the rates (as reflected) were returned to the levels prior to November 1996.

There are several exclusions (by federal or State regulations) or exemptions (by the City Council) from the General Business Tax. The major types of exempt organizations include banks and insurance companies, charitable and non-profit organizations, and interstate commerce. On June 8, 1993, the City Council deleted the sunset provision of a business tax exemption for certain artists and craftpersons selling their wares at one location. The Business Tax is authorized by Title 4 of the Municipal Code, Chapter 4.76.

On May 26, 1987, the City Council enacted a new **Disposal Facility Tax**, which became effective July 1, 1987. The rate structure is based on the weight of solid waste disposed. On July 1, 1992, the City Council increased the Disposal Facility Tax from \$3.00 per ton of disposed waste to \$13.00 per ton. This tax is assessed on landfills located in the City of San José. Beginning 2002-2003, waste previously classified as alternate daily cover was made subject to the Disposal Facility Tax. After a legal challenge, the City reinstated the alternate daily cover exemption in August 2005.

During 1991-1992, Council approved the establishment of a Cardroom Ordinance, which contained the provision of a **Cardroom Business Tax** to tax gross receipts from cardrooms located in the City. On June 9, 1992, the City Council approved an ordinance amending the San José Municipal Code, increasing the tax rate schedule and expanding the permissible games authorized. A gross receipt monthly tax schedule was established with taxes ranging from 1% to 13% of gross receipts. In 1993-1994, Council approved a revision to the Cardroom Ordinance, instituting a flat 13% gross receipts tax for all cardrooms located in the City with annual gross revenues in excess of \$10,000. In June 2010, voters approved a ballot measure that increased the tax rate from 13% to 15% and increased the maximum number of card tables from 80 to 98.

On November 2, 2010, San José voters approved Ballot Measure U, which allows the City to tax all marijuana businesses (medical and non-medical; legal and illegal) at a rate of up to 10% of gross receipts. On December 13, 2010, the City Council approved Ordinance number 28867 which sets the **Marijuana Business Tax** at 7%, and on June 4, 2013, the City Council approved Ordinance 29262 to increase the rate to 10% effective on July 1, 2013. Details of the Marijuana Business Tax are provided in Municipal Code Chapter 4.66. The Marijuana Business Tax became effective on March 1, 2011.

LICENSES AND PERMITS

The City requires payment for the issuance of Building Permits, Fire Permits, and miscellaneous health and safety-related licenses and permits. For most licenses and permits, the various fees charged by a given department are based on full recovery of the estimated costs for providing each service. For example, the City requires fire safety inspections of all commercial property. The fee provides for inspection charges and a number of special charges. Authorized exceptions include the addition and/or alteration of under 20 sprinkler heads and the installation of portable

GENERAL FUND REVENUE DESCRIPTIONS

LICENSES AND PERMITS

extinguishers. The fee is authorized by Title 17 of the Municipal Code, Chapter 17.12. Where appropriate, license and permit fees take into consideration approved exceptions to the City Council's full cost recovery policy, as well as applicable State laws. Specific prices and rates are determined by ordinance and each of the charges is fully explained in the City's Fees and Charges Report, which is released in May of each year.

FINES, FORFEITURES, AND PENALTIES

The City receives a portion of the fines collected in connection with violations of the State Vehicle Code on city streets. Various fines may be assessed in addition to those imposed by the Santa Clara County bail schedule and judges' sentences. The County court system collects the fines as authorized by the State Vehicle Code and makes monthly remittances to the City. Only "on call" emergency vehicles are exempt from Vehicle Code street laws. State legislative action in 1991-1992 reduced the amount (by approximately 50%) of Vehicle Code fine and forfeiture revenue forwarded to the City. On October 10, 1997, however, the Governor signed Assembly Bill 233 (AB 233), which became effective on July 1, 1998. AB 233 changed how the State and its counties and cities share in traffic citation fine revenues. This legislation essentially resulted in the doubling of the City's revenue collections in this area, reversing the impact of the 1991-1992 State legislative action.

The City receives fines and forfeitures of bail resulting from violation of State Health and Safety Codes and City Ordinances. These fees, authorized by the State Criminal Code and City Ordinances, are collected by the County and remitted to the City on a monthly basis. The City also receives revenue collected in connection with violations of the City's vehicle parking laws. These fines vary according to the nature of the violation. The City pays an agency to process and collect the fines. The only authorized exemption is for "on call" emergency vehicles.

USE OF MONEY AND PROPERTY

The City invests idle funds in order to earn interest. The total income varies with the market rates of interest and the funds available to invest. The City has established a formalized and conservative investment policy with objectives emphasizing safety and liquidity. This policy provides guidelines for type, size, maturity, percentage of portfolio, and size of security issuer (among others) of each investment. In addition, the policy statement outlines several responsibilities of the City Council, City Manager, City Auditor, and Finance Director. These policy and monitoring units interact and produce investment performance reports and an annually updated investment policy. All reports and policies must be reviewed and approved by both the City Manager and City Council. Investment of funds is authorized by the City Charter, Section 8066. Revenue is also received from the rental of City-owned property.

GENERAL FUND REVENUE DESCRIPTIONS

REVENUE FROM LOCAL AGENCIES

This revenue category includes revenue received from a variety of other local government agencies. For example, the City receives payments from the Central Fire District for fire services provided to District residents by the San José Fire Department and payment from the County for the Senior Nutrition Program.

REVENUE FROM THE STATE OF CALIFORNIA

The City receives revenue from the State of California in a number of different forms. While the State provides the City with funds through grants and contracts for services, by far the largest source of funds is the Tobacco Settlement payments.

On November 23, 1998, the attorneys general of most states and the major United States tobacco companies signed a Master Settlement Agreement (MSA) to settle more than 40 pending lawsuits brought by states against the tobacco industry. In exchange for the states dropping their lawsuits, and agreeing not to sue in the future, the tobacco companies agreed to pay, in perpetuity, various annual payments to the states to compensate them for some of the medical costs of caring for persons with smoking-related illnesses. Further, the companies have restricted their marketing activities and established new efforts to curb tobacco consumption. The City, along with the other states and local government entities, joined in the settlement. In the MSA, the Original Participating Manufacturers agreed to pay a minimum of \$206 billion over the first twenty-five years of the agreement.

The City has also previously received Motor Vehicle In-Lieu (MVLF) Tax revenues, which are license fees collected by the California Department of Motor Vehicles (DMV). Until 1998-1999, the annual license fee was two percent of the market value of the vehicle as determined by the DMV. In 1998-1999, the State reduced the license fees by 25%, but agreed to backfill local jurisdictions for the loss in revenue, which represented 67.5% of MVLF revenues received by the City at the time. In 2004-2005, as part of State budget actions, the MVLF rate was permanently reduced from 2% to 0.65% and all future receipts of the backfill were approved to be in the form of increased Property Tax receipts and are reflected in that category. Thus, the backfill amount due to the City has permanently become property tax revenue that now grows based on assessed valuations. The State withholds a portion of these fees for the support of the DMV. The remaining fees were divided equally between counties and cities, and their aggregate shares were distributed in proportion to the respective populations of the cities and counties of the State. The exemptions authorized by the State Constitution, Article 13, include vehicles owned by insurance companies and banks, publicly owned vehicles, and vehicles owned by certain veterans with disabilities. The tax is authorized by the State Revenue and Taxation Code. In late June 2011, the State legislature approved SB 89, which shifted over \$130 million in annual General Fund Motor Vehicle In-Lieu revenue from cities to support State law enforcement grants effective July 1, 2011. State legislative action in 1992-1993 eliminated local Trailer Coach In-Lieu Tax revenues. These funds were shifted to the State General Fund.

GENERAL FUND REVENUE DESCRIPTIONS

REVENUE FROM THE FEDERAL GOVERNMENT

Federal grants account for a significant portion of federal revenues. Grant programs must be specifically outlined and proposed for federal sponsorship. Due to the grant process, the volume of grants and level of revenue has been and will be sporadic.

DEPARTMENTAL CHARGES

Departmental Charges are comprised of fees charged for services, which are primarily provided by the following departments: Planning, Building and Code Enforcement; Police; Public Works; Transportation; Library; and Parks, Recreation and Neighborhood Services. The Planning, Building and Code Enforcement Department, for example, charges specific fees for various development fee programs. The fees in this category are determined by ordinance and described in the City's Annual Fees and Charges Report. In addition, it should be noted that the fees assessed by the Parks, Recreation and Neighborhood Services Department can be found on the internet (www.sanjoseca.gov/prns).

OTHER REVENUE

This revenue category contains revenue received from a variety of miscellaneous sources. Significant sources of revenue include SAP Center rental, parking, suite, and naming revenues and cost reimbursements related to Finance Department staff in the Investment Program. The remaining revenues represent one-time and/or varied levels of reimbursements, sale of surplus property receipts, and miscellaneous revenues associated with the Office of the City Attorney.

TRANSFERS AND REIMBURSEMENTS

The Transfers and Reimbursements revenue category is used to account for funds received by the General Fund from other City funds through a combination of means, including operating and capital fund overhead charges, transfers, and reimbursements for services rendered.

Overhead charges are assessed to recover the estimated fair share of indirect General Fund support services costs (staff and materials) that benefit other City program and fund activities. Examples of support activities included in the charges are services provided by the following departments: Finance, Human Resources, Information Technology, Mayor and City Council, the Office of the City Manager, and the Office of the City Attorney. Each year the charges are calculated using Finance Department developed overhead rates applied to projected salary costs in most City funds. The most significant sources of overhead reimbursements are the Treatment Plant Operating Fund, the Sewer Service and Use Charge Fund, the Airport Maintenance and Operation Fund, and the Integrated Waste Management Fund.

GENERAL FUND REVENUE DESCRIPTIONS

TRANSFERS AND REIMBURSEMENTS

Transfers consist of both one-time and ongoing revenue sources to the General Fund. Ongoing transfers include capital fund transfers for maintenance and operating expenses incurred by the General Fund. One-time transfers occur on a sporadic basis and have included the disposition of uncommitted fund balances in several special funds and the transfer of monies to fund a variety of City projects.

Reimbursements from other funds represent the cost to the General Fund for services provided on behalf of the other City funds. This category also includes the State Gas Tax funds that are used to reimburse the General Fund for eligible expenditures. The State Gas Tax is described in the following section.

STATE GAS TAX

A portion of the State Gas Tax is shared with cities and counties under separate sections of the Streets and Highways Code. The 1964 Gas Tax (Section 2106) provides for a \$0.0104 charge on every gallon of gasoline. Revenue is then allocated according to the following formula:

County Allocation : **a** No. of Registered Vehicles in County
 ÷ **b** No. of Registered Vehicles in State
 x c \$0.0104
 x d Gallons of Gas Sold

City Allocation: **a** Incorporated Assessed Value in County
 ÷ **b** Total Assessed Value in County
 x c County Allocation

Individual City Allocation: **a** Population in City
 ÷ **b** Population of all Cities in County
 x c City Allocation

The 1943 Gas Tax (Section 2107) authorized a per gallon charge of \$0.00725. The State allocates part of these revenues for snow removal; the balance is distributed by calculating the portion of the State population represented by the city's population.

As a result of the passage of Proposition 111, gas and diesel taxes were increased \$0.05 per gallon on August 1, 1990, and increased by \$0.01 per gallon each January 1 until and including January 1, 1994. For the 1990 Gas Tax (Section 2105), cities are apportioned a sum equal to the net revenues derived from 11.5% of highway users taxes in excess of \$0.09 per gallon in the proportion that the total city population bears to the total population of all cities in the State.

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CITY SERVICE AREAS

Community and Economic
Development

Environmental and Utility
Services

Neighborhood Services

Public Safety

Transportation and Aviation
Services

Strategic Support

What is a City Service Area?

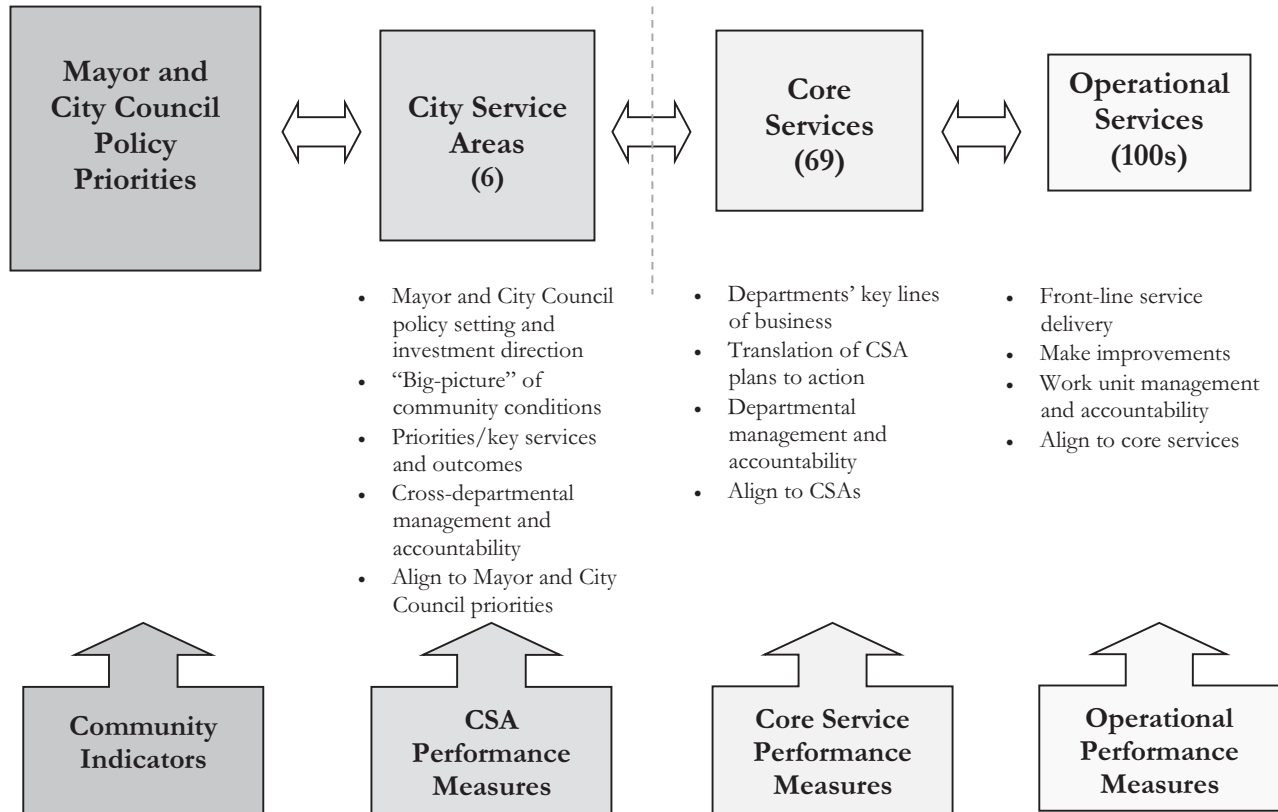
City Service Areas (CSAs) integrate services provided in individual departments into the City's five key lines of business – Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services. An additional CSA, referred to as "Strategic Support," represents the internal functions that enable the other five CSAs to provide services to the community. These cross-departmental CSAs provide a forum for strategic planning and investment decisions within the context of the Mayor and City Council policy priorities. Plans, policies, and investment decisions at the CSA level are then carried out through departmental core and operational services.

Each CSA is guided by a Mission Statement, which is informed by the City's Mission Statement. The City's Mission Statement can be found on the City Service Area – Core Service Map at the end of this section.

The following pages present an overview of the CSA framework and how it is used in San José's operating and capital budgets and in performance reporting to the City Council and the public.

City Service Areas

City of San José’s Service Delivery Framework for Performance-Driven Government



The City of San José’s Service Delivery Framework for Performance-Driven Government aligns front line (or operational) services to the Mayor and City Council Policy Priorities. This structure acknowledges the complexity of the organization and the wide variety of services delivered and provides tools at all levels of the organization to plan, manage, and measure the results that customers experience.

The 2002-2003 Operating Budget was San José’s first performance-based budget developed by City Service Area (CSA). CSAs enable the City to strategically plan and show results of the collaboration among departments. Each CSA aligns the efforts of a number of core services (each with its own set of performance measures) into the City’s key lines of business.

Both the operating and capital budget documents are aligned to the CSA framework. A CSA-based capital project reporting system has been implemented along with consistent performance measures to ensure that the City meets its on-time and on-budget goals for project delivery.

CSA Alignment for the Budget Document

The operating budget document reflects San José’s service delivery-based framework for performance-driven government. In that framework, each of the 69 departmental core services is aligned to one of six CSAs to which it contributes. A “map” detailing the alignment of the 69 core services to the six CSAs, including a description of the CSA mission and a listing of the CSA outcomes (the “ends” to which the plans, efforts, resources, and results of the CSA are directed) is provided at the end of this Introduction.

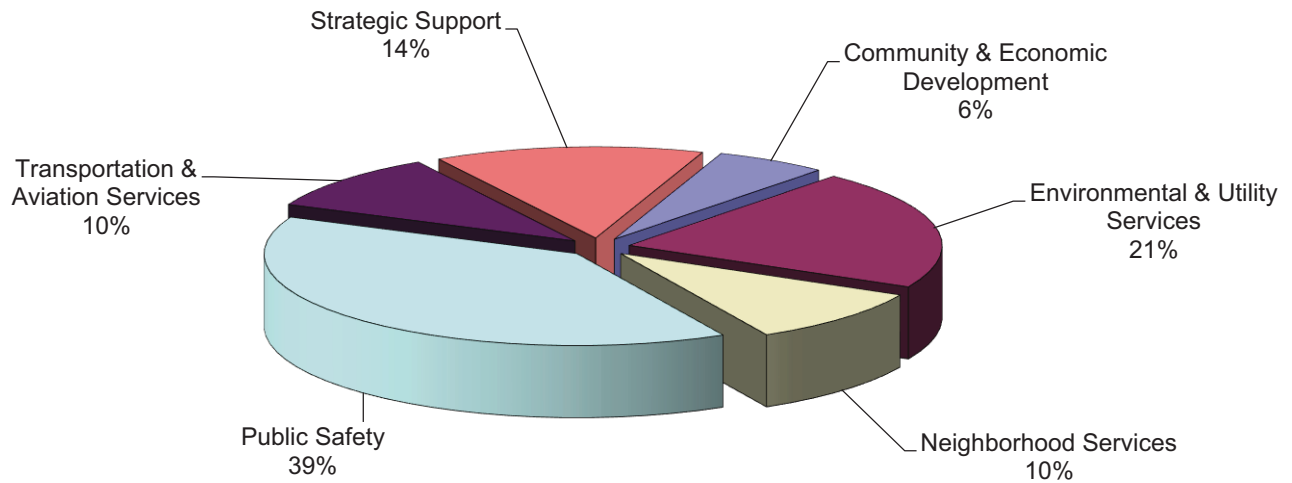
Each of the CSA overview sections that follow includes a description of the CSA’s mission, partner departments, and a CSA outcome listing. The Service Delivery Framework displays the CSA’s mission, outcomes, and the Core Services for each of the partner departments. A Budget Summary displays expected 2016-2017 service delivery and budget actions, followed by the CSA’s total budget by core service and authorized positions. This is followed by a CSA Overview that provides context through a discussion of service delivery accomplishments, the service delivery environment, and the CSA priorities/key services. The final section of the CSA Overview, Budget Dollars at Work: Performance Goals, displays performance data and targets for each of the CSA outcomes and strategic goals. Finally, a CSA budget changes summary provides a snapshot of the actions in this budget.

Resource Allocation by CSA

In the following CSA Budget Summary and in the individual CSA sections which follow, the operating budget resources are presented by CSA and include personal services expenditures for all funds, non-personal/equipment expenditures for all funds with the exception of capital funds, transfers and reserves, and city-wide expenditures. A CSA Position Summary is also included and is presented elsewhere in this document at the core service level.

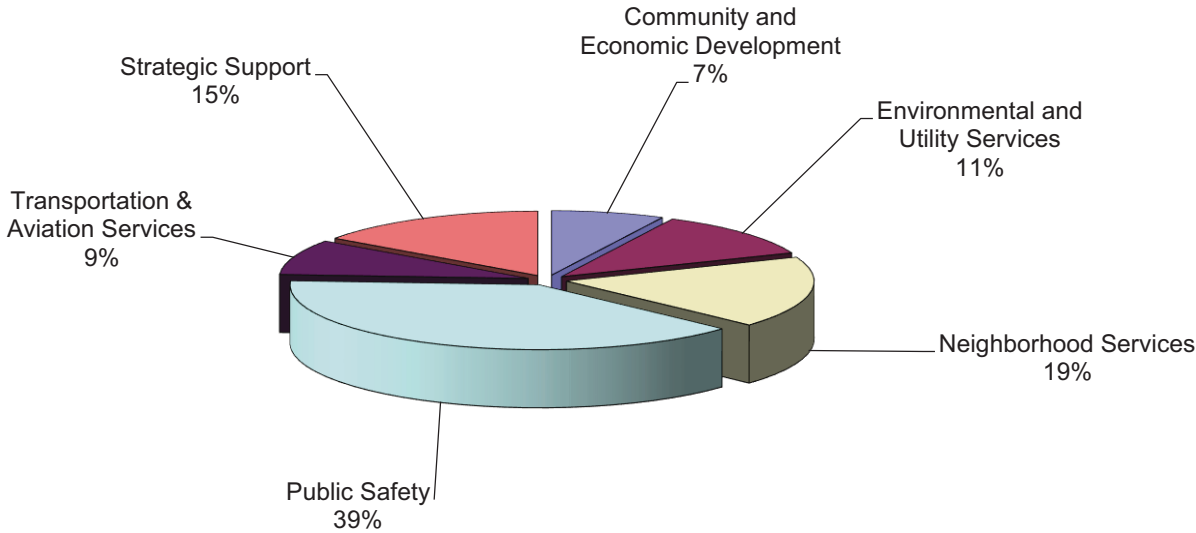
City Service Areas

City Service Area Budget Summary



	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by CSA					
Community & Economic Development	\$ 61,628,950	\$ 73,270,214	\$ 72,587,311	\$ 77,539,371	5.8%
Environmental & Utility Services	241,988,972	270,623,967	274,315,360	283,662,803	4.8%
Neighborhood Services	112,708,151	124,040,465	127,023,320	131,400,704	5.9%
Public Safety	481,852,921	514,225,324	516,383,225	526,131,511	2.3%
Transportation & Aviation Services	117,244,479	133,550,557	132,989,494	135,088,350	1.2%
Strategic Support	160,959,395	181,254,864	180,633,322	186,683,664	3.0%
Total	\$ 1,176,382,868	\$ 1,296,965,391	\$ 1,303,932,032	\$ 1,340,506,403	3.4%

City Service Area Position Summary



	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Staffing by CSA					
Community & Economic Development	418.03	437.04	432.17	457.98	4.8%
Environmental & Utility Services	666.59	690.89	681.84	699.59	1.3%
Neighborhood Services	977.25	1,064.55	1,061.00	1,150.52	8.1%
Public Safety	2,289.03	2,324.03	2,336.09	2,351.09	1.2%
Transportation & Aviation Services	515.36	527.11	525.16	530.41	0.6%
Strategic Support	889.70	901.67	895.67	909.57	0.9%
Total	5,755.96	5,945.29	5,931.93	6,099.16	2.6%

City Service Area – Core Service Map

COMMUNITY AND ECONOMIC DEVELOPMENT CSA

Mission: To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of housing and employment opportunities, and encourage a diverse range of arts, cultural and entertainment offerings.

Outcomes:

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks

Core Services

ECONOMIC DEVELOPMENT

- Arts and Cultural Development
- Business Development and Economic Strategy
- Real Estate Services
- Regional Workforce Development

FIRE

- Fire Safety Code Compliance

HOUSING

- Community Development and Investment
- Housing Development and Preservation
- Neighborhood Development and Stabilization

PBCE

- Development Plan Review and Building Construction Inspection
- Long Range Land Use Planning

PUBLIC WORKS

- Regulate/Facilitate Private Development

ENVIRONMENTAL AND UTILITY SERVICES CSA

Mission: Provide environmental leadership through policy development, program design, and reliable utility services.

Outcomes:

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- “Clean and Sustainable” Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply

Core Services

ENVIRONMENTAL SERVICES

- Natural and Energy Resources Protection
- Potable Water Delivery
- Recycled Water Management
- Recycling and Garbage Services
- Stormwater Management
- Wastewater Management

TRANSPORTATION

- Sanitary Sewer Maintenance
- Storm Sewer Management

NEIGHBORHOOD SERVICES CSA

Mission: To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods.

Outcomes:

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities

Core Services

LIBRARY

- Access to Information, Library Materials, and Digital Resources
- Formal and Lifelong Self-Directed Education

PRNS

- Parks Maintenance and Operations
- Recreation and Community Services

PBCE

- Community Code Enforcement

PUBLIC WORKS

- Animal Care and Services

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

City Service Area – Core Service Map

PUBLIC SAFETY CSA

Mission: Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations.

Outcomes:

- The Public Feels Safe Anywhere, Anytime in San José
- Residents Share the Responsibility for Public Safety

Core Services

FIRE

- Emergency Response
- Fire Prevention

INDEPENDENT POLICE AUDITOR

- Independent Police Oversight

POLICE

- Crime Prevention and Community Education
- Investigative Services
- Regulatory Services
- Respond to Calls for Service
- Special Events Services

TRANSPORTATION AND AVIATION SERVICES CSA

Mission: To provide the community with safe, secure, and efficient surface and air transportation systems that support San José’s livability and economic vitality.

Outcomes:

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

Core Services

AIRPORT

- Airport Business Development
- Airport Facilities Maintenance
- Airport Operations
- Airport Planning and Capital Development

POLICE

- Traffic Safety Services

TRANSPORTATION

- Parking Services
- Pavement Maintenance
- Street Landscape Maintenance
- Traffic Maintenance
- Transportation Operations
- Transportation Planning and Project Delivery

STRATEGIC SUPPORT CSA

Mission: To effectively develop, manage, and safeguard the City’s fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects.

Outcomes:

- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Safe and Functional Public Infrastructure, Facilities, and Equipment
- Effective Use of Technology
- Sound Fiscal Management that Facilitates Meeting the Needs of the Community

Core Services

FINANCE

- Disbursements
- Financial Reporting
- Purchasing and Risk Management
- Revenue Management
- Treasury Management

HUMAN RESOURCES

- Employee Benefits
- Employment Services
- Health and Safety

INFORMATION TECHNOLOGY

- Customer Contact Center
- Enterprise Technology Systems and Solutions
- Information Technology Infrastructure

PUBLIC WORKS

- Facilities Management
- Fleet and Equipment Services
- Plan, Design, and Construct Public Facilities and Infrastructure

MAYOR, CITY COUNCIL AND APPOINTEES

Mission: Council appointees exist to support and advance the collective work done of the City organization through leadership, communication, and coordination.

MAYOR AND CITY COUNCIL

- Office of the Mayor
- City Council
- Council General

CITY ATTORNEY

- Legal Representation
- Legal Transactions

CITY AUDITOR

- Audit Services

CITY CLERK

- Facilitate the City’s Legislative Process

CITY MANAGER

- Analyze, Develop, and Recommend Public Policy
- Lead and Advance the Organization
- Manage and Coordinate City-Wide Service Delivery

RETIREMENT

- Retirement Plan Administration

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Community and Economic Development



***Mission:** To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings*

Primary Partners

Economic Development
Fire
Housing
Planning, Building and Code Enforcement
Public Works

CSA OUTCOMES

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks

City Service Area
Community and Economic Development
SERVICE DELIVERY FRAMEWORK

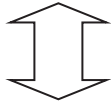
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Community & Economic Development CSA

Mission:

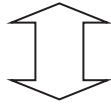
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
 Primary deliverables of the organization

City Manager - Office of Economic Development

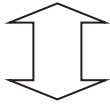
Core Services:

Arts and Cultural Development

Business Development and Economic Strategy

Real Estate Services

Regional Workforce Development



Planning, Building and Code Enforcement Department

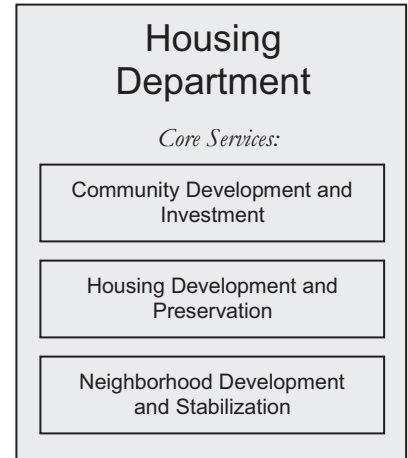
Core Services:

Development Plan Review and Building Construction Inspection

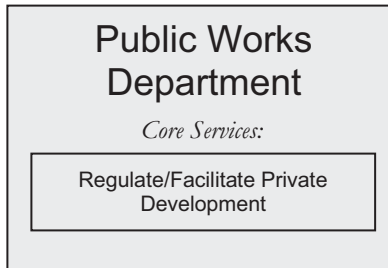
Long Range Land Use Planning

City Service Area
Community and Economic Development
SERVICE DELIVERY FRAMEWORK

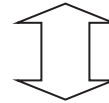
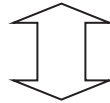
PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes



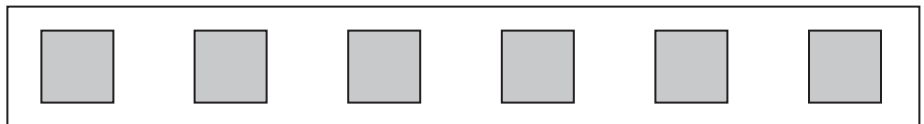
CORE SERVICES
 Primary deliverables of the organization



OPERATIONAL SERVICES
 Elements of Core Services; the “front-line” of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



Community and Economic Development

Expected 2016-2017 Service Delivery

- ❑ Engage and assist companies that can create jobs and expand the City's tax base, with particular focus on emerging growth companies, anchor employers and revenue generators, and attracting foreign investment.
- ❑ Continue to lead and partner with collaborative initiatives such as the Silicon Valley Manufacturing Roundtable and the Chamber of Commerce's Regional Economic Development Initiative.
- ❑ Provide a wide range of re-employment services to residents who remain unemployed by creating opportunities to earn job skills and credentials.
- ❑ Manage the City's land assets with a focus on streamlining the property leasing management of the City's real estate assets and revenue generation.
- ❑ Manage the City's operating agreements for the Convention Center, Cultural Facilities, and SAP Center.
- ❑ Implement city-wide "San José Creates & Connects," a neighborhood creative place making initiative and other city-wide place making activities and strategies, including VivaCalleSJ and Summer in St. James and Plaza de Cesar Chavez parks.
- ❑ Lead the stewardship of cultural facilities in partnership with non-profit partners, including: expansion of the Children's Discovery Museum, incubation of the new Hammer Theatre Center's operating model in partnership with San José State University; expansion of the Tech Museum of Innovation; secure from the Successor Agency to the Redevelopment Agency the San José Stagé Company theater; and the development of a Levitt Pavilion San José.
- ❑ Continue to support the City's partnership with the San José Sports Authority by managing City services for USA Gymnastics Trials and Major League Soccer All-Star Game.
- ❑ Continue to implement the *Public Art Next!* master plan through high impact public art city-wide. Complete a draft of the East Santa Clara Urban Village plan, initiate the Winchester Urban Village planning process, and re-initiate Santana Row and Stevens Creek plans.
- ❑ Complete the Four-Year Review of the General Plan process to further the major strategies and vision of the Envision San José 2040 General Plan.
- ❑ Urban Village planning and implementation of project efforts including West San Carlos, Bascom Urban Village, East Santa Clara, Roosevelt Park, Little Portugal, The Alameda, Stevens Creek, Santana Row, and Winchester Urban Village Plans.
- ❑ Initiate planning for the North First Street and Berryessa Bay Area Rapid Transit (BART) Urban Villages.
- ❑ Bring forward for City Council consideration draft updates and Environmental Impact Reports (EIR) for the Downtown Strategy and North San José Area Development Policy.
- ❑ Draft a San José Urban Agricultural Incentive Zone Ordinance for City Council consideration.
- ❑ Draft Sign Ordinance amendments and options for City Council consideration that will allow electronic digital off-site advertising signs or billboards installations, as well as temporary large banner signs/supergraphics in the Downtown Sign Zone.
- ❑ Make use of innovative technology, such as the expansion of pilot electronic plan review process and initiation of a pilot mobile inspection process.
- ❑ Improve and better coordinate Downtown construction activity/outreach as City center redevelops to ensure safe and efficient multi-modal connectivity through construction.

Community and Economic Development

Expected 2016-2017 Service Delivery

- ❑ Provide construction management and inspection services for the Julian Street Realignment project at the northern edge of Downtown (funded by a grant from the State of California).
- ❑ Provide project management, permit review, and inspection in support of the proposed three-year Google Fiber project to provide 1.0 gigabit internet service to San José residents.
- ❑ Implement the 2016-2017 Annual Action Plan in conformance with the 2015-2020 Consolidated Plan to invest funds across the four federal housing and community development programs.
- ❑ Continue to use available funds to meet the immediate housing needs for homeless populations. Complete rehabilitation of recently purchased Plaza Hotel and Santa Clara Inn.
- ❑ Partner with Destination: Home, a public-private partnership, in its continued implementation of the Community Plan to End Homelessness and the “All the Way Home” campaign – a new initiative that aims to end veteran homelessness in Santa Clara County by the 100th Anniversary of Veterans Day in 2018.
- ❑ Continue to implement city-wide homelessness response programming through crisis response systems, outreach services and subsidy support, and encampment abatement and deterrent measures.
- ❑ Continue to explore, fund, and implement interim and short-term interventions to provide immediate housing and shelter options for homeless populations while long-term solutions are developed.
- ❑ A total of \$64.4 million in Housing Program funds will be available in 2016-2017, as displayed in the following table, to primarily fund future affordable housing developments.

2016-2017 Housing Program Funds	
26,544,934	Loan Repayment
20,925,000	Housing Loans and Grants
8,389,991	Community Development Block Grant (CDBG) Program
2,055,000	BEGIN
1,110,250	Rental Rights and Referrals Program
1,100,000	Bond Administration Fee
876,953	Housing Opportunities for People with AIDS (HOPWA)
822,500	Fees & Charges
780,000	Interest
743,498	Emergency Shelter Grant (ESG)
427,206	HOPWA Special Projects
289,789	CalHome
200,000	Tenant Based Rental Assistance
125,000	Miscellaneous
\$64,390,121	Total Housing Program Funding Sources

Community and Economic Development

2016-2017 Key Budget Actions

- ❑ One-time funding of \$200,000 is added to support business communications, small business support, and other programmatic needs to support core economic development services that were shifted from the Redevelopment Agency to the Office of Economic Development (OED).
- ❑ One-time funding of \$200,000 is added to continue the Manufacturing Jobs Initiative by covering the cost of permit approvals, as directed in the Mayor's March Budget Message for 2016-2017, as approved by City Council.
- ❑ To ensure the successful implementation of the new integrated permit system, additional resources are included to provide project management services, lead the technical aspects of designing and testing the new system, and backfill the subject-matter-experts in Development Services to keep up with the ongoing workload.
- ❑ In the Planning Development Fee Program, two limit-dated Planner IV positions are added to provide needed oversight in the Permit Center and for Development Review and two limit-dated Planner II positions are added to support the planning application review team.
- ❑ In the Building Development Fee Program, the following resources are added to the Permit Center to improve target cycle times and customer service levels: 2.0 Building Inspector Combination Certified I, 2.0 Senior Permit Specialists, and 1.0 Senior Engineer. Additionally, funding for peak staffing contractual services, one-time funding to purchase tablets for mobile inspections, one-time funding to purchase subscriptions for Plan Grid software, and one-time funding for replacement vehicles are included.
- ❑ In the Public Works Development Fee Program, 1.0 Senior Construction Inspector is added to address increased activity and workload.
- ❑ In the Fire Development Fee Program, the addition of 1.0 Associate Engineer and 1.0 Senior Permit Specialist are included to address the increasing demand for services in the Development Fee Program. Additionally, a one-time increase of \$100,000 for temporary staffing to meet peak workload volume will provide support for express plan reviews, allowing permanent staff to focus on more complex/larger projects. These resources will address the anticipated increase activity and workload and will maintain the service delivery target of 85% completion rates within the specified time frame.
- ❑ To address the ongoing need to respond to homelessness in the community, 1.0 Development Officer will be added for two years to provide the capacity needed to address additional workload arising from new homelessness programs to support the more immediate crisis facing unsheltered individuals. The new programs include: safe parking; warming centers; temporary church shelters; mobile hygiene services; and other interim housing solutions.
- ❑ Adds one-time funding of \$250,000 to help draft proposed Municipal Code and policy changes, such as those identified in the work program of the General Plan's Housing Element (as certified by the State), the phases of the Council-adopted Sign Code Update strategy adopted by Council in 2010 as part of the Comprehensive Sign Code Update, and various Council-directed policy priorities, including electronic billboards, supergraphics signs, downtown sign district, and an urban agriculture ordinance.
- ❑ Adds one-time funding of \$330,000 to combat blight in highly effected neighborhoods. This pilot program would fully fund the place-based neighborhoods, continue work on Monterey Highway, and expand the program into the Canoas Garden/Evans Lane area, which is close to Monterey Highway.
- ❑ Provides \$850,000 in an Airport Attraction Program Reserve to promote San José as a travel destination in foreign markets. With recent growth in long-haul flights, these funds will be used to launch a concerted effort to promote San José in key markets that have international air service ties to Norman Y. Mineta San José International Airport.

City Service Area
Community and Economic Development
BUDGET SUMMARY

City Service Area Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
<i>Economic Development</i>					
Arts & Cultural Development	\$ 2,046,931	\$ 2,442,322	\$ 2,368,207	\$ 2,464,121	0.9%
Business Development & Economic Strategy	2,545,846	3,745,663	3,548,376	3,832,737	2.3%
Real Estate Services	1,176,955	1,480,962	1,440,481	1,440,481	(2.7%)
Regional Workforce Development	2,598,632	2,676,326	2,773,134	2,773,134	3.6%
Strategic Support	899,292	606,388	699,720	699,720	15.4%
<i>Fire</i>					
Fire Safety Code Compliance	4,358,879	4,469,425	4,895,746	4,995,746	11.8%
Strategic Support	612,361	569,750	594,502	915,688	60.7%
<i>Housing</i>					
Community Develop & Investment	59,199	348,416	192,910	157,305	(54.9%)
Housing Development & Preservation	631,804	1,113,785	1,194,390	1,189,799	6.8%
Neighborhood Development & Stabilization	2,614,637	3,216,512	3,136,639	3,617,064	12.5%
Strategic Support	4,757,407	5,553,021	5,158,381	5,311,442	(4.4%)
<i>Planning, Bldg & Code Enforcement</i>					
Development Plan Review & Building Construction Inspection	24,643,723	28,751,658	28,882,548	31,418,296	9.3%
Long Range Land Use Planning	3,635,564	5,934,087	4,761,902	5,483,761	(7.6%)
Strategic Support	1,778,367	2,464,816	2,609,391	2,654,571	7.7%
<i>Public Works</i>					
Regulate/Facilitate Private Dev	9,269,353	9,897,083	10,330,984	10,585,506	7.0%
Dollars by Core Service Subtotal	\$ 61,628,950	\$ 73,270,214	\$ 72,587,311	\$ 77,539,371	5.8%
Other Programs					
City-Wide Expenses	\$ 26,693,991	\$ 31,286,089	\$ 25,637,217	\$ 28,802,117	(7.9%)
General Fund Capital, Transfers and Reserves	3,454,673	40,670,334	1,000,000	1,850,000	(95.5%)
Other Programs Subtotal	\$ 30,148,664	\$ 71,956,423	\$ 26,637,217	\$ 30,652,117	(57.4%)
CSA Total	\$ 91,777,614	\$ 145,226,637	\$ 99,224,528	\$ 108,191,488	(25.5%)
Authorized Positions	418.03	437.04	432.17	457.98	4.8%

City Service Area
Community and Economic Development
OVERVIEW

Service Delivery Accomplishments

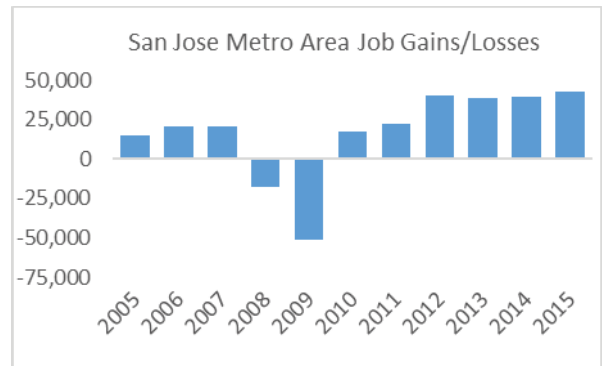
- Successful efforts facilitated the attraction, relocation and expansion of numerous major corporate and retail facilities including Bass Pro Shops, Cogswell College, ABB, NextEV, Quanta Cloud Technology, Bestronics, BenteK, BD Biosciences and others. The work of prior years' business development activity bore fruit as Samsung moved in to a 1.1 million square foot campus in September 2015. Recently-facilitated corporate locations that will open in ensuing fiscal years include Apple, Google, Splunk, Silver Spring Networks, Forescout, Le Technologies, and Space Systems Loral.
- Engaged 350 companies in business outreach visits.
- Real Estate Services generated over \$2.6 million in real estate transactions by disposing of underutilized City properties, the sale of temporary and permanent rights, and the leasing of City-owned facilities.
- As of spring 2016, the Special Tenant Improvement (STI) Program issued permits for approximately 200 projects resulting in approximately 3.5 million square feet of construction space and \$280 million of tenant improvements (TI). Some STI projects include Apple, eBay, Samsung, Cisco, Space Systems Loral, and Jabil Manufacturing.
- As of spring 2016, the Industrial Tools Installation (ITI) Program issued approximately 60 permits. Some notable projects that were served are HGST Labs and Tools, JDSU, LAM Research, Lumileds, and Cisco.
- Completed the Task Force process for the Four-Year Review of the General Plan. Developed proposed City Council Policy and Zoning Code amendments to preserve mobile home parks.
- Applied for and was awarded grants from Valley Transportation Authority (VTA) for the preparation of the North First Street and Berryessa BART Urban Villages.
- Updated zoning code provisions with respect to riparian setbacks and development of bird-safe buildings.
- Modify the Municipal Code to facilitate the building of secondary detached residential units on residential parcels.
- Completed the development of multiple new ordinances including medical marijuana, hotel supportive housing, and short-term rentals in residential districts.
- Developed and implemented an inclement weather shelter program that provided approximately 150 beds of nightly emergency shelter and refuge at religious assemblies and city-owned facilities during extreme weather conditions.
- Worked with Destination: Home and other partners to launch the "All the Way Home" campaign, focused on ending veteran's homelessness in Santa Clara County by 2018.
- Conducted over 200 encampment clean-ups with Santa Clara Valley Water District removing 1,200 tons of trash.
- Adopted the Affordable Housing Investment Plan (2015-2016 through 2016-2017) that established the spending plan for \$103.5 million in affordable housing resources.
- Committed \$35 million in funding for 373 units of supportive housing for homeless and vulnerable populations.
- Transitioned the Hammer Theatre upon the closure of the Repertory Theatre, the previous facility operator, to San José State University. After critical maintenance was completed in March 2016, the 540 seat theater was reopened to the public.
- In 2015-2016, the City's Office of Cultural Affairs Special Events staff coordinated an estimated 371 events city-wide, including signature sporting events, neighborhood street festivals, farmers markets, and fun runs.

Service Delivery Accomplishments

- Completed design for a sculptural shade structure for Parque de los Pobladores, as part of *SoFA Creates & Connects*.
- Permitted, coordinated and supported the production of Super Bowl 50 placemaking efforts including six special events, space activations, and public art installations; conducted Special Event Zone outreach and administration.
- Launched Phase 1 of Illuminating Downtown, an initiative aimed at animating downtown through interactive, artist designed lighting projects at Santa Clara and Route 87, San Fernando and Route 87, San Carlos Ave., the 88 and in SoFA.
- Stewarded approximately \$3.5 million in investments of Transient Occupancy Tax (TOT) funding through the Cultural Funding Portfolio, awarding approximately 100 grants to nonprofit organizations providing arts and cultural programming.
- Work2future's HIRE program assisted 125 homeless individuals with training and employment opportunities and supportive services.
- San José Works, in partnership with Parks, Recreation and Neighborhood Services, provided over 235 youth living in gang hot spots neighborhoods with summer work experience.

Service Delivery Environment

• Job Growth and Employment: 2015 saw continued job gains in the San José metro area and the City of San José specifically. As of December 2015, the total number of metro area jobs was 1,073,100, representing 4.1% annual growth or an increase of 42,600 jobs since December 2014. The City of San José's unemployment rate decreased from 4.9% in December 2014 to 4.2% in December 2015. As of December 2015, the City is home to a labor force of 552,300 of whom 529,300 are employed. An estimated 23,000 San José residents are unemployed.



- Housing Affordability: The median sales price of a single family home in San José as of December 2015 was \$825,000, an increase of 10% from December 2014's median sales price of \$750,000. Median sales prices for condominiums/townhomes for the same period stayed the same at \$465,000. As long as the economy remains robust, the tight housing inventory, historically low interest rates, and strong demand for housing in San José will likely lead to higher housing prices.
- Rental Market: Rents in San José continue to remain among the highest in the nation and, therefore, unaffordable to lower-income residents. The average rent for a one-bedroom for the fourth quarter 2015 was \$2,209, which is an increase of 10% from the fourth quarter in 2014. Over the same time period, the average rent for a two-bedroom was \$2,750, an increase of approximately 8.4%. Assuming that no more than 30% of income goes to housing costs, a household would need to earn \$88,360 annually to afford a one-bedroom apartment and \$110,000 for a two-bedroom apartment in San José. San José's overall vacancy rate is 5.4%, which indicates a balance between supply and demand for luxury and market rate apartment homes. However, the demand for affordable housing far exceeds the supply and the vacancy rate for affordable housing is nearly 0% as evidenced by long wait lists at most developments.
- Homelessness: According to the City's January 2015 Homeless Census and Survey, there were 4,063 homeless individuals residing in San José, 69% of whom were unsheltered and 31% were sheltered. There were 778 homeless individuals in homeless encampments throughout the City.

City Service Area
Community and Economic Development
OVERVIEW

CSA Priorities/Key Services

- Engage driving industry and revenue-generating companies to help facilitate their retention and growth in San José.
- Support the start-up and growth of new businesses.
- Continue to provide high quality land-use development and permitting services for all customers.
- Continue to manage the City’s real estate assets.
- Continue to invest in development process improvements in coordination with stakeholders to improve the speed, consistency, predictability, and customer experience.
- Ensure that the City speaks with “one voice” on development issues while improving the speed, consistency, and predictability of the development review process.
- Continue to offer re-employment services to residents and businesses through work2future.
- Support the provision of a range of quality arts, cultural, sports, and entertainment offerings that appeal to San José’s diverse community.
- Identify strategies to fund affordable and permanent supportive housing, transportation, and Urban Village infrastructure needs.
- Ensure that residents have a diverse range of housing options by increasing housing opportunities for people of all income levels and household types.
- Increase housing and service opportunities for the City’s homeless residents, including those living in encampments.

City Service Area
Community and Economic Development
OVERVIEW

Development Services Budget Summary

	Revenue	Cost	% Cost Recovery*	Positions	Works-in-Progress Reserves**
2015-2016 Modified					
Building	\$ 27,500,000	\$ 33,142,077	83.0%	167.92	\$ 22,646,405
Fire	6,400,000	7,205,562	88.8%	33.59	5,865,282
Planning	4,652,000	5,578,731	83.4%	32.45	2,571,860
Public Works	9,815,000	10,774,518	91.1%	60.19	5,124,454
Total	\$ 48,367,000	\$ 56,700,888	85.3%	294.15	\$ 36,208,001
2016-2017 Proposed***					
Building	\$ 27,500,000	\$ 36,388,666	75.6%	173.32	\$ 13,757,739
Fire	6,911,000	8,106,493	85.3%	37.22	4,669,789
Planning	4,500,000	6,385,564	70.5%	36.78	686,296
Public Works	9,815,000	11,545,285	85.0%	62.13	3,394,169
Total	\$ 48,726,000	\$ 62,426,008	78.1%	309.45	\$ 22,507,993

* Excludes the development fee program reserves. In 2015-2016 and in 2016-2017, all programs reach 100% cost recovery once the use of Works-in-Progress reserves is incorporated.

** The Works-in-Progress Reserves for 2016-2017 are the estimated reserve levels once 2015-2016 revenues and expenditures are reconciled and 2015-2016 balancing actions are included.

*** Excludes carry-over rebudgets.

Development Services is a \$62.4 million business for the City of San José, providing integrated technical plan review and inspection services across Planning, Building, Public Works, and Fire (Development Services Partners). Businesses, homeowners, and other customers use Development Services when remodeling, building new structures, or making other investments to their properties. These investments bring tax revenue, jobs, and other direct benefits to the City. Development Services are provided in an efficient, thorough, and quality-driven manner. While each partner's budget is discussed within their particular Department section, all partners are committed to working closely together to provide "one voice" to Development Services customers.

Over the last year, the Development Services Partners have continued to experience a high level of activity. In order to continue to operate efficiently and attract further development to the City, new Development Fee Program positions are included in this budget (7.31 in Building Development Fee Program, 6.01 in Planning Development Fee Program, 3.01 in Fire Development Fee Program, and 1.94 positions in Public Works Development and Utility Fee Programs). These positions will help improve target cycle times and increase customer service.

Improved staffing, training, and updated technology will be the priorities for the Development Services Partners in 2016-2017 in order to close the gap between customer expectations and service delivery. As a result of continued strong activity, this budget includes additional staffing to support Development Services: the addition of Permit Center Staff to allow the department to have the needed staff resources for improved customer service, decreased wait times, enhanced training, quality control and standardization of process and procedures; additional limit-dated Planners to provide oversight, coordination, and support of environmental review and project implementation needs; and new positions to address increased activity and workload anticipated for the Fire and Public Works Development Fee Programs.

City Service Area
Community and Economic Development
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2014-2015 Actuals	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OED assistance by:					
	Type of Company:					
	- Industrial	5,080	4,000	5,100	4,000	16,000
	- Commercial/Retail	287	500	1,300	500	2,000
	Type of Job:					
	- New	883	1,000	1,000	1,000	5,000
	- Retained	4,484	3,500	5,400	3,500	9,500
	2. # of Clean Tech Jobs generated/retained from City efforts	51	100	129	100	800
Stimulate Revenue for City Services	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social	1,256,472	1,177,000	1,264,737	980,000	N/A ¹
	- Out of Town	133,633	70,000	68,241	83,800	N/A ¹
	- Exhibitors	9,925	7,400	8,285	11,300	N/A ¹
	2. Estimated increases in sales and business taxes from attracted or expanding businesses which previously received assistance from the City (excludes property and utility taxes):					
	- Taxes from new companies	\$1,134,000	\$1.5 M	\$300,000	\$1.5 M	\$4.5 M
	- Taxes from retained companies	\$2,088,000	\$1.0 M	\$2.0 M	\$1.0 M	\$3.0 M
	Total	\$3,222,000	\$2.5 M	\$2.3 M	\$2.5 M	\$7.5 M

¹ The 5-Year Goal does not have a performance measure because the City is currently working with Team San José, the operator of the City's Convention and Cultural Facilities, and the City's hospitality industry advisor to modify the methodology to reflect changing industry best practices.

City Service Area
Community and Economic Development
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Retain Industrial Jobs, Suppliers and Industrial Land Uses	1. Jobs gained/(lost) in areas with "heavy" and "light" Industrial General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	(609) jobs (4.2 acres)	82 jobs ¹ 4.48 acres	(35) jobs ¹ (1.9 acres)	0 jobs (0 acres)
	2. Jobs gained/(lost) in areas with "Industrial Park" and "Campus Industrial," and other R&D General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	(1,321) jobs (9.1 acres)	(210) jobs ¹ (4.48 acres)	0 jobs ¹ (0 acres)	0 jobs (0 acres)
	3. Estimated ratio of San José jobs to employed residents	0.88	0.88	0.84	0.88	0.90
Facilitate Small Business Expansion	1. # of Business Owner Space participants receiving assistance, access to capital, technical or human resources support or information	71,260	30,000	60,000	40,000	100,000
	2. Unique website visitors to businessownerspace.com	28,803	10,000	10,000	10,000	50,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	4,460	3,200	2,460	1,680	TBD**
	- Adults	3,014	2,000	1,900	1,250	TBD ²
	- Dislocated Workers	1,174	1,000	350	250	TBD ²
	- Youth	272	200	190	180	TBD ²
	2. Estimated % of clients employed six months after initial placement					
	- Adults	83.2%	79%	79%	79%	TBD ²
	(% of target met)	(105.3%)	(100%)	(100%)	(100%)	(100%)
	- Dislocated Workers	86.9%	83%	83%	83%	TBD ²
	(% of target met)	(104.7%)	(100%)	(100%)	(100%)	(100%)
	3. Estimated % of clients placed in jobs					
- Adults	58.1%	51.5%	51.5%	51.5%	TBD ²	
(% of target met)	(112.7%)	(100%)	(100%)	(100%)	(100%)	
- Dislocated Workers	66.7%	58.5%	58.5%	58.5%	TBD ²	
(% of target met)	(114%)	(100%)	(100%)	(100%)	(100%)	
- Youth	77.7%	60.0%	60.0%	60.0%	TBD ²	
(% of target met)	(129.5%)	(100%)	(100%)	(100%)	(100%)	

¹ For the 2015 General Plan annual review cycle, hearings took place in October 2015 and November 2015 with the Planning Commission and December 2015 with the City Council. In the 2015 General Plan annual review cycle, there were four Director/City initiated and one privately initiated General Plan text amendments, and four privately initiated land use amendments. For 2016, there are currently 12 privately initiated and two Director/City initiated General Plan land use amendments, and two privately initiated text amendments on file.

² Targets have not been negotiated with the Employment Development Department for the 5-Year Goal and are expected to be established in fall 2016.

City Service Area
Community and Economic Development
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: SAFE, HEALTHY, ATTRACTIVE, AND VITAL COMMUNITY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Quality Living and Working Environment	1. % of residents surveyed who rate the quality of architecture and landscaping design/maintenance in new development in their neighborhood as good or better	N/A ¹	70%	N/A ¹	70%	70%
Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	53 ²	3,226 ²	410 ²	550 ²	0 ²
	2. San José housing production compared to regional fair share number target (in parenthesis)	3,600 units (3,750)	3,400 units (3,750)	2,000 units (3,750)	3,250 units (3,750)	16,700 units (18,750)
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	120% (3,000 units)	113% (3,000 units)	66% (3,000 units)	108% (3,000 units)	128% (13,000 units)
Provide Seamless and Effective Development Review Including Implementation of Environmental Regulations, in a Customer Friendly Fashion	1. % of projects receiving consistent feedback from staff throughout the course of the project review:					
	- Planning Permit Plan Review	68%	70%	68%	70%	80%
	- Public Works Permit Plan Review	77%	80%	81%	80%	85%
	- Building Permit Plan Check	76%	80%	81%	80%	85%
	- Fire Permit Plan Check	86%	88%	85%	88%	90%
	2. Ratio of current year fee revenue to fee program cost	100%	100%	100%	100%	100%
	3. Development projects completed within processing time targets:					
	- Entitlement Process	85%	85%	84%	85%	85%
	- Construction Process:					
	- Plan Check	90%	85%	83%	85%	85%
	- Inspections in 24 hours	44% ³	75%	35% ³	75%	80%
	- Inspections in 48 hours	59% ³	92%	57% ³	92%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)	63%	75%	75%	75%	75%
	5. % of customers surveyed rating service as good or better					
- Discretionary ⁴	74%	70%	71%	70%	80%	
- Ministerial ⁵	76%	75%	77%	70%	80%	
6. % of customers surveyed who indicate the City has improved customer service in the past 12 months						
- Discretionary ⁴	70%	60%	66%	68%	80%	
- Ministerial ⁵	70%	65%	73%	75%	80%	

¹ Staffing vacancies have reduced capacity for soliciting feedback on new development projects.

² For the 2015 General Plan annual review cycle, hearings took place in October 2015 and November 2015 with the Planning Commission and December 2015 with the City Council. In the 2015 General Plan annual review cycle, there were 19 text and land use amendments considered. For the 2016 annual review cycle, staff anticipate working on 15 privately initiated and Director/City initiated land use amendments.

³ Three (3) additional building inspection positions were added in 2015-2016 and some positions were filled; however, vacancies still remain as a result of the difficulties in filling the positions quickly with qualified candidates. The Administration continues to recruit for a wide range of development services positions.

⁴ Discretionary projects are those that require a public hearing (e.g. zoning change, General Plan amendment).

⁵ Ministerial projects are administrative in nature and do not require a public hearing (e.g. water heater replacement).

City Service Area
Community and Economic Development
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: DIVERSE RANGE OF HOUSING OPTIONS

5 Year Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of annual target achieved for completion of affordable housing (housing units)	70.0% (397)	100% (70)	179% (168)	100% (70)	100% (2,157)
Direct Significant Affordable Housing Resources to Lower-Income Households	2. % of Housing Department funds reserved by income levels over 5 years: - Very Low (<=50% of median) - Extremely Low (<=30% of median) - Very Low (31-50% of median) - Low (51-80% of median) - Moderate (81-120% of median)	22% 7% 15% 40% 38%	60% 30% 30% 25% 15%	91% 23% 68% 2% 7%	60% 30% 30% 25% 15%	60% 30% 30% 25% 15%

City Service Area
Community and Economic Development
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: RANGE OF QUALITY EVENTS, CULTURAL OFFERINGS, AND PUBLIC ARTWORKS

5 Year Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Provide a diverse range of arts and cultural offerings for residents and visitors	1. % of residents rating the availability of a diverse range of quality arts and cultural activities in the City as good or excellent	42%	50%	40%	50%	55%
Encourage a full range of outdoor special events that serve diverse communities and visitors	1. % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	38%	50%	N/A ¹	41%	40%
	2. Estimated City revenue from signature events (events and festivals solicited and supported by the City)	\$1.6M	\$1.0M	\$1.0M	\$1.0M	\$4.5M

¹ Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

City Service Area

Community and Economic Development

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
ECONOMIC DEVELOPMENT			
• Business Development and Economic Strategy Activities		200,000	200,000
• Office of Cultural Affairs Arts Staffing	1.00	95,914	0
• Workforce Development Administrative Support Staffing	1.00	84,361	0
<i>Subtotal</i>	2.00	380,275	200,000
FIRE			
• Fire Development Fee Program	3.00	421,186	421,186
<i>Subtotal</i>	3.00	421,186	421,186
HOUSING			
• Special Projects Funding		190,000	0
• Housing Department Management Realignment	1.00	187,684	0
• Single Family and Mobilehome Rehabilitation Program	1.00	111,512	0
• Affordable Housing Impact Fee Program	1.00	104,098	0
• Homelessness Program Support	1.00	0	0
• Low and Moderate Income Housing Asset Fund Staffing Realignment		(4)	0
<i>Subtotal</i>	4.00	593,290	0
PLANNING, BUILDING AND CODE ENFORCEMENT			
• Building Development Fee Program	7.50	1,806,489	1,806,489
• Planning Development Fee Program	6.07	766,993	766,993
• Medical Marijuana Program CEQA Review		250,000	250,000
• Policy and Ordinance Assistance		250,000	250,000
• Fire and Public Works Development Fee Programs and Other Programs	0.24	127,067	98,527
• Environmental Review Staffing	1.00	102,238	0
<i>Subtotal</i>	14.81	3,302,787	3,172,009
PUBLIC WORKS			
• Public Works Development Fee Program	2.00	254,522	254,522
<i>Subtotal</i>	2.00	254,522	254,522
Subtotal Departments	25.81	4,952,060	4,047,717

City Service Area
Community and Economic Development
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
CITY-WIDE EXPENSES			
• Arena Authority		48,000	48,000
• Business Improvement District Creation		100,000	100,000
• Diridon Project Management		351,500	351,500
• Downtown Signs		50,000	50,000
• Economic Development Pre-Development Activities		200,000	200,000
• Independence Day Celebrations		65,000	65,000
• Manufacturing Jobs Initiative		200,000	200,000
• Neighborhood Blight Eradication		330,400	330,400
• San José Works		1,470,000	1,470,000
• Sports Authority		350,000	350,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Earmarked Reserves: Airport Attraction Reserve		850,000	850,000
		<hr/>	
Subtotal Other Changes	0.00	4,014,900	4,014,900
<hr/>			
Total Proposed Budget Changes	25.81	8,966,960	8,062,617

Environmental and Utility Services



***Mission:** Provide environmental leadership through policy development, program design, and reliable utility services*

Primary Partners

Environmental
Services
Transportation

CSA OUTCOMES

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- “Clean and Sustainable” Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply

City Service Area
Environmental and Utility Services
SERVICE DELIVERY FRAMEWORK

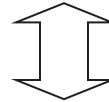
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Environmental & Utility Services CSA

Mission:

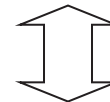
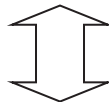
Provide environmental leadership through policy development, program design, and reliable utility services.



Outcomes:

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- "Clean and Sustainable" Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply

CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

Environmental Services Department

Core Services:

Natural and Energy Resources Protection

Potable Water Delivery

Recycled Water Management

Recycling and Garbage Services

Stormwater Management

Wastewater Management

Transportation Department

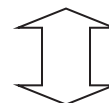
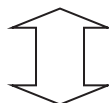
Core Services:

Sanitary Sewer Maintenance

Storm Sewer Management

CORE SERVICES
 Primary deliverables of the organization

OPERATIONAL SERVICES
 Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



Environmental and Utility Services

Expected 2016-2017 Service Delivery

- ❑ **Utility Infrastructure Management** – Build, operate, and maintain the City’s wastewater, stormwater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- ❑ **Pollution Prevention, Water Quality, and Habitat Protection** – Promote the health of the environment and South Bay Watershed through collection, treatment, and management of wastewater and stormwater runoff.
- ❑ **Solid Waste Diversion** – Oversee programs to collect, recycle, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- ❑ **Illegal Dumping Response** – Consolidate the City’s illegal dumping response and prevention efforts to increase efficiency and effectiveness of city-wide clean-up efforts and protect environmental health.
- ❑ **Promote Sustainability in the Community** – Support sustainable infrastructure, equipment, and effectiveness throughout the community through education, public-private partnerships, and leadership of the City’s Green Vision.
- ❑ **Customer Service** – Explore the efficient use of technology while providing excellent customer service to City residents and businesses.

2016-2017 Key Budget Actions

- ❑ **Sewer Service Rates** – The Sewer Service and Use Charge fund will increase up to 5.5% in 2016-2017 to allow for the continued rehabilitation and replacement of critical infrastructure and equipment at the Water Pollution Control Plant (Plant) and the sanitary sewer collection system.
- ❑ **Storm Sewer Service Rates** – No increases to the Storm Sewer Service Charge rates are scheduled for 2016-2017. However, rates will be reassessed in 2017-2018 upon completion of the initial recommendations from the Storm Sewer Master Plan that is anticipated to be completed in 2017, as described in the 2017-2021 Proposed Storm Sewer System Capital Improvement Program (CIP); and upon continued evaluation of the resource needs to comply with the new Municipal Regional Stormwater Permit.
- ❑ **Water Rates** – This 2016-2017 Proposed Budget assumes a 2.0% increase to Municipal Water System rates in order to offset increased operating costs. Staff anticipates returning to City Council no later than fall 2016 with additional recommendations related to water rates, due to the need to further track ongoing water conservation and its effects on changes in water usage, as well as on the sources of wholesale water. Until that further analysis can be conducted and evaluated, the use of the Rate Stabilization Reserve is recommended as a temporary funding source for the program next fiscal year.
- ❑ **Recycle Plus Rates** – A 2.5% increase in multi-family dwelling rates will provide additional large item collection appointments and bring rates to cost recovery, as growth and service levels are increasing due to higher occupancy rates contributing to increased contractual expenditures. No increase is proposed for single-family dwellings.
- ❑ **Illegal Dumping Response and Prevention** – To provide an enhanced and more concerted response to illegal dumping, City resources will be added and realigned under the Environmental Services Department (ESD). Under the new consolidated service delivery approach, 1.0 Supervising Environmental Services Specialist position will be added to ESD to oversee the city-wide Illegal Dumping program and 2.0 Maintenance Worker II positions will be transferred from the Transportation Department (DOT) to ESD to further support the program. Additional on-going and one-time funding (including a base budget adjustment from the Planning, Building and Code Enforcement Department) will expand special illegal dumping routes to hot spots throughout the City.

Environmental and Utility Services

2016-2017 Key Budget Actions

- ❑ **Neighborhood-Led Beautification Days** – Provides funding of \$180,000 to expand neighborhood clean-ups by providing for up to six neighborhood-led beautification days for each of the City’s ten Council Districts in 2016-2017. Such beautification days enable San José residents to dispose of unwanted items, but also have a broader impact in providing an important tool to deter illegal dumping, reduce criminal activity associated with signs of disorder, and otherwise enhance the quality of life for many struggling neighborhoods. This enhancement will bolster the current city-wide Neighborhood Clean-Up program that rotates through all neighborhoods once every three years.
- ❑ **Single-Family Residences Large Item Collections** – Provides funding for limited, free-of-additional-charge, on-call curbside collection of large items, such as mattresses, furniture, appliances (including refrigerators), tires, and boxed smaller items. This collection program will allow for up to two three-item pickups (for a total of six items) annually for each single-family resident and is a key component of the City’s strategy to reduce illegal dumping in San José.
- ❑ **Sorting of Residential Solid Waste** – Provides funding to implement the third phase of the back-end processing program, which sorts and processes waste materials prior to landfill conveyance to further the City’s waste diversion goals. The third phase of this effort would include single-family residences from the eastern and southern portions of the City. With the addition of this third phase, back-end processing will be funded for roughly 70 percent of the City’s total single-family residences. This is projected to result in a city-wide single-family waste diversion increase from approximately 45 to 60 percent. The program goal is to incorporate the remaining single-family residence garbage routes in 2017-2018.
- ❑ **Compliance with Wastewater Permit Requirements** – Adds 1.0 Senior Environmental Inspector position to oversee and manage inspection programs as required under the City’s Wastewater National Pollution Discharge Elimination System (NPDES) Permit. Over the past few years, the City’s Pretreatment Program has expanded its workload in response to the United States Environmental Protection Agency (EPA) and City audits, including enhancements to the inspection and permitting programs, updates to the municipal code, and expansion of staff training programs. Additionally, the Pretreatment Program is preparing for the promulgation by the EPA of new federal requirements aimed at regulating dental practices to control the discharge of mercury. The addition of the Senior Environmental Inspector will provide the necessary oversight and management of expanding program requirements.
- ❑ **Sewer Repair Service Level Increase** – Adds 1.0 Heavy Equipment Operator, 1.0 Maintenance Worker I, 1.0 Maintenance Worker II, and 1.0 Senior Maintenance Worker positions, along with associated equipment, to create one additional sewer repair crew that will provide adequate staffing to address sanitary and storm sewer repair requests in a timely manner and help eliminate the repair backlog.
- ❑ **Plant Staffing** – Adds 1.0 Industrial Electrician, 2.0 Instrument Control Technician I, 1.0 Senior Industrial Process Control Specialist I, and 1.0 Wastewater Operator I positions in order to provide adequate support and oversight of upcoming Plant CIP projects. These positions are necessary in order to deliver the projects included in the Council-approved Plant Master Plan, which identified more than 100 capital improvement projects to be implemented at the Plant to address aging infrastructure.
- ❑ **Maintenance and Equipment** – To improve operational efficiency at the Plant, outdated equipment will be replaced or upgraded with current technology. Funding will be allocated for repair and maintenance of Plant infrastructure to avoid the greater repair costs that would result if this were deferred.

City Service Area
Environmental and Utility Services
BUDGET SUMMARY

Environmental and Utility Services

City Service Area Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
<i>Environmental Services</i>					
Natural and Energy Resources Protection	\$ 708,739	\$ 720,534	\$ 719,559	\$ 719,559	(0.1%)
Potable Water Delivery	28,330,240	36,236,478	37,289,673	37,729,702	4.1%
Recycled Water Management	3,041,631	4,508,322	4,480,931	4,590,890	1.8%
Recycling and Garbage Services	102,116,247	108,152,855	110,152,458	117,272,601	8.4%
Stormwater Management	8,490,372	10,189,097	10,107,952	10,107,952	(0.8%)
Wastewater Management	66,851,007	77,888,408	77,636,096	78,637,445	1.0%
Strategic Support	7,504,302	8,020,993	8,176,861	8,595,112	7.2%
<i>Transportation</i>					
Sanitary Sewer Maintenance	15,875,399	15,726,667	16,178,052	16,479,766	4.8%
Storm Sewer Management	7,957,852	7,971,265	8,268,550	8,224,548	3.2%
Strategic Support	1,113,183	1,209,348	1,305,228	1,305,228	7.9%
Dollars by Core Service Subtotal	\$ 241,988,972	\$ 270,623,967	\$ 274,315,360	\$ 283,662,803	4.8%
Other Programs					
City-Wide Expenses	\$ 1,234,028	\$ 2,202,761	\$ 1,779,527	\$ 2,279,527	3.5%
General Fund Capital, Transfers & Reserves	5,074,182	0	0	0	N/A
Other Programs Subtotal	\$ 6,308,210	\$ 2,202,761	\$ 1,779,527	\$ 2,279,527	3.5%
CSA Total	\$ 248,297,182	\$ 272,826,728	\$ 276,094,887	\$ 285,942,330	4.8%
Authorized Positions	666.59	690.89	681.84	699.59	1.3%

City Service Area
Environmental and Utility Services
OVERVIEW

Service Delivery Accomplishments

- DOT continued to refine the Sanitary Sewer Maintenance Strategic Plan to significantly reduce the number and impacts of Sanitary Sewer Overflows (SSOs). In 2015-2016 DOT proactively cleaned 1,051 miles of sewer lines, responded to 75% of SSOs within 30 minutes, and the number of SSO's was down over 29% from the previous year, dropping from 96 to 68.
- During 2015-2016, the Municipal Water System is estimated to deliver 6.4 billion gallons of potable water to customers in North San José, Alviso, Evergreen, Edenvale, and Coyote Valley. Improvements to the potable water distribution system included main extensions to improve reliability and rehabilitation of reservoirs providing fire protection. Moreover, approximately 9,000 manual-read water meters are anticipated to have been replaced with electronic-read meters (with 5,000 remaining meters in the 2016-2017 Capital Budget), providing improved customer service with quicker reads and assisting water conservation efforts by providing more useful water usage reports.
- Beginning in 2014-2015, funding was allocated to support large item collections for multi-family dwelling property managers at no additional charge, which was designed to reduce blight at multi-family properties and mitigate illegal dumping. Large items collected increased from 30 tons in 2013-2014 to over 600 tons in 2014-2015. In the first half of 2015-2016, over 12,580 items were collected, and are forecasted to exceed 25,000 items by the end of June 2016.
- In 2015-2016, funding was allocated to provide single-family residents with one three-large-item collection pick-up during the year. Since this program began in October 2015, approximately 7,800 program-supported collections have been completed (as of February 2016), and it is anticipated that over 20,000 collections will be used by the end of 2015-2016. No-/low-cost outreach efforts are being leveraged for high-value effects, and include methods such as, but not limited to: social media, web pages, and radio/television communications; flyers and bus shelter prints; knock 'n' talks and door hangers; neighborhood association meetings; and tabling activities at major events. Communications are conducted in multiple languages where appropriate.
- The Polystyrene Foam Disposable Food Service Ware Ordinance adopted by the City Council on September 10, 2013 takes aim at a pervasive and persistent type of litter impacting the City's waterways by phasing out food service ware containers made from expanded polystyrene foam. The first phase of this ordinance became effective on January 1, 2014 for multi-state restaurant chains. The second phase of the ordinance became effective for all other restaurants, including mobile and street vendors, on January 1, 2015. The City has received only a handful of exemption requests and non-compliance complaints since the implementation of the ordinance.
- The City continued implementation of the EPA grant-funded Clean Creeks, Healthy Communities (CCHC) project. The objective of CCHC has been to reduce trash through addressing homelessness, community engagement, and the prevention of illegal dumping along a three-mile stretch of Coyote Creek. Through March 31, 2016, CCHC has removed 451 cubic yards of trash through 76 neighborhood and creek cleanups with the help of 2,400 volunteers. The program has organized 118 outreach events and reached an estimated 14,000 residents and students with their watershed protection and anti-litter messages. Most recent survey results reveal that 73% of residents are aware that their personal conduct can result in litter in Coyote Creek, which is a 26% increase from the baseline survey results of 58% of residents.

Service Delivery Environment

Aging storm sewer, sanitary sewer, and Plant infrastructure results in increased maintenance and rehabilitation/replacement costs. Master plans for these systems assist in identifying necessary long-term improvements. The City-wide Storm Sewer Master Plan is anticipated to be completed by the end of 2017. The Sanitary Sewer Master Plan was completed in 2011-2012, with subsequent updates brought forward on an as-needed basis. The Plant Master Plan was adopted by the City Council in November 2013 and identified 114 projects and over \$2.2 billion in investments to rebuild and rehabilitate the aging infrastructure at the Plant and make technology changes to benefit the community.

Service Delivery Environment

Between October 2013 and February 2014, City staff worked with the program management firm MWH Americas to validate project assumptions, confirm project needs and operational constraints, and evaluate the potential for packaging the projects identified in the Plant Master Plan to most effectively deliver the program. The project validation was completed in February 2014 and identified 33 project packages that will be initiated over the next decade, translating into approximately \$1.4 billion in investments.

Wastewater

- The EPA, State Water Resources Control Board, and Regional Water Quality Control Board (RWQCB) are continuing to ramp up their regulatory and enforcement efforts to ensure that local agencies are in full compliance with the state-wide General Waste Discharge Requirements for Sanitary Sewer Collection Systems, and that agencies are effectively implementing sanitary sewer management plans for reducing SSOs.
- The City's 15 sanitary sewer pump stations are, on average, 30 years old. The standard design life of the mechanical and electrical components of a pump station is up to 25 years, and as such, a pump station should be rehabilitated with new pumps, motors, and control systems at least every 25 years.
- The City continues to participate in the state and federal planning process for restoration of the South Bay Salt Ponds (16,500 acres) and the U.S. Army Corps of Engineers Shoreline Study to ensure that the City's interests are considered. These interests include protecting Alviso and the Plant from any potential tidal impacts and providing habitat for endangered species.
- Plant pollutant removal performance is monitored in accordance with the NPDES permit provisions that govern what pollutants must be monitored, how frequently, and from which sample points (effluent and/or influent). The Plant was reissued a new permit in September 2014, with monitoring requirements remaining largely unchanged. A regional nutrients watershed permit that applies to all wastewater treatment plants discharging to San Francisco Bay was also adopted in April 2014.

Stormwater Management

- On November 19, 2015, the RWQCB adopted a new NPDES Stormwater Permit (Stormwater Permit) to regulate 77 municipalities in the San Francisco Bay Area. The Stormwater Permit included more specific guidelines for existing programs and required new or expanded efforts. City staff, in conjunction with other regional stormwater agencies, are actively updating existing programs to address the new and ongoing requirements of the Stormwater Permit.
- The Stormwater Permit requires the City to reduce trash loads from the storm sewer system by 70% by 2017. The new Permit includes an additional requirement of 80% reduction by 2019 and sets a non-mandatory goal for 60% reduction by July 2016. In January 2014, the City Council authorized submittal of the Clean Waterways, Healthy City: Long-Term Trash Load Reduction Plan (Plan), which provides a roadmap for achieving the permit-specified trash reduction goals.
- The Stormwater Permit requires that a Green Infrastructure Plan must be completed by September 2019. This plan will function as an implementation guide and permit reporting tool as the City incorporates green infrastructure (e.g. bioretention) to supplement current traditional storm drain infrastructure. The plan will also support the City's effort to reduce urban runoff and meet stormwater pollutant limits established by the RWQCB.
- An aging storm sewer infrastructure unsuitable for accommodating planned growth and increased regulatory interest in using "green infrastructure" approaches to address stormwater issues are driving the need for a multi-year master planning effort for the storm sewer system.

City Service Area
Environmental and Utility Services
OVERVIEW

Service Delivery Environment

Solid Waste

- San José's exclusive commercial wet/dry solid waste system continues as a model program throughout the country and achieved a 71% diversion rate for 2015 by processing all materials either with the City's commercial hauler, Republic Services, at its Material Recovery Facility or at Zero Waste Energy Development (ZWED) Corporation's Anaerobic Digestion Facility. Additionally, the Construction and Demolition Diversion program facilities achieved another year of 75% diversion.
- Beginning on January 2, 2016, staff implemented a new pilot program to combat illegal dumping in specific "hot spot" areas. Through this pilot program, illegally dumped material was collected from twelve square miles of public rights-of-way every Saturday. This pilot program removed over fifty tons of illegally dumped material from hot spot areas, while pick-up methods were also refined. The City collaborated with San José State University's "CommUniverCity" to evaluate the overall effectiveness of this program and incorporate community outreach. Additionally, the City coordinated with Republic Services and DOT to collect an additional 50 tons per month of illegally dumped material from commercial areas.
- As of February 2016, the Household Hazardous Waste Program accommodated 7,554 appointments, the majority of which were made at the Environmental Innovation Center. Staff anticipates over 11,300 appointments by the end of 2015-2016, and estimates the program will accommodate approximately 11,500 appointments in 2016-2017.

Sustainability

- In support of Green Vision Goal #2, *Reduce Per Capita Energy Use by 50%*, the Silicon Valley Energy Watch Partnership with the Pacific Gas and Electric Company (PG&E), which enables staff to provide extensive energy efficiency education and outreach to the community, has been administered by ESD since 2004. The program negotiated a new three-year agreement beginning in 2016.
- Staff monitors emerging solar and other renewable energy technologies for possible implementation in the City, seeks to leverage scalable model programs to promote the advancement of renewable energy, and monitors city-wide solar installation activities. These activities support Green Vision Goal #3, *Receive 100% of Our Electrical Power from Clean, Renewable Sources*.
- The City continues to leverage existing partnerships and seize opportunities to establish new partnerships with the business community, neighborhood organizations, and academic institutions in order to accomplish San José's energy goals. Examples include the Step Up and Power Down (SUPD) and Property Assessed Clean Energy programs. SUPD is a joint San José and PG&E campaign that combines behavior change strategies with PG&E's existing energy-efficiency programs to increase energy conservation. SUPD was launched in summer 2015 and will continue through 2016. The Property Assessed Clean Energy (PACE) program was launched in December 2013 and provides San José property owners with a financing tool that enables them to implement a wide range of energy and water efficiency improvements without requiring large initial investments. The PACE program is available to all San José residents and businesses, and the City continues to explore opportunities to expand participation in PACE in conjunction with SUPD.

CSA Priorities/Key Services

- Operate and maintain the City's utilities – storm sewer, sanitary sewer, Plant, potable water, and recycled water reliably and efficiently.
- Make strategic investments to increase service levels and maintenance activity on the City's Sanitary Sewer Collection System in order to reduce the number and mitigate the impacts of SSOs.
- Continue to invest in capacity and condition assessments for the sanitary sewer collection system to reduce SSOs and support economic development and build-out of the General Plan.
- Continue to meet NPDES wastewater and stormwater permit compliance.
- Implement the strategies outlined in the Clean Waterways, Healthy City: Long-Term Trash Load Reduction Plan in order to achieve the trash load reduction goals specified in the Stormwater Permit.
- Develop a Green Infrastructure Plan to effectively guide the City and development through the implementation of green infrastructure on private and public lands.
- Continue to partner with other agencies and pursue grants to promote energy efficiency and clean, renewable energy in the community and support pollution prevention programming.
- Continue to implement solid waste reduction programs in order to achieve Zero Waste by 2022.
- Create recycling infrastructure jobs in San José and support public/private partnerships through the processing of an additional thirty percent of the single-family garbage stream beginning in July 2016.
- Increase awareness of proper disposal of bulky items through the expanded large item collections included in residential garbage service rates.

City Service Area
Environmental and Utility Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: RELIABLE UTILITY INFRASTRUCTURE

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Preserve the City's utility infrastructure to optimize service delivery capabilities	1. % of utility assets in working condition:					
	- SJ/SC Water Pollution Control Plant ¹	89%	95%	97%	95%	95%
	- Storm Sewer lines	95%	95%	95%	95%	95%
	- SJ Municipal Water	98%	98%	98%	98%	98%
	- South Bay Water Recycling	80%	98%	85%	90%	90%
	2. Ratio of Municipal Water System average residential water bill to weighted average residential water bill of the San José water retailers ²	56%	<100%	<100%	<100%	<100%
	3. Number of SSOs per 100 miles of sewer lines	4.2	4.0	3.0	4.0	3.0
Provide for collection, disposal & processing of solid waste	1. % of waste diverted from landfills (State Goal: 50%) ³					
	- Overall	71%	75%	71%	75%	85%
	- Residential	62%	63%	65%	72%	79%
	- Commercial	78%	75%	71%	80%	80%
	- City Facilities	91%	91%	91%	92%	100%

¹ The % of utility assets in working condition for the Plant is calculated based on an average number of hours critical equipment are unavailable during the year due to repairs.

² Other San José water retailers include San José Water Company and Great Oaks Water Company.

³ To continue increasing solid waste diversion and meet the Green Vision Goal of Zero Waste by 2022, new solid waste management infrastructure and programs will be necessary in the coming decade. The private sector has invested over \$100.0 million in recycling facilities in San José since 2007 and this level of investment will need to continue.

Budget Dollars at Work: Performance Goals

OUTCOME 2: HEALTHY STREAMS, RIVERS, MARSH, AND BAY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Manage stormwater for suitable discharge into creeks, rivers, and the Bay ¹	1. % of residents surveyed who understand that any substances that get washed down the street end up in the Bay without treatment through the storm drain system ²	N/A ²	55%	69%	N/A ²	70%
Manage wastewater for suitable discharge into the Bay	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season ³	68.9 mgd	<120 mgd	70 mgd	<120 mgd	<120 mgd
	2. % of time pollutant discharge requirements for wastewater NPDES permit are met or surpassed	100%	100%	100%	100%	100%
Develop, operate, and maintain a recycled water system that reduces effluent to the Bay	1. Millions of gallons per day diverted from flow to the Bay for beneficial purposes during the dry weather period ⁴	19.6 mgd	14.0 mgd	17.4 mgd	17.6 mgd	14.0 mgd

¹ Trash generation correlates with many other community conditions, including graffiti and gang violence and lower participation in other municipal environmental programs, such as curbside recycling and household hazardous waste disposal. These correlations are at the center of San José's strategy to broaden the capacity of the City to reach a greater audience in the community and the ability to leverage resources of other public and non-governmental agencies that are already working to improve the quality of life in San José neighborhoods. Continuing partnerships are essential to the long-term success and sustainability of the City's trash reduction efforts. The City will continue to seek out new and innovative partnerships with local organizations and agencies to further broaden its resource base with those entities that share the common goal of improving community health and well-being.

² Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

³ In accordance with the NPDES permit, the maximum annual discharge is 120 mgd. These measures continue to be below this trigger point, which is set by the State to protect wildlife habitat. The Plant continues to consistently meet permit discharge requirements.

⁴ Dry weather period is defined as the lowest continuous three months average rainfall between May and October, which during the fiscal year report period is July to September.

OUTCOME 3: "CLEAN AND SUSTAINABLE" AIR, LAND, AND ENERGY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Reduce, reuse, and recycle solid waste at home, work, and play ¹	1. % of residents rating the City's job of providing information on how to recycle as good or excellent ²	N/A ²	60%	53%	N/A ²	75%

¹ San José has one of the highest diversion rates among large cities in the country. The structure of the City's commercial and residential programs facilitate effective sorting of garbage and recycling by residents and businesses. Customer outreach to neighborhoods, schools, and businesses will continue to help reduce recycle cart contamination and blight, as well as account for commercial customers.

² Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

City Service Area
Environmental and Utility Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: SAFE, RELIABLE, AND SUFFICIENT WATER SUPPLY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Ensure availability of future water supplies.	1. Mgd of water conserved and recycled ¹ / ₂	69	76	76	79	89
Public is educated regarding water conservation, and the safe and appropriate use of recycled water and water resources	1. % of Municipal Water System customers demonstrating water conservation knowledge ³	N/A ³	78%	85%	N/A ³	90%
	2. % of Municipal Water System customers with water saving fixtures in their home or property ³	N/A ³	66%	74%	N/A ³	80%
	3. % of residents who are in favor of using recycled water ³ / ₂	N/A ³	80%	83%	N/A ³	90%

¹ The South Bay Water Recycling Program (SBWR) delivers more than 10,000 acre feet per year of recycled water from the Plant to over 700 customers for reuse in irrigation, industrial cooling, and other beneficial purposes. SBWR supplies more than 75% of all recycled water used in Santa Clara County.

² Starting in 2013-2014, data reported is based on County-wide water savings from both indoor and outdoor water conservation programs, passive water savings (from behavioral, policies, and code changes), and recycled water use. The County-wide data is collected and provided by SCVWD.

³ Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

City Service Area

Environmental and Utility Services
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
ENVIRONMENTAL SERVICES DEPARTMENT			
• Single-Family Dwelling Waste Materials Processing - Phase III		4,000,000	0
• Single-Family Dwelling Large Item Collections		1,850,000	0
• Illegal Dumping Rapid Response Program	3.00	775,177	135,461
• Multi-Family Dwelling Large Item Collections		245,000	0
• Neighborhood-Led Beautification Days		180,000	180,000
• Water Pollution Control Plant Staffing	5.00	532,956	0
• Digester Roof Painting		350,000	0
• Water Pollution Control Plant Administrative Claims and Master Agreement Negotiations	1.00	418,251	0
• Municipal Water Billing System Licensing		298,000	0
• South Bay Water Recycling and Municipal Water Regulatory Compliance Staffing	1.00	139,058	0
• Watershed Protection Staffing	1.00	107,068	0
• Customer Information System Utility Billing Support Staffing	1.00	69,966	0
• Municipal Water Office Administration Support Staffing	1.00	69,255	0
• South Bay Water Recycling Vehicle		40,000	0
• Enterprise Asset Management Team Support and Portable Generators Replacement		15,000	0
• Silicon Valley Energy Watch Staffing	1.00	0	0
• Water Supply and Conservation Staffing	0.00	0	50,078
<i>Subtotal</i>	14.00	9,089,731	365,539
TRANSPORTATION DEPARTMENT			
• Sanitary Sewer Repair Program	4.00	294,437	0
• Enterprise Asset Management Team Support and Portable Generators Replacement		31,000	0
• Stormwater Bioretention Monitoring and Maintenance	0.75	65,820	0
• Illegal Dumping Rapid Response Program	(1.00)	(133,545)	0
<i>Subtotal</i>	3.75	257,712	0
<i>Subtotal Departments</i>	17.75	9,347,443	365,539
CITY-WIDE EXPENSES			
• Community Choice Aggregation Technical Study		300,000	300,000
• Clean Creeks/Healthy Communities		200,000	200,000
<i>Subtotal Other Charges</i>	0.00	500,000	500,000
Total Proposed Budget Changes	17.75	9,847,443	865,539

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City Service Area Neighborhood Services



Mission: *To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods*

Primary Partners

Library
Parks, Recreation and
Neighborhood Services
Planning, Building, and
Code Enforcement
Public Works

CSA OUTCOMES

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities

City Service Area
Neighborhood Services
SERVICE DELIVERY FRAMEWORK

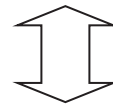
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Neighborhood Services CSA

Mission:

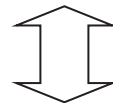
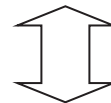
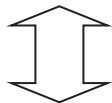
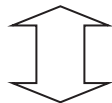
To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA

Library Department

Core Services:

Access to Information, Library Materials, and Digital Resources

Formal and Lifelong Self-Directed Education

Parks, Recreation and Neighborhood Services Department

Core Services:

Parks Maintenance and Operations

Recreation and Community Services

Planning, Building and Code Enforcement Department

Core Services:

Community Code Enforcement

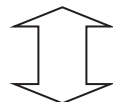
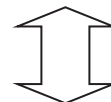
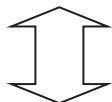
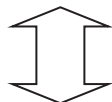
Public Works Department

Core Services:

Animal Care and Services

CORE SERVICES
 Primary deliverables of the organization

OPERATIONAL SERVICES
 Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery

Neighborhood Services

Expected 2016-2017 Service Delivery

The Neighborhood Services CSA seeks to achieve a collective impact in the development of the annual budget and service delivery strategies. The CSA's shared service goals are: cultivating healthy neighborhoods throughout San José; supporting an engaged and informed citizenry; activating a thriving community; and stewarding well-managed, effective, and sustainable shared assets. The following actions will advance these goals in 2016-2017:



CULTIVATING HEALTHY NEIGHBORHOODS

- ❑ The Department of Parks, Recreation and Neighborhood Services (PRNS) will launch the Lake Cunningham Action Sports Park, with the opening of the Lake Cunningham Bike Park in late 2016 and installation of new play equipment enhancing the existing Lake Cunningham Regional Skate Park. The Action Sports Park is expected to draw visitors from across the region, and beyond, as they skate, bike, and play in an action-packed location.
- ❑ PRNS will continue to implement the Mayor's Gang Prevention Task Force youth intervention services, which include the Clean Slate Tattoo Removal Program, Safe School Campus Initiative, the Female Gang Intervention Unit, the Digital Arts Program, and Capacity Building programs such as Street Outreach and Late Night Gym.
- ❑ Code Enforcement field inspection services for Emergency and Priority complaints will be completed within 24 and 72 hours, respectively.
- ❑ Neighborhood clean-ups for all of San José's neighborhoods will continue to be provided on a 3-year cycle.
- ❑ Animal Care and Services field staff will focus on health and safety-related calls, such as aggressive animals, injured animals, public safety assists, dead animal removal, and confined stray animals. Shelter services will include the continuation of low cost and free spay neuter services for the public, adoption services, care of homeless animals, and some modest capital improvements.

SUPPORTING AN ENGAGED AND INFORMED CITIZENRY

- ❑ The Library and PRNS Departments will enhance early childhood education programming through the San José Recreation Preschool program and enhancements to Library literacy, kindergarten readiness, and Wee Play services. These programs occur both in city facilities and in the community, located in partner facilities such as childcare centers.
- ❑ The Library will provide increased educationally-focused services with the opening of the Dr. Martin Luther King, Jr. (MLK) Teen Center and Makerspace, and enhanced Science, Technology, Engineering, Arts, and Mathematics (STEAM) programs Citywide. The new MLK Teen Center and Makerspace has been designed in partnership with teen volunteers and will include a digital audio recording studio, a 3-D printer, sewing machines, laser cutters, and other key equipment to stimulate teens' creativity.
- ❑ The Library will be opening its new San José Public Library Works business and career center on the 4th floor of the MLK Library. This space will enhance the Library's partnership with organizations such as the United States Patent and Trademark office, Work 2 Future, and the Knight Foundation to provide specific resources to business owners and residents needing to improve their workforce readiness.
- ❑ The Library will deploy its new mobile Library vehicle known as the "Maker[Space]ship", which will introduce new creative technology tools, robotic kits, equipment, and software to families in high-need communities.

Neighborhood Services

Expected 2016-2017 Service Delivery

ACTIVATING A THRIVING COMMUNITY

- ❑ The Library will continue operating branch libraries 47 hours per week, Monday to Saturday, providing critical after-school and evening hours for families and an all-day Saturday schedule. The MLK Library will continue to operate every day of the week for a total of 77 hours per week.
- ❑ The new Village Square Branch Library will have its first full year of operation.
- ❑ PRNS will continue to build community through fun. PRNS will continue placemaking, the process of creating quality places where people want to live, work, play, and learn. PRNS placemaking includes long-standing programs and facilities, such as Happy Hollow Park & Zoo and Emma Prusch Farm Park, as well as recently introduced programs and events, such as activation of St. James Park and Plaza de Cesar Chavez, as well as other neighborhood parks through the ¡Viva Parks! summer event series. Viva CalleSJ, an “open streets” event, will take place for the second time on September 18, 2016, thanks to continuing support from the Knight Foundation, sponsors, and supporters.
- ❑ PRNS will operate a new ride and feature two new animal exhibits at Happy Hollow Park & Zoo. The Dragon Flyers Ride is the first ride addition since the park reopened after renovation in 2010. The red panda and American alligator exhibits, made possible in large part through a productive partnership with the Happy Follow Foundation and the generosity of donors, will engage the community in learning and fun.



STEWARDED WELL-MANAGED, EFFECTIVE, AND SUSTAINABLE SHARED ASSETS

- ❑ The Library continues to increase technology and efficiency by converting automated materials handling and other materials management applications with Radio Frequency Identification (RFID) technology that will increase staff efficiency and provide greater customer ease of use. The Library will install one additional Automated Handling Machine, so that 20 of 23 branch libraries will employ this equipment.
- ❑ The Library will further increase branch internet services with 1 Gigabit connectivity through the California Research and Education Network’s (CalRen) high-capacity fiber optic operated by the Corporation for Education Network Initiatives in California (CENIC).
- ❑ PRNS will continue to use a multi-service community center “hub” model to sustain services and access for all ages. Hubs are present in each Council District to offer the broadest range of services made available through the General Fund and fee activities. Reuse partners will continue to localize offerings that fit resident needs, and PRNS will continue its property management role of the 51 community centers to promote clean, healthy, and safe environments for families and individuals to enjoy.
- ❑ San José has one of the nation’s largest trail networks with 58 miles already providing access throughout the City. The Green Vision advances development of an interconnected, 100-mile network by 2022.
- ❑ In response to an audit recommendation, Code Enforcement is proposing improvements in technology in-house and in the field to improve accuracy and efficiency in case reporting and billing, which will enable staff to work more effectively and be the first step in recording inspection results in real-time from the field. These technology improvements would support and prepare staff for the implementation of the new permitting system.

Neighborhood Services

2016-2017 Key Budget Actions

- ❑ Adds 5.33 positions to support the new San José Public Library Works Center, increased and enhanced Early Education programming, continued Library educational partnerships, and new programming at the MLK Library Teen Center.
- ❑ Adds one-time non-personal/equipment funding of \$100,000 for fundraising activities by the San José Public Library Foundation in support of the Library's key operations.
- ❑ Adds a net 0.25 position to address security challenges across the Library's 23 branches and at the MLK Library.
- ❑ Reduces non-personal/equipment funding by \$65,000 and personal services funding by \$70,000 on a one-time basis to offset a projected loss of Library fines and fees revenue of \$135,000. Library fines and fees are recommended to be adjusted as follows: reduce the Overdue Materials Fine from \$0.50 per day/\$20 maximum per item to \$0.25 per day/\$5 maximum per item; eliminate the Held Materials Fine of \$3; and reduce the handling fee from \$20 to \$10 for Damaged Materials and Lost Materials and Equipment.
- ❑ Adds a net 2.5 positions to re-open regional parks (Alum Rock, Almaden Lake, Emma Prusch Farm, and Overfelt Gardens Parks) on Mondays.
- ❑ Adds 7.75 limit-dated positions through December 2019 to support the creation of a Parks Rehabilitation Strike Team, funded by the Park Trust Fund, as a three-year program to address deferred maintenance and infrastructure backlog issues at parks and recreation facilities.
- ❑ Adds 5.79 positions and funding for operating and maintenance costs for new facilities coming online in 2016-2017, including Baypointe Interim Park, Communication Hill Fitness Staircase, Del Monte Park Phase III (land), Happy Hollow Park & Zoo (ride and animal acquisitions), Iris Chang Park, Spartan Keyes (land), Tamien Park Phase I, TRAIL: Three Creeks (Lonus Street to Minnesota Avenue), and Vietnamese Cultural Heritage Garden.
- ❑ Adds 4.5 Recreation Leader PT positions at Almaden, Bascom, Camden, Mayfair, Roosevelt, and Seven Trees to maximize rentals of gymnasiums or multipurpose rooms with a maximum capacity of at least 430 people, with costs fully offset by increased rental revenue. These positions complement the existing rental team by providing consistent staff on site to assist community members with rental inquiries during all hours of operation.
- ❑ Adds one-time personal services funding of \$150,000 for six temporary positions and one-time non-personal/equipment funding of \$140,000 through October 2016 to continue Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking and activation efforts.
- ❑ Upgrades 3.75 Senior Recreation Leader PT to 5.0 Senior Recreation Leader positions to support the increase in attendance at Happy Hollow Park & Zoo, with costs fully offset by admissions revenues, to ensure guest safety and enjoyment as well as continually and effectively manage overall operations.
- ❑ Adds a net 61.65 positions and reduces non-personal/equipment funding by \$1.9 million to increase and realign resources for a variety of programs funded by the existing Fee Activity Programs. The majority of position additions (46.5) reflect the reallocation of existing resources and the remaining 15.15 position additions will be funded by \$1.6 million in revenue generated by these programs, and include staffing for preschool, Recreation Of City Kids (ROCK), and Aging Services programs, and inclusion services. This action also allocates \$500,000 for the Citywide Scholarship Program, funded from Fee Activity revenue, to promote affordable access to the PRNS recreation programs and camps. The net additional cost of this action is funded by fee revenue, as described in the General Fund Revenues section of this document.

City Service Area
Neighborhood Services
BUDGET SUMMARY

Neighborhood Services

2016-2017 Key Budget Actions

- To support Animal Care and Services, adds capital funding to improve separation of dogs and cats and sick and healthy animals in the public animal receiving area; remove and replace some landscaping; and paint the main public adoption area, as reflected in the Proposed Capital Budget. Funding is also added to purchase one additional animal control vehicle and a mail inserter to support licensing efforts.

City Service Area Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
<i>Library</i>					
Access to Information, Library Materials, and Digital Resources	\$ 26,460,491	\$ 31,486,136	\$ 31,956,849	\$ 31,936,426	1.4%
Formal and Lifelong Self-Directed Education	1,515,361	1,419,097	1,854,616	2,194,038	54.6%
Strategic Support	3,898,094	4,421,777	4,497,961	4,603,828	4.1%
<i>Parks, Recreation and Neighborhood Services</i>					
Parks Maintenance and Operations	32,621,307	35,756,633	37,311,922	39,365,965	10.1%
Recreation and Community Services	24,106,723	24,161,790	24,770,875	26,345,857	9.0%
Strategic Support	6,764,827	7,229,956	7,358,015	7,399,551	2.3%
<i>Planning, Building and Code Enforcement</i>					
Community Code Enforcement	9,834,408	11,901,013	11,572,252	11,734,209	(1.4%)
<i>Public Works</i>					
Animal Care and Services	7,506,940	7,664,063	7,700,830	7,820,830	2.0%
Dollars by Core Service Subtotal	\$ 112,708,151	\$ 124,040,465	\$ 127,023,320	\$ 131,400,704	5.9%
Other Programs					
City-Wide Expenses	\$ 7,313,697	\$ 10,526,645	\$ 7,440,570	\$ 7,690,570	(26.9%)
General Fund Capital, Transfers & Reserves	5,397,779	3,858,000	2,790,000	2,725,000	(29.4%)
Other Programs Subtotal	\$ 12,711,476	\$ 14,384,645	\$ 10,230,570	\$ 10,415,570	(27.6%)
CSA Total	\$ 125,419,627	\$ 138,425,110	\$ 137,253,890	\$ 141,816,274	2.4%
Authorized Positions	977.25	1,064.55	1,061.00	1,150.52	8.1%

Service Delivery Accomplishments

- The Village Square Branch Library opened on April 16, 2016.
- In 2015-2016, 2,100 library volunteers contributed an average of 7,087 hours of service per month (an increase of 13%) in a variety of roles at public libraries across the City. Through the Library's volunteer program: 7,400 participants improved their ability to speak English at ESL Conversation Clubs; 4,759 customers received one-on-one technology mentoring, and nearly 8,500 hours were logged by 7,080 teens supporting the Summer Reading Challenge.
- San José Public Libraries received 6 million visits at the main and branch libraries with over 9.7 million items checked out.
- The Library's Early Education unit continued to provide learning opportunities to the City's youngest populations including: 2,474 children signed up to participate in the Library's 1,000 Books Before Kindergarten challenge; a new collection of 136 Wee Play & Learn Activity Boxes filled with books and educational toys support early learning at home and in childcare centers; 2,000 children participated in the Summer Reading Challenge through their childcare providers.
- In partnership with First 5, the Library opened its first Bridge Library Collection at the Educare Silicon Valley center to provide 1,300 children's books in multiple languages to families in the Santee Community.
- The Library's overall Summer Learning Challenge continues to be a positive program to keep children and their families engaged in learning activities when school is not in session. Over 94% of participants reported reading for an average of 20 minutes per day. For the second time, the Library participated in the California Summer Meal Coalition to offer free summer lunch at the Dr. Roberto Cruz Alum Rock, Biblioteca Latinoamericana, Hillview, and Tully branch libraries.
- The Library's California Room has increased its digital repository of historical artifacts, maps, journals, and images with over 1,800 new images. The California room website has received over 32,000 direct visitors.
- The Library continues to provide materials in over 20 different languages and dialects. The Library's foreign language collection totals more than 440,000 items representing almost 21% of total physical holdings. Eighteen libraries offer collections in at least four languages (Chinese, English, Spanish, and Vietnamese).
- The self-checkout and Automated Materials Handling (AMH) systems continued to positively impact Library efficiency. Ninety-two percent of materials are processed through self-check machines and 72% of all materials are returned, checked-in, and sorted through the AMH devices (12% increase). The Library installed three additional AMH machines in the Rose Garden, Seven Trees, and Village Square branch libraries. AMH machines are now at 19 of 23 branches.
- PRNS implemented hybrid programs at Alum Rock, Alviso, and Berryessa Reuse Centers, engaging 6,000 youth participants with homework assistance, drop-in teen center hours, sports leagues, and outdoor activities.
- The City continued to partner with the Santa Clara Valley Water District (District) to fund two Park Rangers to patrol watersheds, protect water quality, and improve public safety, resulting in 525 referrals to the Emergency Housing Consortium, 408 warnings, 199 citations, 128 cleanups, and 83 encampments removed. The California Department of Fish and Wildlife and California Recovery Restoration Association have recognized these efforts.
- Camden Community Center's pool renovations were completed, including renovation of the pool, deck, shade structures, new pool equipment, and aesthetic improvements. The pool meets all ADA health and safety standards.



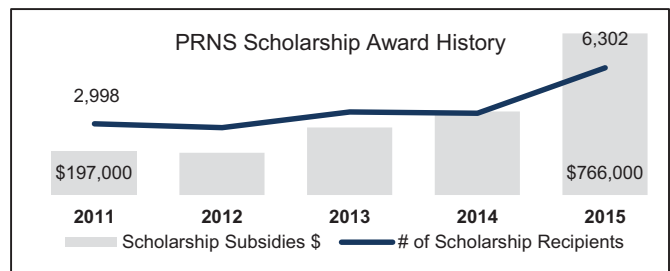
City Service Area

Neighborhood Services

OVERVIEW

Service Delivery Accomplishments

- By using Business Intelligence data analytics, PRNS redistributed the inventory of landscaped facilities, staff and resources among park maintenance districts based on factors such as acreage, amenities, community use, and Park Conditions Assessment ratings. This enhances service delivery methods to keep parks clean, green and safe.
- PRNS held the inaugural Viva CalleSJ event drawing 35,000 participants to the vehicle-free event transforming miles of busy streets into vibrant public spaces, promoting active transportation alternatives and good health practices, and connecting communities and people to each other. ¡Viva Parks! events drew 6,000 participants to 23 events at seven parks, to encourage community health, engagement, and ownership of these parks.
- The Mayor’s Gang Prevention Task Force (MGPTF), Work2Future Foundation, Santa Clara County, and employers partnered to start the San Jose Works Youth Jobs Initiative, providing job readiness workshops and opportunities to at-risk youth in gang hot spot areas. The MGPTF also implemented case management as part of the Safe School Campus Initiative, providing intensive one-on-one services for high-risk, gang-impacted and gang-intentional youth.
- Approximately 660,000 participants enrolled in a variety of PRNS classes such as dance, early childhood education, and health and fitness classes. San José Recreation Preschool and Recreation Of City Kids (ROCK) afterschool program enrollment increased 10% and 20%, respectively. Program growth and entrepreneurship has enabled PRNS to continue to decrease its reliance on the General Fund by ensuring that a significant portion of the revenues brought in sustain existing services as opposed to creating new General Fund obligations.
- Program revenues and partners enabled PRNS to award 6,300 scholarships worth \$766,000 in 2015, nearly double the amounts in 2014. This increase was the result of a scholarship program redesign to streamline applications, allow onsite scholarship awards, and increase outreach and promotion of scholarships in English, Spanish, and Vietnamese. The Emma Prusch Farm Park summer camp was an exemplar for the ability of staff to outreach to the community and, with scholarships, enhance access to PRNS programs and services.
- PRNS re-opened Almaden Lake Park on Mondays, enabling pedestrians and bicyclists to use the adjacent trails to commute to work and access the VTA Almaden Light Rail station every day of the week.
- PRNS developed a Therapeutics Recreational Services Operational Plan that identified strategies to improve inclusion services in PRNS programs, including partnerships, capacity building, and modifying programming.
- PRNS worked in collaboration with the City Manager’s Office of Cultural Affairs and Department of Public Works to commission, develop and install “Lupe” the Mammoth along the Guadalupe River Trail. Created by the Greenmeme Studio, the 12-foot tall sculpture of a Columbian Mammoth celebrates the discovery of [fossil remnants](#) found in the river. “Lupe” was recently recognized for artistic effort by the American Galvanizers Association.
- Using one-time funding, Family Camp at Yosemite hosted more than 50 low-income and at-risk families, many of which had never experienced the great outdoors or camping, during the 2015 Labor Day weekend.
- PRNS issued \$2.2 million in Bringing Everyone’s Strengths Together (BEST) and \$400,000 of Safe Summer Initiative grants to more than 50 community-based organizations, reaching more than 3,000 youth in each program.



Service Delivery Accomplishments

- Parks maintenance crews collected and removed 10 million gallons of trash, enough to fill a football field, from parks, trails and other landscaped areas, and mowed 30,000 acres of turf, the equivalent of 24 roundtrip flights from San José to Tokyo, Japan. The Anti-Graffiti Program eradicated 2,000,000 square feet of graffiti and partnered with the California Department of Transportation to address long-term graffiti located on Highway 101.
- Happy Hollow Park & Zoo (HHPZ) continued to provide excellent services while maximizing resources and expanding program offerings to 463,000 visitors and 42,000 members in 2015. In 2016, HHPZ received another five-year accreditation from the Association of Zoos and Aquariums, a prestigious honor that HHPZ has maintained since 1993, and opened its first bilingual puppet show, “Maya la Valiente-Maya the Brave.”
- Code Enforcement is in the second year of the successfully implemented and re-designed Multiple Housing Inspection Program. Buildings maintained in the best condition receive inspections on a 6-year cycle and the most problematic receive inspections on a 3-year cycle. This risk-based model also includes an annual self-certification component.
- A multi-department effort was undertaken in 2015-2016 to develop a city-wide solution to the illegal dumping problem. Following consultant recommendations, the City increased its focus on abating “illegal dumping” by providing additional rapid response pick-ups in targeted neighborhoods. In 2016-2017, program oversight is being assigned to the Environmental Services Department and resources are being consolidated in that department.
- In 2014-2015, Code Enforcement responded within 24 hours to 100% of the Emergency Complaints, conditions that pose an imminent threat to life and/or property. Code Enforcement’s response time to Priority Complaints within 72 hours, such as sub-standard housing conditions, was 75% for 2014-2015. The response time targets for Emergency Complaints and Priority Complaints will be set at 100% (up from goal of 98% in 2014-2015) and 75% in 2015-2016. Some Routine Complaints did not receive field inspection services due to a 10% increase in the number of cases coming into the General Code Program in 2014-2015 as compared to 2013-2014. That trend has continued with a 15% overall increase in the number of cases received from 2014-2015 to March 2016. In 2011-2012, Code Enforcement implemented a new service model that relies on courtesy/warning letters sent to the alleged violator in response to Routine Complaints received. In addition, a letter is sent to residents requesting service, advising them of this service delivery model. Performance data for Code Enforcement response times are included in the Performance Goals table in CSA Outcome 3: Healthy Neighborhoods and Capable Communities.
- Code Enforcement staff, along with the City Attorney’s Office, were instrumental in the closure of non-registered Medical Marijuana collectives. Additionally, Code Enforcement staff participated in the inspection of collectives that successfully went through the registration process. These inspections will continue on a quarterly basis.
- Animal Care and Services estimates that the live release rate for animals entering the Animal Care Center improved to 87% in 2015-2016, which exceeds the target estimate of 85%. In addition, response rates to all types of calls for service in the field were maintained at the target level of 95% for Priority 1 calls (for injured or aggressive animals or public safety assists) responded to within one hour in 2015-2016.
- The Animal Care Center celebrated its ten year anniversary on October 1, 2014. During the first ten years, the shelter took in almost 180,000 animals, performed 79,000 spay/neuters, and responded to 260,000 calls for service.



City Service Area
Neighborhood Services
OVERVIEW

CSA Priorities/Key Services

Cultivating healthy neighborhoods throughout San José:

- ✓ Provide safe and healthy opportunities for young children, youth, teens, seniors, and persons with disabilities.
- ✓ Ensure the continuance of quality neighborhood livability and community strengthening through graffiti and litter abatement, education, and enforcement.
- ✓ Combat gang activity through the Mayor's Gang Prevention Task Force, youth intervention services, and school-based collaborations.
- ✓ Provide responsive inspection services to ensure safe and sanitary housing and quality neighborhoods and business districts for the residents of San José.
- ✓ Provide services to address illegal dumping.
- ✓ Provide animal licensing, rabies vaccination compliance, and animal control to the community.
- ✓ Provide housing and care for stray animals, outreach regarding responsible animal ownership, increase grant funding, and continue operation of a low cost public spay/neuter clinic.

Supporting an engaged and informed citizenry:

- ✓ Foster lifelong learning through programming focused on early education, love of reading, literacy assistance, and access to information and digital resources.
- ✓ Enhance applied skill building opportunities through public makerspace and STEAM learning programs.
- ✓ Provide access to information and opportunities for residents to pursue work and career advancement by seeking employment, educational attainment, support for their small business, or skill development.
- ✓ Build capacity of community-based organizations by developing collaborations that support residents' needs.
- ✓ Support community engagement and investment through volunteer opportunities, special events, and festivals.

Activating a thriving community:

- ✓ Provide clean, safe, and accessible parks, trails, and open space for the public to enjoy.
- ✓ Provide facilities for recreational opportunities such as sports fields for youth and adult leagues; walking and hiking trails for outdoor enthusiasts; parks for avid skateboarders and bikers; playgrounds for toddlers and youth; and lakes, dog parks, and community garden plots for all to enjoy.
- ✓ Provide an affordable, sustainable, conservation-centered outdoor amusement park for families with children at Happy Hollow Park & Zoo.



Stewarding well-managed, effective, and sustainable shared assets:

- ✓ Offer inviting and well-maintained library and community center buildings that serve as comfortable community gathering points.
- ✓ Expand the number of productive partnerships to maintain quality service levels while minimizing the impact to the General Fund.
- ✓ Increase financial sustainability of PRNS by balancing fees and access.
- ✓ Provide infrastructure assets that are sustainable, both environmentally and financially.

Budget Dollars at Work: Performance Goals

OUTCOME 1: SAFE AND CLEAN PARKS, FACILITIES AND ATTRACTIONS

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
All parks and facilities will be safe, clean, and well maintained	1. % of residents rating performance in maintaining public parks in good physical condition as good or better	57%	60%	57%	60%	68%
	2. % of residents that rate the appearance of public parks as good or better	59%	75%	59%	75%	75%
	3. % of residents reporting they visited a regional park more than three times in the last year	46%	40%	46%	40%	45%

OUTCOME 2: VIBRANT CULTURAL, LEARNING, RECREATION AND LEISURE OPPORTUNITIES

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Provide a full range of affordable and accessible learning and leisure opportunities which fulfill customer and residents' needs for lifelong learning and well being	1. % of community center participants reporting that services have positively impacted their quality of life	93%	90%	96%	92%	92%
	2. % of customers and residents rating library services as good or better					
	* Point of Service	89%	90%	90%	90%	90%
	* Community Survey	64%	62%	64%	64%	62%
	3. % of community center participants and residents rating City efforts at providing recreational opportunities as "good" or "excellent"					
	* Point of Service	88%	88%	88%	88%	88%
	* Community Survey	42%	62%	42%	64%	62%
Offer programs and services that support successful youth and their families	1. % of parents and caregivers who report reading more to their children following participation in a library program or activity	81%	85%	77%	80%	90%
Provide services and programs that promote independent living for City seniors and persons with disabilities	1. % of senior participants and persons with disabilities who feel connected to community center resources	87%	90%	90%	90%	90%
	2. % of residents rating City efforts at providing programs to help seniors that live on their own, as good or excellent	27%	25%	27%	25%	53%
	3. # of participants in programs for seniors and persons with disabilities	20,500	22,000	22,000	22,500	22,500

City Service Area
Neighborhood Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: HEALTHY NEIGHBORHOODS AND CAPABLE COMMUNITIES

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Establish San José as a "Graffiti-Free and Litter-Free City"	1. % of customers rating City efforts at removing graffiti as good or better	97%	95%	95%	95%	95%
Residents will perceive that their neighborhood has improved	1. % of Safe School Campus Initiative school clients rating City efforts at keeping schools safe good or better	99%	85%	86%	86%	100%
	2. % of school/community crisis incidents responded to within 30 minutes	100%	100%	100%	100%	100%
	3. % of residents indicating that the physical condition of the neighborhood has gotten somewhat better over the last two years	32%	33%	32%	33%	33%
Provide effective animal care and control for residents of San José	1. % of Priority 1 calls with response time in one hour or less (Priority 1: injured or aggressive animal, or public safety assist)	95%	95%	95%	96%	98%
	2. Animal Care Center Live Release Rate	85%	85%	88%	88%	90%
Ensure safe, decent and sanitary housing through routine inspections in Multi-Family dwellings	1. % of buildings receiving a routine inspection within 3-year, 5-year or 6-year cycle based upon risk assessment	60%	97%	60%	65%	97%
Revitalize and Rehabilitate Uses, Sites, and Structures in Neighborhoods, Commercial, and Industrial Areas	1. % of residents who indicate that the physical condition of the neighborhood is about the same or better (Annual Code Enforcement Survey)	N/A ¹	73%	N/A ¹	80%	85%
Quality Living and Working Environment	1. % of residents rating their neighborhood in "good" or "better" physical condition based on the biennial Community Survey	64%	70%	64%	70%	70%
	2. % of time inspection/assessment for Code cases occurs within targeted times:					
	- Emergency Cases (within 24 hours)	100%	100%	100%	100%	100%
- Priority Cases (within 72 hours)	79%	75%	80%	80%	75%	

¹ Data for this measure is collected through a survey conducted by Code Enforcement. The survey was not completed in 2014-2015 and 2015-2016, and estimates are not available.

City Service Area
Neighborhood Services
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
LIBRARY			
• San José Public Library Works Center Staffing	2.00	147,256	0
• Early Education Program Staffing	1.33	103,730	0
• Library Educational Partnerships Staffing	1.00	103,577	0
• San José Public Library Foundation		100,000	0
• Dr. Martin Luther King, Jr. Library Teen Center Staffing	1.00	88,436	0
• New Library Maintenance and Operations		11,000	11,000
• Security Services	0.25	5,867	0
• Library Fines and Fees Reduction Offset	0.00	(135,000)	(135,000)
<i>Subtotal</i>	5.58	424,866	(124,000)
PARKS, RECREATION AND NEIGHBORHOOD SERVICES DEPARTMENT			
• Fee Activity Program	61.65	1,446,229	1,446,229
• Parks Rehabilitation Strike and Capital Infrastructure Team	8.50	919,908	0
• New Parks and Recreation Facilities Maintenance and Operations	5.79	354,000	354,000
• Placemaking: Viva CalleSJ and ¡VivaParks!	0.00	290,000	290,000
• Community Center Rentals	4.50	187,110	187,110
• Regional Parks - Monday Opening	2.50	144,540	144,540
• Happy Hollow Park & Zoo	1.25	91,817	91,817
• Corporate Connections Program	0.00	90,000	90,000
• Gardner Community Center	0.00	60,000	60,000
• Leininger Center	0.87	49,195	49,195
• Enterprise Asset Management Team Support and Portable Generators Replacement	0.00	30,000	30,000
• Family Camp Experience for Low Income Families		25,000	25,000
• Christmas in the Park	0.44	18,000	18,000
• Positive Coaching Alliance		15,000	15,000
• Alum Rock Parking Pilot Program	0.00	(30,000)	(30,000)
• Parks, Recreation and Neighborhood Services Department Staff Realignment	(1.75)	(20,238)	(18,118)
<i>Subtotal</i>	83.75	3,670,561	2,752,773
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT			
• Fire and Public Works Development Fee Programs and Other Programs	0.19	102,357	102,357
• Code Inspector Mobile Devices		57,600	57,600
• Enterprise Asset Management Team Support and Portable Generators Replacement		2,000	2,000
<i>Subtotal</i>	0.19	161,957	161,957
PUBLIC WORKS DEPARTMENT			
• Animal Care and Services		120,000	120,000
<i>Subtotal</i>	0.00	120,000	120,000
<i>Subtotal Departments</i>	89.52	4,377,384	2,910,730

City Service Area

Neighborhood Services

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
CITY-WIDE EXPENSES			
• Children's Health Flouridation		250,000	250,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Vietnamese-American Community Center Planning and Fundraising		300,000	300,000
• Earmarked Reserves: New Library Maintenance and Operations Reserve Elimination		(11,000)	(11,000)
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(354,000)	(354,000)
<i>Subtotal Other Changes</i>		185,000	185,000
Total Proposed Budget Changes	89.52	4,562,384	3,095,730

City Service Area
Public Safety



***Mission:** Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations*

Primary Partners

Fire
Independent Police
Auditor
Police

CSA OUTCOMES

- The Public Feels Safe Anywhere, Anytime in San José
- Residents Share the Responsibility for Public Safety

City Service Area
Public Safety
SERVICE DELIVERY FRAMEWORK

CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Public Safety CSA

Mission:

Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- The Public Feels Safe Anywhere, Anytime in San José
- Residents Share the Responsibility for Public Safety



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
 Primary deliverables of the organization

Fire Department

Core Services:

Emergency Response

Fire Prevention

Police Department

Core Services:

Crime Prevention and Community Education

Investigative Services

Regulatory Services

Respond to Calls for Service

Special Events Services

Independent Police Auditor

Core Services:

Independent Police Oversight

OPERATIONAL SERVICES
 Elements of Core Services; the "front line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery

Public Safety

Expected 2016-2017 Service Delivery

- ❑ Provide essential emergency services (patrol, fire suppression, and emergency medical services) in a timely and effective manner.
- ❑ Effectively investigate crimes and seek successful prosecution of suspects.
- ❑ Continue efforts to deter gang violence.
- ❑ Continue regional all-hazard emergency management.
- ❑ Provide a police misconduct complaint process that is thorough, objective, and fair.



2016-2017 Key Budget Actions

- ❑ A one-time augmentation to the Police Department's overtime budget will provide funding to backfill for vacant patrol positions, maintain targeted enforcement of high crime activity through suppression cars, conduct high profile investigations, and backfill for civilian vacancies as needed. Overtime funding will also support a downtown foot patrol program.
- ❑ Ongoing funding to implement a Body Worn Camera (BWC) program will increase oversight for both Police Department members and community members who come in contact with officers wearing a body camera. The Department anticipates phasing in the issuance of the body cameras as part of the regular required uniform for sworn positions. This augmentation provides appropriate staffing as well as non-personal resources including an extensive video evidence management system.
- ❑ One-time funding to the Police Recruiting Unit will continue the high volume of recruiting and hiring necessary for upcoming Police Recruit Academies as well as critical civilian positions, such as Community Service Officers and Dispatchers.
- ❑ Technology investments within the Police Department will allow greater efficiencies to be realized. Investments include replacing the Police Permits and Licensing software, increasing capacity for location-based social media intelligence gathering to deter criminal activity, and implementing bridge software that will electronically connect the Police Department's records management system and the State-wide shared gang database.



- ❑ One-time funding from the State Drug Forfeiture Fund will provide required maintenance to the Police Department's helicopter in order to keep it air worthy until it can be replaced.
- ❑ Ongoing funding will provide continued support of the South Bay Coalition to End Human Trafficking for Anti-Human Trafficking and the Domestic Violence Prevention Program.

Public Safety

2016-2017 Key Budget Actions

- ❑ The addition of a civilian Deputy Director for the Police Department for the Bureau of Technical Services will assist in implementing data analytics tools to help reduce high-frequency and geographically-focused crimes.
- ❑ One-time funding will help offset rental costs for facilities in order to host neighborhood watch meetings for the Police Department's Crime Prevention program.
- ❑ The realignment of staffing from four Squad Units will provide permanent staffing to restore Fire Engine companies 30 and 34, which will provide needed suppression and water supply capabilities.
- ❑ Additional funding for the Office of Emergency Services (OES) will support the Emergency Operations Center (EOC) and provide resources to deliver programs and manage State and federal grants.
- ❑ The realignment of administrative staffing positions in the Fire Department will provide needed resources for the Fire Department's information technology systems, including developing the Fire Department's Information Technology Master Plan, implementing a pre-alert system in fire stations, and implementing electronic Patient Care Reporting (ePCR), as well as employee relations activities in the Department.



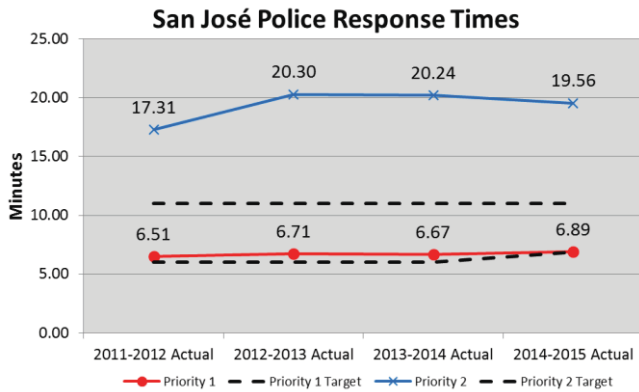
City Service Area
Public Safety
BUDGET SUMMARY

City Service Area Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
<i>Fire</i>					
Emergency Response	\$ 162,062,039	\$ 166,232,472	\$ 176,173,160	\$ 176,301,148	6.1%
Fire Prevention	2,909,330	4,598,780	4,682,837	4,739,354	3.1%
Strategic Support	9,337,787	13,974,829	10,478,681	11,303,793	(19.1%)
<i>Independent Police Auditor</i>					
Independent Police Oversight	1,193,002	1,157,441	1,124,241	1,124,241	(2.9%)
Strategic Support	3,153	127,057	136,165	136,165	7.2%
<i>Police</i>					
Crime Prevention & Community Education	6,163,477	6,210,915	6,533,919	6,543,919	5.4%
Investigative Services	55,999,941	60,456,517	60,255,034	60,366,034	(0.1%)
Regulatory Services	3,168,452	3,277,769	3,268,505	3,990,804	21.8%
Respond to Calls for Service	197,467,036	211,939,898	210,418,937	217,881,077	2.8%
Special Events Services	1,923,610	1,500,194	1,581,603	1,581,603	5.4%
Strategic Support	41,625,094	44,749,452	41,730,143	42,163,373	(5.8%)
Dollars by Core Service Subtotal	\$ 481,852,921	\$ 514,225,324	\$ 516,383,225	\$ 526,131,511	2.3%
Other Programs					
City-Wide Expenses	\$ 17,985,771	\$ 19,640,789	\$ 17,530,500	\$ 17,530,500	(10.7%)
General Fund Capital, Transfers & Reserves	2,620,928	30,280,400	5,050,000	3,750,000	(87.6%)
Other Programs Subtotal	\$ 20,606,699	\$ 49,921,189	\$ 22,580,500	\$ 21,280,500	(57.4%)
CSA Total	\$ 502,459,620	\$ 564,146,513	\$ 538,963,725	\$ 547,412,011	(3.0%)
Authorized Positions	2,289.03	2,324.03	2,336.09	2,351.09	1.2%

City Service Area
Public Safety
OVERVIEW

Service Delivery Accomplishments



- For Priority One calls (present or imminent danger to life or major damage/loss of property), the Police Department responded on average in 6.89 minutes in 2014-2015. This response time is expected to increase in 2015-2016 to 7.22 minutes.

- The Police Department response times for Priority Two calls (injury or property damage or potential for either to occur) decreased to 19.56 minutes during 2014-2015 and the average is estimated to stay the same at 19.66 minutes in 2015-2016.

- The Police Department investigated 30 homicides in calendar 2015. In many of these homicides, the cases were resolved as a result of community members coming forward and working with both patrol officers and detectives to bring the suspects to justice.

- The Police Department is committed to outfitting officers with a Body Worn Camera (BWC). The BWC Committee, consisting of Department members, the Police Officers Association, and members of the community recently completed the BWC Policy. The BWC policy is reflective of the Department’s needs while keeping the privacy of officers and the public in mind. Ongoing feedback from officers and the community will help shape future revisions of the BWC policy.
- The Fire Department’s mission is to respond timely to critical emergencies, including fire and priority emergency medical calls. The Department’s goal is for first emergency response vehicles to arrive on scene within eight minutes for Priority 1 fire calls 80% of the time and Emergency Medical Services (EMS) Code 3 calls 90-95% of the time. In 2015-2016, the Department estimates that it will meet its Priority 1 fire response time goal 72% of the time and its EMS Code 3 goal 89% of the time. For Priority 2 calls (within 13 minutes), the Department estimates that it will meet its Priority 2 response time compliance 90% of the time compared to a goal of 80% and its EMS Code 2 (within 12 minutes) response time compliance 97% of the time compared to a goal of 90-95%.
- A final draft of the San José Fire Department Strategic Business Plan (Vision 2023 Plan) will be presented to the Public Safety, Finance and Strategic Support Committee in May 2016. Implementation of the Vision 2023 Plan will enable the Department to maintain current essential services to the community, and will serve as a guideline for restoration and expansion to address increases in service needs.
- Investments in technological resources resulted in implementation of Computer-Aided Dispatch (CAD) system software to improve automation and accuracy of response and incident data reporting. In addition, CAD response data supported heat map analysis of incidents and supported updates to fire companies’ mapping, which were critical for emergency response travel time performance.

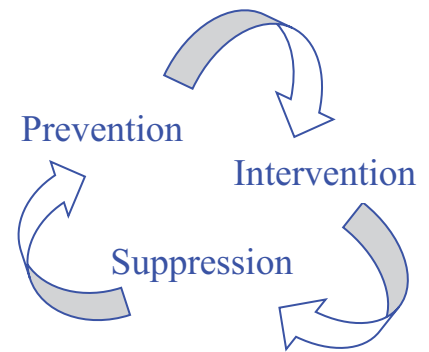


Service Delivery Accomplishments

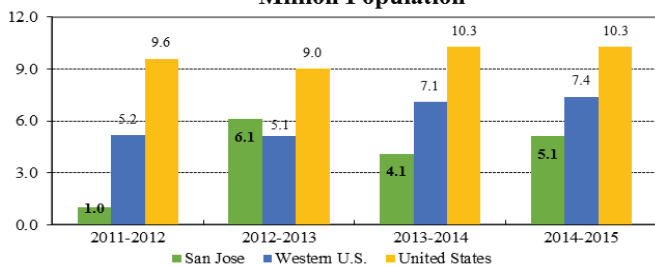
- OES continued to coordinate and represent the City at county-wide and regional Homeland Security catastrophic planning and interoperable communications systems with other governing bodies. In 2015-2016, OES conducted three “Level 3” activations and nine “Level 1” activations of the EOC, primarily reflecting proactive readiness efforts associated with Super Bowl 50. Additionally, OES participated in storm preparedness readiness, including the first-ever Alviso Preparedness Fair. OES also conducted three major exercises (Spartan Shield, Urban Shield-Yellow Command, and EOC Tabletop Exercise) and is completing renovations to the primary EOC with one-time funding received.
- The Independent Police Auditor (IPA) will continue to identify new ways to inform the residents of San José about its mission, which includes the intake of police misconduct complaints and review of misconduct complaint investigations, through community meetings, school presentations, the Independent Police Auditor Advisory Council, and the expanded use of social media. The Office will also continue developing outreach specifically aimed at youth and young adults, such as an updated *Student’s Guide to Police Practices*.

Service Delivery Environment

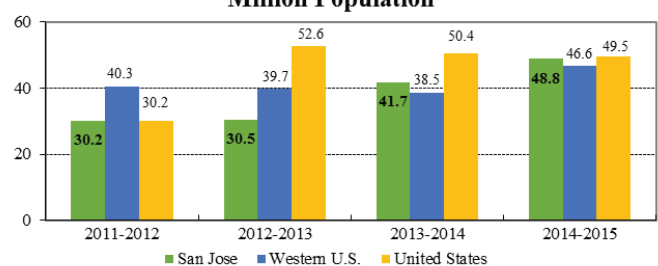
- Public Safety is focused on responding to crime, fire, emergency medical, hazardous, and disaster-related needs of the San José community.
- A major contributing factor to the overall effectiveness and efficiency of the Public Safety CSA in recent years has been the creative and collaborative nature in which public safety members have applied limited resources toward a wide range of prevention, intervention, and suppression strategies.
- Based on the CQ Press City Crime Rankings 2014, for cities with a population of 500,000 or more, San José is ranked eighth behind El Paso, New York, Austin, San Diego, Los Angeles, Charlotte, and Portland. While San José has comparatively low sworn staffing among major cities, success can be attributed to its business model, which is based on a three-prong strategy of prevention, intervention, and suppression.



Civilian Fire Death Rates per 1 Million Population



Civilian Fire Injury Rates per 1 Million Population



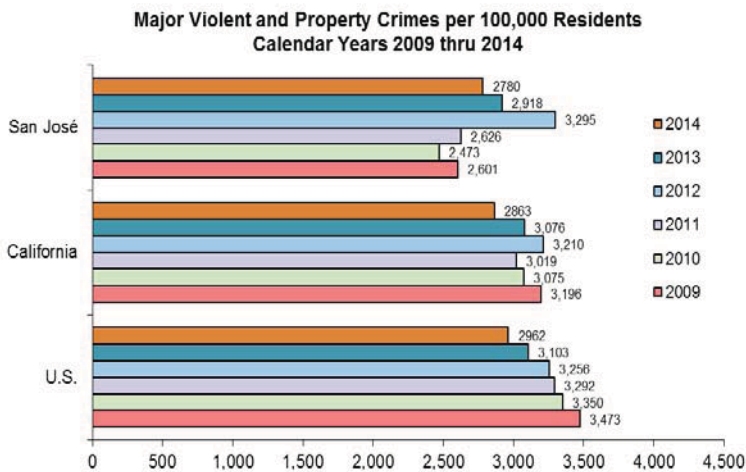
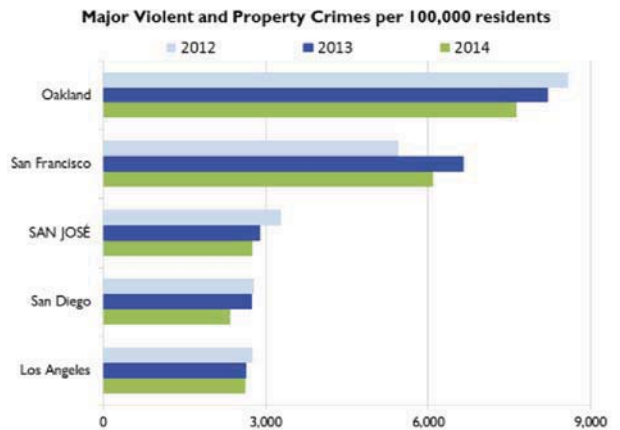
(Source: NFPA National Fire Experience Survey, 2014)

- From 2011 to 2015, San José experienced lower fire-related injury rates per million population than the national averages. In 2012 however, the City had six fatalities, at a higher level than the Western United States, but lower than the national average.

City Service Area Public Safety OVERVIEW

Service Delivery Environment

- The community plays an important role in the safety of the City. On many occasions, cases were resolved as a result of community members coming forward and working with both patrol officers and detectives to bring suspects to justice. The relationship the community has with the Police Department is critical in investigating crimes and patrolling the City. An open and positive community relationship can assist in quickly resolving the most serious crimes.
- San José needs to be able to respond to major city crime such as gang-related crimes, drug trafficking, armed robberies, assaults, and other violent crimes and needs to prepare itself for these major crimes and events by having staff available, trained, and ready to prevent as well as respond. As a result of prior reductions, the focus of the Police Department has shifted from one that is proactive to one that relies upon reacting to crime already committed. The Police Department continues to collaborate with an advisory board of community members to help the Department on solving issues and defining what community policing should look like in the City of San José.



As a result of prior reductions, the focus of the Police Department has shifted from one that is proactive to one that relies upon reacting to crime already committed. The Police Department continues to collaborate with an advisory board of community members to help the Department on solving issues and defining what community policing should look like in the City of San José.

- With an improved economic climate, staff anticipates renewed residential and commercial/ industrial development, increased traffic congestion, and human activities, which are expected to place additional service demands on public safety. While welcomed, these anticipated increases for police and fire service will challenge the CSA's ability to meet performance objectives with available resources.

During calendar year 2014, San José's Part 1 crime rate of 2,780 incidents per 100,000 residents was 6.9% below the national level of 2,962 incidents and 3% below the California level of 2,863 incidents.

- The CSA strives to maintain core service levels, especially in responding to calls for both Police and Fire and in detective units that investigate crimes against persons.
- The focus for response to calls will be on Priority 1 and Priority 2 calls for service. Policy changes that limit or eliminate patrol response for lower priority calls and offer the community an alternative for reporting were implemented in 2011-2012, including non-injury vehicle accidents, music or party disturbance calls, and non-gang related vandalism (non-graffiti).

Major Violent and Property Crimes per 100,000 Residents Calendar Years 2014 vs 2015 Preliminary

Offenses	2014	2015*	% Change
	Jan - Jun	Jan - Jun	
Homicide	19	11	-42.1%
Rape**	145	178	22.8%
Robbery	561	581	3.6%
Aggravated Assault	904	930	2.9%
Total Violent Crimes	1,629	1,700	4.4%
Burglary	2,501	2,466	-1.4%
Larceny	5,657	6,605	16.8%
Vehicles Theft	3,895	3,646	-6.4%
Total Property Crimes	12,053	12,717	5.5%
Grand Total	13,682	14,417	5.4%

* - Preliminary data subject to change

** - Change in FBI CUR Rape definition implemented in 2015

Service Delivery Environment

- From 2014-2015 to 2015-2016 total Police related emergency calls are tracking approximately 3% lower.
- Increased surface street congestion will continue to impact travel times for the Fire Department. The Department's travel time objective is four minutes for 80% of emergencies; with 2015-2016 estimated performance of 47%.
- The Bay Area's Urban Area Security Initiative (UASI), funded by the Department of Homeland Security, is expected to continue through 2016-2017 and will provide funding for staff to develop emergency plans, protocols, and exercises, and provide for the ongoing readiness of the City's primary, alternate, and mobile EOCs.
- The Fire Department's Arson Investigation Unit continues to actively pursue arson cases. In 2014-2015, about \$4 million in loss was estimated due to arson, a significant decrease from 2013-2014. In 2013-2014, arson loss was approximately \$11 million due to a large commercial fire. The Fire Department remains vigilant in pursuing arson investigations.
- The Police service delivery model in this budget includes 1,107 authorized sworn deployed in four Bureaus and the Chief's Office, supported by approximately 504 civilians. As part of this document, an increase to the civilian complement includes the addition of 11 civilian staff, including five to support the new Body Worn Camera program, five to support the Backgrounding function, and one civilian manager.
- The Police Department has ramped up recruiting efforts and continues to seek out, and has been successful in attracting, high caliber candidates. High standards are set for recruits and minimum qualifications have not been reduced. Since 2012, the Department has hired 252 Police Recruits with 139 currently still employed as of April 2016. In 2014-2015 a third academy was added annually to accelerate the recruitment and hiring process. Based on current projected attrition levels, hiring, and academy/departamental training capacity, it is anticipated that the Department will remain at or below the current street-ready staffing levels through 2016-2017.
- The Fire Department staffing in 2015-2016 includes 693 sworn positions and 114 civilian positions (including the addition of a limit-dated Information Systems Analyst to support the Department's information needs.

CSA Priorities/Key Services

- Continue to maintain the safety of residents throughout the City by keeping crime rates down, reducing and investigating crimes, continuing to attract businesses, and maintaining a vibrant, safe community for the residents.
- Continue to provide quality Police response to Priority One and Priority Two calls for service and visible patrol throughout the City.
- Continue efforts to deter gang problems.
- Continue to provide effective and timely response for major incidents.



City Service Area
Public Safety
OVERVIEW

CSA Priorities/Key Services

- Maximize the capacity of annual Police Recruit Academies through enhanced recruiting and backgrounding resources to fill all authorized sworn positions.
- Continue to provide civilian oversight of the Police misconduct complaint process to ensure its fairness, thoroughness, and objectivity.
- Continue providing high-quality fire suppression and Emergency Medical Services (EMS).
- Continue dialogue with the County of Santa Clara on delivery of Emergency Medical Service (EMS).
- Continue to provide effective and timely responses for all emergencies.
- Provide a common framework to protect the City from all hazards based on national standards for emergency management, homeland security, continuity, and critical infrastructure protection programs.
- Sustain and restore the City's critical and essential services through continuity of government and operations programs.
- Manage all-hazards response and recovery efforts through a multi-agency coordination system that includes the City's EOC.
- Determine steps necessary to improve Fire GPS routing software and enhance user friendliness.
- Determine steps necessary to fully implement closest unit dispatch capability and function.
- Conduct both a medical emergency transportation and Regional Fire and EMS Communications Center feasibility study and, if viable, develop implementation plans.
- Complete all State mandated and high risk building inspections.
- Implement the Fire Department Strategic Plan (Vision 2023 Plan).
- Complete full implementation of Fire Department emergency response time reporting.
- Pursue opportunities to drop boundaries between adjacent fire operations (San José, Santa Clara County, Mountain View, and Palo Alto).



Budget Dollars at Work: Performance Goals

The Public Safety CSA encompasses City services focusing on crime, fire, emergency medical, hazardous, and disaster-related needs of the San José community. The CSA partners continuously evaluate public safety data to assess operational changes necessary to resolve crime, medical, or fire-related situations successfully. Despite the challenges of limited staff reductions and increased demand for service, the CSA is engaged in an ongoing effort to organize and analyze data in the development of resource deployment strategies.

OUTCOME 1: THE PUBLIC FEELS SAFE ANYWHERE, ANYTIME IN SAN JOSÉ

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Achieve safe neighborhoods throughout the City	1. % change in incidents of selected crime types (change in # of incidents)					
	- Gang Related Incidents	-122.9%	0% change	6.6%	0% change	0% change
	- Domestic Violence	1.1%	0% change	7.0%	0% change	0% change
	- Residential Burglaries	8.9%	0% change	-27.8%	0% change	0% change
	- Strong-Arm Robbery	-6.4%	0% change	20.6%	0% change	0% change
	- Sexual Assault	81.4%	0% change	50.3%	0% change	0% change
	- Traffic Accidents	N/A ¹	0% change	N/A ¹	0% change	0% change
	- Fire Arson	0.6%	0% change	8.4%	0% change	0% change
	2. % of residents surveyed who perceive themselves to be "Safe" or "Very Safe" walking during the day/night					
	- in their neighborhood	N/A ²	90% / 70%	N/A ²	90% / 70%	90% / 70%
- in the City park closest to residence	N/A ²	85% / 50%	N/A ²	85% / 50%	85% / 50%	
- in the Downtown area	N/A ²	75% / 45%	N/A ²	75% / 45%	75% / 45%	

¹ Data currently unavailable due to the Police Department's transition to a new Records Management System; information is anticipated to be available for the 2017-2018 Proposed Budget.

² Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

City Service Area
Public Safety
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: THE PUBLIC FEELS SAFE ANYWHERE, ANYTIME IN SAN JOSÉ

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Maintain/Reduce response times	1. % of time the initial responding Fire unit arrives within eight minutes after 9-1-1 call is received (Priority One)	73%	80%	72%	80%	80%
	2. % of time first dispatched Police unit arrives within six minutes to Priority One calls (life threatening) (dispatch to arrival)	56%	70%	52%	70%	70%
	3. % of time the initial responding Fire unit arrives within thirteen minutes to Priority Two calls (no lights & siren)	90%	80%	90%	80%	80%
	4. % of time first dispatched Police unit arrives within eleven minutes to Priority Two calls (crime in progress or just occurred) (dispatch to arrival)	48%	70%	46%	70%	70%
Increase investigative & inspection efforts (Police Investigations)	1. Clearance Rates of Part 1 crimes (# cleared/ total cases)					
	- Homicide	87.0% (20/23)	Maintain current rates	68% (26/38)	Maintain current rates	Maintain current rates
	- Rape	13.6% (46/339)	Maintain current rates	15% (60/394)	Maintain current rates	Maintain current rates
	- Robbery	27.4% (299/1,092)	Maintain current rates	25% (274/1,118)	Maintain current rates	Maintain current rates
	- Aggravated Assault	38.7% (719/1,858)	Maintain current rates	43% (798/1,850)	Maintain current rates	Maintain current rates
	- Burglary	4.4% (228/5,132)	Maintain current rates	4% (208/4,860)	Maintain current rates	Maintain current rates
	- Larceny	12.8% (1,636/12,798)	Maintain current rates	12% (1,554/13,066)	Maintain current rates	Maintain current rates
	- Vehicle Theft	5.3% (389/7,311)	Maintain current rates	5% (311/6,710)	Maintain current rates	Maintain current rates
	- Overall	11.7% (3,339/28,553)	Maintain current rates	12% (3,288/28,036)	Maintain current rates	Maintain current rates

Residents are a critical link to community disaster preparedness in areas where first response may be several minutes away, requiring some self-reliance at the neighborhood level. The goal of crime, fire, and life safety education is to provide awareness and informational services to the community through multiple programs, including San José Prepared!, police oversight, Police Volunteer Program, and Neighborhood Watch.

OUTCOME 2: RESIDENTS SHARE THE RESPONSIBILITY FOR PUBLIC SAFETY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Increase public education & awareness through a variety of community services and education programs	1. % of San José households with demonstrated emergency preparedness action plan					
	-Have three gallons of bottled water per person per household	58%	65%	N/A ¹	65%	65%
	-Have three day supply of medicine	67%	75%	N/A ¹	75%	75%
	-Have designated an outside of area contact person	65%	70%	N/A ¹	70%	70%
	2. % of households who feel they are very or somewhat well-informed about what to do during and after an emergency or disaster	N/A ²	88%	N/A ²	88%	88%
Empower residents to respond appropriately to emergencies and disasters	1. # of residents receiving "San José Prepared!" training (20-hour and 2-hour) this year	35 ³	1,000	12 ³	20 ³	5,000
	2. Number of residents who actively participate in volunteer programs (VOLT, RACES, Search & Rescue, , SJ Prepared!)	3,346	4,900	3,547	4,900	24,500
Explore and secure alternate funding to supplement public safety responsiveness and resources	1. % of grants awarded	83%	83%	70%	100%	100%
	2. Number of grants successfully completed as compared to # of grants with funds returned to the grantor ⁴	30/0	26/0	25/1	26/0	54/0
	3. Dollar value of grants awarded**	\$5,749,000	9,568,487	\$7,194,000	4,805,000	\$47,500,000

¹ Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

² Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

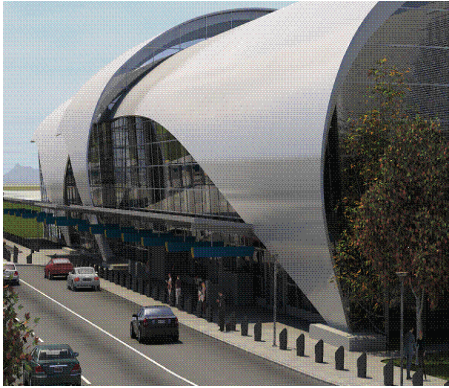
³ Due to the prioritization of restoring the EOC, restoring and developing the Emergency Operations Plan, and developing a Continuity Plan, resources for this program have been redistributed. However, one training was completed in 2015-2016 by a partner agency and one training is anticipated in 2016-2017, which will be sponsored by a community organization.

⁴ Grant funds are commonly returned due to interest earnings, cost savings, and/or short grant periods. Grants are therefore considered "successfully completed" if less than 10% of grant funds are unused.

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
FIRE DEPARTMENT			
• Office of Emergency Services	2.00	696,185	696,185
• Fire Engines 30 and 34/Squad Unit Staffing Realignment		127,988	127,988
• Enterprise Asset Management Team Support and Portable Generators Replacement		62,000	62,000
• Fire Non-Development Fee Program		56,517	56,517
• Fire Department Administrative Staffing Realignment		46,927	(2,356)
• Fire Department Strategic Diversity Recruitment		20,000	20,000
<i>Subtotal</i>	2.00	1,009,617	960,334
POLICE DEPARTMENT			
• Police Overtime		5,000,000	5,000,000
• Police Body Worn Camera Program	5.00	1,223,140	1,223,140
• Downtown Foot Patrol Program		580,000	580,000
• Police Department AIR2 Helicopter Engine Replacement		535,000	0
• Police Business Permit and Licensing System		500,000	500,000
• Police Department Recruiting Program		325,000	325,000
• Medical Marijuana Control Division Staffing	2.00	222,299	222,299
• Police Department Bureau of Technical Services Civilian Management	1.00	194,175	194,175
• Enterprise Asset Management Team Support and Portable Generators Replacement		124,000	124,000
• Anti-Human Trafficking Program		50,000	50,000
• Intelligence Technology Enhancements		25,000	25,000
• Gang Investigations Technology Enhancements		21,000	21,000
• Domestic Violence Prevention Program		15,000	15,000
• Crime Prevention Program Meeting Space		10,000	10,000
• Background Investigations	5.00	(85,945)	(85,945)
<i>Subtotal</i>	13.00	8,738,669	8,203,669
<i>Subtotal Departments</i>	15.00	9,748,286	9,164,003
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Earmarked Reserves: New Police Maintenance and Operations Reserve Elimination		(1,300,000)	(1,300,000)
<i>Subtotal Other Changes</i>	0.00	(1,300,000)	(1,300,000)
Total Proposed Budget Changes	15.00	8,448,286	7,864,003

Transportation and Aviation Services



***Mission:** To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality*

Primary Partners

Airport
Police
Transportation

CSA OUTCOMES

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

City Service Area
Transportation and Aviation Services
SERVICE DELIVERY FRAMEWORK

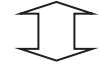
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Transportation & Aviation Services CSA

Mission:

To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability
- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
 Primary deliverables of the organization

Airport Department

Core Services:

Airport Business Development

Airport Facilities Maintenance

Airport Operations

Airport Planning and Capital Development

Transportation Department

Core Services:

Parking Services

Pavement Maintenance

Street Landscape Maintenance

Traffic Maintenance

Transportation Operations

Transportation Planning and Project Delivery

Police Department

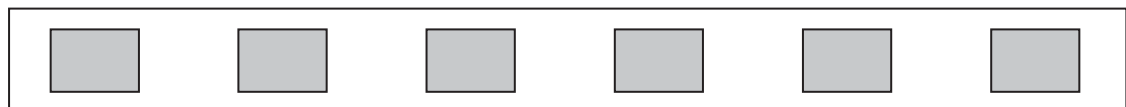
Core Services:

Traffic Safety Services

OPERATIONAL SERVICES
 Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



Transportation and Aviation Services



Expected 2016-2017 Service Delivery

- ❑ Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement.
- ❑ Focus limited available funding for street infrastructure maintenance on facilities having the highest use and economic significance.
- ❑ Build and encourage use of multi-modal transportation options supporting economic development and the Envision San José 2040 General Plan.
- ❑ Operate the Norman Y. Mineta San José International Airport (SJC) in a safe and efficient manner. Maintain and improve security, safety, and regulatory compliance for air service operations.
- ❑ Deliver positive, reliable, and convenient air traveler services and amenities while preserving Airport assets and facilities through cost effective maintenance and operations.
- ❑ Provide Airport services and infrastructure to support and promote a strong economy and enhance community vitality.

2016-2017 Key Budget Actions

- ❑ Traffic Capital Improvement Program includes funding for pedestrian safety, regional rail planning, and pavement project delivery.
- ❑ To advance the City's transportation goals, a Transportation Innovation Program Manager will identify and pursue new projects and initiatives that enhance the safety, efficiency, and sustainability of the transportation network.
- ❑ Additional funding for design and renovation of aging landscape in various Special Assessment Districts and staff to support special district stakeholder coordination.
- ❑ Additional funding provides for staffing and equipment to support new Smart Meter technology and pavement embedded parking sensors.
- ❑ Investing in the future through the addition of funding to support the development of the Airport concession model and project management training. These augmentations provide resources to help sustain financial stability, continued efficiency efforts, and maintain customer loyalty.
- ❑ Competition for air service continues by keeping costs to airlines at competitive levels while offering exceptional service and modern facilities. Energies are focused on engaging airlines to expand air service choices for travelers.

City Service Area
Transportation and Aviation Services
BUDGET SUMMARY

City Service Area Budget Summary

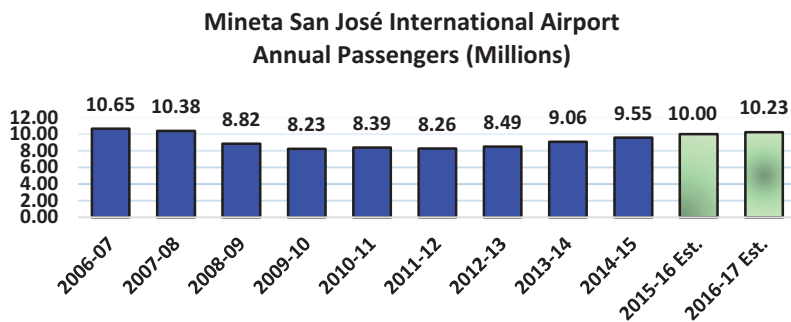
	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
<i>Airport</i>					
Airport Business Development	\$ 2,655,156	\$ 3,480,987	\$ 3,168,121	\$ 3,168,121	(9.0%)
Airport Facilities Maintenance	19,679,628	21,851,429	22,331,454	22,344,454	2.3%
Airport Operations	20,746,395	23,445,825	23,622,303	23,622,303	0.8%
Airport Planning & Capital Development	2,691,580	3,325,240	3,226,576	3,251,576	(2.2%)
Strategic Support	10,211,011	10,547,789	10,764,752	10,864,752	3.0%
<i>Police</i>					
Traffic Safety Services	6,841,592	10,315,097	9,802,476	9,802,476	(5.0%)
<i>Transportation</i>					
Parking Services	11,862,122	13,640,959	14,079,178	14,178,003	3.9%
Pavement Maintenance	6,053,749	5,918,167	6,000,757	5,995,186	1.3%
Street Landscape Maintenance	9,217,046	11,784,621	10,015,551	11,197,335	(5.0%)
Traffic Maintenance	13,115,009	12,781,775	13,133,630	13,347,630	4.4%
Transportation Operations	7,111,033	9,086,587	9,273,704	9,495,501	4.5%
Transportation Planning and Project Delivery	5,399,640	5,531,293	5,597,473	5,738,604	3.7%
Strategic Support	1,660,518	1,840,788	1,973,519	2,082,409	13.1%
Dollars by Core Service Subtotal	\$117,244,479	\$133,550,557	\$132,989,494	\$ 135,088,350	1.2%
Other Programs					
City-Wide Expenses	\$ 6,091,032	\$ 5,763,175	\$ 6,204,000	\$ 6,204,000	7.6%
General Fund Capital, Transfers and Reserves	820,634	9,228,433	1,549,113	1,350,113	(85.4%)
Other Programs Subtotal	\$ 6,911,666	\$ 14,991,608	\$ 7,753,113	\$ 7,554,113	(49.6%)
CSA Total	\$124,156,145	\$148,542,165	\$140,742,607	\$ 142,642,463	(4.0%)
Authorized Positions	515.36	527.11	525.16	530.41	0.6%

Service Delivery Accomplishments

Air Transportation

- International air service at SJC shows significant growth with the recent announcement of new carriers and destinations. Lufthansa will add five nonstop flights per week between SJC to Frankfurt, Germany beginning July 2016. British Airways adds one daily nonstop flight to London-Heathrow beginning May 2016. This flight alone is estimated to have an annual economic impact for the San José region of \$100 million. Air Canada adds twice daily nonstop flights between SJC and Vancouver beginning May 2016. Air China will begin service in June 2016 adding thrice weekly nonstop flights to Shanghai-Pu Dong. The new air service destinations reflect an extraordinary growth in international flights for the City of San José, which translates into jobs, economic growth, and opportunities for businesses and the community.

- Through February 2016, the Airport served 6.6 million passengers compared to 6.3 million year-to-date in February 2015, representing the 38th consecutive month of passenger growth. The ongoing upward trend is expected to continue into 2016-2017, as a result of expanded air service choices and an improving local and global economy. A 2.25% increase in passengers is estimated for 2016-2017. In addition to those airlines initiating new international flights



from SJC noted above, American Airlines, Alaska, Delta, and Southwest Airlines are also adding flights in 2016. Although the trend is positive, the chart above shows SJC still trails the pre-recession passengers and operations levels. SJC continues to engage in air service development, effective communication with passengers, the public, and the media, as well as developing sources of non-airline revenue, including concessions revenue, lease revenue, and parking revenue.

- *Signature Flight Support*, SJC's newest Fixed Based Operator, had its grand opening in December 2015 bringing increased land rental and fuel flowage revenue to the Airport. General Aviation Aircraft based at the Airport in 2015 total 136 and are anticipated to increase with the addition of this Fixed Based Operator.
- SJC permitted its first Transportation Network Company (TNC) service provider in November 2015 providing Silicon Valley residents, businesses, and visitors more ground transportation options to choose. In December 2015, SJC permitted two additional ridesharing companies to begin operating at the airport. The Airport is using innovative technology with the introduction of a Geofence system to provide efficient tracking of TNC trips.
- Airport food, beverage, and retail concessionaires are implementing mid-term refurbishments to maintain Airport terminal facilities in first class condition. Refurbishments include repairing, redecorating, replacing of concepts, or other strategies to refresh the site and offerings after five years of operation. SJC has opened a Duty Free store – Duffrey – a Hudson store, and new restaurants Smash Burger and Menchies. In addition, a new ten-year concession plan will identify current industry trends and revenue generating opportunities.
- Super Bowl 50, was held at Levi's Stadium in Santa Clara in February 2016, providing a great opportunity to showcase SJC as a key gateway to Silicon Valley. SJC saw increased passengers, flight operations both in commercial and general aviation, aircraft parking, and jet fueling. Along with passenger growth, the Super Bowl period brought increased revenues in retail concessions, food and beverage concessions, and car rentals. Perhaps most importantly the event brought national media attention to San José and the Silicon Valley.

City Service Area
Transportation and Aviation Services
OVERVIEW

Service Delivery Accomplishments

Surface Transportation

- Safety continues to be the highest priority for this CSA. The Department of Transportation (DOT) completed 28 pedestrian safety and neighborhood traffic calming projects which included enhanced pedestrian crosswalks on multi-lane roadways, radar speed display signs and road humps, and partnering with schools to modify pick up and drop off zones to enhance child safety and better channel traffic flow.
- The 2015-2016 Pavement Program, which will primarily take place in the summer months of 2016, includes surface seal treatment of 59 miles of major roads and resurfacing treatment of 27 miles of roads. A total of 11,000 potholes were filled as part of ongoing maintenance during the year.
- Infrastructure maintenance accomplishments also include the repair of 2,191 traffic control signs; 5.5 million square feet of roadway markings; response to an estimated 11,463 streetlight repair requests, including 1,300 streetlight outages caused by stolen or cut wire; installation of 1,500 locking lid boxes to deter future wire theft; 7,190 reports of illegal dumping, including removal of 14,004 cubic yards of debris; 855 street tree emergencies and over 2,600 tree pruning and removal service requests; and the completion of 7,000 sidewalk repairs and installation of 1,237 accessible curb ramps.
- San José's multi-modal programs continued with 33 miles of new and enhanced bikeways completed along with the 2015 pavement construction program. The Walk n' Roll traffic safety education program serves 53 elementary and middle schools with an average of over 8,000 children walking to school at least monthly.
- Continued partnership with the Downtown Association to provide enhanced cleaning, ambassador, security, beautification, and economic development services to the Downtown Property-based Business Improvement District (PBID). Notable efforts included the installation of three art crosswalks; initial coordination of San Pedro Square, ground level retail in the San Pedro Square parking garage; and initial coordination for both the Almaden Blvd. median redesign and the Almaden Blvd. exercise loop, two components of the Downtown Street Life Plan.
- In partnership with the City Manager's Office, Transportation staff facilitated innovative technology deployment through an agreement with Phillips for the installation of 50 smart poles in various locations throughout the City. In return, Phillips is replacing 750 sodium fixture streetlights with more energy efficient LED fixtures.



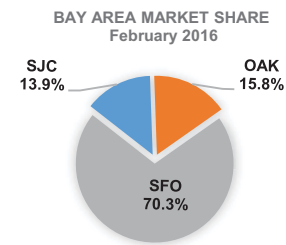
Service Delivery Environment

Air Transportation

- SJC’s close proximity to San Francisco (SFO) and Oakland (OAK) International airports influence the service environment. Whereas SJC’s terminals and roadway systems provide very convenient and technologically advanced facilities with the best on-time performance of the three Bay Area airports, San Francisco’s global reputation and highly competitive air carrier market has led to 70% of Bay Area passengers flying to and from SFO. Year-to-date through February 2016, SJC’s passenger traffic is up by 5.8% as compared to 2014-2015, while SFO’s passenger traffic increased by 7.4%, and OAK’s traffic increased by 8.5%. Silicon Valley continues to be one of the nation's most dynamic economic regions, anchored by Fortune 500 firms, robust leading-edge companies, and professional sports complexes.

	SJC	OAK	SFO
Domestic Destinations*	28	37	72
International Destinations*	4	6	40
Operating Airlines*	11	16	40
Total Passenger CY 2015	9,799,427	11,205,063	50,067,094
Total Operations CY 2015	129,021	215,750	429,815

*Source: DiioMI, February 2016



- Airlines use “Cost per Enplaned Passenger” (CPE) to help make the decision about where to locate air service. CPE represents the total costs of airport operations that are allocated to airlines and are charged to them in landing fees, rents, or other specific charges, divided by the total number of passengers boarding planes at SJC. The Airport has estimated the airline CPE of \$10.58 for 2015-2016 while the 2016-2017 CPE target is \$10.90, which remains consistent with the City Council’s direction to keep the CPE below \$12.00 for the term of the airline agreement. Renegotiation of Airline Lease Agreements is progressing and SJC anticipates renewal of the agreements prior to the June 30, 2017 expiration date.
- SJC partners with Federal government agencies such as Customs and Border Protection (CBP), Federal Aviation Administration (FAA), and Transportation Security Administration (TSA) to operate the airport safely, securely and in accordance with Federal Regulations. The Airport works with these partners to provide options and alternatives for future staffing challenges as passenger levels increase. Mandates for emergency exercises are an important opportunity for Airport public safety partners to work together and practice response procedures.
- Infrastructure investment to rehabilitate existing assets, accommodate growth in passenger and cargo activity, and enhance safety, security, and efficiency of the facilities is critical to maintain competitiveness and continued contribution to the economic development of the region. Federal funds to support these essential investments through the Airport Improvement Program (AIP) and advancement of the Passenger Facility Charge (PFC) program are critical. SJC is also adopting Disadvantaged Business Enterprise (DBE) best practices from other airports, and looking forward to implementing City policies on local and small businesses. These efforts are anticipated to enhance the regional economic impact of the Airport as well as generate greater response and competition for Airport construction projects.
- Operationally, SJC continues to maintain strong cost control measures including holding steady on authorized staffing levels despite significant passenger growth and related impacts to the facilities. Financial constraints challenge the ability to fund additional positions, capital projects, and prepare for Phase II of the Terminal Area Improvement Program. The Airport will strive to capitalize on debt refunding opportunities, leverage technology and innovation to implement efficient processes, and find a better way to deliver services. Strategic planning is underway to identify the most important goals, objectives, and priorities to guide the organization in addressing the challenging fiscal and operating environment.

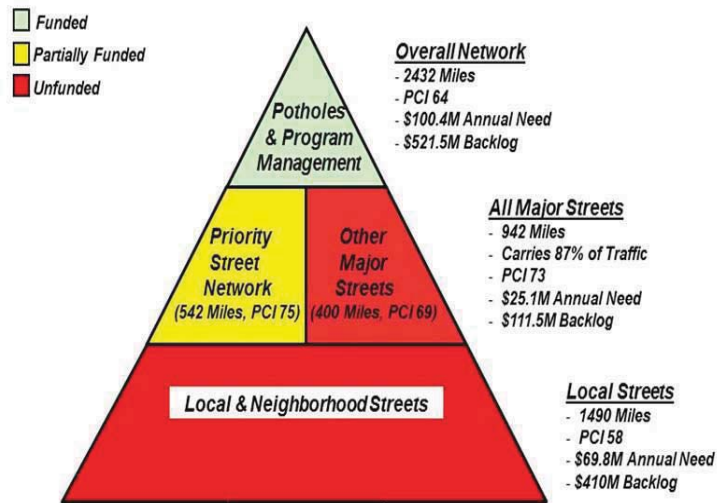
City Service Area Transportation and Aviation Services OVERVIEW

Service Delivery Environment

Surface Transportation

- Overall, the City’s transportation system remains one of the safest in the country with a low crash rate of 2.4 crashes per 1,000 residents vs. the national average of 5.1 per 1,000 residents. Implementation of Vision Zero San José, the City’s transportation safety plan, is focused on rigorous crash data analytics, detailed street safety audits, engineering solutions, education, and enforcement activities towards the City’s 14 Priority Safety Corridors, with emphasis also placed on technology, policy, alignment, and partnership.
- The growth of technical innovation within the transportation industry has created a ripe environment for new ideas and approaches to advance the safety, efficiency, and sustainability of the City’s transportation network. The addition of a Transportation Innovation Program Manager is recommended in this budget to spearhead an effort to identify and pursue projects and initiatives to advance the City’s transportation goals. The Department of Transportation’s Innovation Program will look to take full advantage of the City’s North San José Transportation Innovation Zone (TIZ), including potential projects such as the development and deployment of connected vehicle technologies; advancement of new mobility options such as self-driving vehicles; and a demonstration showcase for new innovations in traffic safety.
- San José’s street system is currently rated overall in “fair” condition with a Pavement Condition Index (PCI) rating of 64. Insufficient funding dedicated for pavement maintenance will result in the backlog of deferred pavement maintenance growing from \$250 million in 2010 to \$521.5 million in 2016. Without new sources of funding, the street system will continue to decline and the backlog of deferred maintenance is projected to grow to nearly \$900 million in 2020 and \$1.8 billion in 2025. The City has adopted a direction to pursue all local, regional, State and federal funding opportunities.

Without additional revenue allocations, funding for pavement maintenance will be decreasing from \$25.9 million in 2015-2016 to approximately \$13.4 million in 2016-2017. Average annual funding is approximately \$13 million in the out-years of the 2017-2021 Proposed Traffic CIP. Program funding has decreased as a result of the decline in State Gas Tax revenues, and one-time funding from the federal government and the General Fund. Resources are well below the ongoing annual investment of \$100.4 million needed to maintain pavement in overall “good” condition. Four categories of pavement maintenance and the associated funding requirements are identified in the chart to the right. An investment of \$18.5 million annually is needed to fund pavement system management, pothole repairs, and proper maintenance of the priority street network. To fund the above and cover proper maintenance of all remaining streets requires a total annual investment of \$30.6 million. A total of \$72.5 million in annual funding is needed to maintain the entire network at its current fair condition with a PCI rating of 64.



PCI = Pavement Condition Index Ratings: Good (100 to 70); Fair (69 to 50); Poor (under 50)

Service Delivery Environment

Surface Transportation

- The backlog of one-time deferred transportation maintenance needs is currently estimated at \$670.6 million, including the \$521.5 million associated with pavement. Other infrastructure maintenance needs include signs and markings, sidewalks, gutters, curbs and ramps, street trees, streetlights, signal detection loops, and maintenance vehicles and equipment.

CSA Priorities/Key Services

The Transportation and Aviation Services (TAS) CSA's highest priority services are those that support the safety of the traveling public followed by those that support mobility and asset condition.

The Airport has identified seven strategic priorities for 2016-2017 to ensure the efficient and effective operations of the Airport:

- Maintain and Improve Security and Safety.
- Retain, Expand, and Grow Air Service and Passengers.
- Achieve Financial Sustainability.
- Recruit, Develop, and Retain Staff to Achieve Organizational Sustainability.
- Improve Organizational and Operational Efficiency.
- Preserve Infrastructure and Focus on Essential Projects.
- Strategically Plan for the Airport's Future.

The Department of Transportation's five strategic priorities for 2016-2017 are identified below.

- Safe Streets
- Balanced Transportation
- Quality Infrastructure
- Innovation and Technology
- People and Teams

City Service Area
Transportation and Aviation Services
OVERVIEW

Budget Dollars at Work: Performance Goals

The TAS CSA facilitates the movement of people and goods in a manner that both strengthens the economy and enhances the quality of life for San José residents. TAS is responsible for a wide range of services, operations, and infrastructure that support other City Service Areas, chiefly Community and Economic Development and Public Safety.

OUTCOME 1: PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target	5-Year Goal
Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	76%	83%	N/A ¹	83%	83%
	Bicycling	39%	60%	N/A ¹	60%	60%
	Walking	66%	81%	N/A ¹	81%	81%
	2. # of injury crashes per 1,000 population	2.5	2.3	2.4	2.3	2.2
	3. # of pedestrian and bicycle-related injury crashes per 1,000 population	0.60	0.55	0.59	0.55	0.50
Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	0%	100%	100%	100%	100%

¹ Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

City Service Area
Transportation and Aviation Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target	5-Year Goal
Facilitate Completion of Planned Local and Regional Transportation System	1. % of planned arterial street system complete	98%	98%	98%	98%	98%
	2. % of planned bikeway network complete	63%	70%	65%	71%	100%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	52%	56%	N/A ¹	56%	70%
Expand Use of Alternate Commute Options	1. % of residents rating access to public transit as "easy"	N/A ²	78%	N/A ¹	78%	78%
	2. % of trips by alternative modes of transportation	17%	17%	18%	19%	23%
Meet Communities' Needs for Air Service Destinations and Frequencies	1. % of customers reporting satisfaction with availability of flights and destinations that meet their travel needs	N/A ²	90%	N/A ¹	90%	90%
	2. % of regional air service market	13.9%	14.4%	13.8%	14.5%	15.0%
Cost to Airlines of Operating at the Airport is Competitive with other Airports in the Region	1. Airline cost per enplaned passenger	\$9.60	\$10.90	\$10.58	\$10.90	\$12.00

¹ Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

² Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

City Service Area
Transportation and Aviation Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: TRAVELERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target	5-Year Goal
Passengers Have a Positive Experience When Using the Airport	1. % of customers reporting satisfaction with the quality and variety of airport shops and restaurants	N/A ¹	85%	N/A ²	85%	85%
Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	54%	60%	N/A ²	60%	60%
	2. % of City intersections at Council-adopted level of service	99%	98%	99%	98%	98%
Facilitate Efficient Operations of the Regional Freeway System	1. % of residents rating commute traffic flow on freeways and expressways as "acceptable" or better	37%	40%	N/A ²	40%	40%
Enhance Access to Major Activity Centers and Events	1. % of customers rating access to major activity centers as "easy"					
	Downtown	N/A ¹	79%	N/A ²	79%	79%
	Airport	N/A ¹	79%	N/A ²	79%	79%
	SAP Center at San José	N/A ¹	72%	N/A ²	72%	72%
	Regional Shopping Centers	N/A ¹	89%	N/A ²	89%	89%

¹ Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

² Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

City Service Area
Transportation and Aviation Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target	5-Year Goal
Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "acceptable" or better condition ¹	49%	55%	N/A ²	45%	40%
	2. % of streets rated in "good" or better condition (70 or greater on a 1-100 scale) ³					
	Major Streets	60%	59%	56%	56%	38%
	Local/Residential Streets	27%	25%	31%	29%	17%
	3. City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 75) ⁴	63	63	64	63	55
Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly) ⁵	54%	63%	48%	58%	70%
Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	54%	60%	N/A ²	60%	65%
	2. % of residents rating adequacy of street lighting as "good" or better ⁶	58%	59%	N/A ²	60%	65%

¹ A drop in residents ratings associated with neighborhood street condition is anticipated due to the deteriorating condition of city streets as a result of aging and the dramatic drop in funding available for pavement maintenance.

² Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

³ A drop in average Pavement Condition Index (PCI) rating for both local/resident and major streets is anticipated within the City by 2020 as a result of the dramatic drop in funding available for the pavement program and the continued deterioration of existing streets.

⁴ A pavement condition survey conducted in summer 2015 updated the overall condition of residential streets within the City and showed that the residential street conditions were better than expected.

⁵ This measure reflects a decrease in performance from 2014-2015 due to the shortage of electricians to provide the necessary preventive maintenance of traffic signals.

⁶ The LED streetlight conversion program, which improves street lighting conditions within the City, is expected to improve residential survey results in the future.

City Service Area
Transportation and Aviation Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 5: PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target	5-Year Goal
Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	N/A ¹	83%	N/A ²	83%	85%

¹ Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

² Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

City Service Area
Transportation and Aviation Services
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
AIRPORT DEPARTMENT			
• Airport Concession Plan Consultant		100,000	0
• Planning and Development Training		25,000	0
• Enterprise Asset Management Team Support and Portable Generators Replacement		13,000	0
<i>Subtotal</i>	0.00	138,000	0
POLICE DEPARTMENT			
• NONE			
<i>Subtotal</i>	0.00	0	0
TRANSPORTATION DEPARTMENT			
• Special Assessment District Landscape Projects		1,215,000	0
• Neighborhood Traffic Calming	1.00	221,797	0
• New Transportation Infrastructure Maintenance and Operations		199,000	199,000
• Regional Rail Planning	1.00	114,431	0
• Transportation Innovation Program Manager	1.00	112,318	0
• Enhanced Parking Meter Maintenance	1.00	98,825	0
• Special Districts Coordination Staffing	1.00	76,826	0
• Walk n' Roll Staffing Alignment	1.00	54,147	0
• Stormwater Bioretention Monitoring and Maintenance	0.25	21,945	
• Enterprise Asset Management Team Support and Portable Generators Replacement		16,000	0
• Illegal Dumping Rapid Response Program	(1.00)	(132,987)	(132,987)
• Traffic Capital Staffing	0.00	(30,875)	0
• Pavement Engineering Staffing	0.00	(5,571)	0
<i>Subtotal</i>	5.25	1,960,856	66,013
<i>Subtotal Departments</i>	5.25	2,098,856	66,013
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(199,000)	(199,000)
<i>Subtotal Other Changes</i>	0.00	(199,000)	(199,000)
Total Proposed Budget Changes	5.25	1,899,856	(132,987)

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City Service Area Strategic Support



***Mission:** To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects*

Primary Partners

Finance
Human Resources
Information
Technology
Public Works

CSA OUTCOMES

- Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Effective Use of Technology
- Safe and Functional Public Infrastructure, Facilities, and Equipment

City Service Area
Strategic Support
SERVICE DELIVERY FRAMEWORK

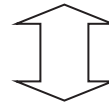
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Strategic Support CSA

Mission:

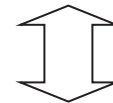
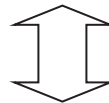
To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Effective Use of Technology
- Safe and Functional Public Infrastructure, Facilities, and Equipment



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
 Primary deliverables of the organization

Finance Department

Core Services:

Disbursements

Financial Reporting

Purchasing and Risk Management

Revenue Management

Treasury Management

Human Resources Department

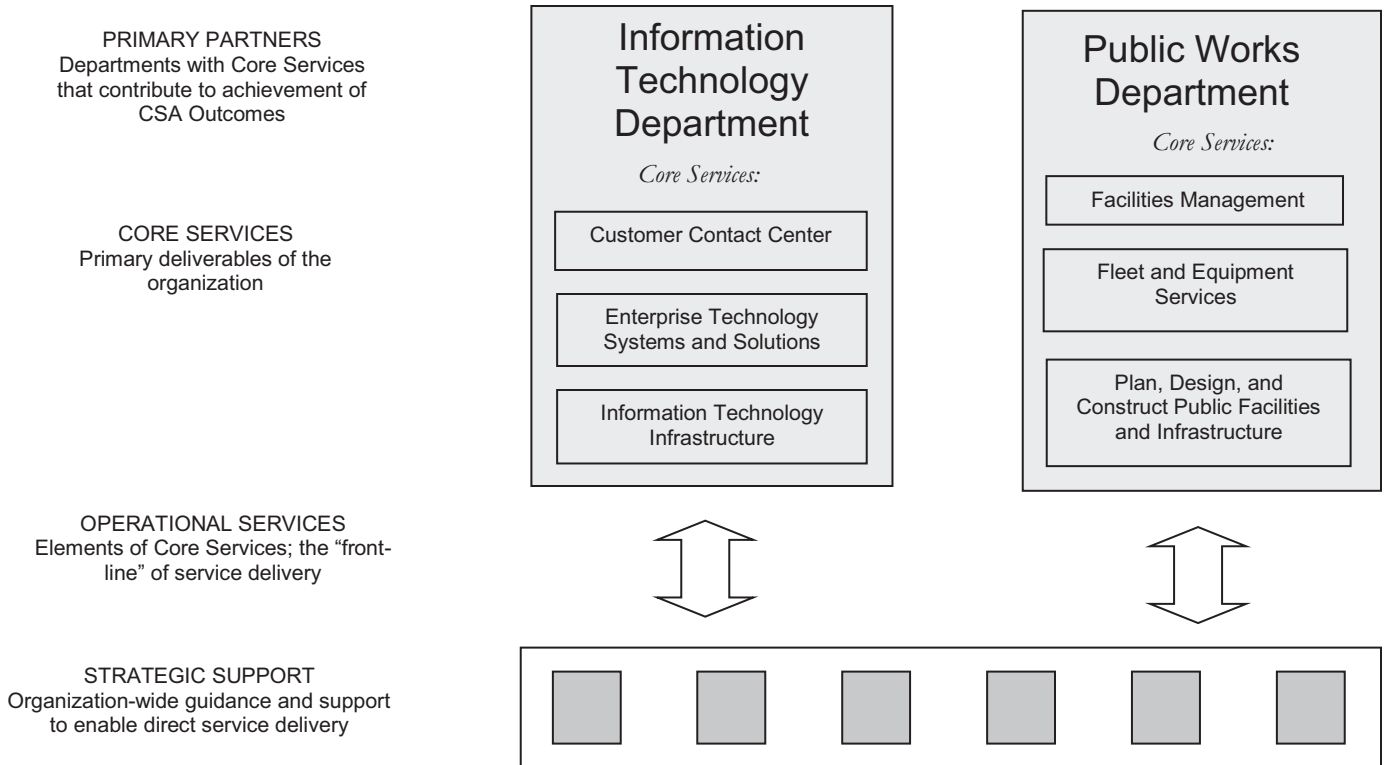
Core Services:

Employee Benefits

Employment Services

Health and Safety

SERVICE DELIVERY FRAMEWORK



Strategic Support

Expected 2016-2017 Service Delivery

- ❑ Oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customer and City staff needs.
- ❑ Maintain City facilities, equipment, and vehicles.
- ❑ Ensure that the City's financial resources are protected and available to address the short-term and long-term needs of the community; accurate and timely payments to City employees and vendors; accurate and timely financial reports; and efficient business systems and processes for timely billing and collection efforts.
- ❑ Manage enterprise systems, including the Financial Management System (FMS), the Customer Information System (CIS), and the Human Resources (HR)/Payroll System. Strategic Support is a key player in the upgrade of the HR/Payroll system, an FMS upgrade, a new Talent and Recruiting module, and a new Budget system all scheduled to go live in 2016-2017.
- ❑ Manage all financial aspects of the Successor Agency to the Redevelopment Agency, including accounting, debt management, cash management, financial reporting, and accounts payable/receivable.
- ❑ Facilitate recruitments and manage effective, efficient, and defensible hiring processes, in partnership with client departments, to attract and retain qualified employees.
- ❑ Provide a wide range of benefit programs that meet the needs of the employees, retirees, their dependents, and the City, and assist participants in effectively using their benefit plans.
- ❑ Maintain a safe and healthy work environment in compliance with all applicable State and federal regulations related to employee health and safety, and continue to minimize liability and loss to the City. Health and safety programs will continue to ensure injured employees receive adequate and appropriate treatment; promote a culture of safety through the Injury, Illness, and Prevention Programs; and ensure employee medical exams and testing are completed as mandated.
- ❑ Review medical services and wellness programs to ensure that current service levels are provided in the most efficient and cost-effective manner.
- ❑ Ensure the City's finance and technology resources are protected and available to address the short- and long-term needs of the community.
- ❑ Manage space usage at City-owned facilities.



Strategic Support

2016-2017 Key Budget Actions

- ❑ The addition of one-time funding of \$5.0 million increases the budget for General Liability Claims payments to ensure sufficient funding for existing and anticipated claims against the City in 2016-2017.
- ❑ The addition of one-time funding of \$500,000 increases the project contingency for the Human Resources/Payroll/Budget Systems upgrade project to help ensure that complex technical issues are addressed, the project meets anticipated “go-live” dates, and the organization is adequately trained and supported after implementation.
- ❑ The addition of one-time funding of \$80,000 provides for consulting services to perform actuarial studies to evaluate whether the City should continue to maintain a self-insurance program for liability claims by appropriating funds to cover losses or obtain insurance through a third party insurer.
- ❑ The addition of one-time funding of \$60,000 augments the Cayenta Financial Management System upgrade, from version 7.5 to 7.8, that was approved in 2015-2016. The additional funding, which brings the project total to \$200,000, will provide for additional costs for new features and modules that will improve efficiency, and hardware requirements not previously included but needed to support the new version.
- ❑ The addition of 1.0 Assistant Director position in the Human Resources (HR) Department is recommended to provide additional executive management that will be responsible for operational oversight of the department, which will allow the Director more capacity for strategic initiatives.
- ❑ The addition of one-time contractual services funding of \$393,000 to increase the third party administrator contract for Workers’ Compensation Claims Administrative Services, and the continued one-time funding for the equivalent of 1.0 Workers’ Compensation Claims Adjuster position will help alleviate the backlog of workers’ compensation claims and further support the Workers’ Compensation Service Delivery Model Pilot program.
- ❑ The addition of one-time funding of \$100,000 in the Employee Services Division continues the revision of critical job specifications to address the recommendations from the *Employee Hiring Audit*. This funding will provide \$32,000 for contractual services and \$68,000 for 1.0 Analyst I position through March 31, 2017.
- ❑ The elimination of 0.6 Physician and 0.5 Nurse Practitioner PT positions reflects the shift of health services provided to retirees from Human Resources to the Office of Retirement Services.
- ❑ The addition of 1.0 Senior Analyst position provides extended absence management for protected leaves (Family Medical Leave Act/California Family Rights Act/Pregnancy Disability Leave) and unprotected leaves for all City employees, including coordinating compliance with federal and State laws, as well as City policy.
- ❑ The elimination of 2.0 vacant Information Systems Analyst (ISA) positions and transfer of the Customer Information System (CIS) application support to the Environmental Services Department is recommended due to the transition of garbage and recycling payment collection for single family homes to the Santa Clara County Property Tax Roll in 2015-2016.
- ❑ The elimination of 1.0 Senior Electronics Systems Technician and addition of 1.0 Supervising Applications Analyst positions restores critical management capacity in the Network team to mitigate down time and address the greater complexities in delivering converged voice and data services.
- ❑ The addition of 1.0 Supervising Applications Analyst position provides needed management and oversight of City-wide financial systems, including FMS and Business Tax, to mitigate potential financial and productivity loss resulting from system failures.

Strategic Support

2016-2017 Key Budget Actions

- ❑ The elimination of 3.0 vacant Network Technicians, the addition of 2.0 Information Systems Analysts positions and one-time funding of \$500,000 will modernize the end-of-life desktop environment and add the required skill sets to implement virtual desktop infrastructure, which addresses a recommendation in the Audit of Information Technology General Controls regarding the centralization of software deployment.
- ❑ One-time funding of \$250,000 will complete the build out of a secondary data center that provides network and power redundancy for business continuity of essential technical infrastructure following a catastrophic event.
- ❑ Ongoing funding of \$150,000 will provide direct connectivity to Microsoft and Amazon cloud services, allowing for rapid connectivity to Office 365 and enhanced security by separating critical operations from the internet when the City comes under a cyber/denial of service attack.
- ❑ The addition of \$500,000 in one-time funding allows for network upgrades to over 100 remote facilities to improve support capabilities and strengthen security of the City's network.
- ❑ One-time funding of \$200,000 will replace aging on-premise servers to minimize the City's risk for hardware failure and data loss, and partially address the technical infrastructure backlog.
- ❑ The addition of 1.0 Geographic Information Systems Analyst position limit-dated through June 30, 2018, and associated non-personal/equipment funds, will enable the Public Works Department Technology Services Geographic Information System team to consolidate and compile a Master Address Database. The Master Address Database can help improve Fire and Police emergency response times and enable better use of data analytics for service delivery and efficiency improvements.
- ❑ The extension of 1.0 Supervising Environmental Services Specialist position through June 30, 2017 provides for the continued management of the City-Building Energy Projects Program, including coordination with Energy Service Company (ESCO) on energy and utility conservation projects that were approved by City Council on February 11, 2014.
- ❑ The addition of 1.0 Senior Systems Applications Programmer (SSAP) position better aligns and augments the Enterprise Asset Management team in Public Works to improve the quality of data and reports, which will lead to improved response time and shorter vehicle downtimes for client departments and service requestors.
- ❑ One-time funding of \$140,000 adds supplemental security coverage on the City Hall Plaza during late evening, early morning, and weekend hours. Continued vigilance on the City Hall campus will provide a safe and secure environment while preventing unwanted behaviors such as graffiti.

City Service Area
Strategic Support
BUDGET SUMMARY

City Service Area Budget Summary

Dollars by Core Service	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
<i>Finance</i>					
Disbursements	\$ 2,221,341	\$ 2,153,943	\$ 2,772,207	\$ 2,772,207	28.7%
Financial Reporting	1,935,656	2,033,403	2,023,770	2,023,770	(0.5%)
Purch. and Risk Management	1,993,949	2,810,947	2,714,503	2,794,503	(0.6%)
Revenue Management	4,669,155	5,244,906	5,857,685	5,857,685	11.7%
Treasury Management	3,238,604	3,707,877	3,458,242	3,458,242	(6.7%)
Strategic Support	1,734,399	1,501,242	1,367,487	1,367,487	(8.9%)
<i>Human Resources</i>					
Employee Benefits	2,094,064	2,826,226	2,408,739	2,426,717	(14.1%)
Employment Services	2,188,565	2,962,072	2,447,034	2,821,237	(4.8%)
Health and Safety	2,639,877	3,096,783	3,161,783	3,554,783	14.8%
Strategic Support	941,838	1,045,781	962,715	1,295,134	23.8%
<i>Information Technology</i>					
Customer Contact Center	3,125,467	1,834,213	1,727,044	1,965,110	7.1%
Enterprise Technology Systems & Solutions	4,670,596	6,528,157	5,942,641	5,727,769	(12.3%)
Info. Technology Infrastructure	8,071,012	11,069,571	10,639,694	12,206,469	10.3%
Strategic Support	1,212,022	1,551,238	1,653,202	1,765,759	13.8%
<i>Public Works</i>					
Facilities Management	20,022,060	21,611,322	22,007,935	22,322,343	3.3%
Fleet & Equipment Services	17,812,735	18,106,197	17,617,355	17,922,819	(1.0%)
Plan, Design & Construct Public Facilities & Infrastructure	30,652,020	33,164,990	34,514,179	34,732,999	4.7%
Strategic Support	6,107,340	6,865,171	7,233,202	7,854,774	14.4%
Dollars by Core Service Subtotal	\$ 115,330,700	\$ 128,114,039	\$ 128,509,417	\$ 132,869,807	3.7%
MAYOR, CITY COUNCIL, AND APPOINTEES	\$ 45,628,695	\$ 53,140,825	\$ 52,123,905	\$ 53,813,857	1.3%
Other Programs					
City-Wide Expenses	\$ 181,756,411	\$ 53,383,459	\$ 28,844,040	\$ 34,489,040	(35.4%)
General Fund Capital, Transfers and Reserves	37,944,088	144,264,800	69,826,031	89,782,776	(37.8%)
Other Programs Subtotal	\$ 219,700,499	\$ 197,648,259	\$ 98,670,071	\$ 124,271,816	(37.1%)
Total CSA	\$ 380,659,894	\$ 378,903,123	\$ 279,303,393	\$ 310,955,480	(17.9%)
Authorized Positions	889.70	901.67	895.67	909.57	0.9%

Service Delivery Accomplishments

- The City's current general credit rating is Aa1/AA+/AA+ by the three leading national rating agencies: Moody's, Standard & Poor's, and Fitch, respectively. The ratings by the three agencies acknowledge the City's sound financial position, strong management team and practices, and strong economic performance.
- The Finance Department's focus on improving collection efforts and optimizing staff resources continues to produce an average of eight dollars return on revenue for every dollar spent on direct costs in the Revenue Management Division.
- Completed data conversion and system readiness for the HR/Payroll/Budget and Recruiting systems, all anticipated to "go-live" in 2016-2017.
- Successfully converted Recycle Plus billing to the Santa Clara County property tax roll as part of the implementation of the Customer Information Service Billing System.
- Completed implementation of the technical recommendations of the City Auditor's Office Audit on Customer Call Handling.
- Completed the Requests for Proposals (RFP) for Customer Relationship/Service Request Management, anticipated for system implementation in 2016-2017.
- Significantly improved the City's information security posture with the implementation of new firewalls, the completion of significant third party audits, and the drafting of a city-wide security policy.
- Several important steps were taken in modernizing the City's technical infrastructure including the release and completion of critical RFPs such as a radio frequency identification system for the Library, video wall for the Police Department, and Permitting System for Development Services.
- Major infrastructure (energy efficiency) improvements were made to the Police Administration Building (chiller replacement), Convention Center (boiler replacement), and Children's Discovery Museum (chiller replacement).

Service Delivery Environment

- The Finance Department continues to provide financial modeling and analysis as part of its core mandate to meet the increasingly complex finance needs of the City.
- The Business Tax Billing System (BTS) provides City staff with management tools to oversee annual revenues from the general Business Tax program of approximately \$12.5 million from approximately 74,450 businesses. A Business Tax Billing System implementation is underway to replace the current BTS to CSDC Systems, Inc. Staff anticipates transitioning to the new system in fall 2016.
- The City continues to face accelerating demands for information technology service delivery and increasing costs for information technology infrastructure maintenance and renewal. Despite one-time funding allocated for technology, the most significant issues facing the Information Technology Department in its ability to address city-wide technology infrastructure and business needs are the ability to attract high level technical talent and identifying sustainable sources of funding.
- Human Resources has continued the Workers' Compensation Service Delivery pilot project. This project moved approximately one half of the workers' compensation claims administration to Athens Administrators Inc., a third party administrator for bill review, utilization review, and medical management administrative services. Staff continues to evaluate this pilot program and, upon completion of that evaluation, will bring forward a recommendation regarding the most effective means to deliver the services.
- Human Resources continues to reduce the number of days to hire an employee. The Employment Division continues to review and revise the process for hiring and promoting employees. The new process allows for a more streamlined approach and has proven to be very effective.
- With the rapid introduction of modernized technology tools to the organization, new challenges in change management, training, and productivity will continue to be an issue as employees adjust to the new environment and are required to part with antiquated business tools and processes.
- The City continues to receive at market-rate bids for construction projects due to a less competitive bidding environment. This cost escalation trend is expected to continue.
- Currently, the City's Standard Specifications for construction are undergoing revision and, as green construction becomes mandatory, the City will incorporate specifications that take advantage of emerging sustainable technologies.
- The City's building inventory expanded through the decade of investment. Many of the newer facilities are reaching the five and ten-year thresholds when the facilities typically experience an increase in maintenance needs.

City Service Area
Strategic Support
OVERVIEW

CSA Priorities/Key Services

- Provide compensation and payments to City employees and vendors in a timely and accurate manner
- Produce legally required, compliance, and regulatory information and financial reports
- Manage multi-billion dollar debt and investment portfolios
- Collect and deposit delinquent accounts receivables due to the City
- Bill and collect City utilities service fees for storm, sewer, water, garbage, and Business Tax
- Ensure a high degree of tax and revenue collection compliance through audits and reviews
- Explore further opportunities to maximize tax collections
- Procure goods and services pursuant to City Policies and Initiatives to support City operations in an open and competitive process
- Provide workers' compensation, safety and loss control, and return to work services
- Manage the City's benefits program
- Provide city-wide employment services
- Continue the consolidation of technology functions, focusing on the realignment of information technology service delivery from an enterprise perspective, elimination of duplicative work efforts, and lower overall IT costs
- Provide secure and reliable network services
- Maintain enterprise systems such as the City's Financial Management System (FMS) and Human Resources/Payroll/Budget Systems, and develop migration strategies for enterprise applications to flexible integrated solutions
- Mitigate the City's information technology security risks
- Provide the primary point of contact for residents, businesses, and employees through the Customer Contact Center
- Maintain City-owned facilities and equipment to ensure public and employee safety and maximize the functionality of the City's assets
- "Greening" the City facilities and the City fleet
- Manage the City's space needs and the use of City-owned properties
- Provide quality capital project delivery
- Ensure consistent and transparent construction procurement services
- Provide mail room services, recycling services, and records management services in support of City policies and city-wide operations
- Provide wage policy compliance

Budget Dollars at Work: Performance Goals

OUTCOME 1: A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Develop and encourage supervisors and managers that support a high-performing workforce	1. % of employee performance appraisals completed on schedule	75%	80%	73%	80%	98%
Foster a shared vision with employees about the characteristics of a high-performing workforce	1. % of the public having contact with City employees who are satisfied or very satisfied with the:					
	- timeliness of City employees	74%	76%	68%	76%	83%
	- courtesy of City employees	86%	88%	80%	88%	83%
	- competency of City employees	76%	80%	74%	80%	83%
Provide the necessary & required safety & health services that ensure employee health, safety & well-being	1. Number of Workers' compensation claims per 100 FTEs	14.1	14.0	14.7	14.0	14.0

City Service Area
Strategic Support
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, AND EQUIPMENT

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Provide well-maintained facilities that meet customer needs	1. % of facilities with a condition assessment rating of good or better (3 or better on a 5-point scale)	N/A ¹	84%	N/A ¹	84%	85%
	2. % of customers who rate facility services as good or excellent based on timeliness of response and quality of work	82%	85%	82%	85%	90%
	3. % of facility health & safety concerns mitigated within 24 hours	100%	100%	100%	100%	100%
Provide and maintain equipment that meets customer needs	1. % of equipment that is available for use when needed:					
	• Emergency Vehicles	100%	100%	100%	100%	100%
	• General Fleet	88%	90%	88%	90%	95%
	2. % of fleet in compliance with replacement cycle:					
	• Emergency Vehicles	100%	100%	100%	100%	100%
• General Fleet	88%	90%	87%	90%	90%	

¹ Data for this measure was previously collected from the Public Works Building Assessment Survey, which has not been conducted since 2011-2012. The Public Works Department will be reevaluating the survey and will recommend changes as appropriate in time for the production of the 2017-2018 Proposed Budget.

Budget Dollars at Work: Performance Goals

OUTCOME 3: EFFECTIVE USE OF TECHNOLOGY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Deploy technology resources effectively	1. % of network services available 24/7:					
	-Converged City Network ¹	99.97%	99.50%	99.67%	99.50%	99.95%
	-Telephones	100%	99.95%	99.91%	99.95%	99.95%
	-Enterprise Servers	99.94%	99.50%	99.54%	99.50%	99.95%
	2. % of time system is available during normal business hours:					
	-E-mail	99.99%	99.95%	99.95%	99.95%	99.95%
	-Financial Management System	99.90%	99.50%	99.90%	99.50%	99.95%
-Human Resources/Payroll System	100%	99.50%	100%	99.50%	99.95%	

¹ Upgrade of the wide area network in support of critical public safety sites including fire stations and community centers, improving timely delivery of critical data to field personnel.

City Service Area
Strategic Support
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

Strategic Goals	CSA Performance Measures	2014-2015 Actual	2015-2016 Target	2015-2016 Estimate	2016-2017 Target	5-Year Goal
Maintain City's bond ratings ¹	1. City's bond ratings: (General Obligation Bond Rating) • Moody's • Standard & Poor's • Fitch	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+
Improve and protect the financial management system and have it available to address short- and long-term needs	1. % of customers rating financial reporting services as good or better, based on accuracy, timeliness and customer focused processes	N/A ²	N/A ²	N/A ²	TBD ²	TBD ²
Customers have the financial information they need to make informed decisions	1. % of customers who say they have the financial information they need to make informed decisions	N/A ²	N/A ²	N/A ²	TBD ²	TBD ²

¹ The City's general credit rating is rated Aa1/AA+/AA+ by all three leading national rating agencies. Moody's, Standard and Poor's, and Fitch, respectively. The Finance Department will continue efforts to maintain favorable bond ratings.

² Data for this measure was previously collected through the former biennial City-Wide Employee Survey that has since been replaced; this survey question is no longer included in the new survey. The Finance Department will be evaluating an alternative method for collecting this information.

City Service Area
Strategic Support
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
FINANCE DEPARTMENT			
• General Liability Claims - Self-Insurance Actuarial Study		80,000	80,000
<i>Subtotal</i>	0.00	80,000	80,000
HUMAN RESOURCES DEPARTMENT			
• Workers' Compensation Claims Administration Backlog		393,000	393,000
• Human Resources Assistant Director	1.00	199,548	199,548
• Employment Services Division Recruitment Staffing	2.00	164,203	164,203
• Human Resources Department Service Delivery and Strategic Analysis Staffing		132,871	132,871
• Extended Absence Management Compliance Staffing	1.00	111,420	111,420
• Benefits Division New Medical Plans Temporary Staffing	1.00	104,098	0
• Employment Services Division Job Class Specification Updates	1.00	100,000	100,000
• Employment Services Division Management Succession Planning		85,000	85,000
• Career Fair		25,000	25,000
• Employee Health Services Staffing Realignment	(1.10)	(197,540)	0
<i>Subtotal</i>	4.90	1,117,600	1,211,042
INFORMATION TECHNOLOGY DEPARTMENT			
• Virtual Desktop Infrastructure and Windows Upgrades	(1.00)	509,151	510,034
• Remote Facilities Network Upgrades		500,000	500,000
• Secondary Data Center Buildout		250,000	250,000
• Customer Contact Center Staff Realignment	2.00	238,066	0
• City Servers Replacements		200,000	200,000
• Information Technology Division - Enterprise Business Systems Staffing Oversight	1.00	157,415	157,415
• Direct Fiber Connectivity to Cloud Services		150,000	150,000
• Information Technology Department Analytical Staffing	1.00	112,557	112,557
• Integrated Billing System Staffing Realignment	(2.00)	(372,287)	(18,438)
• Voice and Data System Technology Oversight Realignment		(42,376)	(42,376)
<i>Subtotal</i>	1.00	1,702,526	1,819,192
PUBLIC WORKS DEPARTMENT			
• Master Address Database	1.00	607,072	607,072
• Portable Generators Replacement		400,000	0
• Wire Theft Mitigation		145,000	0
• City Hall Plaza Security		140,000	140,000
• Enterprise Asset Management Team Support	1.00	138,856	12,000
• Energy Team Staffing	1.00	29,336	0
• Smart Cities Vision	0.00	0	29,408
<i>Subtotal</i>	3.00	1,460,264	788,480
<i>Subtotal Departments</i>	8.90	4,360,390	3,898,714

City Service Area

Strategic Support


PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
MAYOR, CITY COUNCIL, AND APPOINTEES			
Proposed changes appear in the next section of this document	5.00	1,689,952	915,470
CITY-WIDE EXPENSES			
• Alternative Pension Reform Ballot Polling		55,000	55,000
• Family College Success Center		75,000	75,000
• Financial Management System Upgrade		60,000	60,000
• General Liability Claims		5,000,000	5,000,000
• Human Resources/Payroll/Budget Systems Upgrade		500,000	500,000
• Silicon Valley Talent Partnership		80,000	80,000
• Successor Agency City Subsidy		(175,000)	(175,000)
• Voluntary Employee Beneficiary Association Counseling Services		50,000	50,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Animal Care and Services - Various Improvements		340,000	340,000
• Capital Contributions: Arc Flash Hazard Analysis		360,000	360,000
• Capital Contributions: Children's Discovery Museum Skylight Replacement		20,000	20,000
• Capital Contributions: City Hall and Employee Garage Security Upgrades		325,000	325,000
• Capital Contributions: City Hall Audio/Visual Upgrade		275,000	275,000
• Capital Contributions: City Hall HVAC Control System Replacement		5,000,000	5,000,000
• Capital Contributions: City-Wide Building Assessments		300,000	300,000
• Capital Contributions: Hammer Theatre Miscellaneous HVAC and Electrical Upgrades		200,000	200,000
• Capital Contributions: History San José - Fallon House Elevator and Ramp Replacement		100,000	100,000
• Capital Contributions: History San José - Pacific Hotel - Fire and Intrusion Alarm		250,000	250,000
• Capital Contributions: Mexican Heritage Plaza Roof Repairs		25,000	25,000
• Capital Contributions: Municipal Garage LED Lighting Upgrade		85,000	85,000
• Capital Contributions: San José Municipal Stadium Improvements		270,000	270,000
• Capital Contributions: San José Stage Company		1,000,000	1,000,000
• Capital Contributions: The Tech Museum Controls Module Improvements		250,000	250,000
• Earmarked Reserves: 2017-2018 Future Deficit Reserve		4,131,000	4,131,000
• Earmarked Reserves: Budget Stabilization Reserve		2,500,000	2,500,000
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)	(800,000)
• Earmarked Reserves: Essential Services Reserve		2,500,000	2,500,000

City Service Area
Strategic Support
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
Earmarked Reserves: Intergovernmental Relations Reserve		200,000	200,000
• Earmarked Reserves: Office of Immigrant Affairs Reserve		250,000	250,000
• Earmarked Reserves: Silicon Valley Regional Communications System Reserve		1,375,745	1,375,745
• Contingency Reserve		1,000,000	1,000,000
<i>Subtotal Other Changes</i>	5.00	27,291,697	26,517,215
Total Proposed Budget Changes	13.90	31,652,087	30,415,929

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2016-2017

OPERATING BUDGET

**STRATEGIC SUPPORT
CSA**

**MAYOR,
CITY COUNCIL
AND
APPOINTEES**

Mayor, City Council and Appointees



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services. Council Appointees support and advance the collective work of the City organization through leadership, communication, and coordination*

Mayor and City Council

- Office of the Mayor
- City Council
- Council General

Office of the City Attorney

- Legal Representation
- Legal Transactions

Office of the City Auditor

- Audit Services

Office of the City Clerk

- Facilitate the City's Legislative Process

Office of the City Manager

- Analyze, Develop, and Recommend Public Policy
- Lead and Advance the Organization
- Manage and Coordinate City-Wide Service Delivery

Office of the Independent Police Auditor

- Core Service aligned to the Public Safety CSA

Office of Retirement Services

- Retirement Plan Administration

Mayor, City Council and Appointees

Expected 2016-2017 Service Delivery

- ❑ The Office of the Mayor provides leadership and guidance to the City Council. Through community-based budgeting and gathering public input, the Mayor's Office will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives of the City, including public safety, maintaining streets and roads, reducing homelessness, and economic development.
- ❑ The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- ❑ The City Manager's Office will continue to effectively forecast and monitor both revenues and expenditures in over 110 different funds in 2016-2017 and will develop the 2017-2018 Proposed Budget for City Council consideration. The focus will be on maintaining budget stability and strategically investing the City's limited resources to keep our community safe, restore basic services, invest for our future, and maximize efficiency and effectiveness. During 2016-2017, the City Manager's Office will also be implementing a new budget system that will automate and streamline the annual budget process and incorporate program budgeting.
- ❑ The City Manager's Office will continue to support the City Council's setting of priorities among ordinances and other initiatives, as well as monitor and report progress on their development and implementation.
- ❑ The City Manager will continue to engage the workforce through ongoing structured communication and the coordination and implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain employees.
- ❑ The City Attorney's Office will provide advice to the City, its Council, boards and commissions, and employees; will represent the same parties in all matters pertaining to their powers and duties; and will advocate, defend, and prosecute legal matters on behalf of the City.
- ❑ The City Attorney's Office will continue to provide legal services to wind down the business affairs of the former Redevelopment Agency through its Successor Agency and Oversight Board, including the disposition of assets and enforceable obligations.
- ❑ The City Auditor's Office will conduct program performance audits; identify ways to increase the economy, efficiency, effectiveness, and accountability of City government; and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
- ❑ The City Auditor's Office will continue to issue the Annual Report on City Services, detailing the cost, workload, and performance data for City services to improve government transparency and accountability.
- ❑ The City Clerk's Office will maintain compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- ❑ The City Clerk's Office will conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with the City Charter and the State of California elections code.
- ❑ The City Clerk's Office and City Manager's Office will create and distribute agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; and prepare and distribute minutes for all other Council Committees.
- ❑ The Office of Retirement Services will continue to manage the assets of the two Retirement Plans and seek solutions to increase investment returns and reduce volatility and cost while mitigating risk.

Mayor, City Council and Appointees

2016-2017 Key Budget Actions

- ❑ Provides one-time funding of \$192,000 for temporary staff and 1.0 Legal Analyst II position limit-dated through June 30, 2017 to assist transactional attorneys supporting the Planning, Building and Code Enforcement and Environmental Services Departments.
- ❑ Provides one-time funding of \$90,000 for continued critical transition support for litigation attorney services.
- ❑ Provides one-time funding of \$60,000 to upgrade the City Attorney's case management software.
- ❑ Shifts funding on a one-time basis for 2.25 positions from the General Fund to the Water Utility Fund for City Attorney staff work that will support the Municipal Water System in 2016-2017.
- ❑ Establishes the Office of Innovation and Digital Strategy in the City Manager's Office through the addition of 1.0 Deputy City Manager and 1.0 Senior Executive Analyst (SEA) positions, and reassigns the existing Budget Office Data Analytics Team consisting of 1.0 SEA and 1.0 Executive Analyst to this new office. The Office will serve as a primary point of contact for new ideas with corporate partners and enhance opportunities to facilitate the use of technology, data, and evidence for decision-making throughout the City.
- ❑ Provides one-time funding for the purchase of a new Web Content Management System for the City's internet, including secure external hosting, support, and websites maintenance.
- ❑ Adds 1.0 Senior Retirement Investment Officer position to create a clear career ladder spanning from Investment Analyst to Chief Investment Officer. The position will ensure that the Investment Program remains competitive within California Public Pension Plans, since this classification is widely used among the City's peers.
- ❑ Adds 1.0 Senior Analyst position and continues 1.0 Information Systems Analyst position limit-dated through June 30, 2018 in the Office of Retirement Services to support the implementation of the new Pension Administration System (PAS), which began in March 2015 and is expected to take over four years to complete. As the Retirement Office continues with the PAS implementation, the positions will support the Office's daily operations to free up the experienced staff to support the design, testing, and transition to the new system. The new Senior Analyst position will also assist with succession planning, as a majority of the benefits staff nears retirement eligibility in the next one to five years.

Strategic Support
Mayor, City Council and Appointees
BUDGET SUMMARY

Mayor, City Council and Appointees Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
<i>Mayor and City Council*</i>					
Office of the Mayor	\$ 2,860,821	\$ 3,994,210	\$ 3,590,294	\$ 3,590,294	(10.1%)
City Council	5,874,227	8,033,539	7,214,200	7,214,200	(10.2%)
Council General	37,066	147,000	65,000	65,000	(55.8%)
<i>Office of the City Attorney</i>					
Legal Representation	6,967,250	7,477,244	7,460,337	7,612,321	1.8%
Legal Transactions	6,659,335	7,962,591	8,166,047	8,350,201	4.9%
Strategic Support	1,427,330	1,292,480	1,350,364	1,355,764	4.9%
<i>Office of the City Auditor</i>					
Audit Services	2,230,805	2,267,340	2,337,550	2,337,550	3.1%
Strategic Support	9,416	147,316	135,786	135,786	(7.8%)
<i>Office of the City Clerk</i>					
Facilitate the City's Legislative Process	1,808,284	2,364,271	2,146,722	2,146,722	(9.2%)
Strategic Support	166,588	243,883	263,565	263,565	8.1%
<i>Office of the City Manager</i>					
Analyze, Develop, and Recommend Public Policy	5,114,255	5,583,713	5,806,259	5,502,048	(1.5%)
Lead and Advance the Organization	2,486,137	2,347,142	2,644,978	3,600,877	53.4%
Manage and Coordinate City-Wide Service Delivery	3,877,647	4,568,761	4,434,403	4,784,403	4.7%
Strategic Support	359,987	396,756	303,142	303,142	(23.6%)
<i>Office of the Independent Police Auditor *</i>					
<i>Office of Retirement Services</i>					
Retirement Plan Administration	3,407,574	3,953,960	4,010,108	4,129,206	4.4%
Strategic Support	1,958,684	2,360,619	2,195,150	2,422,778	2.6%
Total	\$ 45,245,406	\$ 53,140,825	\$ 52,123,905	\$ 53,813,857	1.3%
Authorized Positions **	231.35	236.35	234.35	239.35	1.3%

* The Office of the Independent Police Auditor Core Service is aligned to the Public Safety CSA. Please refer to that section of this document for budget summary information.

** Authorized Positions do not include unclassified staff for Office of the Mayor and the City Council Districts.

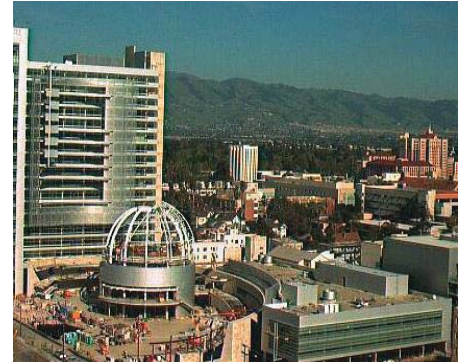
Strategic Support
Mayor, City Council and Appointees
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
OFFICE OF THE CITY ATTORNEY			
• Municipal Water System Litigation Staffing	0.00	0	(401,256)
• Legal Transactions Staffing	1.00	191,538	165,038
• Litigation Division Staffing		90,000	90,000
• Legal Software Upgrade		60,000	60,000
<i>Subtotal</i>	<u>1.00</u>	<u>341,538</u>	<u>(86,218)</u>
OFFICE OF THE CITY MANAGER			
• Office of Civic Innovation and Digital Strategy	2.00	651,688	651,688
• Web Content Management		350,000	350,000
<i>Subtotal</i>	<u>2.00</u>	<u>1,001,688</u>	<u>1,001,688</u>
OFFICE OF THE INDEPENDENT POLICE AUDITOR*			
OFFICE OF RETIREMENT SERVICES			
• Pension Administration System Implementation Staffing	2.00	331,726	0
• Retirement Department Investment Staffing Realignment		15,000	0
<i>Subtotal</i>	<u>2.00</u>	<u>346,726</u>	<u>0</u>
<hr/>			
Total Recommended Budget Changes	5.00	\$ 1,689,952	\$ 915,470

* The Office of the Independent Police Auditor core service is aligned to the Public Safety CSA. Please refer to that section of the document for budget summary information.

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Strategic Support **Mayor and City Council**



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services*

Primary Partners

Mayor and City Council

Office of Retirement Services
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

BUDGET PROGRAMS

- Office of the Mayor
- City Council

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Strategic Support
Office of the City Attorney



***Mission:** The Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, with the goal of protecting and advancing the City's interests in serving the people of San José*

Primary Partners

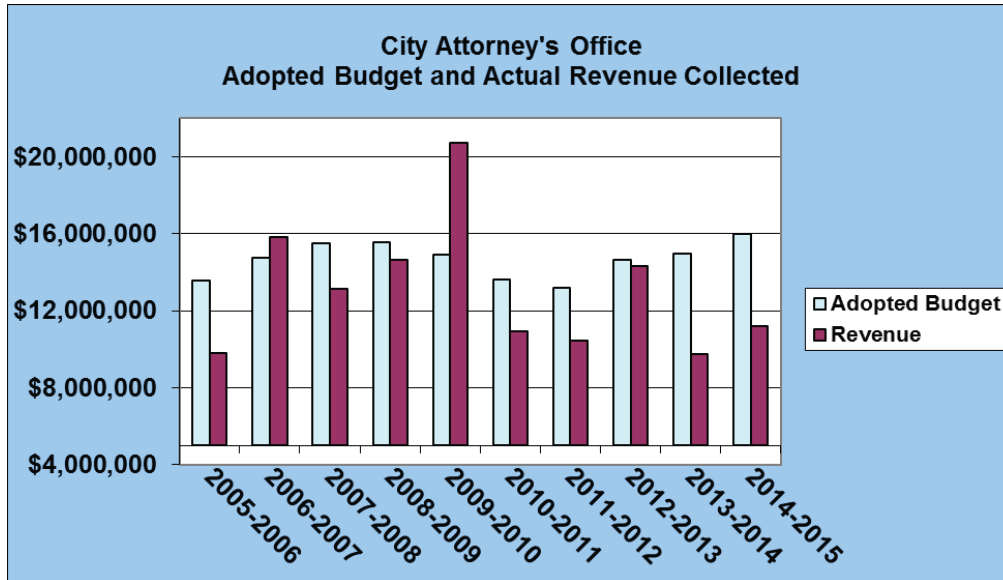
Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police
Auditor

CSA OUTCOMES

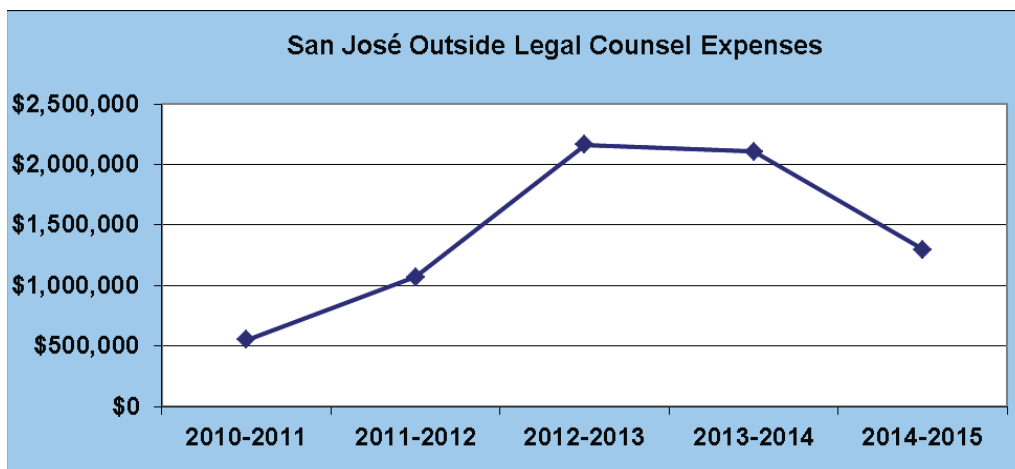
- City Business is Conducted Lawfully
- City's Interests are Protected and Advanced

Service Delivery Accomplishments

- The client survey was conducted in early 2016. Results indicate that 92% of the respondents were satisfied with the overall legal services provided by the City Attorney’s Office.
- Annual revenue collections averaged \$13.1 million over the past ten years, and plaintiff cases handled by the Office in 2014-2015 generated \$11.2 million. Collection actions are initiated in instances when debt to the City is greater than \$5,000.

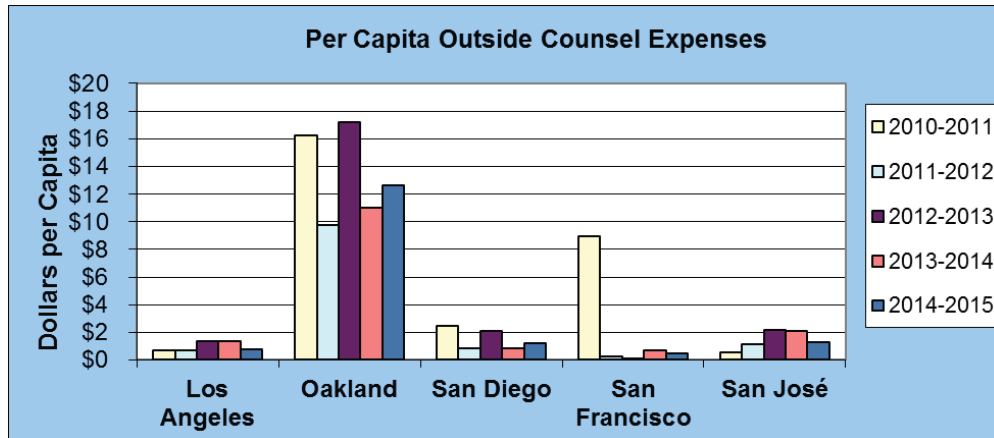


- Legal services are primarily provided by in-house lawyers. Limiting the use of costly outside legal counsel has historically resulted in significant budgetary savings to the City. The need for outside counsel services has generally risen since 2010-2011 as a result of decreased staffing; and potential conflicts of interest in connection with pension-related matters. Use of outside legal counsel began to decrease in 2014-2015, and has continued to decrease during 2015-2016. If pension-related lawsuits are resolved, it is anticipated that the use of outside legal counsel will continue to decline.

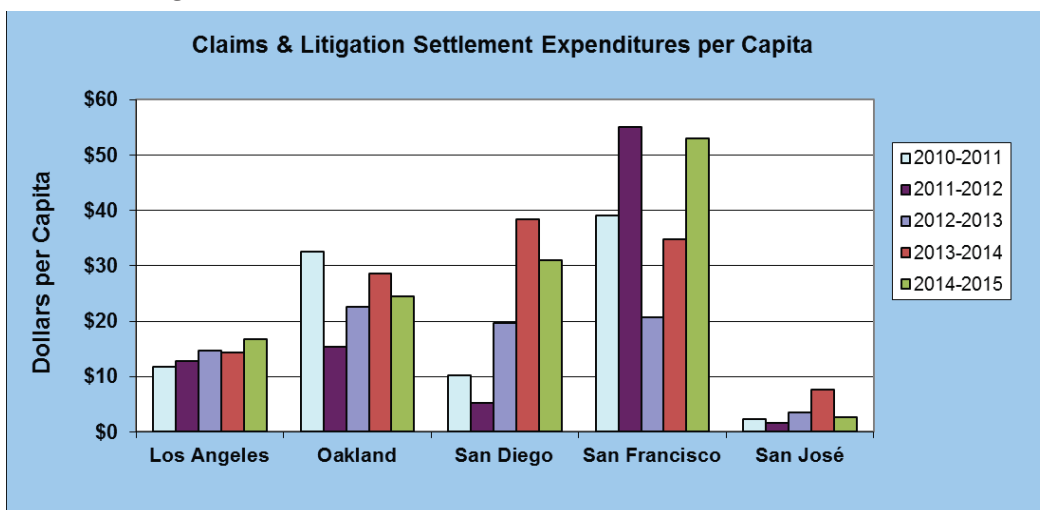


Service Delivery Accomplishments

- Despite the higher relative costs during recent years, the City of San José paid less in total funds for outside counsel during 2014-2015 (\$1.3 million) than the cities of Los Angeles (\$3.0 million), Oakland (\$5.2 million), and San Diego (\$1.7 million); San José costs for outside counsel were higher than the reported costs for the City and County of San Francisco (\$404,500), which for total outside counsel only includes costs on cases closed in that fiscal year. Below is a chart comparing Outside Counsel Expenses per Capita of four large California cities to the City of San José.



- The City of San José pays considerably less for Claims and Litigation settlements than other large cities in California. Over the last five years, San José paid, on average, \$3.5 million in annual settlement costs. The next lowest average annual payout was \$9.9 million by the City of Oakland. Over the same period, payouts were higher for the cities of Los Angeles (\$54.5 million), San Francisco (\$33.6 million), and San Diego (\$28.2 million). The chart below reflects Claims and Litigation Expenditures per Capita of the four large cities compared to the City of San José. The City of San José average will be affected in future years should a recent large verdict be upheld on appeal or should the case settle. The City is continuing to see increased litigation and verdict values, particularly in connection with civil rights cases.



Strategic Support
Office of the City Attorney
OVERVIEW

Service Delivery Accomplishments

- The Office successfully completed legal services on several significant and complex transactions during 2015-2016, including the agreement with San José State University for operation of the Susan and Phil Hammer Theatre (“the Rep”), State legislation to address the community’s concern related to the Grand Staircase on Communications Hill, the Apple Development Agreement, and legal analysis of the gross receipts tax initiative and the City’s current business tax.
- During 2015-2016, the Office drafted a sales tax ballot measure for City Council consideration that was placed on the June 2016 ballot. In addition, the Office reviewed a Medical Marijuana initiative which ultimately qualified for the ballot in June 2016.
- The Office worked with City staff on the implementation of ordinances regulating medical marijuana collectives, and successfully supported the City’s Code Enforcement efforts related to the City’s medical marijuana regulations. The Office obtained injunctions and closed approximately a dozen illegal marijuana businesses, and collected monetary penalties in several of those matters.
- The Office drafted or reviewed at least 127 ordinances as of March 2016, including a moratorium on conversion of mobile home parks, creation of a Special Event Zone in connection with the hosting of several Super Bowl events in San José, revisions to the medical marijuana regulations, revisions to strengthen regulation of massage parlors, drought restrictions and establishment of emergency homeless temporary shelters.
- The Office coordinated tax advice and various legal issues in connection with the Police and Fire Employees Alternative Pension Reform Settlement.
- The Office provided increased support for campaign ordinance guidance, elections, and ethics issues, including the establishment of a webpage to address questions concerning the City’s campaign ordinance.
- The Office continues to represent the litigation interests of the City in an effective manner, achieving positive results for the City and affected employees.
- The Office filed more collection actions on behalf of the City and obtained judgments and settlements for unpaid administrative fines, Transient Occupancy Tax, and service fees.
- Although the former San José Redevelopment Agency was dissolved in 2011-2012, the Office continues to provide legal services to support the Successor Agency to the Redevelopment Agency of the City of San José and to the Oversight Board in its ongoing dissolution related activities, including property disposition and negotiations with creditors.
- The Office continues to take a more proactive role in assisting the City Manager’s Office and other City Departments in responding to the ever increasing number of Public Records Act requests. The Office continues to work with an outside consultant and the Information Technology Department to obtain technology that will streamline the process and reduce the amount of staff time required to respond to electronic discovery and public records act requests.

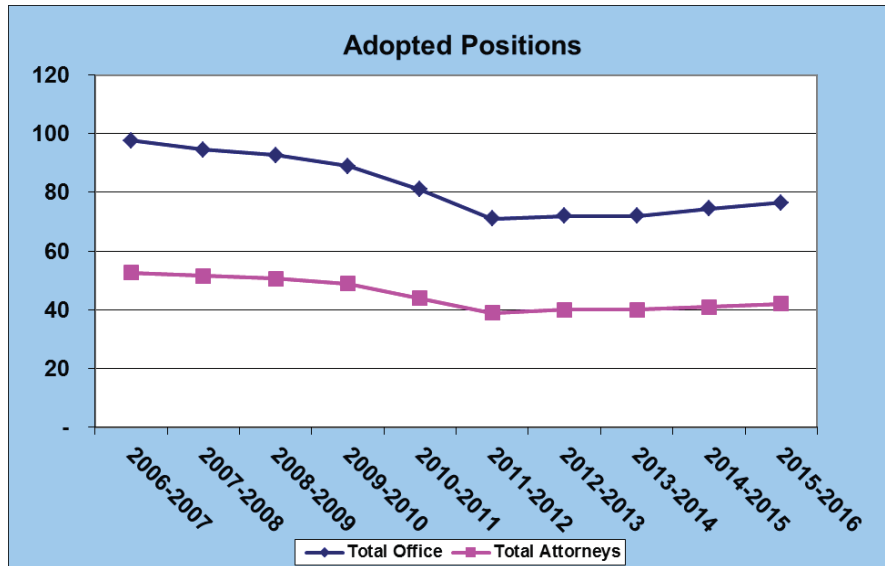
Service Delivery Environment

- The City Charter establishes the duties of the City Attorney’s Office to represent the City, its Council, boards and commissions, and employees in all actions, and to provide advice to the same parties in all matters pertaining to their powers and duties. However, fulfilling all of these core services requires a level of staffing higher than the existing Office model.
- General Fund budget reduction actions implemented from 2006 through 2013 decreased Office resources to bare minimum levels. Though staffing levels stopped decreasing in 2012, demand for legal services increased for some

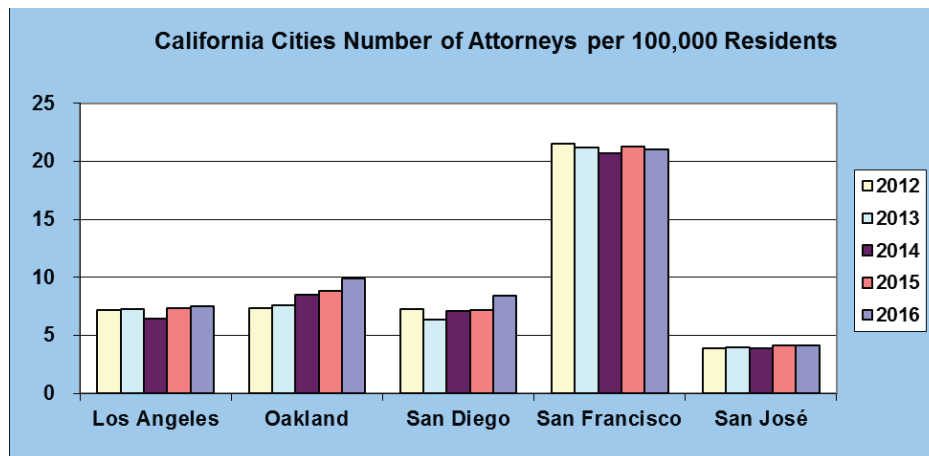
Service Delivery Environment

practice areas. With the stabilization of staffing levels and incremental increases in the past two years, the Office was positioned to better address demand for services.

- In light of the improved economy and the need to implement significant projects, including, but not limited, to the Master Plan for the Regional Wastewater Facility, there is an increased need for legal services related to innovation, planning and development, economic development, construction, environmental issues, and real estate.



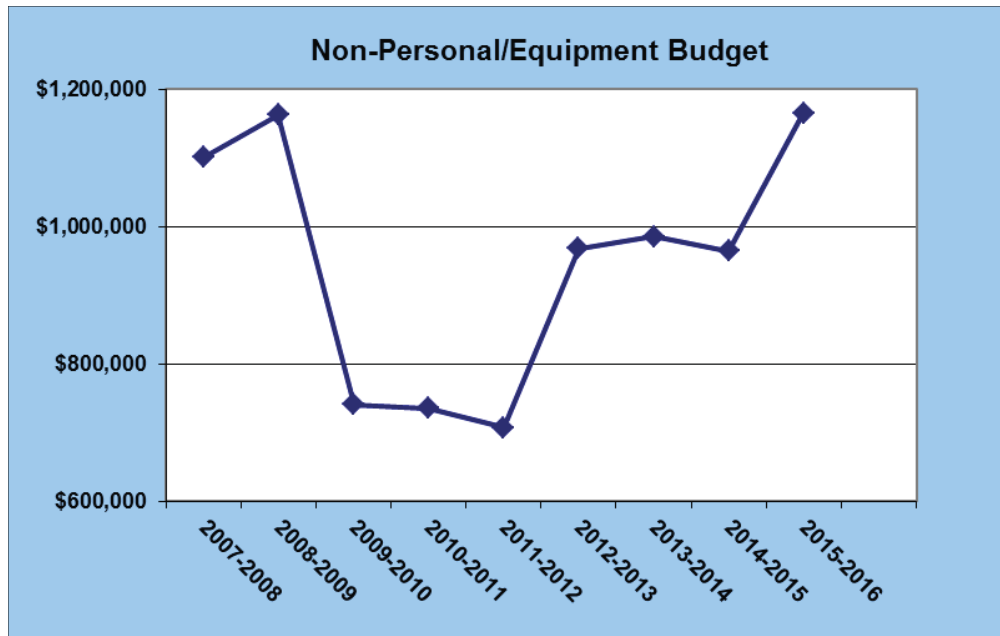
- Staffing levels remain inadequate to proactively address a variety of litigation services.
- Comparing staffing levels of city attorney offices in other large California cities, the attorney per capita ratio for the San José City Attorney’s Office continues to be the lowest among the cities of Los Angeles, Oakland, and San Diego. To more accurately compare the staffing levels of the different offices, the prosecuting criminal attorneys for Los Angeles and San Diego have been excluded from the chart below. San Francisco, as a city and a county, has many more attorneys than other California cities.



Strategic Support
Office of the City Attorney
OVERVIEW

Service Delivery Environment

- During the mid-year budget process, 1.0 Senior Deputy City Attorney position was added (for a total of 43 budgeted attorneys in 2016-2017, which is 8.62 fewer attorneys than the 2007-2008 budgeted positions of 51.62). In light of the 17.0% decrease in attorney positions since 2007-2008, the CAO continues to face significant challenges in meeting the current legal services demand.
- Outside litigation costs, including costs for specialized outside counsel, counsel in cases with a conflict of interest, technical experts, and other consultant and expert witness services, are incurred, most notably in civil rights, catastrophic injury, and document-intensive cases. These costs are unpredictable and are largely outside of the Office's control. The Office will continue to use outside expertise as efficiently as possible in order to manage costs.



- The Office continues to administer an unpaid internship program for law students and attorneys newly admitted to the California State Bar. The interns and attorney volunteers are given an opportunity to gain practical experience while providing the Office with needed support in handling the high volume of work. To be effective, the internship program requires significant staff resources to mentor and oversee the professional development of the volunteers.

Budget Dollars at Work: Performance Goals

OUTCOME 1: CITY BUSINESS IS CONDUCTED LAWFULLY

- ✓ Provide legal counsel at all City Council and Council Committee meetings and certain meetings of major boards and commissions as necessary. The Office continues to provide staffing at all Planning Commission, Civil Service Commission, and Appeals Hearing Board Commission meetings.
- ✓ Prepare and review ordinances, resolutions, permits, contracts, and other legal documents.
- ✓ Perform analyses on relevant legislative actions.
- ✓ Provide oral and written legal advice and opinions.
- ✓ Provide legal services to assist City staff in identifying additional revenue sources, including analysis and implementation of revenue sources (e.g. taxes, assessments, and fees).
- ✓ Continue to provide significant construction-related legal services for the various capital projects, including, but not limited to, implementation of the Water Pollution Control Capital Program and the Sanitary Sewer System Capital Program.
- ✓ Continue to provide significant legal services to address the increased volume of development applications in the Planning Department and planning-related items on the Council Priority List; innovation projects, economic development initiatives, and real estate transactions proposed by the Office of Economic Development; and Housing-related initiatives and transactions.
- ✓ Respond, review, and coordinate complex Public Records Act requests. Considerable resources are dedicated to increasingly complex public record requests involving electronic data.

OUTCOME 2: CITY'S INTERESTS ARE PROTECTED AND ADVANCED

- ✓ Initiate and defend lawsuits and other legal actions involving the City.
- ✓ Initiate collection actions on behalf of the City for matters where the debt is over \$5,000.
- ✓ Provide legal representation at administrative hearings.
- ✓ Prosecute select municipal code violations to address serious health and safety concerns.
- ✓ Investigate and respond to claims filed against the City.
- ✓ Conduct and coordinate confidential internal City investigations.
- ✓ Devote considerable resources to respond to increasingly complex discovery and public records requests involving electronic data.

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Strategic Support
Office of the City Auditor



***Mission:** To independently assess and report on City operations and services*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOMES

- Identify Ways to Increase the Economy, Efficiency, Effectiveness, and Accountability of City Government
- Provide Independent, Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders

Strategic Support
Office of the City Auditor
OVERVIEW

Service Delivery Accomplishments

Since the City Auditor's Office began conducting program performance audits in May 1985, the Office has identified program efficiencies, revenue enhancements, and cost savings. In 2015-2016, the City Auditor's Office identified approximately \$5 million in cost savings and revenue enhancements, achieving a ratio of about \$2 in monetary benefits to every \$1 of audit costs (Target: \$4 to \$1).

During 2015-2016, the Office issued 18 audit reports, or approximately 1.5 audits per auditor (Target: 1.5 audits per auditor). Reports issued by the City Auditor's Office during 2015-2016 include:

- Golf Courses: Loss of Customers and Revenues Requires A New Strategy
- Police Hiring: Additional Efforts to Recruit Qualified Candidates Urgently Needed to Fill Vacancies
- Cities Association of Santa Clara County Expenditure Review, Fiscal Years Ending June 30, 2014 & 2015
- Team San Jose's Performance 2014-15
- Personnel Investigation Structure: Augmenting Policies and Training Can Improve the Process
- Annual Report on City Services FY 2014-15
- Measuring San José's Financial Condition
- Street Sweeping: Significant Investment and Re-Tooling Are Needed to Achieve Cleaner Streets
- The City's Use and Coordination of Volunteers: Volunteer Programs Provide Significant Benefits to the Residents of San José
- Technology Deployments: Additional Resources Needed to Shorten Deployment Timelines
- South Bay Water Recycling: Better Information and Renegotiation of Contractual Obligations Will Increase Transparency and Aid Program Success
- City Clerk's Office (to be issued)

The Office provided oversight of external auditors regarding:

- Audits of Parks and Recreation bonds, Library bonds, Public Safety bonds, and Parcel Tax funds;
- City of San José Annual Financial Audit, Single Audit, and related financial audits as of June 30, 2015; and
- Semi-Annual Reviews for compliance with the City's Investment Policy.

The Office issued monthly audit status reports and semi-annual follow-up reports on outstanding audit recommendations. The Office also worked with volunteers from the Silicon Valley Talent Partnership and Code for San José to post a demonstration of a new online, interactive version of the *Annual Report on City Services*.

Service Delivery Environment

As the City continues to look for efficiencies in service delivery, the City Auditor's Office will continue its focus on searching for revenues and cost-savings opportunities, and will work with the City Manager's Office to target areas for audit that are likely to yield the most benefit.

Budget Dollars at Work: Performance Goals

OUTCOME 1: IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT

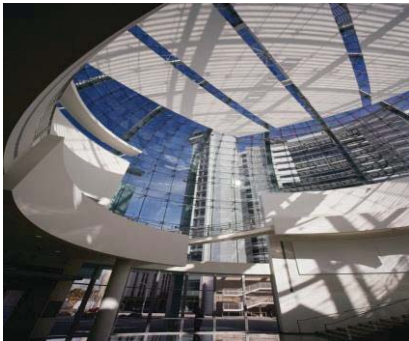
- ✓ Conduct performance audits, special audits, and reviews that identify ways to increase the economy, efficiency, and effectiveness of City government. The Office's 2016-2017 Audit Workplan will target City Council and other City Appointee concerns and areas identified in the City Auditor's City-Wide Risk Assessment model.
- ✓ Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30 and December 31 each year. Through December 2015, approximately 64% of the 791 recommendations made in the last ten years have been implemented.
- ✓ The City Auditor's Office looks forward to participating in the implementation of the *Smart City Vision* by improving the availability and usage of audited performance data, and focusing audit recommendations on improving City services through better use of technology.

OUTCOME 2: PROVIDE INDEPENDENT, RELIABLE, ACCURATE, AND TIMELY INFORMATION TO THE CITY COUNCIL AND OTHER STAKEHOLDERS

- ✓ Prepare audit reports and memoranda that provide independent, reliable, accurate, and timely information to the City Council. The 2015-2016 Audit Workplan was approved by the City Council in August 2015. The 2016-2017 Proposed Audit Workplan will be submitted for City Council approval in August 2016.
- ✓ Provide performance report and enhance the display of online performance information. In December 2015, the Office published the City's eighth *Annual Report on City Services*. The Office will continue this project in 2016-2017, and will continue to work with City staff on audit projects designed to improve the City's performance management and reporting systems as outlined in the 2009 *Performance Management and Reporting in San Jose: A Proposal for Improvement* report.
- ✓ Continue to improve the website. The Office's website includes copies of audit reports issued by the Office since 1985 and links to the City Council Committee archive video of the hearings where available. The Office will continue to ensure that information on the site is current and relevant.

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Strategic Support
Office of the City Clerk



***Mission:** Provide strategic support services and leadership to maximize public access to municipal government*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOME

- The Municipal Legislative Process is Accessible and Open to the Community

Strategic Support
Office of the City Clerk
OVERVIEW

Service Delivery Accomplishments

The Office of the City Clerk continued to ensure that mandated services were provided in the most cost effective manner. In 2015-2016, the Office:

- Conducted an election for the City Councilmembers and ballot measures; worked with proponents of initiatives in accordance with the City Charter and the State Elections Code; and maintained compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Prepared and distributed Agenda packets, synopses, and action minutes of City Council, Rules and Open Government Committee meetings, and posted them on the City's website. Prepared and distributed minutes for other City Council Committees, and other entities, such as the Successor Agency to the former Redevelopment Agency, the Oversight Board, and the Financing Authority. All City Council and City Council Committee meetings were web-cast live, indexed, and archived for on-demand replay.
- Provided access to the City's legislative records and documents. Fulfilled requests for the City's legislative records and related public documents under provisions of the California Public Records Act. Updated and posted the Municipal Code, City Charter, and Council Policy Manual on the City's website. Indexed all documents presented to the City Council for storage and retrieval, and made available to the public.
- Provided fiscal, grant, budget, human resources, payroll, administrative, and technical support services for the Mayor's Office, City Council Offices, and for the City's Boards, Commissions, and Committees.
- Reviewed and executed all City contracts for administrative compliance, and made them available for review.
- Provided transparent legislative services in accordance with Sunshine/Open Government Reforms, transitioning from more traditional labor and paper-intensive processes to online systems.
- Conducted employee elections to nominate employee representatives for appointment by the City Council to the Retirement Boards. Conducted recruitment efforts and supported the City Council's selection of additional public members for the Retirement Boards, thus assisting in the implementation of governance reforms.
- Provided support for City Council appointments to Boards, Commissions, and Committees, including orientation and training to new Commissions and Commissioners. Provided direct support to the Council Appointment Advisory, and the Civil Service and Ethics Commissions.

Service Delivery Environment

The Office of the City Clerk continues to see heavy workload in all areas of Office operations. As the Office of the City Clerk plans for the next five years, the overarching issue remains to enhance the use of technology to improve and expedite services. Specific examples of trends, issues, and opportunities include:

- Continued work on new Open Government policies and procedures in line with the "Open Data Policy" and recommendations from the Sunshine Reform Task Force, including disclosure requirements (calendars, outside income, and fundraising) for the Mayor and City Councilmembers.
- The need for an improved, less labor intensive process for creating and disseminating City Council meeting agendas and memoranda and improved technology to enhance the public's access to the City's legislative process and records.
- The increased demand for access to a wide variety of public records, including a rising community expectation for online access to candidate and committee campaign disclosure statements and lobbyist activity reports.

Service Delivery Environment

- In addition to providing administrative services for the Mayor and City Council, the Office also posts agendas and minutes, addresses records management and other support services for the Successor Agency to the Redevelopment Agency and the Oversight Board.

Budget Dollars at Work: Performance Goals

OUTCOME: THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY

The Office of the City Clerk has three strategic goals and objectives:

- ✓ Deploy technology resources effectively;
- ✓ Increase efficiency of service delivery; and
- ✓ Maintain high levels of customer service.

The Office of the City Clerk will provide services directly related to its outcome:

- ✓ Successfully conducting municipal elections for the City Councilmembers, and ballot measures;
- ✓ Creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; preparing and distributing minutes for all other Council Committees;
- ✓ Posting all changes to the San José Municipal Code and the City Council Policy Manual on the web; publishing and distributing hard-copy supplements;
- ✓ Creating and maintaining a legislative history of City Council, Successor Agency to the Redevelopment Agency, the Oversight Board, and related entities' actions; and indexing and filing all public records such that the records can be retrieved in a timely manner and the history is readily available;
- ✓ Conducting the recruitment, application, and selection processes for boards and commissions through the Council Appointment Advisory Commission; directing City Council interview and appointment; and facilitating the City Council's appointment of public members to the Retirement Boards and the Civil Service Commission;
- ✓ Conducting employee and retiree elections for the employee and retiree members, as applicable, of both Retirement Boards and the Civil Service Commission;
- ✓ Providing administrative support services to the Elections Commission, Civil Service Commission, Council Salary Setting Commission, and the Council Appointment Advisory Commission;
- ✓ Researching City Council actions and records from the adoption of the City Charter to the present;
- ✓ Providing administrative support including fiscal management, human resources administration, budgeting, grant administration, and procurements for the Mayor and City Council Offices; and
- ✓ Accepting and making available all Statements of Economic Interests campaign finance disclosure forms, lobbyist registration and reporting forms, and all disclosures required of the Mayor and City Councilmembers (calendars, fundraising solicitations, and outside income disclosure).

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Strategic Support **Office of the City Manager**



***Mission:** Provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police
Auditor
Office of Retirement Services

CSA OUTCOMES

- The Community Receives Customer-Focused, Results-Driven Services
- The Mayor and Council are Effectively Supported in Making Public Policy Decisions
- Support Employees to Actively Engage with, and Achieve, the City's Vision

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Accomplishments

The Office of the City Manager provides the leadership necessary to ensure that ongoing services are being delivered with the highest standards of quality and customer service. The City Manager's Office serves to guide fiscal and change management, the building and development of our workforce, and development of long term, data driven strategies in order to invest in the City's future. The City Manager's Office provides leadership and/or management of new issues and projects of significant complexity. The following are highlights of recent service delivery accomplishments:

- In 2015, the City Manager's Office facilitated two Priority-Setting sessions with the Mayor and Council to prioritize workload and align priorities with available staff resources. The Priority-Setting exercises focused staff efforts on pending ordinance changes deemed the highest priority by the Mayor and Council. The City Manager's Office continues to work in collaboration with the City Attorney's Office and department staff to facilitate Council consideration and prioritization of pending ordinances and policies on a bi-annual basis.
- The development of the 2016-2017 Proposed Operating Budget and Capital Budget, includes strategically investing in the most critical service and capital needs while ensuring fiscal stability. As directed and approved in the Mayor's March 2016 Budget Message, the 2016-2017 Proposed Operating Budget focuses on saving to better position the City to weather an economic downturn and help avoid service disruptions; investing and innovating in the areas of Safety, Economic Opportunity, Our Future, Our Community; and investing in making San José America's Most Innovative City.
- The Data Analytics Team was formed in 2015 to produce insights and recommendations based on analyses of City data. The Team has completed analytics projects related to Code Enforcement, Illegal Dumping, Parks Maintenance, and Vision Zero. The Team has also played a major role in driving the City's Open Data Initiative, assisting with policy development, community engagement, and technical implementation of our open data portal. A city-wide inventory of all existing data was completed, which will serve as a repository for the City's open data portal and will continue to encourage cross-departmental data sharing and analysis.
- The pension modification ballot measure (Measure B) was passed by San José voters in June 2012. Consistent with City Council direction, the City Administration, the San José Police Officers' Association ("SJPOA"), the San José Fire Fighters, and IAFF Local 230 ("IAFF") reached an agreement on an alternative pension reform settlement framework in July 2015. In November and December 2015, the Administration also reached an agreement on a settlement framework with the bargaining units representing employees in the Federated City Employees' Retirement System. The settlement frameworks not only settle significant litigation with the City's bargaining units, the frameworks also solidify savings associated with the elimination of the Supplemental Retiree Benefit Reserve (SRBR), contain savings from a revised Tier 2 pension benefit while providing benefit levels similar to other Bay Area agencies, and close the defined benefit retiree healthcare plan for new and current Tier 2 employees. The City Administration estimates approximately \$3 billion in savings over the next 30+ years. The City Administration will continue working on implementing the terms of the settlement frameworks, including updating the San José Municipal Code and working with various stakeholders on a pension modification ballot measure for the November 2016 election. The City also reached multi-year agreements with all of its bargaining units.
- The City Manager's Office continues to ensure that transitions in key leadership positions and the Mayor and City Council Offices are handled strategically and with minimum disruption. In 2015-2016, the Office made key appointments in the following departments: Fire, Housing, Information Technology, Police, and Transportation.

Service Delivery Accomplishments

- WorkForce Support and Development Strategy (“WorkForce Strategy”) was initiated by the Administration to help improve the employee experience, from recruitment to retirement, including employee engagement, retention of existing employees, and assisting in finding talented new employees. Since the WorkForce Strategy was launched, several initiatives have been implemented City-wide, including but not limited to: revising the *Employee Recognition Policy*; enhanced *New Employee Welcome (NEW)* program to enrich the onboarding experience for new employees; launch of the revised *Employee Suggestion Program* to encourage employees to bring forward ideas on how the City can improve services while reducing costs; a *New Online Management System (CSJ University)* to provide training and educational opportunities for employees; and, in partnership with Gallup, Inc., launching the new *Employee Engagement Survey* to follow up on the results from the 2014 survey and allow employees to provide feedback.
- The City Manager’s Office also continues to support a variety of employee development opportunities. The relaunch of *Employee Mentoring* had over 116 participants in 2015. Additionally, employees in classifications that are deemed to have supervisory or lead capabilities receive training in *Non-Discrimination and Anti-Harassment*, as required by California state law, upon being newly hired or promoted and every two years thereafter. Additionally, training to existing and new supervisors was provided through the Supervision Academy.
- The Office of Immigrant Affairs (OIA) was established in the City Manager’s Office to ensure that the City creates a welcoming environment for immigrants along with implementation of strategies that support the proper integration of the various immigrant groups in San José. In September 2015, the City Council approved a "Welcoming San José (WSJ)" resolution which initiated the work of the WSJ Steering Committee. The multi-sector group met regularly and supported subcommittees resulting in a three-year immigrant integration plan. In addition, the OIA has participated in national initiatives such as Cities for Citizenship, Cities United for Action, Welcoming America, and the White House's Building Welcoming Communities. The OIA also received a Gateways for Challenge Grant providing the City with a research brief specific to immigrant-related data for San José and a Citi Community Development grant for a citizenship initiative.
- Intergovernmental Relations provided city-wide training and information to assist City officials and Departments in evaluating policy issues to allow decision-makers the maximum opportunity to be informed, involved, and influential regarding the outcome and development of policy prior to policy adoption. The results have been evident with the passage of the City-sponsored bill, SB 236 (Beall), to address issues with the Communications Hill Grand Staircase, which will provide the City with greater authority to regulate the staircase. Our State lobbyist was also successful in gaining passage of a State Budget Trailer bill that included an extension of the Three Creeks Trail trestle grant funding of \$1.77 million. Our Federal lobbyist firm advocated for the HOME Investment Program’s successful increase in proposed funding and transit funding to support BART. The City advocated for the passage of the Federal Transportation Reauthorization (The FAST Act), which the City successfully lobbied for increased Surface Transportation Program funding and flexibility. In addition, Legislative Guiding Principles and Legislative Priorities have been adopted for 2016, providing the City’s lobbyists with direction in Sacramento and Washington, D.C.
- The City Manager’s Communications Office develops, supports, and coordinates external and internal communications programs, projects, and policies throughout the City organization. This includes management of the City’s web content, social media platforms, news media relations, CivicCenter Television coverage of Council and committee meetings, and public records requests. Significant accomplishments this year include the implementation of communications policies dealing with web governance, language access, and media relations, and public outreach campaigns concerning El Niño and Super Bowl.

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Accomplishments

- The City Manager's Office administers the City's Medical Marijuana Program, coordinating a multi-departmental regulatory and oversight effort. With a registration deadline of December 18, 2015, staff spent the first half of 2015-2016 working to implement the registration program. Sixteen medical marijuana collectives met the program requirements and received a Notice of Completed Registration. The program team also worked aggressively on the enforcement and closure of non-compliant and unregistered medical marijuana establishments. Staff continues work with the State of California as it is implementing the new Medical Marijuana Regulation and Safety Act, and monitors legislation and advocates on behalf of the City per Council direction in favor of robust regulation, local control, protection of local revenues, and consumer product and patient safety.

Service Delivery Environment

- The Budget Office will continue to effectively forecast and monitor both revenues and expenditures to ensure the continued fiscal health of the City. The focus is on maintaining budget stability and strategically investing the City's limited resources to keep our communities safe, invest for our future, enhance the development fee programs, and maximize efficiency and effectiveness in service delivery. During 2016-2017, the Budget Office will also be implementing a new budget system that will automate and streamline the annual budget process, as well as incorporate program budgeting into the City budget reporting model.
- The City Manager's Office will continue to support the City Council's setting of priorities among ordinances and other initiatives, as well as monitor and report progress on the development and implementation of these priorities. The City Manager's Office will also continue to support the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- The Office of Employee Relations (OER) will be meeting with the bargaining units as the terms of the alternative pension reform settlement frameworks are implemented, including continued discussions on a pension modification ballot measure for the November 2016 election and updates to the City's Municipal Code. The City will also be engaged in negotiations on a successor Memorandum of Agreement with the San José Police Officers' Association as the current agreement expires in December 2016.
- The City Manager's Office will continue to pursue the public-private partnerships that are so critical to expanding and improving City services for residents and businesses. The City Manager's Office has partnered with PayPal to enhance resources available to small business, as well as with Citibank, Bank of America, Wells Fargo, United Way Bay Area, Microsoft, e-Bay and the Silicon Valley Community to provide financial counseling to low-income individuals. A variety of private employer partnerships, including with Jabil, Cisco, Olympus, TiVo, the Silicon Valley Leadership Group, NextFlex and the Silicon Valley Chamber of Commerce, have also been developed to support the Mayor's Office TechHire and manufacturing initiative. The City is also planning to scale up the San José Works program from 235 at-risk youth served last year to 1,000 this year. Over 80 employers will support this effort, and third-party funders include WalMart, Microsoft, Wells Fargo and Bank of America.
- The Administration continues to provide leadership and direction to the Successor Agency to the former Redevelopment Agency, managing the multi-departmental transition team and navigating through the complexities of dissolving an Agency. The transition team provides policy direction and recommendations, managing the relationships with the State Department of Finance and the County of Santa Clara, ensuring the Successor Agency and the City remain in compliance with the legislation, and balancing the implications to the City as the Successor Agency to the former Redevelopment Agency.

Budget Dollars at Work: Performance Goals

This section organizes the key goals and objectives of the City Manager's Office based on three outcomes. These priorities guide the efforts of City Service Areas (CSAs) and departments in providing services.

OUTCOME 1: THE COMMUNITY RECEIVES CUSTOMER-FOCUSED, RESULTS-DRIVEN SERVICES

- ✓ Focus on providing leadership necessary for organizational initiatives that continue to position the City as a more focused, more efficient, and more sustainable organization for the future.
- ✓ Implement an aggressive communication plan for community outreach.
- ✓ Provide organizational improvement efforts to change the way we do business, streamline processes, increase employee empowerment, and achieve results in an environment of constant change, increasing complexity, and constrained financial resources.
- ✓ Work closely with the community, community-based agencies, faith-based organizations, law enforcement agencies, the County, State, and federal agencies, and youth on public safety issues.
- ✓ Work with regional governance partners on Bay Area interagency issues.
- ✓ Pursue public-private partnerships both directly with community and corporate partners as well as convene City departments and offices to develop more effective workforce support and development practices.
- ✓ Ensure public access to current and accurate City data that is not otherwise protected through an on-going focus on the Open Data initiative.

OUTCOME 2: THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

- ✓ Bring forward balanced budgets for the General Fund and all other City funds for 2016-2017 and 2017-2018 that reflect City Council and community goals and help ensure fiscal stability.
- ✓ Provide support to the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- ✓ Continue early budget engagement efforts in future budget cycles.
- ✓ Strengthen the City-County partnership by meeting regularly with the County Executive, supporting meetings between key City and County elected officials, and focusing attention on issues of shared services between the organizations.
- ✓ Aggressively implement the Economic Strategy, including priority strategic goals and workplan actions identified by the City Council.
- ✓ Engage the City Council in prioritizing updates of Policies and Ordinances.

Strategic Support
Office of the City Manager
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

- ✓ Implement streamlined approaches for agenda management, including paperless distribution and use of technology and online agenda management services.
- ✓ Provide timely City Council Referral reports and Information Memos that support the ability to monitor and pace organization workload, reevaluate priorities periodically, and focus resources strategically.
- ✓ Investment in intergovernmental relations with the key focus on advocacy for the City's needs at the regional, State, and federal levels and training and coordinating with departments to make San José's voice heard.
- ✓ Provide staff expertise and support for City Council committees.

OUTCOME 3: SUPPORT EMPLOYEES TO ACTIVELY ENGAGE WITH, AND ACHIEVE, THE CITY'S VISION

- ✓ Continuing to pace the organization has become more important in day-to-day operations as the City Manager provides strategic leadership for the organization, supports the City Council, and motivates the workforce to deliver high quality services in an environment of increasing demands and limited resources. During 2016-2017, the City Manager will continue to provide the leadership and strategically target efforts to challenge the organization to continue developing innovative ways to deliver services and streamline operations to be more efficient.
- ✓ Foster constructive and professional working relationships with the City's employee labor unions.
- ✓ Despite extremely limited resources, continue to engage the workforce through ongoing structured communication and ongoing implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain top talent.
- ✓ Work with employees to develop the organization's capacity in civic engagement and make a difference in the civic life of our community.
- ✓ Build ongoing communication between the City Manager and employees.
- ✓ Recognize the opportunity to seize a global market opportunity and ensuring San José's position as a model 21st century city by engaging the City Council on Green Vision implementation, including policy, advocacy and funding priorities.
- ✓ Make pursuing grants and partnerships a top priority given the significantly limited funding available for infrastructure and new initiatives

Strategic Support
Office of Retirement Services



***Mission:** Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans*

Primary Partners

Mayor and City Council
Office of Retirement Services
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

CSA OUTCOMES

- Retirement plans are properly administered.
- Investment of assets to satisfy Plans' obligations.

Strategic Support
Office of Retirement Services
OVERVIEW

Service Delivery Accomplishments

- Kicked off the upgrade of its pension administration system in March 2015. The implementation process is expected to take approximately 42 months to complete and cost approximately \$9 million.
- Completed the conversion of its microfiche data electronic versions, as well as the digitization of all the tapes of Board meetings.
- In conjunction with the City Administration, participated in the Request for Proposal (RFP) for its independent auditors, resulting in the appointment of Grant Thornton, LLP as its independent auditor for the next five years.
- Issued an RFP for the Federated City Employees' Retirement and Police and Fire Department Retirement Boards' actuary in January 2016 and will complete the process by the end of 2015-2016.
- The 2016 active member survey results indicate that 88% of the respondents feel that the Office of Retirement Services (ORS) had a positive impact on their ability to make decisions to achieve retirement goals.
- Under the Boards' direction, the investment programs continued to develop over the past year and are poised to evolve further in the coming year. Recruitment efforts have begun and will be completed for the newly created Investments Analyst positions which will provide crucial support to the Investment Officers. In addition, the investment program completed the RFP process for its general and alternative-investment consultants.
- The investment programs improved their capabilities for performance and attribution reporting, manager compliance reporting and risk analytics.
- Measure G, which became effective in December 2014, modified the Boards' governance structure. The Boards' main governance focuses were on obtaining more authority to better fulfill their fiduciary duties and on working with all stakeholders to communicate their goals and obtain feedback. The Boards formed an ad-hoc committee to review the current structure and operations of the ORS and to determine what changes to make in order to achieve their goals.
- Staffing adjustments provided necessary resources required to support the fiduciary and governance requirements of the Retirement Boards and Committees and increase technical support in preparation for the implementation of a new pension administration system.

Service Delivery Environment

- Complete the RFP for a risk management system.
- Complete the development and recommendation of a Senior Investment Officer position to further enhance the investment program's retention, attraction and development capabilities.
- Continue the implementation of the new pension administration system.
- Complete the ORS website overhaul.
- Continue the implementation of Measure G.
- Continue to provide quality services in the delivery of pension and related benefits, as well as continue to properly manage retirement plan assets.

Budget Dollars at Work: Performance Goals

OUTCOME 1: RETIREMENT PLANS ARE PROPERLY ADMINISTERED

- Work with the Boards' actuary to ensure the plans have adopted and implemented rates, assumptions, and methodologies reflective of the plans' liabilities and with appropriate contribution volatility which seeks to mitigate the intergenerational shifting of liabilities.
- Conduct and manage over 100 board meetings annually to provide the information necessary to assist the board members in fulfilling their fiduciary duties.
- Provide quality customer service by working with the members to ensure excellent retirement planning and counseling through educational classes and meetings via an average of a thousand phone inquiries and seventy walk-ins per month.
- Publish annual financial reports, which include the Comprehensive Annual Financial Reports (CAFRs) and Popular Annual Finance Reports (PAFRs), to maintain accountability and provide fiscal transparency.

OUTCOME 2: INVESTMENT OF ASSETS TO SATISFY PLANS' OBLIGATIONS

- Manage Retirement Plan assets in a manner which seeks to achieve long-term net returns in excess of the actuarial investment return assumption and adopted benchmarks while maintaining a reasonable level of investment risk.
- Work with investment consultants to review and adopt an asset allocation reflective of the Boards' risk tolerances.
- Source and perform due diligence on prospective investment managers, and when appropriate select investment managers and monitor accordingly.
- Develop, implement and ensure compliance with Board-adopted investment policies.

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Airport Department

Kimberly J. Becker, Director of Aviation

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To meet the air transportation needs of Silicon Valley residents and businesses in a safe, efficient, and cost-effective manner

City Service Area

Transportation and Aviation Services

Core Services

Airport Business Development

Provide Airport customers with a wide variety of quality choices for traveler services; attract new air service and airlines to provide business and leisure travelers with options; identify and develop sources of non-airline revenue; communicate effectively with passengers, the public, and the media

Airport Facilities Maintenance

Maintenance of all Airport facilities including public spaces, oversight of airfield lighting and maintenance, building automation controls, electrical and mechanical systems, baggage handling systems, central plant, grounds and landscaping; custodial services and Capital asset replacement program

Airport Operations

Day-to-day management and oversight of the Airport to ensure safe and efficient operations such as operation of the airfield, general aviation facilities, emergency planning and coordination, Airport Operations Center, badging and security coordination, parking facilities, shuttle operations, ground transportation, roadway/curbside enforcement programs, and Automatic Vehicle Identification system





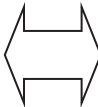
Airport Planning and Capital Development

Implement the Capital Improvement Program; plan and coordinate construction activities at the Airport, compliance with applicable federal, State, and local regulations and environmental requirements; coordinate with the Federal Aviation Administration, regional transportation planning agencies, and providers

Strategic Support: Human Resources, Financial Management, Property Management, Information Technology, and Training

Airport Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Airport Business Development: <i>Provide Airport customers with a wide variety of quality choices for traveler services; attract new air service and airlines to provide business and leisure travelers with options; identify and develop sources of non-airline revenue; communicate effectively with passengers, the public, and the media</i></p>		<ul style="list-style-type: none"> • Public Information • Community Outreach • Air Service Development • Media Relations • Customer Service
<p>Airport Facilities Maintenance: <i>Maintenance of all Airport facilities including public spaces, oversight of airfield lighting and maintenance, building automation controls, electrical and mechanical systems, baggage handling systems, central plant, grounds and landscaping; custodial services and Capital asset replacement program</i></p>		<ul style="list-style-type: none"> • Airfield Maintenance • Roadway and Parking Maintenance Services • Building Services • Auxiliary Facilities
<p>Airport Operations: <i>Day-to-day management and oversight of the Airport to ensure safe and efficient operations such as operation of the airfield, general aviation facilities, emergency planning and coordination, Airport Operations Center, badging and security coordination, parking facilities, shuttle operations, ground transportation, roadway/curbside enforcement programs, and Automatic Vehicle Identification system</i></p>		<ul style="list-style-type: none"> • Airport Access • Compressed Natural Gas Station • Parking Operations • Shuttle Bus Management • Ground Transportation Operators • Terminal Operations • Security Operations • Safety Management • Airport Noise Management • Traffic Control and Curb Enforcement
<p>Airport Planning and Capital Development: <i>Implement the Capital Improvement Program; plan and coordinate construction activities at the Airport, compliance with applicable federal, State, and local regulations and environmental requirements; coordinate with the Federal Aviation Administration, regional transportation planning agencies, and providers</i></p>		<ul style="list-style-type: none"> • Airport Facility and Infrastructure Planning • Planning and Development Services for Terminals, Airfield, and Auxiliary Buildings • Airport Air, Land, and Water Management • Regulatory Compliance • Green Initiatives
<p>Strategic Support: <i>Human Resources, Financial Management, Property Management, Information Technology, and Training</i></p>		<ul style="list-style-type: none"> • Information Technology • Employee Resources and Training • Financial Management • Property/Tenant Management

Airport Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Operate Norman Y. Mineta San José International Airport (SJC) efficiently while meeting all regulatory requirements for security and safety.
- Retain and grow passenger levels; develop and support air service to meet the needs of the Silicon Valley market in order to promote a strong economy and enhance community vitality.
- Deliver competitive, comfortable, convenient, reliable, and efficient services and amenities.
- Operate the Airport as a good neighbor and ensure environmental stewardship of resources.
- Continue to provide efficient and safe services for passengers, airlines, and tenants; regulatory compliance; priority maintenance and operations; and cost-effective operation of the Airport's shared-use model.

2016-2017 Key Budget Actions

- SJC will continue to compete for air service by keeping costs to airlines at competitive levels while offering exceptional service, modern facilities, and support in launching new routes. The 2016-2017 Proposed Operating Airport Budget successfully balances costs and service delivery.
- Efforts to retain and increase passenger levels will continue with enhancements and more choices in concessions and ground transportation. One-time funding of \$100,000 is proposed to fund a Concession Plan Consultant to provide recommendations based on latest industry trends and develop a new ten-year concession plan. Existing ongoing funding will support the full variety of choices in ground transportation services and effectively and efficiently track trips to pick up passengers through innovative technology.
- One-time funding of \$25,000 for project management training will provide staff development opportunities and operational efficiencies related to capital project delivery in the Airport environment. A focus on planning, scheduling, monitoring, cost, customer service, and quality control will enhance projects with critical timing issues and tenant-led construction.

Operating Funds Managed

- | | |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> Airport Customer Facility and Transportation Fee Fund | <input type="checkbox"/> Airport Maintenance and Operation Fund |
| <input type="checkbox"/> Airport Fiscal Agent Fund | <input type="checkbox"/> Airport Revenue Fund |
| | <input type="checkbox"/> Airport Surplus Revenue Fund |

Airport Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Airport Business Development	\$ 2,655,156	\$ 3,480,987	\$ 3,168,121	\$ 3,168,121	(9.0%)
Airport Facilities Maintenance	19,679,628	21,851,429	22,331,454	22,344,454	2.3%
Airport Operations	20,746,395	23,445,825	23,622,303	23,622,303	0.8%
Airport Planning & Capital Dev	2,691,580	3,325,240	3,226,576	3,251,576	(2.2%)
Strategic Support	10,211,011	10,547,789	10,764,752	10,864,752	3.0%
Total	\$ 55,983,770	\$ 62,651,270	\$ 63,113,206	\$ 63,251,206	1.0%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 23,594,567	\$ 27,527,863	\$ 27,211,840	\$ 27,211,840	(1.1%)
Overtime	347,324	339,959	339,959	339,959	0.0%
Subtotal	\$ 23,941,891	\$ 27,867,822	\$ 27,551,799	\$ 27,551,799	(1.1%)
Non-Personal/Equipment					
Total	\$ 55,983,770	\$ 62,651,270	\$ 63,113,206	\$ 63,251,206	1.0%
Dollars by Fund					
Airport Cust Fac/Trans Fee	\$ 2,087,145	\$ 2,153,654	\$ 2,185,554	\$ 2,185,554	1.5%
Airport Maint & Oper	53,896,625	60,497,616	60,927,652	61,065,652	0.9%
Total	\$ 55,983,770	\$ 62,651,270	\$ 63,113,206	\$ 63,251,206	1.0%
Authorized Positions by Core Service					
Airport Business Development	9.00	9.00	9.00	9.00	0.0%
Airport Facilities Maintenance	61.00	61.00	61.00	61.00	0.0%
Airport Operations	51.00	51.00	50.00	50.00	(2.0%)
Airport Planning & Capital Dev	19.00	19.00	19.00	19.00	0.0%
Strategic Support	47.00	47.00	48.00	48.00	2.1%
Total	187.00	187.00	187.00	187.00	0.0%

Airport Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2015-2016):	187.00	62,651,270
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Super Bowl 50 Event Preparation		(111,000)
• 2015 Airport Roundtable Conference		(10,000)
One-time Prior Year Expenditures Subtotal:	0.00	(121,000)
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations:		260,350
- 1.0 Air Conditioning Mechanic to 1.0 Senior Air Conditioning Mechanic		
- 1.0 CADD Technician to 1.0 Senior Engineering Technician		
- 1.0 Contract Compliance Coordinator to 1.0 Senior Analyst		
- 1.0 Facility Repair Worker to 1.0 Maintenance Worker II		
- 2.0 Network Technician I/II to 2.0 Network Technician I/II/III		
- 1.0 Program Manager II to 1.0 Principal Property Manager		
- 1.0 Senior Account Clerk to 1.0 Accounting Technician		
- 1.0 Senior Geographic Syst Spec to 1.0 Planner II		
• Vacancy factor		(583,373)
• Parking Operator agreement		195,557
• Airport Concessions Disadvantaged Business Enterprise consultant agreement		117,000
• Shuttle bus management and maintenance		107,395
• Contractual services contracts		94,059
• Custodial services agreement		93,128
• Baggage systems maintenance agreement and facilities supplies		91,693
• International Smarte Carte services		63,000
• Runway and fire alarm maintenance agreements		(109,321)
• Letter Of Credit fees		(81,524)
• Business Development contracts and supplies		(49,410)
• Information Technology services contracts		(32,308)
• Changes in gas, electricity and other utility costs		367,690
• Changes in vehicle maintenance and operations costs		68,000
• Changes in taxes and insurance costs		(26,000)
• Professional development program		7,000
Technical Adjustments Subtotal:	0.00	582,936
2016-2017 Forecast Base Budget:	187.00	63,113,206
Budget Proposals Recommended		
1. Airport Concession Plan Consultant		100,000
2. Planning and Development Training		25,000
3. Enterprise Asset Management Team Support and Portable Generators Replacement		13,000
Total Budget Proposals Recommended	0.00	138,000
2016-2017 Proposed Budget Total	187.00	63,251,206

Airport Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)
1. Airport Concession Plan Consultant		100,000
<i>Transportation and Aviation Services CSA</i> <i>Strategic Support</i>		
<p>This action adds one-time consultant services funding to provide recommendations on Airport concession models to support development of the 2020 Airport Concessions RFP and contract. Airport Concession programs (Food and Beverage, News, Gift, and Advertising) currently provide over \$16.3 million annually in non-airline Airport revenue. Airport concession business is dynamic and seeks to serve both short-term (immediate) and long-term (ten years from now) customers' desires. Experts that have worked with numerous concession programs around the country can provide best practices and knowledge of industry trends to support the development of a future concessions plan to meet City's goals to optimize sales, revenues, facility use, and customer service. (Ongoing costs: \$0)</p>		
2. Planning and Development Training		25,000
<i>Transportation and Aviation Services CSA</i> <i>Airport Planning and Capital Development</i>		
<p>This action provides one-time funding of \$25,000 for Project Management training for Airport Planning and Capital Development staff and Public Works partners. The Airport has a significant number of capital improvement projects with critical timing issues (e.g. projects funded by bond proceeds must be completed by June 2017), and several key staff members are either new to the Airport or serving in new roles, so it is important for project managers, engineers, and technicians to be trained on current technology, skills, and practices related to capital project delivery in the Airport environment. The recommended training will help staff to implement well-defined, efficient processes for stakeholders involved in capital project delivery with a focus on project planning, budgeting, scheduling, execution, monitoring, customer service, and cost and quality control. (Ongoing costs: \$0)</p>		

Airport Department

Budget Changes By Department




Proposed Budget Changes	Positions	All Funds (\$)
3. Enterprise Asset Management Team Support and Portable Generators Replacement		13,000
<i>Transportation and Aviation Services CSA Airport Facilities Maintenance</i>		
<p>This action increases the Airport Department's non-personal/equipment funding for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this book. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer (SSAP) in the Vehicle Maintenance and Operations Fund to better align and augment the Department's Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing savings: \$3,300)</p>		
2016-2017 Proposed Budget Changes Total	0.00	138,000

Airport Department

Performance Summary

Airport Business Development

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Air service market share	13.9%	14.4%	13.8%	14.5%
 % of customers reporting satisfaction with availability of flights and destinations that meet their travel needs	N/A*	90%	N/A**	90%
 % of residents reporting satisfaction with the quality and variety of Airport shops and restaurants	N/A*	85%	N/A**	85%

* Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

** Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

Activity and Workload Highlights


	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total regional air service market (passengers)	68.6M	67.0M	73.1M	75.0M
Total number of annual Airport passengers	9.6M	9.68M	10.0M	10.2M

Airport Department

Performance Summary

Airport Facilities Maintenance

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of residents rating the physical condition of the Airport as good or excellent	N/A*	90%	N/A**	90%

* Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

** Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of facilities maintenance work orders completed	29,332	37,000	30,500	35,000
Number of hours spent addressing Federal Aviation Regulation Part 139 (FAR 139) issue work orders	166	70*	43*	58


* Data for this measure is collected through the Airport's Computerized Maintenance Management System (CMMS). In 2014-2015, the process for classifying FAR 139 issue work orders was changed in the CMMS, resulting in a lower than anticipated number of hours spent addressing FAR 139 issue work orders. Airport is currently evaluating the usefulness of this measure with the new process.

Airport Department

Performance Summary

Airport Operations

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of on-time flights	80.45%	85.00%	81.87%	85.00%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of annual operations (take offs and landings)	127,417	128,324	131,878	134,878
Total number of environmental noise complaints	2,978	2,800	8,000*	8,200
Total number of non-compliant curfew intrusions	25	30	25	30


* Noise complaints have increased from prior years because the Federal Aviation Administration has implemented new flight paths resulting in planes flying over new areas whose residents previously heard little to no aircraft noise. While the great majority of the aircraft using the new arrival path are bound for SFO, SJC-bound arriving aircraft also contribute to the increased noise.

Airport Department

Performance Summary

Airport Planning and Capital Development

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of capital projects contingent upon grant funding	18.2%*	57.5%	44.2%*	65.2%

* Actual and Estimated values for this measure include rebudgeted capital funds, while the target does not, resulting in a significant difference in the value of annual capital projects. The increased reliance on grant funding for capital project delivery shown in 2016-2017 is necessary as the Airport completes capital projects with unspent bond proceeds.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Airport Capital Program				
- Construction Projects	\$7.44M	\$47.9M*	\$52.3M*	\$14.4M
- Non-Construction Projects	\$0.54M	\$1.8M	\$5.3M	\$0.6M
Percent of Airport locations that received fewer than three discrepancies in the County of Santa Clara Hazardous Materials Inspection	N/A**	95%	N/A**	95%

* The increase in total cost of Airport Construction Projects recognizes eligible projects funded with unspent 2007 Terminal Area Improvement Program (TAIP) bond proceeds which are required to be completed prior to reaching the ten year call date. The Airport targeted high impact projects with completion dates by summer 2017 to make the best use of the funds.

** There was no County inspection in 2014-2015 and no inspections have occurred yet in 2015-2016.

Airport Department
Performance Summary

Strategic Support

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
\$ Airline cost per enplaned passenger*	\$9.60	\$10.90	\$10.85	\$10.90
\$ Food and beverage sales per enplaned passenger*	\$6.31	\$6.43	\$6.78	\$6.76
\$ Retail sales per enplaned passenger*	\$2.97	\$3.14	\$2.84	\$2.83
\$ Parking revenue per enplaned passenger*	\$5.84	\$5.82	\$5.98	\$5.91
\$ Rental car gross revenue per enplaned passenger*	\$31.36	\$31.39	\$30.87	\$30.87

* Enplaned passengers are those passengers boarding an aircraft in scheduled service, including originating, stop-over, or connecting service.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total airline cost	\$46.2M	\$56.3M	\$53.3M	\$56.3M

Airport Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accountant II	1.00	1.00	-
Accounting Technician	2.00	3.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	4.00	3.00	(1.00)
Air Service Development Manager	1.00	1.00	-
Airport Equipment Mechanic	6.00	6.00	-
Airport Maintenance Supervisor	4.00	4.00	-
Airport Operations Manager I/II	4.00	4.00	-
Airport Operations Superintendent I/II	5.00	5.00	-
Airport Operations Supervisor I/II/III	14.00	14.00	-
Analyst II	6.00	6.00	-
Assistant Director of Aviation	1.00	1.00	-
Assistant to the Director	1.00	1.00	-
Associate Architect/Landscape Architect	1.00	1.00	-
Associate Engineer	1.00	1.00	-
Associate Engineering Technician	1.00	1.00	-
Building Management Administrator	1.00	1.00	-
CADD Technician	2.00	1.00	(1.00)
Contract Compliance Coordinator	1.00	0.00	(1.00)
Deputy Director	5.00	5.00	-
Director of Aviation	1.00	1.00	-
Division Manager	1.00	1.00	-
Electrician	4.00	4.00	-
Engineer II	1.00	1.00	-
Environmental Services Specialist	1.00	1.00	-
Facility Repair Worker	3.00	2.00	(1.00)
Geographic Systems Specialist II	1.00	1.00	-
Information Systems Analyst	1.00	1.00	-
Maintenance Contract Supervisor	1.00	1.00	-
Maintenance Supervisor	1.00	1.00	-
Maintenance Worker I	12.00	12.00	-
Maintenance Worker II	8.00	9.00	1.00
Network Engineer	2.00	2.00	-
Network Technician I/II	2.00	0.00	(2.00)
Network Technician I/II/III	0.00	2.00	2.00
Office Specialist I/II	4.00	4.00	-
Painter	3.00	3.00	-
Planner I/II/III	0.00	1.00	1.00
Planner IV	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Property Manager	0.00	1.00	1.00
Program Manager I	2.00	2.00	-
Program Manager II	4.00	3.00	(1.00)
Property Manager II	4.00	4.00	-
Public Information Representative I/II	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Senior Account Clerk	5.00	4.00	(1.00)
Senior Accountant	4.00	4.00	-

Airport Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Air Conditioning Mechanic	0.00	1.00	1.00
Senior Airport Equipment Mechanic	1.00	1.00	-
Senior Airport Operations Specialist I/II/III	21.00	21.00	-
Senior Analyst	6.00	7.00	1.00
Senior Electrician	2.00	2.00	-
Senior Electronic Systems Technician	1.00	1.00	-
Senior Engineer	2.00	2.00	-
Senior Engineering Technician	3.00	4.00	1.00
Senior Geographic Systems Specialist	1.00	0.00	(1.00)
Senior Maintenance Worker	3.00	3.00	-
Senior Office Specialist	1.00	1.00	-
Senior Property Manager II	1.00	1.00	-
Senior Systems Applications Programmer	1.00	1.00	-
Sign Shop Technician	1.00	1.00	-
Staff Specialist	7.00	7.00	-
Supervising Applications Analyst	1.00	1.00	-
Supervisor, Trades	1.00	1.00	-
Warehouse Supervisor	1.00	1.00	-
Total Positions	187.00	187.00	0.00

Office of the City Attorney

Richard Doyle, City Attorney

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T*he Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, with the goal of protecting and advancing the City's interests in serving the people of San José*

City Service Area

Strategic Support

Core Services

Legal Representation

Advocate, defend, and prosecute on behalf of the City's interests




Legal Transactions

Provide oral and written advice on legal issues and prepare documents to implement official City actions

Strategic Support: Office Management and Analysis, Fiscal Control/Budget Preparation, Personnel Administration/Human Resources, Computer Network Management, Facility Management, Records and File Maintenance, Law Library Maintenance, and Contract Administration

Office of the City Attorney

Service Delivery Framework

Core Service		Key Operational Services
<p>Legal Representation: <i>Advocate, defend, and prosecute on behalf of the City's interests</i></p>		<ul style="list-style-type: none"> • Provide Legal Representation for the City, including its Officials and Employees • Prosecute Criminal Proceedings involving Violations of the San José Municipal Code • Pursue Litigation to Abate Nuisances and eliminate Unfair Business Practices to ensure Public Health and Safety • Provide Legal Representation before State, Federal, and Appellate Courts, and various Agencies and Boards • Provide Pre-Litigation Advice and Counsel to avoid Litigation and to protect the City's Interests should Litigation occur • Retain, coordinate, and supervise outside Legal Counsel
<p>Legal Transactions: <i>Provide oral and written advice on legal issues and prepare documents to implement official City actions</i></p>		<ul style="list-style-type: none"> • Prepare Ordinances, Resolutions, Permits, Contracts, and other Legal Documents • Provide oral and written legal Counsel and Advice • Perform Legal Research • Assist with production of documents under Public Records Act requests • Coordinate City Council Agenda Documentation
<p>Strategic Support: <i>Office Management and Analysis, Fiscal Control/ Budget Preparation, Personnel Administration/ Human Resources, Computer Network Management, Facility Management, Records and File Maintenance, Law Library Maintenance, and Contract Administration</i></p>		<ul style="list-style-type: none"> • Office Management and Analysis • Fiscal Control/Budget Preparation • Personnel Administration/ Human Resources • Records and File Maintenance • Information Systems Management • Facility Management • Law Library Maintenance • Contract Administration

Office of the City Attorney

Department Budget Summary

Expected 2016-2017 Service Delivery

- The City Attorney's Office will continue to provide legal representation and advice, while facing the challenge of meeting legal services demand that is largely driven by outside factors. Transactional legal assignments are generated by City Council direction and department requests that are often driven by technology innovations, economic conditions, and state and federal mandates. Litigation matters often originate from claims and lawsuits against the City; consequently, workloads and liability exposure are largely out of the Office's control. In addition, the Office prosecutes criminal cases and files a variety of affirmative litigation. The Office will continue to provide in-house legal services while managing unpredictable fluctuations in demand.
- Transactional legal services will continue to be delivered by the Office with priority given to matters that will provide the greatest benefit to the City or have the potential for increasing revenue. Lower priority assignments will be performed as time and staffing allows.
- Increased legal services will be required to assist on: 1) advice to the Planning Division, Office of Economic Development, and other departments supporting development; 2) Housing-related ordinances and issues, including Housing transactions, and Council initiatives on homelessness, rent control, and mobile homes; 3) major real estate-related projects, including the Hayes Mansion, Coleman Soccer Fields, and Parkside Hall; and 4) capital construction projects and issues related to the Water Pollution Control Plant.
- Litigation defense services will continue to take priority over proactive suits by the City. The net loss of litigation attorney positions, as well as experienced litigators, over the past few years necessitates a more reactive approach to case handling and has affected the Office's ability to adequately staff lawsuits and other litigation matters.
- Because of potential legal conflicts of interest, outside legal counsel will continue to be retained to represent the City's interests in pension-related litigation matters. Use of outside legal counsel has continued to decrease during 2015-2016. If the pension-related lawsuits are resolved, it is anticipated that use of outside legal counsel will continue to decline.
- Significant legal staff and resources are dedicated to collecting, reviewing, and responding to time-consuming and time-sensitive Public Records Act (PRA) requests, litigation records, and electronic discovery. The Office continues to work toward obtaining technology that will reduce the amount of staff time required to respond to electronic discovery and PRA requests.

2016-2017 Key Budget Actions

- Shifts funding on a one-time basis for 2.25 positions from the General Fund to the Water Utility Fund for City Attorney staff work that will support the Municipal Water System.
- Provides one-time funding of \$192,000 for temporary staff and 1.0 Legal Analyst II position limit-dated through June 30, 2017 to assist transactional attorneys supporting the Planning, Building and Code Enforcement and Environmental Services Departments.
- Provides one-time funding of \$90,000 for continued critical transition support for litigation attorney services.
- Provides one-time funding of \$60,000 to upgrade the City Attorney's case management software.

Operating Funds Managed

N/A

Office of the City Attorney

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Legal Representation	\$ 7,075,000	\$ 7,477,244	\$ 7,460,337	\$ 7,612,321	1.8%
Legal Transactions	6,934,873	7,962,591	8,166,047	8,350,201	4.9%
Strategic Support	1,427,330	1,292,480	1,350,364	1,355,764	4.9%
Total	\$ 15,437,203	\$ 16,732,315	\$ 16,976,748	\$ 17,318,286	3.5%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 14,317,519	\$ 15,566,934	\$ 16,012,367	\$ 16,293,905	4.7%
Overtime	56,203	0	0	0	0.0%
Subtotal	\$ 14,373,722	\$ 15,566,934	\$ 16,012,367	\$ 16,293,905	4.7%
Non-Personal/Equipment					
Total	1,063,481	1,165,381	964,381	1,024,381	(12.1%)
Total	\$ 15,437,203	\$ 16,732,315	\$ 16,976,748	\$ 17,318,286	3.5%
Dollars by Fund					
General Fund	\$ 12,975,181	\$ 13,952,092	\$ 14,115,740	\$ 14,029,522	0.6%
Airport Maint & Oper	579,681	678,251	719,072	719,072	6.0%
Comm Dev Block Grant	49,425	16,626	16,840	16,840	1.3%
Home Invest Partnership	24,061	59,420	66,555	66,555	12.0%
Housing Trust Fund	0	31,572	35,029	35,029	10.9%
Integrated Waste Mgmt	43,736	45,969	47,163	47,163	2.6%
Low/Mod Income Hsg Asset	717,269	654,528	677,777	677,777	3.6%
Multi-Source Housing	0	124,665	135,708	135,708	8.9%
Water Utility Fund	0	0	0	411,456	0.0%
Sewer Svc & Use Charge	396,557	456,730	475,515	491,815	7.7%
SJ/SC Treatment Plant Oper	118,237	139,666	148,687	148,687	6.5%
Workforce Development	149,298	167,341	177,529	177,529	6.1%
Capital Funds	383,758	405,455	361,133	361,133	(10.9%)
Total	\$ 15,437,203	\$ 16,732,315	\$ 16,976,748	\$ 17,318,286	3.5%
Authorized Positions by Core Service					
Legal Representation	35.30	34.55	35.04	35.29	2.1%
Legal Transactions	32.35	34.90	34.36	35.11	0.6%
Strategic Support	6.85	7.05	7.10	7.10	0.7%
Total	74.50	76.50	76.50	77.50	1.3%

Office of the City Attorney

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	76.50	16,732,315	13,952,092
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Urban Villages Legal Analyst		(110,000)	(110,000)
• Rebudget: Outside Counsel/Litigation Costs		(50,000)	(50,000)
• Office of the City Attorney Training		(100,000)	(100,000)
• Urban Villages Program Staffing (1.0 limit-dated Legal Analyst II through June 30, 2016)	(1.00)	(80,888)	(80,888)
• Electronic Discovery and Public Records Act Request Support		(50,000)	(50,000)
One-time Prior Year Expenditures Subtotal:	(1.00)	(390,888)	(390,888)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		483,711	402,926
• Addition of 1.0 Senior Deputy City Attorney III (City Council approval - February 9, 2016)	1.00	219,007	219,007
• Vacancy Factor		(67,897)	(67,897)
• Professional Development Program		1,500	1,500
• Vehicle maintenance and operations		(1,000)	(1,000)
Technical Adjustments Subtotal:	1.00	635,321	554,536
2016-2017 Forecast Base Budget:	76.50	16,976,748	14,115,740
Budget Proposals Recommended			
1. Legal Transactions Staffing	1.00	191,538	165,038
2. Litigation Division Staffing	0.00	90,000	90,000
3. Legal Software Upgrade		60,000	60,000
4. Municipal Water System Litigation Staffing	0.00	0	(401,256)
Total Budget Proposals Recommended	1.00	341,538	(86,218)
2016-2017 Proposed Budget Total	77.50	17,318,286	14,029,522

Office of the City Attorney

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Legal Transactions Staffing	1.00	191,538	165,038
Strategic Support CSA <i>Legal Representation</i> <i>Legal Transactions</i>			
<p>This action adds one-time funding for 1.0 Legal Analyst II, limit-dated to June 30, 2017 (\$101,538), to provide vital assistance to the City's attorneys supporting the Planning Division of the Planning, Building and Code Enforcement Department (PBCE). The analyst will review ordinances and resolutions; coordinate Planning-related Public Records Act requests; provide support to attorneys on litigation matters related to the California Environmental Quality Act; and coordinate the review and posting of Planning-related legal documents for the Planning Commission and City Council agendas, as required by the City's Open Government regulations. Additionally, this action adds one-time funding for temporary attorney services (\$90,000) to provide training to less experienced attorneys; provide legal services to Planning based on the increased workload in the Planning area; and provide overflow assistance for general transactional assignments. The temporary attorney support will also provide legal support to address Environmental Services issues in regards to the application process for a State Revolving Fund Loan from the California Water Resources Control Board to fund improvements at the Water Pollution Control Plant and provide legal assistance for negotiations on amendments to the Master Agreement for Wastewater Treatment Between City of San Jose, City of Santa Clara, and Tributary Agencies. The temporary attorney support will also assist with Municipal Water System rate modeling and drought-related issues. This action is funded by the General Fund (\$165,038), the Sewer Service and Use Charge Fund (\$16,300), and the Water Utility Fund (\$10,200), based on their anticipated share of support received from both the Legal Analyst and the temporary attorney services. (Ongoing costs: \$0)</p>			
2. Litigation Division Staffing	0.00	90,000	90,000
Strategic Support CSA <i>Legal Representation</i> <i>Legal Transactions</i>			
<p>This action adds one-time funding of \$90,000 for temporary staff to provide transition support in the Litigation Division. The Office of the City Attorney has experienced significant turnover in the recent past; this funding will ensure continuity in the transfer of litigation knowledge and help less experienced attorneys develop the full range of skills necessary to be a successful litigator. This position will continue to provide expertise in civil rights law, appellate work, and class action law, along with much needed support handling police civil rights cases, including trial work. (Ongoing costs: \$0)</p>			
3. Legal Software Upgrade		60,000	60,000
Strategic Support CSA <i>Legal Representation</i> <i>Legal Transactions</i> <i>Strategic Support</i>			
<p>This action adds one-time funding of \$60,000 to upgrade the office's case management software (ProLaw Matter Management Software). This will allow the software to remain up-to-date and enable more efficient case management. (Ongoing costs: \$0)</p>			

Office of the City Attorney

Budget Changes By Department





Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Municipal Water System Litigation Staffing	0.00	0	(401,256)
<i>Strategic Support CSA</i>			
<i>Legal Representation</i>			
<p>This action shifts funding on a one-time basis for 1.05 Legal Analyst II, 0.6 Deputy City Attorney IV, and 0.6 Senior Deputy City Attorney from the General Fund to the Water Utility Fund. This funding will provide for staff work in the Office of the City Attorney that will support the Municipal Water System. (Ongoing costs: \$0)</p>			
2016-2017 Proposed Budget Changes Total	1.00	341,538	(86,218)

Office of the City Attorney

Performance Summary

Legal Representation

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of time final case results are within staff analyses and/or recommendations	90%	90%	90%	90%
 Cost of representation compared to law offices of similar size, practice, and expertise, including other governmental law offices				
- City Attorney's Office average hourly rate	\$132	\$132	\$133	\$135
- Outside Legal Counsel average hourly rate	\$358	\$360	\$352	\$360
 % of time client is timely informed of significant developments in a case	80%	80%	73%	80%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	92%	90%	87%	90%

Activity and Workload Highlights







	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of claims filed against the City	685	700	847	656
# of lawsuits filed against the City	227	225	180	252
# of lawsuits and administrative actions filed or initiated by the City	203	200	226	228

Office of the City Attorney

Performance Summary

Legal Transactions

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of time final documents accurately reflect the approval of City action	93%	100%	90%	100%
 % of time that advice identifies and analyzes legal issues and risks	93%	85%	91%	85%
 % of time that advice provides alternatives where appropriate	83%	70%	78%	70%
 Cost of advice and documentation compared to law offices of similar size, practice, and expertise including other governmental offices				
- City Attorney's Office average hourly rate	\$132	\$132	\$133	\$135
- Outside Legal Counsel average hourly rate	\$358	\$360	\$352	\$360
 % of time client receives advice/document within mutually accepted time frames	96%	85%	78%	85%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	93%	90%	97%	90%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of Council/Board/Manager memoranda:				
- Prepared	1,360	900	1,100	1,100
- Reviewed	521	1,025	1,010	1,025
# of formal Opinions issued	2	10	10	10
# of Resolutions	477	400	420	400
# of Ordinances	162	175	200	170
# of Agreements	2,014	2,000	2,150	2,540

Office of the City Attorney

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accounting Technician	1.00	1.00	-
Assistant City Attorney	2.00	2.00	-
Associate Deputy City Attorney	1.00	1.00	-
Chief Deputy City Attorney	4.00	4.00	-
City Attorney	1.00	1.00	-
Deputy City Attorney I/II/III/IV	8.00	8.00	-
Executive Assistant	1.00	1.00	-
Legal Administrative Assistant	10.00	10.00	-
Legal Analyst II	13.00	13.00	-
Legal Services Administrator	1.00	1.00	-
Messenger Clerk PT	0.50	0.50	-
Network Engineer	1.00	1.00	-
Office Specialist II	2.00	2.00	-
Police Officer	1.00	1.00	-
Police Sergeant	1.00	1.00	-
Senior Deputy City Attorney I/II/III/IV	26.00	27.00	1.00
Senior Legal Analyst	3.00	3.00	-
Total Positions	76.50	77.50	1.00

Office of the City Auditor

Sharon Winslow Erickson, City Auditor

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Independently assess and report on City operations
and services

City Service Area

Strategic Support

Core Service

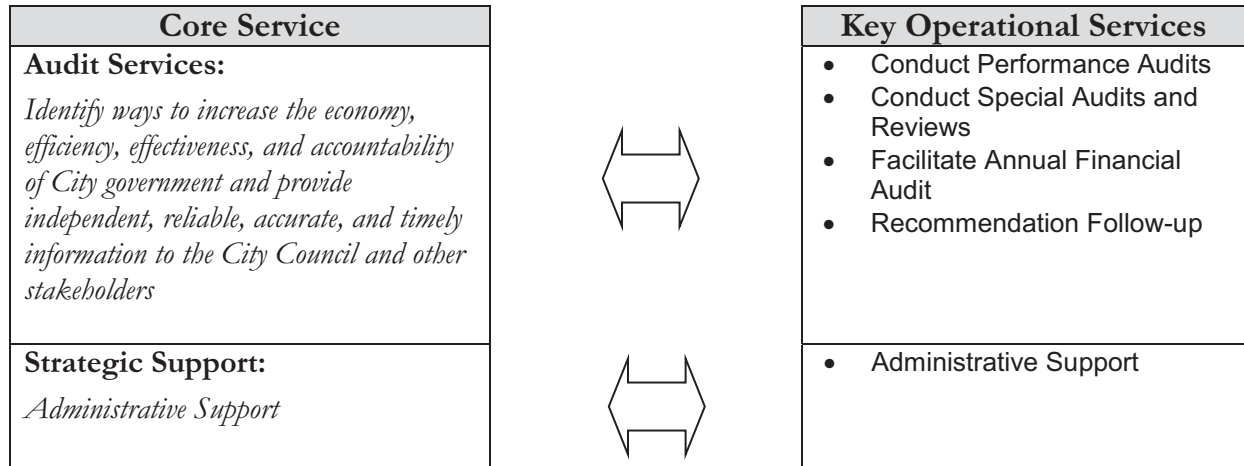
Audit Services

Identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

Strategic Support: Administrative Support

Office of the City Auditor

Service Delivery Framework



Office of the City Auditor

Department Budget Summary

Expected 2016-2017 Service Delivery

- Conduct program performance audits identifying ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The 2016-2017 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2016 with continued focus on searching for revenues and cost-savings opportunities.
- Issue the Annual Report on City Services annually. This report details the cost, workload, and performance data for City services and is intended to improve government transparency and accountability and provide consolidated performance information to the public, allowing informed decision making by City officials, staff, and the public.
- Provide oversight of external auditors on the City of San José Annual Financial Audit and Single Audit; the Audits of Parks and Recreation Bond, Library Bond, Public Safety Bond, and Parcel Tax Funds; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.

2016-2017 Key Budget Actions

N/A

Operating Funds Managed

N/A

Office of the City Auditor

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Audit Services	\$ 2,230,805	\$ 2,267,340	\$ 2,337,550	\$ 2,337,550	3.1%
Strategic Support	9,416	147,316	135,786	135,786	(7.8%)
Total	\$ 2,240,221	\$ 2,414,656	\$ 2,473,336	\$ 2,473,336	2.4%
Dollars by Category					
Personal Services	\$ 2,184,466	\$ 2,345,503	\$ 2,404,183	\$ 2,404,183	2.5%
Overtime	0	0	0	0	0.0%
Subtotal	\$ 2,184,466	\$ 2,345,503	\$ 2,404,183	\$ 2,404,183	2.5%
Non-Personal/Equipment	55,755	69,153	69,153	69,153	0.0%
Total	\$ 2,240,221	\$ 2,414,656	\$ 2,473,336	\$ 2,473,336	2.4%
Dollars by Fund					
General Fund	\$ 2,115,412	\$ 2,268,223	\$ 2,473,336	\$ 2,473,336	9.0%
Integrated Waste Mgmt	124,809	16,108	0	0	(100.0%)
Sewer Svc & Use Charge	0	11,715	0	0	(100.0%)
SJ/SC Treatment Plant Oper	0	95,181	0	0	(100.0%)
Storm Sewer Operating	0	14,643	0	0	(100.0%)
Water Utility	0	8,786	0	0	(100.0%)
Total	\$ 2,240,221	\$ 2,414,656	\$ 2,473,336	\$ 2,473,336	2.4%
Authorized Positions by Core Service					
Audit Services	14.00	14.00	14.00	14.00	0.0%
Strategic Support	1.00	1.00	1.00	1.00	0.0%
Total	15.00	15.00	15.00	15.00	0.0%

Office of the City Auditor

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)




	<u>Positions</u>	<u>All Funds (\$)</u>	<u>General Fund (\$)</u>
Prior Year Budget (2015-2016):	15.00	2,414,656	2,268,223
<hr/> Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Senior Office Specialist to 1.0 Program Performance Auditor I/II		57,180	203,613
• Professional Development Program		1,500	1,500
Technical Adjustments Subtotal:	0.00	58,680	205,113
2016-2017 Forecast Base Budget:	15.00	2,473,336	2,473,336
<hr/> Budget Proposals Recommended			
NONE			
2016-2017 Proposed Budget Total:	15.00	2,473,336	2,473,336

Office of the City Auditor

Performance Summary

Audit Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of audit recommendations implemented (cumulative over 10 years)	64%	80%	64%	80%
 Ratio identified monetary benefit to audit cost	\$7.9 to \$1	\$4 to 1	\$2.3 to \$1	\$4 to \$1
 % of approved workplan completed or substantially completed during the fiscal year	72%	80%	70%	80%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of audit reports issued	19	18	18	18
# of audit recommendations adopted	104	50	65	50
# of audit reports per auditor	1.7 to 1	1.5 to 1	1.5 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings) *	\$19,080,000	\$8,000,000	\$5,000,000	\$8,000,000

* The 2014-2015 identified monetary benefits amount is an estimate based on revenue enhancements and cost savings identified in the audits of City Procurement Cards, Development Services, Facilities Maintenance, Accounts Receivable, and Street Pavement Maintenance. The \$18.5 million in savings identified as part of the *Street Pavement Maintenance Audit* is based on the methodology that every dollar the City spends on preventative pavement maintenance will save at least one dollar in future maintenance costs, consistent with previous City Administration analysis. The 2015-2016 estimate includes potential savings in General Fund subsidies identified in the *Audit of Golf Courses*.

Office of the City Auditor

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	7.00	8.00	1.00
Senior Office Specialist	1.00	0.00	(1.00)
Senior Program Performance Auditor	5.00	5.00	-
Total Positions	15.00	15.00	0.00

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Office of the
City Clerk
Toni J. Taber, City Clerk

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Maximize public access to municipal government

City Service Area

Strategic Support

Core Service

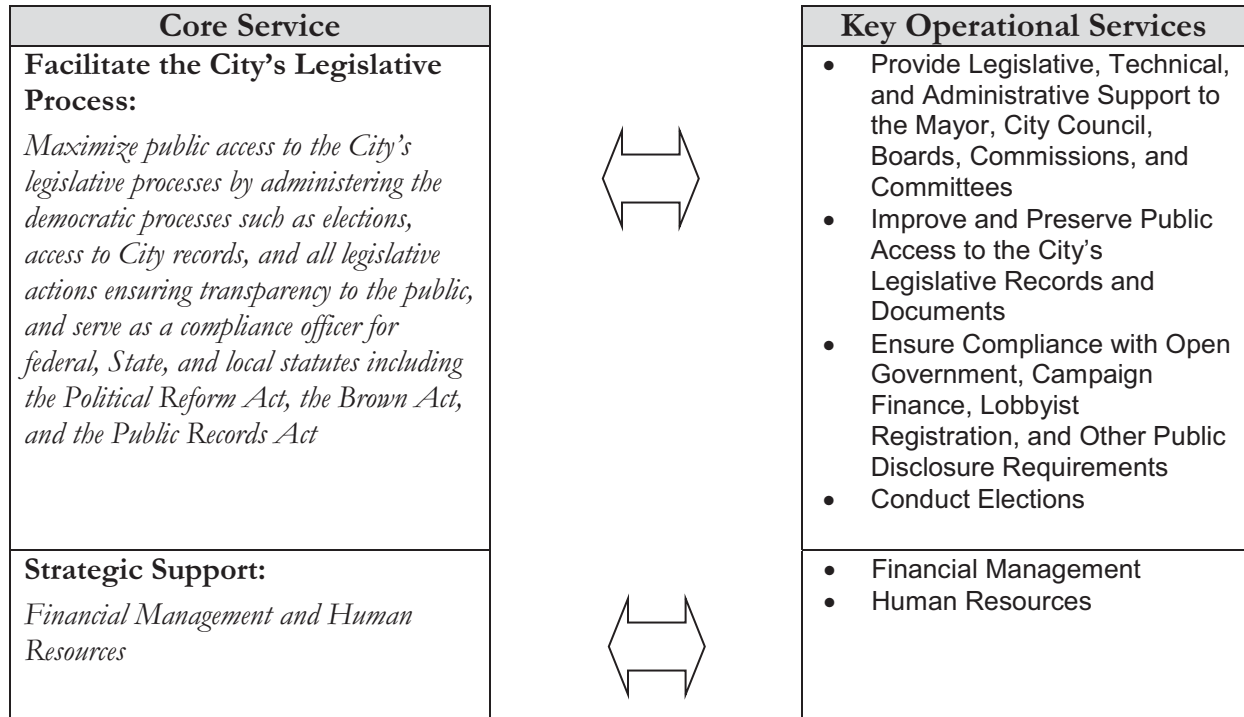
Facilitate the City's Legislative Process

Maximize public access to the City's legislative processes by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public, and serve as a compliance officer for federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act

Strategic Support: Financial Management and Human Resources

Office of the City Clerk

Service Delivery Framework



Office of the City Clerk

Department Budget Summary

Expected 2016-2017 Service Delivery

- Maintain Sunshine/Open Government Reforms to provide transparent legislative services.
- Create and distribute agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings. In addition, prepare and distribute minutes for all other Council Committees.
- Provide fiscal, grant, budget, human resources, payroll, administrative, and technical support services to the Mayor's Office, City Council Offices, and for the City's Boards, Commissions, and Committees.
- Provide access to the City's legislative records and documents.
- Maintain and improve compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with City Charter and State of California elections code.

2016-2017 Key Budget Actions

N/A

Operating Funds Managed

N/A

Office of the City Clerk

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Facilitate the City's Legislative Process	\$ 1,808,284	\$ 2,364,271	\$ 2,146,722	\$ 2,146,722	(9.2%)
Strategic Support	166,588	243,883	263,565	263,565	8.1%
Total	\$ 1,974,872	\$ 2,608,154	\$ 2,410,287	\$ 2,410,287	(7.6%)
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 1,755,134	\$ 2,040,224	\$ 2,185,357	\$ 2,185,357	7.1%
Overtime	4,734	0	0	0	0.0%
Subtotal	\$ 1,759,868	\$ 2,040,224	\$ 2,185,357	\$ 2,185,357	7.1%
Non-Personal/Equipment	215,004	567,930	224,930	224,930	(60.4%)
Total	\$ 1,974,872	\$ 2,608,154	\$ 2,410,287	\$ 2,410,287	(7.6%)
Dollars by Fund					
General Fund	\$ 1,974,872	\$ 2,608,154	\$ 2,410,287	\$ 2,410,287	(7.6%)
Total	\$ 1,974,872	\$ 2,608,154	\$ 2,410,287	\$ 2,410,287	(7.6%)
Authorized Positions by Core Service					
Facilitate the City's Legislative Process	13.00	13.00	13.00	13.00	0.0%
Strategic Support	2.00	2.00	2.00	2.00	0.0%
Total	15.00	15.00	15.00	15.00	0.0%

Office of the City Clerk

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)








	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	15.00	2,608,154	2,608,154
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Electronic Document Management System		(325,000)	(325,000)
One-time Prior Year Expenditures Subtotal:	0.00	(325,000)	(325,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Account Clerk II to 1.0 Senior Account Clerk		127,133	127,133
• Professional Development Program		100	100
Technical Adjustments Subtotal:	0.00	127,233	127,233
2016-2017 Forecast Base Budget:	15.00	2,410,387	2,410,387
<hr/> Budget Proposals Recommended <hr/>			
NONE			
<hr/>			
2016-2017 Proposed Budget Total	15.00	2,410,387	2,410,387
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Office of the City Clerk

Performance Summary

Facilitate the City's Legislative Process

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of complete City Council Agenda packets available online 10 days prior to Council meeting	100%	95%	100%	95%
 Estimated cost to document and track legislative actions per Council meeting	\$3,075	\$3,075	\$3,075	\$3,175
 % of Public Records Act requests received and fulfilled by the Clerk's Office within 10 days of request	98%	98%	98%	98%
 % City contracts that have all required documents after compliance check	95%	95%	95%	95%
 % of Council synopses completed and posted online within three business days after the Council meeting	90%	95%	90%	95%
 % of Resolutions/Ordinances posted online within 3 business days of receipt from the City Attorney's Office	95%	95%	95%	95%
 % of customers rating customer service experience with the Clerk's Office as good or excellent	N/A*	N/A*	N/A*	100%

* Data collection and methodology are currently under review by the Office of the City Clerk.

Office of the City Clerk

Performance Summary

Facilitate the City's Legislative Process

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of meetings staffed*	183	213	175	175
# of board/commission applications processed	266	250	250	250
# of contracts processed**	1,369	1,500	1,700	1,700
# of grants processed (Council Office and Arena Community Fund)	581	600	700	700
# of Statements of Economic Interests/Family Gift Reports processed	2,478	2,312	3,000	3,000
# of campaign filings processed	609	400	500	500
# of ads placed in legal publications	318	250	300	300
# of Lobbyist Reports processed	113	300	200	200
# of Ordinances and Resolutions processed	725	500	500	500
# of Council Actions recorded, processed, and tracked	954	1,100	1,000	1,000
# of Public Records Act requests processed	687	1,000	900	1,000
# of internal requests for information/ documents processed	1,234	1,000	1,200	1,000

* Meetings defined as City Council meetings and study sessions; Council Committees; Civil Service, Elections, and Council Salary Setting Commissions; and Council Appointment Advisory Commission.

** Data includes contracts and grants processed.

Office of the City Clerk

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	1.00	0.00	(1.00)
Analyst II	3.00	3.00	-
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Legislative Secretary	4.00	4.00	-
Office Specialist II	1.00	1.00	-
Senior Account Clerk	0.00	1.00	1.00
Senior Analyst	1.00	1.00	-
Staff Technician	3.00	3.00	-
Total Positions	15.00	15.00	0.00

Office of the City Manager

Norberto Dueñas, City Manager

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Provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs

City Service Area

Strategic Support

Core Services

Analyze, Develop, and Recommend Public Policy

Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy

Lead and Advance the Organization

Advance organizational vision, determine accountability, set organizational goals, and build organizational capacity

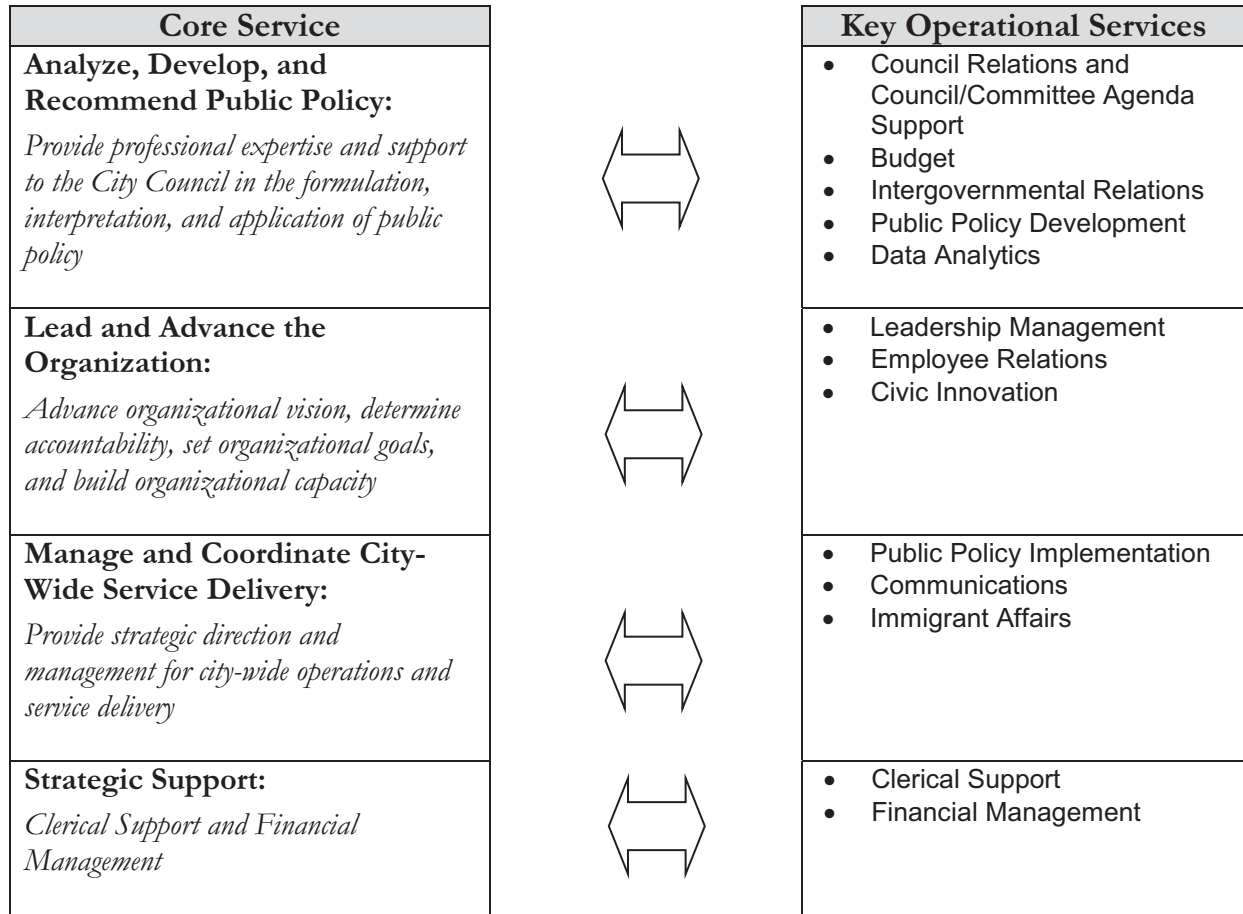
Manage and Coordinate City-Wide Service Delivery

Provide strategic direction and management for city-wide operations and service delivery

Strategic Support: Clerical Support and Financial Management

Office of the City Manager

Service Delivery Framework



Office of the City Manager

Department Budget Summary

Expected 2016-2017 Service Delivery

- The City Manager's Office will continue to provide strategic leadership that supports the Mayor and City Council and challenges the organization to deliver high-quality, cost-effective services that meet the needs of the community.
- The City Manager's Office will continue to support the City Council's setting of priorities among ordinances and other initiatives, as well as monitor and report progress on the development and implementation of these priorities. The City Manager's Office will also continue to support the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- The City Manager's Office will continue to engage the workforce through ongoing structured communication and the coordination and implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain employees.
- The Budget Office will continue to effectively forecast and monitor both revenues and expenditures in over 110 different funds in 2016-2017 and will develop the 2017-2018 Proposed Budget for City Council consideration that incorporates program budgeting with the new budget system. The focus will be on maintaining budget stability and strategically investing the City's limited resources to keep our community safe, invest for our future, and maximize efficiency and effectiveness.
- The Office of Employee Relations will be engaged in a variety of labor relations with the City's 11 bargaining units as needed in 2016-2017.
- The Office of Innovation and Digital Strategy will be established in order to move the City forward by pursuing opportunities that keep the City on the front line of innovation. The team will seek to improve the efficiency and effectiveness of service delivery by complementing the Smart City Vision.
- Intergovernmental Relations will continue to pursue and protect the best interest of the City through legislative advocacy at the regional, state and federal levels with resources dedicated in the Office of the City Manager and the Sacramento Legislative Office.
- The Communication Office will continue to keep the community informed about City services, achievements, and issues; develop and improve effective communication channels; and support departmental communication efforts and programs.
- The Office of Immigrant Affairs, in coordination with the Welcoming San José Steering Committee, will continue to develop a plan to create a welcoming environment for immigrants and strategies that support the integration of various immigrant groups in San José.

2016-2017 Key Budget Actions

- Establishes the Office of Innovation and Digital Strategy that will provide oversight and implementation support for City innovation projects, technology and programs. The addition of 1.0 Deputy City Manager and 1.0 Senior Executive Analyst along with the existing Data Analytics Team will serve as a primary point of contact for new ideas with corporate partners and enhance opportunities to facilitate the use of technology, data and evidence for decision making throughout the City.
- One-time funding for the purchase of a new Web Content Management System for the City's internet, with secure external hosting, support and maintenance for websites is included.

Operating Funds Managed

- Ice Centre Revenue Fund
- San José Municipal Stadium Capital Fund

Office of the City Manager

Department Budget Summary

		2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service						
Analyze, Develop, and Recommend Public Policy	\$	5,114,255	\$ 5,583,713	\$ 5,806,259	\$ 5,502,048	(1.5%)
Lead and Advance the Organization		2,486,137	2,347,142	2,644,978	3,600,877	53.4%
Manage and Coordinate City-Wide Service Delivery		3,877,647	4,568,761	4,434,403	4,784,403	4.7%
Strategic Support		359,987	396,756	303,142	303,142	(23.6%)
Total	\$	11,838,026	\$ 12,896,372	\$ 13,188,782	\$ 14,190,470	10.0%
Dollars by Category						
Personal Services						
Salaries/Benefits	\$	10,808,924	\$ 11,793,152	\$ 12,016,968	\$ 12,408,656	5.2%
Overtime		56,846	62,478	62,478	62,478	0.0%
Subtotal	\$	10,865,770	\$ 11,855,630	\$ 12,079,446	\$ 12,471,134	5.2%
Non-Personal/Equipment						
		972,256	1,040,742	1,109,336	1,719,336	65.2%
Total	\$	11,838,026	\$ 12,896,372	\$ 13,188,782	\$ 14,190,470	10.0%
Dollars by Fund						
General Fund	\$	11,511,554	\$ 12,753,823	\$ 13,044,236	\$ 14,045,924	10.1%
Airport Maint & Oper		222,818	24,500	24,500	24,500	0.0%
Low/Mod Income Hsg Asset		45,724	49,971	51,093	51,093	2.2%
Sewer Svc & Use Charge		22,035	26,013	26,558	26,558	2.1%
SJ/SC Treatment Plant Oper		35,895	42,065	42,395	42,395	0.8%
Total	\$	11,838,026	\$ 12,896,372	\$ 13,188,782	\$ 14,190,470	10.0%
Authorized Positions by Core Service						
Analyze, Develop, and Recommend Public Policy		28.40	28.00	28.70	26.70	(4.6%)
Lead and Advance the Organization		12.90	13.40	15.10	19.10	42.5%
Manage and Coordinate City-Wide Service Delivery		22.20	19.70	17.30	17.30	(12.2%)
Strategic Support		2.00	2.00	2.00	2.00	0.0%
Total		65.50	63.10	63.10	65.10	3.2%

Office of the City Manager

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	63.10	12,896,372	12,753,823
<hr/> Base Adjustments <hr/>			
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Deputy City Manager to 1.0 Sr. Deputy City Manager - 1.0 Senior Executive Analyst to 1.0 Assistant to the City Manager		284,990	282,993
• Vacancy Factor		(62,674)	(62,674)
• Pier Systems News and Information Website		20,647	20,647
• Hosted Webstreaming and Closed Captioning Services		16,700	16,700
• Website Analytics and Hosting Services		15,837	15,837
• CreaTV Video Production Broadcast Services for City Meetings		10,000	10,000
• Music Licensing		2,600	2,600
• Software Licensing Subscription		1,700	1,700
• Professional development program		1,500	1,500
• Sacramento Office Lease		1,110	1,110
Technical Adjustments Subtotal:	0.00	292,410	290,413
2016-2017 Forecast Base Budget:	63.10	13,188,782	13,044,236
<hr/> Budget Proposals Recommended <hr/>			
1. Office of Civic Innovation and Digital Strategy	2.00	651,688	651,688
2. Web Content Management		350,000	350,000
Total Budget Proposals Recommended	2.00	1,001,688	1,001,688
2016-2017 Proposed Budget Total	65.10	14,190,470	14,045,924

Office of the City Manager

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Office of Civic Innovation and Digital Strategy	2.00	651,688	651,688
Strategic Support CSA <i>Analyze, Develop, and Recommend Public Policy Lead and Advance the Organization</i>			
<p>This action establishes the Office of Innovation and Digital Strategy through the addition of 1.0 Deputy City Manager and 1.0 Senior Executive Analyst (SEA), and reassigns the existing Budget Office Data Analytics Team consisting of 1.0 SEA and 1.0 Executive Analyst to this new office. The Office will provide oversight, coordination and implementation support for City innovation projects and programs and lead the Administration's effort to support the Mayor and City Council in implementing the Smart Cities Vision. The team will work with various Departments to develop ideas and partnerships to solve service delivery problems, as well as keep pace with developing public and private innovations that enhance City services. The team will also serve as a primary point of contact for new ideas with corporate partners, facilitate the Administration's Civic Innovation Cabinet, and assist staff in preparing and vetting concepts to meet both operational and innovation goals. As San José aims to lead as a smart city and ensure future-ready digital infrastructure for the entire community, this action also provides one-time funding of \$250,000 to begin the process of developing an Information and Communications Technology Masterplan for the City government organization, as well as for the broader San José community. This will be a significant, strategic, multi-year, effort that will involve the Information Technology Department, and other key Departments, as well as technical consulting expertise. These funds allow the project to get started in 2016-2017 with assessment and documentation of assets in digital form (e.g., conduit location and condition), identification of gaps in our network, articulation of priority needs and opportunities, and analysis of potential public-private partnership models, including a potential Request for Proposals to test private interest in investing in our municipal fiber network. (Ongoing costs: \$401,688)</p>			
2. Web Content Management System		350,000	350,000
Strategic Support CSA <i>Manage and Coordinate City-Wide Service Delivery</i>			
<p>This action adds one-time funding of \$350,000 for the purchase of a Web Content Management System (Web CMS) for the City's internet websites. The current agreement with the City's Web CMS provider is scheduled to expire on January 31, 2017. A Request for Proposal is currently underway to select a vendor for a multi-year agreement that will provide web-based software, project development, training, maintenance, support, and external hosting services for sanjoseca.gov and the intranet, if needed. The selected Web CMS will enhance and further support the City's website as a service delivery platform, foster consistency across web pages, simplify the process to post updates, improve the public's access to information, and provide dynamic content. In addition, the new content management system should enable the City's website(s) to comply with Americans with Disabilities Act accessibility and W3C standards, improve the user experience, provide a mobile and responsive platform, accommodate Web 2.0 and other technologies, and allow for tools that support community engagement. (Ongoing costs: \$0)</p>			
2016-2017 Proposed Budget Changes Total	2.00	1,001,688	1,001,688

Office of the City Manager

Performance Summary




Analyze, Develop and Recommend Public Policy

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of City Council agenda reports approved	680	880	725	750
# of City Council referrals assigned	75	80	70	75
# of City-sponsored bills	4	4	5	5
# of legislative items reviewed	1,429	4,800	3,900	4,000

Lead and Advance the Organization

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of employees who take the workforce engagement survey	58%	65%	56%	65%
 Ratio of engaged employees for every one actively disengaged employee	1.2 : 1	1.5 : 1	N/A*	2.5 : 1
 Average employee rating of progress made on survey goals (1 to 5 scale)	3.56	3.56	N/A*	3.90

* Data for these measures is collected biennial from the newly revamped Employee Survey, utilizing the Gallup Q12 methodology. The survey was first taken in December 2014.

Activity and Workload Highlights

Activity & Workload Highlights	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of "Step 3" grievances received**	5	12	3	5
# of training sessions offered by the Office of Employee Relations	82	65	89	90
# of formal disciplines received	31	40	30	35
# of external fair employment complaints filed	6	8	4	5






** Step 3 grievances are defined as the final step in grievance procedures for internal resolution. If the grievance is not resolved at Step 3, unions may appeal it to arbitration. A grievance is defined as any dispute between the City and a union regarding the interpretation or application of the written Memorandum of Agreement or the Employer-Employee Resolution #39367, as amended.

Office of the City Manager

Performance Summary

Manage and Coordinate City-Wide Service Delivery

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of core services meeting or exceeding levels established by the City Council	52%	63%	55%	63%
 % of core services meeting or exceeding their cycle time targets	45%	58%	52%	58%
 % of residents that are satisfied or very satisfied with the quality of City services	61%	75%	N/A*	65%
 % of residents contacting the City who say they are satisfied or very satisfied with the:				
- timeliness of City employees	68%	78%	N/A*	70%
- courtesy of City employees	80%	90%	N/A*	80%
- competency of City employees	74%	80%	N/A*	75%
 % of residents rating the quality of life in San José as good or excellent	72%	82%	N/A*	75%

** Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of contracts/agreements approved	1,050	1,250	1,150	1,100

Office of the City Manager

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Administrative Assistant	1.00	1.00	-
Analyst I/II	6.00	6.00	-
Assistant Budget Director	1.00	1.00	-
Assistant City Manager	1.00	1.00	-
Assistant to the City Manager	10.00	11.00	1.00
Budget Director	1.00	1.00	-
City Manager	1.00	1.00	-
Deputy City Manager	2.00	2.00	-
Deputy Director	2.00	2.00	-
Director of Communication	1.00	1.00	-
Employee Relations Director	1.00	1.00	-
Executive Analyst I/II	5.00	5.00	-
Executive Assistant	2.00	2.00	-
Executive Assistant to the City Manager	1.00	1.00	-
Legislative Research Specialist	1.00	1.00	-
Office Specialist II	1.00	1.00	-
Program Manager I	1.00	1.00	-
Secretary	1.00	1.00	-
Secretary PT	0.50	0.50	-
Senior Deputy City Manager	0.00	1.00	1.00
Senior Executive Analyst	17.00	17.00	-
Senior Executive Analyst PT	0.60	0.60	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Technician	5.00	5.00	-
Total Positions	63.10	65.10	2.00

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**City Manager -
Office of
Economic Development**
Kim Walesh, Deputy City Manager

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Catalyze job creation, private investment,
revenue generation, and talent development
and attraction

City Service Area

Community and Economic Development

Core Services

Arts and Cultural Development

Support diverse cultural amenities, offerings and organizations, and authorize and coordinate outdoor special events on public and private property

Business Development and Economic Strategy

Assist business location and expansion, advance San José's Economic Strategy, and support council policy-making

Real Estate Services

Manage the City's real estate assets and facilitate real estate-related transactions to support City projects and generate revenue



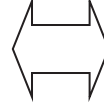


Regional Workforce Development

Assist businesses in hiring a quality workforce through assessment, supportive services, and skills training

Strategic Support: Budget/Fiscal Management and Administrative Support

City Manager – Office of Economic Development

Service Delivery Framework

Core Service		Key Operational Services
<p>Arts and Cultural Development: <i>Support diverse cultural amenities, offerings and organizations, and authorize and coordinate outdoor special events on public and private property</i></p>		<ul style="list-style-type: none"> • Arts/Festival Grants and Assistance • Cultural Facilities • Cultural Planning, Policy and Initiatives/Arts Commission Support • Public Art & Design: Master Plan Implementation/Inter-Agency Coordination • Public Art Project Management • Event Authorization • Inter-Departmental and External-Agency Coordination
<p>Business Development and Economic Strategy: <i>Assist business location and expansion, advance San José’s Economic Strategy, and support council policy-making</i></p>		<ul style="list-style-type: none"> • Economic Strategy and Policy • Business Outreach, Retention, and Attraction • Development Project Facilitation • Clean-Tech Strategy • Downtown Management • Incentive Programs • Business Communication • Air Service Development
<p>Real Estate Services: <i>Manage the City’s real estate assets and facilitate real estate-related transactions to support City projects and generate revenue</i></p>		<ul style="list-style-type: none"> • Asset Management • Property Sales • Acquisitions • Easements • Right of Way • Leasing
<p>Regional Workforce Development: <i>Assist businesses in hiring a quality workforce through assessment, supportive services, and skills training</i></p>		<ul style="list-style-type: none"> • Business Services • work2future Program Administration
<p>Strategic Support: <i>Budget/Fiscal Management and Administrative Support</i></p>		<ul style="list-style-type: none"> • Budget/Fiscal Management • Administrative Support

City Manager – Office of Economic Development

Department Budget Summary

Expected 2016-2017 Service Delivery

- Engage and assist companies that can create jobs and expand the City's tax base, with particular focus on emerging growth companies, anchor employers and revenue-generators, clean technology firms, and incoming foreign investment. Advance development of clean tech cluster through industry engagement, demonstration partnerships, and advocacy. Facilitate development projects that generate property tax and sales tax revenue.
- Provide a range of re-employment services to residents who continue to remain unemployed by creating opportunities to earn job skills and credentials.
- Assist arts organizations, cultural facilities, and outdoor event producers to sustain, innovate, and adapt in a changing fiscal environment.
- Manage the City's real estate assets with a focus on revenue generation, cost minimization, and timely transaction services.

2016-2017 Key Budget Actions

- Adds one-time funding of \$1,470,000 to continue the San José Works youth initiative, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$1,000,000 to secure a permanent site for the San José Stage Company, as described in the General Fund Capital, Transfers, Reserves section of this document.
- Adds one-time funding of \$352,000, partially offset by grant funds from the California High Speed Rail Authority, to continue the coordination of the Council-approved Diridon Station Area Plan, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$350,000 to increase support to the San Jose Sports Authority to attract major sporting events, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$200,000 to support business outreach and development, economic and policy analysis and development, and program marketing and expansion.
- Adds one-time funding of \$200,000 to continue the Manufacturing Jobs Initiative as an incentive to retrofit older, vacant industrial buildings by covering the cost of permit approvals, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$200,000 for Pre-Development Activities, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$100,000 to support the City's partnerships with small property and business owners in creating Business Improvement Districts, as described in the City-Wide Expenses section of this document.
- Makes permanent 1.0 Arts Programs Coordinator to assist with securing a permanent site for San José Stage Company and work on various projects such as City Rotunda Lighting Program, the city-wide creative art place making initiative, San José Creates & Connects, and City Hall Plaza Artwork projects.
- Adds 1.0 Staff Technician in the Workforce Development Division to provide administrative support and help pursue grant opportunities.

Operating Funds Managed

- | | |
|--------------------------------------------------------------|-------------------------------------------------------|
| <input type="checkbox"/> Business Improvement District Fund | <input type="checkbox"/> Transient Occupancy Tax Fund |
| <input type="checkbox"/> San José Arena Capital Reserve Fund | <input type="checkbox"/> Workforce Development Fund |
| <input type="checkbox"/> San José Arena Enhancement Fund | |

City Manager - Office of Economic Development

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Arts and Cultural Development	\$ 2,046,931	\$ 2,442,322	\$ 2,368,207	\$ 2,464,121	0.9%
Business Development and Economic Strategy	2,545,846	3,745,663	3,548,376	3,832,737	2.3%
Real Estate Services	1,176,955	1,480,962	1,440,481	1,440,481	(2.7%)
Regional Workforce Development	2,598,632	2,676,326	2,773,134	2,773,134	3.6%
Strategic Support	899,292	606,388	699,720	699,720	15.4%
Total	\$ 9,267,656	\$ 10,951,661	\$ 10,829,918	\$ 11,210,193	2.4%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 8,886,080	\$ 9,717,494	\$ 10,053,751	\$ 10,234,026	5.3%
Overtime	16,587	0	0	0	0.0%
Subtotal	\$ 8,902,667	\$ 9,717,494	\$ 10,053,751	\$ 10,234,026	5.3%
Non-Personal/Equipment					
Total	\$ 364,989	1,234,167	776,167	976,167	(20.9%)
Total	\$ 9,267,656	\$ 10,951,661	\$ 10,829,918	\$ 11,210,193	2.4%
Dollars by Fund					
General Fund	\$ 3,777,083	\$ 5,033,432	\$ 4,993,264	\$ 5,193,264	3.2%
Airport Maint & Oper	130,394	178,915	146,562	146,562	(18.1%)
Integrated Waste Mgmt	72,618	80,595	0	0	(100.0%)
SJ/SC Treatment Plant Oper	26,270	30,180	0	0	(100.0%)
Transient Occupancy Tax	1,397,918	1,967,960	1,871,958	2,036,088	3.5%
Workforce Development	2,856,514	2,910,895	3,018,855	3,103,216	6.6%
Capital Funds	1,006,859	749,684	799,279	731,063	(2.5%)
Total	\$ 9,267,656	\$ 10,951,661	\$ 10,829,918	\$ 11,210,193	2.4%
Authorized Positions by Core Service					
Arts and Cultural Development	11.03	13.15	11.15	12.15	(7.6%)
Business Development and Economic Strategy	15.50	17.55	17.32	18.32	4.4%
Real Estate Services	7.70	7.25	7.48	7.48	3.2%
Regional Workforce Development	16.60	16.00	16.00	16.00	0.0%
Strategic Support	3.17	3.05	3.05	3.05	0.0%
Total	54.00	57.00	55.00	57.00	0.0%

City Manager - Office of Economic Development

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	57.00	10,951,661	5,033,432
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Real Estate Services Document Imaging and Records Retention System		(200,000)	(200,000)
• Economic Development/Incentive Fund Partial Reallocation to Business Development and Economic Strategy Activities		(200,000)	(200,000)
• Office of Cultural Affairs Arts Staffing (2.0 Arts Programs Coordinator)	(2.00)	(183,428)	0
• Small Business Ally Translation Staffing and Services		(50,000)	(50,000)
One-time Prior Year Expenditures Subtotal:	(2.00)	(633,428)	(450,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		521,185	422,332
- 1.0 Analyst to 1.0 Senior Analyst			
- 1.0 Manager of Corporate Outreach to 1.0 Economic Development Manager			
- 1.0 Senior Executive Analyst to 1.0 Public Information Manager			
• Various non-personal/equipment adjustments in Business Development		(11,000)	(11,000)
• Vehicle maintenance and operations		3,000	0
• Professional Development Program		(1,500)	(1,500)
Technical Adjustments Subtotal:	0.00	511,685	409,832
2016-2017 Forecast Base Budget:	55.00	10,829,918	4,993,264
Budget Proposals Recommended			
1. Business Development and Economic Strategy Activities		200,000	200,000
2. Office of Cultural Affairs Arts Staffing	1.00	95,914	0
3. Workforce Development Administrative Support Staffing	1.00	84,361	0
Total Budget Proposals Recommended	2.00	380,275	200,000
2016-2017 Proposed Budget Total	57.00	11,210,193	5,193,264

City Manager – Office of Economic Development

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Business Development and Economic Strategy Activities		200,000	200,000

Community and Economic Development CSA
Business Development and Economic Strategy

This action adds one-time funding of \$200,000 to the Business Development Division to support business attraction, retention, and expansion efforts through marketing communications, business outreach, retail market analysis, and small business support. Many of these economic development functions were previously performed by the San Jose Redevelopment Agency. Over the past three years, as a result of an improving economy, there have been significant increases in development opportunities and expansion of businesses. In addition to supporting core operational functions, such as managing several business assistance programs and one-time incentive programs, the economic development team also plays a significant role in managing international relationships and delegations that visit the City. Funding will be used for projects including, but not limited to: consultant support for policy review; data and analytics purchases to support economic analysis; event participation and sponsorship; development and production of marketing materials, such as maps and brochures; maintenance and distribution of the SJEconomy.com website and NewsBrief; support of one-time special events; hosting and travel expenses related to international relations; and business operations upgrades, such as banner system modifications and Customer Relationship Management System/NewsBrief integration. (Ongoing costs: \$0)

2. Office of Cultural Affairs Arts Staffing	1.00	95,914	0
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Community and Economic Development CSA
Arts and Cultural Development

This action makes permanent 1.0 Arts Programs Coordinator and shifts 0.6 Senior Arts Programs Coordinator from capital funds to the Transient Occupancy Tax Fund. The positions will assist with securing a permanent site for the San José Stage Company; work on the City Rotunda Lighting Program; work on the city-wide creative art place making initiative, San José Creates & Connects; and work on City Hall Plaza Artwork projects. The positions will also participate on policy work and develop Requests for Proposals for the aforementioned projects. Additionally, these positions will continue to coordinate the facility management of the Hammer Theatre and the Children’s Discovery Museum. (Ongoing costs: \$96,930)

City Manager – Office of Economic Development

Budget Changes By Department





Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Workforce Development Administrative Support Staffing	1.00	84,361	0
<i>Community and Economic Development CSA</i> <i>Business Development and Economic Strategy</i>			
This action adds 1.0 Staff Technician in the Workforce Development Division to provide administrative support for its programs, identify grant funding opportunities, prepare grant applications, and monitor grant revenues and expenditures. The addition of a Staff Technician will help ensure the continued success of the division's operations in leveraging outside funding opportunities to assist businesses and individuals in meeting the workforce demands and opportunities of a global economy. (Ongoing costs: \$85,237)			
2016-2017 Proposed Budget Changes Total	2.00	380,275	200,000

City Manager – Office of Economic Development

Performance Summary

Arts and Cultural Development

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of public art works that are in the City's permanent collection that are in good to excellent condition based on their physical and operational condition	80%	80%	80%	80%
 Total OCA grant awards	\$3.0 million	\$3.0 million	\$3.7 million	\$4.0 million
 % of responding funded cultural organizations rating the arts grants program good to excellent based on responsiveness and timeliness	94%	90%	100%	90%
 % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	38%	42%	N/A*	41%

* Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of arts and cultural grants awarded	83	90	99	95
# of public art works in the City's permanent collection	237	282	273	281
# of outdoor special events coordinated by OCA	516*	320	355**	330
# of reported attendees at OCA coordinated events	1,800,000*	1,300,000	1,800,000**	1,400,000
Grant funding for special events	\$331,200	\$300,000	\$454,158	\$400,000

* The 2014-2015 Actual includes the inaugural Holiday Pop-Up event, which increased the number of outdoor special events and number of reported attendees.




** The 2015-2016 Estimated includes Super Bowl 50 events, which increased the number of outdoor special events and number of reported attendees.

City Manager – Office of Economic Development

Performance Summary

Business Development and Economic Strategy

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Estimated jobs generated/retained by companies that received OED assistance	5,367	4,500	5,400	4,000
 Ratio of tax revenues (e.g. sales and business taxes, excludes property taxes) generated by assisted companies per estimated OED outreach expenditure	2.9:1	2:1	2:1	2:1
 Ratio of City's investments per job generated	\$590:1	\$649:1	\$642:1	\$650:1

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of companies receiving permitting assistance	29	25	40	25
# of firms with which OED held meetings	427	350	350	250
# of establishments participating in business assistance programs (Foreign Trade Zone and Business Cooperation Program)	17	15	18	15

City Manager – Office of Economic Development

Performance Summary

Real Estate Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
\$ Revenue Generated:				
a) Leases	\$708,438	\$605,000	\$692,365	\$824,365
b) Telecom	\$1,358,497	\$920,000	\$1,025,000	\$524,295*
c) Surplus property sales	\$1,551,756	\$915,000	\$915,000	\$1,035,000

* The lower revenue projection for 2016-2017 reflects various telecommunication leases that are set to expire in 2015-2016 and 2016-2017.

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of properties managed	48	48	48	48
# of real estate transactions within 12 months	110	118	110	120

City Manager – Office of Economic Development

Performance Summary

Regional Workforce Development

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Estimated % of clients placed in jobs Goals set annually by State of CA				
- Adults	58.1%	51.5%	51.5%	TBD*
- Dislocated workers	66.7%	58.5%	58.5%	TBD*
- Youth	77.7%	60.0%	60.0%	TBD*
 Estimated % of clients employed six months after initial placement Goals set annually by State of CA				
- Adults	83.2%	79.0%	79.0%	TBD*
- Dislocated workers	86.9%	83.0%	83.0%	TBD*

* Targets have not been negotiated with the Employment Development Department for 2016-2017 and are expected in fall 2016.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of business clients served by the Business Services Unit	321	250	250	250

City Manager - Office of Economic Development

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accountant II	2.00	2.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	6.00	5.00	(1.00)
Arts Programs Coordinator	2.00	1.00	(1.00)
Assistant Director	2.00	2.00	-
Assistant to the City Manager	2.00	2.00	-
Deputy City Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Division Manager	2.00	2.00	-
Economic Development Manager	0.00	1.00	1.00
Economic Development Officer	1.00	1.00	-
Events Coordinator II	1.00	1.00	-
Executive Analyst II	2.00	2.00	-
Executive Assistant	1.00	1.00	-
Manager of Corporate Outreach	1.00	0.00	(1.00)
Public Information Manager	0.00	1.00	1.00
Real Property Agent II	4.00	4.00	-
Secretary	1.00	1.00	-
Senior Account Clerk	2.00	2.00	-
Senior Analyst	3.00	4.00	1.00
Senior Arts Program Coordinator	5.00	5.00	-
Senior Events Coordinator	1.00	1.00	-
Senior Executive Analyst	12.00	11.00	(1.00)
Staff Specialist	1.00	1.00	-
Staff Technician	2.00	3.00	1.00
Supervising Accountant	1.00	1.00	-
Total Positions	57.00	57.00	0.00

Environmental Services Department

Kerrie Romanow, Director

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Delivering world class utility services and programs to improve our health, environment, and economy

City Service Areas

Environmental and Utility Services

Core Services

Natural and Energy Resources Protection

Promote enhanced air quality, environmentally responsible land use, and conservation of water and energy resources

Recycling and Garbage Services

Collect, process, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment

Potable Water Delivery

Develop, operate, and maintain the City's municipal potable water system

Stormwater Management

Protect the health of the South Bay watershed through regulatory programs that prevent pollution from entering the storm sewer system and waterways

Recycled Water Management

Develop, operate, and maintain a recycled water system that reduces effluent to the Bay and provides a reliable and high quality alternative water supply





Wastewater Management

Manage wastewater for suitable discharge into the south San Francisco Bay and for beneficial reuse to protect the environment and public health

Strategic Support: Public Education, Long Range Planning, Human Resources, Facility Management, Financial Management, Information Technology Services, Clerical Support, and Materials Management

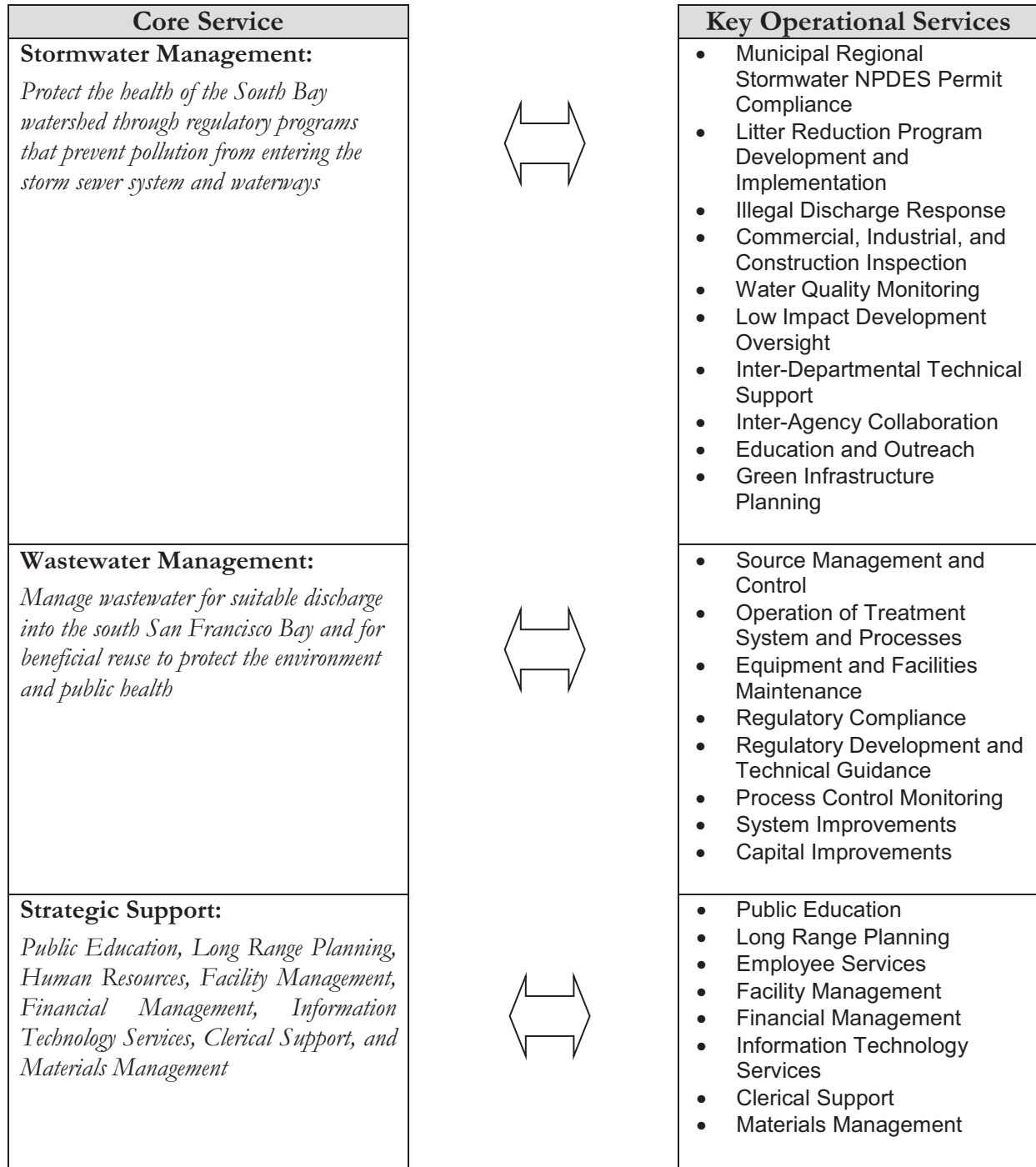
Environmental Services Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Natural and Energy Resources Protection: <i>Promote enhanced air quality, environmentally responsible land use, and conservation of water and energy resources</i></p>		<ul style="list-style-type: none"> • Sustainable Energy Practices Implementation • Improved Air Quality Promotion • Implementation of Development Review and Land Use Policies • Groundwater Quality Protection and Monitoring • National Pollutant Discharge Elimination System (NPDES) Permit Implementation • Habitat Protection • Urban Environmental Accords Implementation • Environmentally Preferable Procurement Policy Implementation • Grant Development • Green Vision Implementation
<p>Potable Water Delivery: <i>Develop, operate, and maintain the City's municipal potable water system</i></p>		<ul style="list-style-type: none"> • System Operations • System Maintenance • Regulatory Compliance • Customer Service • System Expansion • System Improvements • Water Conservation
<p>Recycled Water Management: <i>Develop, operate, and maintain a recycled water system that reduces effluent to the Bay and provides a reliable and high quality alternative water supply</i></p>		<ul style="list-style-type: none"> • System Operations and Maintenance • Regulatory Compliance • Customer Connection Services
<p>Recycling and Garbage Services: <i>Collect, process, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment</i></p>		<ul style="list-style-type: none"> • Waste Reduction Programs Development and Service Delivery • Customer Service and Billing Support • Collection, Processing, and Disposal Contracts Management • Education and Marketing

Environmental Services Department

Service Delivery Framework



Environmental Services Department

Department Budget Summary

Expected 2016-2017 Service Delivery

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

2016-2017 Key Budget Actions

- While the Sewer Service and Use Charge rate is proposed to increase by 5.5%, the Storm Sewer Service Charge rate will not change in 2016-2017.
- Recycle Plus rates are proposed to increase 2.5% for multi-family households due to the increased costs associated with residential haulers providing garbage and recycling services and to support service enhancements. The rates for single-family households will not change in 2016-2017.
- The 2016-2017 Proposed Budget assumes a 2.0% increase to Municipal Water System rates in order to offset increased operating costs. Staff anticipates returning to City Council no later than fall 2016 with additional recommendations related to water rates, due to the need to further track ongoing water conservation and its effects on changes in water usage as well as on the sources of wholesale water. Until that further analysis can be conducted and evaluated, the use of the Rate Stabilization Reserve is recommended in the Water Utility Fund as a temporary funding source for the program next fiscal year.
- Existing personnel will be realigned and funding will be added to consolidate and enhance the City's efforts to address illegal dumping, expanding the current program city-wide. Also, funding will support the third phase of the single-family residential garbage conversion program, commonly referred to as "back-end processing," to roughly 70% of the City's total single-family residences, projected to result in a city-wide single-family waste diversion increase from approximately 45% to 60%. Further funding will expand single- and multi-family large item collection program levels.
- With the addition of five technical positions, resources will be available to support the delivery of approximately \$1.4 billion in Water Pollution Control Plant capital projects over the next ten years.

Operating Funds Managed

- | | |
|------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Integrated Waste Management Fund | <input type="checkbox"/> Sewage Treatment Plant Connection Fee Fund |
| <input type="checkbox"/> San José-Santa Clara Treatment Plant Income Fund | <input type="checkbox"/> Sewer Service and Use Charge Fund |
| <input type="checkbox"/> San José-Santa Clara Treatment Plant Operating Fund | <input type="checkbox"/> Storm Sewer Operating Fund |
| | <input type="checkbox"/> Water Utility Fund |

Environmental Services Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Natural and Energy Resources Protection	\$ 708,739	\$ 720,534	\$ 719,559	\$ 719,559	(0.1%)
Potable Water Delivery	28,330,240	36,236,478	37,289,673	37,729,702	4.1%
Recycled Water Management	3,041,631	4,508,322	4,480,931	4,590,890	1.8%
Recycling and Garbage Services	102,116,247	108,152,855	110,152,458	117,272,601	8.4%
Stormwater Management	8,490,372	10,189,097	10,107,952	10,107,952	(0.8%)
Wastewater Management	66,851,007	77,888,408	77,636,096	78,637,445	1.0%
Strategic Support	7,504,302	8,020,993	8,176,861	8,595,112	7.2%
Total	\$ 217,042,538	\$ 245,716,687	\$ 248,563,530	\$ 257,653,261	4.9%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 64,032,774	\$ 75,447,749	\$ 77,538,964	\$ 78,709,302	4.3%
Overtime	2,374,714	873,314	973,314	973,314	11.5%
Subtotal	\$ 66,407,488	\$ 76,321,063	\$ 78,512,278	\$ 79,682,616	4.4%
Non-Personal/Equipment					
Total	150,635,050	169,395,624	170,051,252	177,970,645	5.1%
Total	\$ 217,042,538	\$ 245,716,687	\$ 248,563,530	\$ 257,653,261	4.9%
Dollars by Fund					
General Fund	\$ 284,593	\$ 967,474	\$ 906,735	\$ 1,272,274	31.5%
Integrated Waste Mgmt	102,810,592	108,241,326	110,197,826	117,002,508	8.1%
Sewer Svc & Use Charge	845,215	1,045,405	923,398	1,341,649	28.3%
SJ/SC Treatment Plant Oper	73,008,957	83,891,568	84,098,176	85,209,484	1.6%
Storm Sewer Operating	9,289,251	11,157,288	10,961,843	10,961,843	(1.8%)
Water Utility	28,105,772	36,000,386	37,119,132	37,509,083	4.2%
Capital Funds	2,698,158	4,413,240	4,356,420	4,356,420	(1.3%)
Total	\$ 217,042,538	\$ 245,716,687	\$ 248,563,530	\$ 257,653,261	4.9%
Authorized Positions by Core Service					
Natural and Energy Resources Protection	4.97	4.29	4.94	5.94	38.5%
Potable Water Delivery	34.68	36.25	36.61	38.11	5.1%
Recycled Water Management	14.05	14.00	13.45	13.95	(0.4%)
Recycling and Garbage Services	46.17	44.19	43.60	47.60	7.7%
Stormwater Management	39.93	38.92	38.42	38.42	(1.3%)
Wastewater Management	327.15	349.35	339.98	345.98	(1.0%)
Strategic Support	47.00	49.00	49.00	50.00	2.0%
Total	513.95	536.00	526.00	540.00	0.7%

Environmental Services Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	536.00	245,716,687	967,474
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Single-Family Large Item Collection Pilot		(850,000)	0
• Water Pollution Control Plant Filter Maintenance		(475,000)	0
• Paint Shop Spray Booth System Replacement		(450,000)	0
• Engine Generator Controls Replacement		(400,000)	0
• Electrical Engineering Contractual Services		(183,104)	0
• ESD Safety Review: Storm Sewer, Municipal Water, Integrated Waste Management		(150,000)	0
• Municipal Water System Vehicles		(100,000)	0
• Municipal Water Office Administration Support Staffing		(61,097)	0
• Burrowing Owl Habitat Conservation		(60,000)	0
• Water Pollution Control Plant Capital Improvement Program Staffing		(42,000)	0
• District 5 Enhanced Beautification Days		(18,000)	(18,000)
• Electric Vehicle Lease Renewal		(6,000)	0
• Stormwater Compliance Program/Trash Reduction Staffing		(1,500)	0
• Water Conservation Staffing	0.00	0	(48,876)
• Elimination of Silicon Valley Energy Watch 2015 grant staffing (limit-dated through March 31, 2016)	(2.00)	0	0
• Elimination of June 30, 2016 limit-dated positions:			
- 1.0 Analyst I/II	(1.00)	(149,724)	0
- 1.0 Chemist	(1.00)	(96,637)	0
- 1.0 Laboratory Technician I/II	(1.00)	(75,340)	0
- 1.0 Senior Industrial Process Control Specialist I/II	(1.00)	(200,506)	0
- 2.0 Staff Specialist	(2.00)	(218,407)	0
- 2.0 Wastewater Mechanic I/II	(2.00)	(177,672)	0
- 2.0 Wastewater Operator I/II/III	(2.00)	(186,036)	0
One-Time Prior Year Expenditures Subtotal:	(12.00)	(3,901,023)	(66,876)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		3,188,738	(4,823)
-1.0 Analyst I/II to 1.0 Staff Specialist			
-1.0 Analyst I/II to 1.0 Staff Specialist			
-1.0 Aquatic Toxicologist to 1.0 Environmental Laboratory Supervisor			
-1.0 Environmental Services Specialist to 1.0 Planner III			
- 2.0 Network Technician I/II to 2.0 Network Technician I/II/III			
-1.0 Secretary to 1.0 Senior Office Specialist			
-3.0 Senior Instrument Control Technician to 3.0 Instrument Control Technician III			
-1.0 Staff Technician to 1.0 Staff Specialist			

Environmental Services Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
-1.0 Supervising Applications Analyst to 1.0 Department Information Technology Manager			
-1.0 Supervising Environmental Services Specialist to 1.0 Associate Engineer			
• Addition of 2.0 Environmental Services Specialist for Silicon Valley Energy Watch 2016 grant staffing (includes a shift of 0.65 FTE from special funds to the General Fund for grant-related work; grant expires December 31, 2018)	2.00	0	0
• Single-Family Dwelling garbage contract		1,331,656	0
• Multi-Family Dwelling garbage contract		909,354	0
• Wholesale water		750,000	0
• Yard Trimmings/Street Sweeping contract		661,321	0
• Municipal Water System overtime		100,000	0
• Custodial services contract		55,233	0
• Electric vehicle two-year lease renewals		12,000	0
• City facilities waste collection		10,562	9,960
• Street Sweeping Services		(23,698)	0
• Vehicle maintenance and operations		117,000	1,000
• Professional development program		1,000	0
• Gas and electricity		(365,300)	0
Technical Adjustments Subtotal:	2.00	6,747,866	6,137
2016-2017 Forecast Base Budget:	526.00	248,563,530	906,735
Budget Proposals Recommended			
1. Single-Family Dwelling Waste Materials Processing - Phase III		4,000,000	0
2. Single-Family Dwelling Large Item Collections		1,850,000	0
3. Illegal Dumping Rapid Response Program	3.00	775,177	135,461
4. Multi-Family Dwelling Large Item Collections		245,000	0
5. Neighborhood-Led Beautification Days		180,000	180,000
6. Water Pollution Control Plant Staffing	5.00	532,956	0
7. Digester Roof Painting		350,000	0
8. Water Pollution Control Plant Administrative Claims and Master Agreement Negotiations	1.00	418,251	0
9. Municipal Water Billing System Licensing		298,000	0
10. South Bay Water Recycling and Municipal Water Regulatory Compliance Staffing	1.00	139,058	0
11. Watershed Protection Staffing	1.00	107,068	0
12. Customer Information System Utility Billing Support Staffing	1.00	69,966	0

Environmental Services Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
13. Municipal Water Office Administration Support Staffing	1.00	69,255	0
14. South Bay Water Recycling Vehicle		40,000	0
15. Enterprise Asset Management Team Support and Portable Generators Replacement		15,000	0
16. Silicon Valley Energy Watch Staffing	1.00	0	0
17. Water Supply and Conservation Staffing	0.00	0	50,078
Total Budget Proposals Recommended	14.00	9,089,731	365,539
2016-2017 Proposed Budget Total	540.00	257,653,261	1,272,274

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Single-Family Dwelling Waste Materials Processing – Phase III		4,000,000	0

Environmental and Utility Services CSA
Recycling and Garbage Services

This action provides ongoing funding of \$4.0 million for the sorting and processing of waste materials collected from single-family residences, commonly referred to as “back-end processing”, prior to landfill conveyance, with the goals of significantly increasing the amount of materials recycled and diverting waste sent to the landfills. The third phase of this effort will implement this service in an additional 30% of the city, increasing the residences served from approximately 40% to approximately 70%. This phase will cover single-family residences in the east and north portions of San José. Under State guidelines, cities and counties must meet a diversion rate of 50% and future mandates require a 75% or better rate by 2020. The City’s Green Vision Goals include a diversion-rate goal of 100% by 2022. Phase I of back-end processing that was phased in 2014-2015 increased diversion in first phase locations from 37% to 83% since implementation, while Phase II implemented in 2015-2016 is anticipated to increase diversion in second phase locations from 25% to 77%. With the implementation of Phase III, diversion in third phase locations, which is an expansion of locations in the district that was part of second phase implementation, is also projected to increase to 77%, while the overall city-wide waste diversion from single-family residences would increase from 29%, as it was prior to implementing any back-end processing phases, to 60% by the end of 2016-2017. The cost will be partially offset by a \$1.4 million reduction in disposal costs (recognized separately as part of the Integrated Waste Management Source and Use Statement). (Ongoing costs: \$4,000,000)

2. Single-Family Dwelling Large Item Collections		1,850,000	0
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Environmental and Utility Services CSA
Recycling and Garbage Services

This action provides ongoing funding of \$1.9 million for Single-Family Dwellings (SFDs) for limited, free-of-additional-charge, on-call curbside collection of large items, such as mattresses, furniture, appliances (including refrigerators), tires, and boxed smaller items. This collection program will allow for up to two three-item pickups (for a total of six items) annually for each SFD and is a key component of the City’s strategy to reduce illegal dumping in San José. Since this program began in October 2015, approximately 7,800 free collections have been completed (as of February 2016), and it is anticipated that over 20,000 collections will be used by the end of 2015-2016. This enhanced program would allow for approximately 70,000 three-item, free-of-charge collections across the City in 2016-2017, and outreach to the community will also be enhanced. No-/low-cost outreach efforts are being leveraged for high-value effects, and include methods such as, but not limited to: social media, web pages, and radio/television communications; flyers and bus shelter prints; knock ‘n’ talks and door hangers; neighborhood association meetings; and tabling activities at major events. Communications are conducted in multiple languages where appropriate. (Ongoing costs: \$1,850,000)

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Illegal Dumping Rapid Response Program	3.00	775,177	135,461

Environmental and Utility Services CSA
Recycling and Garbage Services

This action adds non-personal funding (\$300,000 one-time and \$100,000 ongoing) and 1.0 Supervising Environmental Services Specialist position as well as realigns existing personnel (shift 2.0 Maintenance Worker II positions from the Transportation Department to the Environmental Services Department (ESD), with 1.0 remaining in the General Fund and 1.0 shifting from the Storm Sewer Operating Fund to the Integrated Waste Management (IWM) Fund) to implement an enhanced illegal dumping rapid response program that provides a more concerted response to illegal dumping and diverts materials from landfills, consistent with the City's integrated waste management plan. In addition, as a Base Budget adjustment referenced in the City-Wide Expenses section of this document, the management of \$150,000 in an ongoing General Fund appropriation for this program will be shifted from the Planning, Building and Code Enforcement Department to ESD. This program was piloted in 2015-2016 and also analyzed as part of the What Works Cities Initiative. The reconfigured program recommended in this proposal incorporates the lessons learned from the pilot.

The Supervising Environmental Services Specialist will work across the City organization on strategies to focus and coordinate illegal dumping-related activities, including hot spot cleanup coordination with the contracted hauler; the commercial illegal dumping route managed by Republic Services; residential and commercial street sweeping, in coordination with DOT; coordination with the Homeless Encampment Team; coordination with other agencies impacted by illegal dumping in San José; and leveraging resources and strategies of other organizations and agencies that support efforts to address illegal dumping. The Maintenance Workers will respond to illegal dumping complaints from the public, including addressing abandoned shopping carts; provide illegal dumping coordination services for waste that cannot be removed by hauler trucks or waste that cannot go to the landfill, including household hazardous waste; address the cleanup of larger dump sites; and oversee labor from the County's judicial community service programs.

The additional \$400,000 and existing \$150,000 funding will expand the initial illegal dumping hot spot focus areas to cover the rest of the City for at least three years, increasing from approximately 13 square miles that were covered in the pilot program; continue complaint-driven responses as needed; and consolidate other illegal dumping activities, such as contractor street sweeping and neighborhood clean-up coordination. All non-hazardous items collected in this program will be processed for recyclables in order to divert these materials from landfills. During the first two months of the hot spot pilot program, approximately 32 tons of illegally dumped material were collected and 550 sites were cleaned by the contracted hauler.

The new position costs to the IWM Fund and \$100,000 in ongoing funding will be funded by AB 939 fees that are allocated to implement the City's integrated waste management plan to divert materials from landfills. The additional one-time funding of \$300,000 has been identified from the Household Hazardous Waste (HHW) Revenue from the County funding source (AB 939 fees allocated to household hazardous waste), which realized a significant one-time increase in 2015-2016 and will support funding of \$100,000 per year for three years. In a recent study of illegal dumping sites, approximately 15% of sites had household hazardous waste items that could not be dumped at landfills.

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Illegal Dumping Rapid Response Program			
<p>This action is part of a larger City-wide effort to help reduce illegal dumping, which includes: Single-Family Dwelling Waste Materials Processing – Phase III; Single-Family Dwelling Large Item Collections; Multi-Family Dwelling Large Item Collections; and Neighborhood-Led Beautification Days. (Ongoing costs: \$484,781)</p>			
4. Multi-Family Dwelling Large Item Collections		245,000	0
<p><i>Environmental and Utility Services CSA</i> <i>Recycling and Garbage Services</i></p> <p>This action provides ongoing contractual services funding of \$245,000 for Multi-Family Dwellings (MFDs) to increase the service levels of this program for large item collections at MFD locations. Large item collections are projected to increase in 2016-2017 due to staff's focus on enhancing community visibility of the City's large item collection programs, in addition to now allowing MFD residents to contact the hauler directly. (Ongoing costs: \$245,000)</p>			
5. Neighborhood-Led Beautification Days		180,000	180,000
<p><i>Environmental and Utility Services CSA</i> <i>Recycling and Garbage Services</i></p> <p>This action adds one-time funding of \$180,000 to expand neighborhood clean-ups by providing for up to six neighborhood-led beautification days for each of the City's ten Council Districts in 2016-2017. For each beautification event, it is assumed that six 40-cubic yard bins, one CRT/e-waste bin, and one metal-only bin would be provided. The events would be staffed by Council District staff and neighborhood groups, rather than City departmental staff. Such beautification days enable San José residents to dispose of unwanted items, but also have a broader impact in providing an important tool to deter illegal dumping, reduce criminal activity associated with signs of disorder, and otherwise enhance the quality of life for many struggling neighborhoods. This enhancement will bolster the current city-wide Neighborhood Clean-Up program that rotates through all neighborhoods once every three years. (Ongoing costs: \$0)</p>			
6. Water Pollution Control Plant Staffing	5.00	532,956	0
<p><i>Environmental and Utility Services CSA</i> <i>Wastewater Management</i></p> <p>This action adds 1.0 Industrial Electrician, 2.0 Instrument Control Technician I, 1.0 Senior Industrial Process Control Specialist I, and 1.0 Wastewater Operator I positions at the Water Pollution Control Plant (WPCP) for various capital improvement projects. These positions are necessary to carry out projects included in the City Council-approved Plant Master Plan, which identified more than 100 major capital improvement projects to be implemented at the WPCP over a 30-year planning period to address aging infrastructure, future regulatory requirements, population growth, sea-level rise, and treatment process improvements. (Ongoing costs: \$614,905)</p>			

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Digester Roof Painting		350,000	0
<i>Environmental and Utility Services CSA</i> <i>Wastewater Management</i>			
<p>This action provides funding of \$350,000 per year for five years to sandblast and repaint digester roof interiors at the WPCP. It has been more than 10 years since the roofs have been inspected and painted, and external inspections have shown significant signs of corrosion. This funding will allow for the repainting of one digester roof per year until the future digester rehabilitation Capital Improvement Program project commences in 2019. (Ongoing costs: \$350,000)</p>			
8. Water Pollution Control Plant Administrative Claims and Master Agreement Negotiations	1.00	418,251	0
<i>Environmental and Utility Services CSA</i> <i>Strategic Support</i>			
<p>This action adds 1.0 Supervising Environmental Services Specialist (SESS) position limit-dated through June 30, 2017 and provides one-time funding of \$300,000 for consultant support to assist with the WPCP administrative claims and Master Agreement negotiations. The SESS will serve as the City's single point of contact with staff from other agencies and will help to ensure consistent communications during the mediation and negotiations process with the tributary agencies. An external financial consultant (\$100,000) will help with performing financial analyses and a consultant with experience in wastewater contract negotiations (\$100,000) will review possible impacts related to resolution of the administrative claims and proposed changes to the Master Agreement. In addition, a neutral third party mediator (\$100,000) will help move all parties towards a successful resolution of all outstanding disputes. In-house legal services from the City Attorney's Office will also be required, but will be absorbed with existing funding. Costs for the financial consultant, neutral third-party mediator, wastewater consultant, and SESS will be shared between the Owner Agencies (City of San José and City of Santa Clara) based on their ownership interest in the WPCP. The total cost for the neutral third-party mediator is estimated to be \$200,000 and the Owner Agencies' share shall be no more than 50% of the total mediation costs, with the tributary agencies paying their respective share of mediation costs directly to the external mediator. (Ongoing costs: \$0)</p>			
9. Municipal Water Billing System Licensing		298,000	0
<i>Environmental and Utility Services CSA</i> <i>Potable Water Delivery</i>			
<p>This action provides one-time funding of \$298,000 to keep the Municipal Water System's old billing system software license active through 2016-2017. Due to the transition to the new Customer Information System (CIS) billing system, it was initially anticipated that the old billing system would no longer be necessary, and therefore, software licensing for the old system was not budgeted beyond 2015-2016. However, use of the old system is expected to be needed beyond that timeframe to fully access past records, as necessary. (Ongoing costs: \$0)</p>			

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. South Bay Water Recycling and Municipal Water Regulatory Compliance Staffing <i>Environmental and Utility Services CSA</i> <i>Potable Water Delivery</i> <i>Recycled Water Management</i> This action adds 1.0 Environmental Inspector II position and provides funding of \$40,000 for a vehicle, both of which will support a regulatory compliance program for South Bay Water Recycling (SBWR) and the Municipal Water System (Muni Water). This position will begin implementation of a program that will: 1) monitor sites using recycled water for compliance under the State's permit system; and 2) monitor Muni Water customer sites that do not have backflow prevention devices in accordance with the State's requirement of conducting periodic inspections of such connections. (Ongoing costs: \$108,751)	1.00	139,058	0
11. Watershed Protection Staffing <i>Environmental and Utility Services CSA</i> <i>Wastewater Management</i> This action adds 1.0 Senior Environmental Inspector position to the Source Control section of the Pretreatment Program in the Watershed Protection Division. This position will provide additional oversight in the division that will be needed for the expanded workload resulting from the U.S. Environmental Protection Agency and City audit findings. The Senior Environmental Inspector will: manage the Industrial User Identification and Inventory, Dental Amalgam Inspection, and Pretreatment Compliance and Revenue Sampling programs; co-manage the Pretreatment Inspection and Enforcement programs; oversee the Surveillance Monitoring and Revenue Billing programs; and oversee compliance of the Pretreatment Program with the City's National Pollutant Discharge Elimination System wastewater permit. (Ongoing costs: \$115,004)	1.00	107,068	0
12. Customer Information System Utility Billing Support Staffing <i>Environmental and Utility Services CSA</i> <i>Recycling and Garbage Services</i> This action makes permanent 1.0 Senior Office Specialist position in the Business and Civic Services section of the Integrated Waste Management Division to continue administrative and customer service support to the CIS, a utilities billing and customer information management system that went live in July 2015. This position will ensure that the City's hauler payments are timely and accurate, that customer information is maintained and continuously up-to-date, thereby ensuring accurate billing, and provide ongoing support of Recycle Plus hauler invoicing functions, which include: preparing custom hauler invoices; gathering field activity data from the four Recycle Plus haulers and updating the data management application; assisting in contract management oversight and supporting potential enforcement actions; and assisting the CIS business team in reconciling hauler service payments and customer billing information issues. (Ongoing costs: \$70,666)	1.00	69,966	0

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Municipal Water Office Administration Support Staffing	1.00	69,255	0

Environmental and Utility Services CSA
Potable Water Delivery

This action makes permanent 1.0 Senior Office Specialist position in the Water Resources Division (Muni Water) for office administration support. This position will coordinate payment of wholesale water invoices; draft correspondence with other local agencies; assist in trending water consumption data; create and manage purchase orders; provide primary telephone support by addressing questions and directing calls; assist with office management, including supplies and facilities management; coordinate work orders and facility maintenance with other departments; provide support to customer service staff, as necessary, by assisting with navigation of the utility's billing system; and assist with the Water Conservation program by providing customer assistance and handling general questions regarding the WaterSmart program. (Ongoing costs: \$69,949)

14. South Bay Water Recycling Vehicle		40,000	0
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Environmental and Utility Services CSA
Recycled Water Management

This action provides funding of \$40,000 for a sport utility vehicle to support South Bay Water Recycling (SBWR) engineering and regulatory compliance operations. The vehicle will allow staff to complete site visits for contractors requesting permits for use of recycled water in the SBWR service area of San José, Santa Clara, and Milpitas; review sites installing or modifying Recycled Water systems; perform water shut-offs; provide operation and maintenance engineering support and water quality monitoring; and provide support to line breaks, illegal discharges, or other emergencies. (Ongoing costs: \$4,000)

Environmental Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>15. Enterprise Asset Management Team Support and Portable Generators Replacement</p> <p><i>Environmental and Utility Services CSA</i> <i>Potable Water Delivery</i> <i>Recycled Water Management</i> <i>Wastewater Management</i></p> <p>This action increases ESD’s non-personal/equipment funding for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this document. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer in the Vehicle Maintenance and Operations Fund to better align and augment the Department’s Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing savings: \$5,100)</p>		15,000	0
<p>16. Silicon Valley Energy Watch Staffing</p> <p><i>Environmental and Utility Services CSA</i> <i>Natural and Energy Resources Protection</i></p> <p>This action makes permanent 1.0 Environmental Services Specialist position limit-dated through December 31, 2018 in the Sustainability and Compliance Division for work primarily related to small- and medium-sized business outreach as part of the Silicon Valley Energy Watch Program. This position is funded through a grant from the Pacific Gas and Electric Company (PG&E), as approved by the City Council on December 15, 2015 and executed through December 31, 2018, the budget for which is included in the City-Wide Expenses section of this document. This position will coordinate with PG&E and City staff to develop outreach and program materials; present to business groups in targeted zip codes; contact businesses in the field to assist with energy-efficiency measures; perform preliminary energy assessments at businesses; and track progress toward participant and energy reduction goals. (Ongoing costs: \$0)</p>	1.00	0	0

Environmental Services Department

Budget Changes By Department



Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
17. Water Supply and Conservation Staffing	0.00	0	50,078
<i>Environmental and Utility Services CSA</i>			
<i>Potable Water Delivery</i>			
<p>This action shifts funding in 2016-2017 for 0.10 Deputy Director and 0.10 Supervising Environmental Services Specialist positions in the Water Resources Division to the General Fund to support city-wide water conservation efforts and planning efforts to recharge local aquifers with recycled water. Because the current funding sources are utility-specific, the responsibility and level of participation for these positions can only be focused on Municipal Water System customers. With the shifts to the General Fund, these positions, in combination with other City General Fund staff, will be able to advance city-wide efforts related to the development of water supplies (e.g. direct and indirect potable reuse) and water conservation, which benefit all customers and residents within City boundaries. These efforts include local and regional water supply planning and coordination; outreach related to water supply and conservation programs; coordination with all water retailers and water wholesalers; and leading inter-departmental coordination on reducing City water use. (Ongoing costs: \$0)</p>			
2016-2017 Proposed Budget Changes Total	14.00	9,089,731	365,539

Environmental Services Department

Performance Summary

Natural and Energy Resources Protection

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 (Energy) % of energy used at the Water Pollution Control Plant that is renewable	37%	39%	38%	38%
 (Water) % of Municipal Water System customers demonstrating water conservation knowledge*	N/A*	78%	85%	N/A*

* Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

Activity and Workload Highlights





	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
City-Wide Renewable Energy Generation	29%	24%	31%	33%

Environmental Services Department

Performance Summary

Potable Water Delivery

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of water samples meeting or surpassing State and federal water quality standards	99.8%	100%	99.8%	100%
 Ratio of Municipal Water System (MWS) average residential water bill to weighted average residential water bill of other San José water retailers*	67%	<100%	51%	<100%
 % of customer service requests handled within 24 hours**	N/A**	78%	74%	N/A**
 % of MWS customers rating service as good or excellent, based on reliability, water quality, and responsiveness**	N/A**	78%	71%	N/A**

* San José water retailers include San José Water Company and Great Oaks Water Company.

** Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

Activity and Workload Highlights






	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Millions of gallons of water delivered per year to MWS customers	7,217	7,500	6,400	6,800
Total number of MWS customers	26,946	27,000	27,000	27,150

Environmental Services Department

Performance Summary

Recycled Water Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Millions of gallons of recycled water delivered annually	4,922	5,000	4,451	4,509
 % of time recycled water quality standards are met or surpassed	100%	100%	100%	100%
 % of wastewater influent recycled for beneficial purposes during the dry weather period*	19.65%	15.00%	19.00%	19.00%
 Cost per million gallons of recycled water delivered**	TBD**	\$1,768	\$1,650	\$1,873
 % of recycled water customers rating service as good or excellent based on reliability, water quality, and responsiveness***	N/A***	85%	77%	N/A***

* Dry weather period is defined as the lowest continuous three-month average rainfall between May and October, which during the fiscal year reporting period is July-September.

** The official figure is pending an independent, third-party financial audit, which is anticipated to be completed by June 30, 2016.

*** Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of South Bay Water Recycling customers	801	800	818	840

Environmental Services Department

Performance Summary

Recycling and Garbage Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 # of household hazardous waste disposal appointments available for San José				
- Residents	10,596	10,500	11,330	11,500
- Small Businesses	482	300	382	380
 % of customers rating recycling and garbage services as good or excellent, based on reliability, ease of system use, and lack of disruption*				
- Single-Family Dwelling	N/A*	85%	86%	N/A*
- Multi-Family Dwelling	N/A*	75%	67%	N/A*
- Commercial Facilities	N/A*	75%	75%	N/A*

* Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total tons of residential solid waste diverted from landfills	291,880	345,400	320,235	361,400
Total tons of residential solid waste landfilled	180,778	144,600	150,395	141,002
Total number of residential households served	318,726	320,200	320,400	330,012
# of residential pickups not completed as scheduled*	272	314	200	250





* Average per week; pickup completed next day.

Environmental Services Department

Performance Summary

Stormwater Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Annual cost per residential unit	\$94.44	\$94.44	\$94.44	\$94.44
 % of residents surveyed who understand that any substances washed down the street end up in the Bay without treatment through the storm sewer system*	N/A*	55%	69%	N/A*
 % trash reduced from the storm sewer system**	77%**	68%***	43%**	70%***
 % Stormwater violations identified at industrial/commercial facilities resolved within ten business days	97%	99%	97%	99%

* Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

** Due to a change in the trash load reduction tracking method with the San Francisco Bay Regional Water Quality Control Board's adoption of the new Municipal Regional Stormwater Permit and a delay of construction of full trash capture devices, the estimate is lower than previously anticipated. The new Permit, adopted on November 19, 2015, established caps on previously unlimited trash reduction off-sets that the City could claim for source control, creek and shoreline clean-ups, and homeless encampment clean-ups.

*** The next regulatory goal for trash load reduction is 70% by 2017.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Tons of trash/litter collected by City led creek cleanup efforts*	1,465*	851	959*	799






* The 2014-2015 data includes over 600 tons collected as a part of the homeless encampment cleanup efforts. The current and future year estimates are based on expected workload.

Environmental Services Department

Performance Summary

Wastewater Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Millions of gallons per day discharged to the Bay during average dry weather season State order: 120 mgd or less*	69 mgd	<120 mgd	70 mgd	<120 mgd
 % of time pollutant discharge requirements are met or surpassed	100%	100%	100%	100%
 # of requirement violations				
-Pollutant discharge	0	0	0	0
-Air emissions	1	0	0	0
 % of significant industrial facilities in consistent compliance with federal pretreatment requirements	94.38%	90.00%	91.10%	90.00%
 Cost per million gallons treated	\$1,460	\$1,371	\$1,547	\$1,580

* Average dry weather season is defined as the lowest three-month continuous average between May and October, which during the fiscal year reporting period is July-September.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Average millions of gallons per day treated	99.7	102.3	92.0	93.0
Total population in service area*	1,421,248	1,444,238	1,446,567	1,461,033

* The San José/Santa Clara Water Pollution Control Plant (Plant) is a regional wastewater treatment facility serving eight South Bay cities and four sanitation districts including: San José, Santa Clara, Milpitas, Cupertino Sanitation District (Cupertino), West Valley Sanitation District (Campbell, Los Gatos, Monte Sereno and Saratoga), County Sanitation Districts 2-3 (unincorporated), and Burbank Sanitary District (unincorporated).

Environmental Services Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	1.00	1.00	-
Accountant II	2.00	2.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	3.00	3.00	-
Analyst I/II	17.00	14.00	(3.00)
Aquatic Toxicologist	1.00	0.00	(1.00)
Assistant Director	1.00	1.00	-
Assistant Heavy Diesel Equipment Operator Mechanic	1.00	1.00	-
Associate Construction Inspector	1.00	1.00	-
Associate Engineer	21.00	22.00	1.00
Associate Engineering Technician	10.00	10.00	-
Associate Environmental Services Specialist	3.00	3.00	-
Biologist	3.00	3.00	-
Chemist	10.00	9.00	(1.00)
Cross Connection Specialist	1.00	1.00	-
Department Information Technology Manager	0.00	1.00	1.00
Deputy Director	5.00	5.00	-
Director Environmental Services	1.00	1.00	-
Division Manager	5.00	5.00	-
Engineer II	4.00	4.00	-
Engineering Technician II	3.00	3.00	-
Environmental Compliance Officer	1.00	1.00	-
Environmental Inspector I/II	37.00	38.00	1.00
Environmental Inspector, Assistant	5.00	5.00	-
Environmental Inspector, Senior	4.00	5.00	1.00
Environmental Laboratory Manager	1.00	1.00	-
Environmental Laboratory Supervisor	2.00	3.00	1.00
Environmental Services Program Manager	8.00	8.00	-
Environmental Services Specialist	39.00	39.00	-
Environmental Sustainability Manager	1.00	1.00	-
Geographic Systems Specialist II	2.00	2.00	-
Groundswoker	1.00	1.00	-
Heavy Equipment Operator	5.00	5.00	-
Industrial Electrician	8.00	9.00	1.00
Industrial Electrician Supervisor	1.00	1.00	-
Industrial Process Control Specialist II	1.00	1.00	-
Information Systems Analyst	2.00	2.00	-
Instrument Control Supervisor I	1.00	1.00	-
Instrument Control Technician I/II/III/IV	8.00	13.00	5.00
Laboratory Technician I/II	14.00	13.00	(1.00)
Maintenance Superintendent	1.00	1.00	-
Maintenance Supervisor	2.00	2.00	-
Maintenance Worker I	1.00	1.00	-
Maintenance Worker II	0.00	2.00	2.00
Microbiologist	1.00	1.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II	2.00	0.00	(2.00)

Environmental Services Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Network Technician I/II/III	0.00	2.00	2.00
Office Specialist II	8.00	8.00	-
Painter Supervisor Water Pollution Control	1.00	1.00	-
Painter Water Pollution Control	6.00	6.00	-
Planner III	0.00	1.00	1.00
Principal Accountant	1.00	1.00	-
Principal Construction Inspector	1.00	1.00	-
Principal Engineer/Architect	3.00	3.00	-
Principal Office Specialist	4.00	4.00	-
Program Manager I	2.00	2.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	5.00	5.00	-
Sanitary Engineer	9.00	9.00	-
Secretary	1.00	0.00	(1.00)
Senior Account Clerk	4.00	4.00	-
Senior Accountant	4.00	4.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Analyst	7.00	7.00	-
Senior Construction Inspector	1.00	1.00	-
Senior Engineer	14.00	14.00	-
Senior Engineering Technician	9.00	9.00	-
Senior Geographic Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	2.00	2.00	-
Senior Industrial Electrician	2.00	2.00	-
Senior Industrial Process Control Specialist I/II	3.00	3.00	-
Senior Instrument Control Technician	3.00	0.00	(3.00)
Senior Maintenance Worker	3.00	3.00	-
Senior Office Specialist	7.00	10.00	3.00
Senior Painter	1.00	1.00	-
Senior Public Information Representative	2.00	2.00	-
Senior Warehouse Worker	1.00	1.00	-
Senior Water Systems Technician	3.00	3.00	-
Staff Specialist	7.00	8.00	1.00
Staff Technician	2.00	1.00	(1.00)
Supervising Applications Analyst	2.00	1.00	(1.00)
Supervising Environmental Services Specialist	15.00	16.00	1.00
Supply Clerk	1.00	1.00	-
Systems Applications Programmer II	2.00	2.00	-
Warehouse Supervisor	1.00	1.00	-
Warehouse Worker I	1.00	1.00	-
Warehouse Worker II	2.00	2.00	-
Wastewater Attendant	19.00	19.00	-
Wastewater Maintenance Superintendent	3.00	3.00	-
Wastewater Mechanic I/II	33.00	31.00	(2.00)
Wastewater Mechanical Supervisor I/II	7.00	7.00	-
Wastewater Operations Foreperson I/II	20.00	20.00	-
Wastewater Operations Superintendent I/II	7.00	7.00	-
Wastewater Operator I/II/III	34.00	33.00	(1.00)
Wastewater Senior Mechanic I/II	11.00	11.00	-

Environmental Services Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Water Meter Reader	3.00	3.00	-
Water Systems Technician	9.00	9.00	-
Total Positions	536.00	540.00	4.00

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Finance Department

Julia H. Cooper, Director

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T*o manage, protect and report on the City of San José's financial resources to enhance the City's financial condition for residents, businesses, and investors*

City Service Area

Strategic Support

Core Services

Disbursements

Facilitate timely and accurate payment of the City's financial obligations

Financial Reporting

Provide accurate and meaningful reporting on the City's financial condition

Purchasing and Risk Management

Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets

Revenue Management

Bill and collect the City's resources to enhance the City's financial condition







Treasury Management

Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition

Strategic Support: Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, and Administrative Support

Finance Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Disbursements: <i>Facilitate timely and accurate payment of the City's financial obligations</i></p>		<ul style="list-style-type: none"> • Accounts Payable • Payroll
<p>Financial Reporting: <i>Provide accurate and meaningful reporting on the City's financial condition</i></p>		<ul style="list-style-type: none"> • General Accounting and Analysis • Special Accounting
<p>Purchasing and Risk Management: <i>Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets</i></p>		<ul style="list-style-type: none"> • Procurement • Risk Management (insurance)
<p>Revenue Management: <i>Bill and collect the City's resources to enhance the City's financial condition</i></p>		<ul style="list-style-type: none"> • Accounts Receivable Collections • Business Tax Compliance • Utility Billing • Revenue Compliance and Monitoring
<p>Treasury Management: <i>Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition</i></p>		<ul style="list-style-type: none"> • Debt Management • Investment Management • Cash Management • Payment Processing
<p>Strategic Support: <i>Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, and Administrative Support</i></p>		<ul style="list-style-type: none"> • Analytical Support • Budget/Fiscal Management • Contract Administration • Website Services • Administrative Support

Finance Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Ensure that the City's financial resources are protected and available to address the short-term and long-term needs of the community; accurate and timely payments to City employees and vendors; accurate and timely financial reports; and efficient business systems and processes for timely billing and collection efforts.
- Ensure prudent use of public funds through competitive processes and cooperative purchasing with other government agencies.
- Maintain favorable bond ratings to ensure lowest cost of capital; provide financial modeling and analysis to meet the increasingly complex needs of the City; and ensure effective management of the City's investment portfolio.
- Manage enterprise systems, including the Financial Management System (FMS), the Customer Information System (CIS), and the Oracle PeopleSoft Human Resources (HR)/Payroll System. The Finance Department is a key player in the HR/Payroll System Upgrade project expected to go-live in 2016-2017.
- Maintain adequate insurance coverage by monitoring the insurance market and assessing the City's risk exposure to ensure the lowest cost and best coverage economically possible.
- Manage all financial aspects of the Successor Agency to the Redevelopment Agency of the City of San José including accounting, debt management, cash management, financial reporting, and accounts payable/receivable.

2016-2017 Key Budget Actions

- Provides one-time consultant services funding of \$80,000 for an actuarial study to evaluate whether the City should continue its self-insurance program for general liability claims by appropriating funds to cover losses or obtain insurance through a third-party insurer.

Operating Funds Managed

- | | |
|---------------------------------------------------------------|-----------------------------------------------------------------------------|
| <input type="checkbox"/> Cash Reserve Fund | <input type="checkbox"/> Convention Center Facilities District Revenue Fund |
| <input type="checkbox"/> City Hall Debt Service Fund | <input type="checkbox"/> Emergency Reserve Fund |
| <input type="checkbox"/> Community Facilities Revenue Fund | <input type="checkbox"/> Gift Trust Fund |
| <input type="checkbox"/> Convention and Cultural Affairs Fund | |

Finance Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Disbursements	\$ 2,221,341	\$ 2,153,943	\$ 2,772,207	\$ 2,772,207	28.7%
Financial Reporting	1,935,656	2,033,403	2,023,770	2,023,770	(0.5%)
Purchasing and Risk Management	1,993,949	2,810,947	2,714,503	2,794,503	(0.6%)
Revenue Management	4,669,155	5,244,906	5,857,685	5,857,685	11.7%
Treasury Management	3,238,604	3,707,877	3,458,242	3,458,242	(6.7%)
Strategic Support	1,734,399	1,501,242	1,367,487	1,367,487	(8.9%)
Total	\$ 15,793,104	\$ 17,452,318	\$ 18,193,894	\$ 18,273,894	4.7%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 14,357,437	\$ 15,803,715	\$ 16,337,086	\$ 16,337,086	3.4%
Overtime	31,194	48,615	48,615	48,615	0.0%
Subtotal	\$ 14,388,631	\$ 15,852,330	\$ 16,385,701	\$ 16,385,701	3.4%
Non-Personal/Equipment					
Total	1,404,473	1,599,988	1,808,193	1,888,193	18.0%
Total	\$ 15,793,104	\$ 17,452,318	\$ 18,193,894	\$ 18,273,894	4.7%
Dollars by Fund					
General Fund	\$ 13,316,476	\$ 14,547,789	\$ 15,539,565	\$ 15,619,565	7.4%
Integrated Waste Mgmt	1,211,124	1,261,538	1,225,026	1,225,026	(2.9%)
Low/Mod Income Hsg Asset	48,191	102,241	107,913	107,913	5.5%
PW Program Support	54,206	55,764	59,176	59,176	6.1%
Sewer Svc & Use Charge	514,473	588,172	593,616	593,616	0.9%
SJ/SC Treatment Plant Oper	374,664	499,709	329,468	329,468	(34.1%)
Storm Sewer Operating	40,749	57,143	41,658	41,658	(27.1%)
Water Utility	233,221	316,451	269,538	269,538	(14.8%)
Capital Funds	0	23,511	27,934	27,934	18.8%
Total	\$ 15,793,104	\$ 17,452,318	\$ 18,193,894	\$ 18,273,894	4.7%
Authorized Positions by Core Service					
Disbursements	13.50	14.50	14.50	14.50	0.0%
Financial Reporting	13.82	13.82	13.47	13.47	(2.5%)
Purchasing and Risk Management	22.41	20.41	18.90	18.90	(7.4%)
Revenue Management	37.07	37.07	39.28	39.28	6.0%
Treasury Management	24.45	24.45	22.90	22.90	(6.3%)
Strategic Support	6.75	6.75	7.95	7.95	17.8%
Total	118.00	117.00	117.00	117.00	0.0%

Finance Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	117.00	17,452,318	14,547,789
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Technology Enhancements		(119,000)	(119,000)
• Internal Financial Controls Evaluation		(200,000)	(200,000)
• Cash and Debt Management Technology Enhancements		(125,000)	(125,000)
• Delinquent Accounts Collection (Non-Personal/Equipment)		(1,500)	(1,500)
One-time Prior Year Expenditures Subtotal:	0.00	(445,500)	(445,500)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Investigator Collector I/II to 1.0 Analyst I/II		602,032	850,072
• Human Resources/Payroll/Budget Systems maintenance		600,000	600,000
• Lien Program		50,000	50,000
• Cashiering and payment processing system maintenance		11,562	11,562
• Counting machine maintenance		3,600	3,600
• Temporary staffing (buyers) contract		1,878	1,878
• Comprehensive Annual Financial Report system maintenance		1,825	1,825
• Reallocation of non-personal/equipment funding for banking		(13,000)	(13,000)
• Metal recycling contractual services		(2,160)	0
• Vacancy factor		(71,661)	(71,661)
• Professional development program		3,000	3,000
Technical Adjustments Subtotal:	0.00	1,187,076	1,437,276
2016-2017 Forecast Base Budget:	117.00	18,193,894	15,539,565
<hr/> Budget Proposals Recommended <hr/>			
1. General Liability Claims - Self-Insurance Actuarial Study		80,000	80,000
Total Budget Proposals Recommended	0.00	80,000	80,000
2016-2017 Proposed Budget Total	117.00	18,273,894	15,619,565

Finance Department

Budget Changes By Department







Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. General Liability Claims – Self-Insurance Actuarial Study		80,000	80,000
<i>Strategic Support CSA</i> <i>Purchasing and Risk Management</i>			
<p>This action provides one-time consultant services funding of \$80,000 for an actuarial study to evaluate whether the City should continue its self-insurance program for general liability claims by appropriating funds to cover losses, or obtain insurance through a third party insurer. General liability claims can fluctuate significantly from year to year. This study will also help determine the best mechanism to cover future risks and liabilities and assess the most effective long-term financing for general liability claims. The City has not previously engaged in an actuarial study to determine the probability of future losses. (Ongoing Costs: \$0)</p>			
2016-2017 Proposed Budget Changes Total		80,000	80,000

Finance Department

Performance Summary

Disbursements

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of disbursements paid accurately and timely	93%	93%	93%	93%
 % of reimbursements paid to employees accurately and timely	99%	100%	100%	100%
 % of payroll disbursements paid accurately and timely	100%	100%	100%	100%
 Cost per payment	\$9.65	\$7.65	\$9.65	\$9.90
 Average number of days from invoice date to check issuance	27	27	27	27
 % of disbursements paid to vendors accurately and within 30 days	77%	79%	79%	79%

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of payments made	238,953	247,000	244,491	250,162
Vendor invoices paid	75,850	78,000	78,126	80,000

Finance Department

Performance Summary

Financial Reporting

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of financial reports that are produced accurately and timely	97%	97%	98%	98%
 Cost per report	\$605	\$713	\$577	\$577

Activity and Workload Highlights





	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of financial reports provided	3,204	3,130	3,250	3,413

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of cost savings achieved through the centralized purchasing process	5%	8%	6%	6%
 Cost of purchasing services as a percentage of the total dollars procured	1.35%	1.60%	1.73%	1.71%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	74%	85%	80%	100%
- 26 business days for POs > \$10K and ≤ \$100K	77%	95%	80%	100%
- 38 business days for POs > \$100K and ≤ \$250K	79%	95%	80%	100%
- 83 business days for POs > \$250K and ≤ \$1.0M	92%	92%	95%	100%
- 108 business days for POs > \$1.0M	83%	100%	85%	100%
 Percentage of contracts processed for insurance clearance within five days of receipt	89%	76%	92%	92%

Activity and Workload Highlights


	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total dollars procured	\$118.5M	\$135.0M	\$120.0M	\$127.6M
Total cost savings achieved through the centralized purchasing process	\$5.5M	\$10.8M	\$7.1M	\$8.0M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	358	500	394	458
- 26 business days for POs > \$10K and ≤ \$100K	397	560	437	486
- 38 business days for POs > \$100K and ≤ \$250K	81	97	89	71
- 83 business days for POs > \$250K and ≤ \$1.0M	36	35	40	43
- 108 business days for POs > \$1.0M	5	8	6	5
Total insurable value of the City's assets	\$3.7B	\$3.9B	\$3.9B	\$3.9B
Total number of contracts processed for insurance clearance	454	475	450	450

Finance Department

Performance Summary


Revenue Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Return on Investment: - Business Tax and Accounts Receivable	9.4	N/A	4.6*	8.4

* Lower Business Tax and Accounts Receivable collection balances due to use of staff for Business Tax and Accounts Receivable System Implementation

Activity and Workload Highlights




	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
 City's Aging Accounts Receivable Balance				
Current Receivables:				
0 - 30 days	\$2,962,672	\$1,566,300	\$7,076,000	\$5,019,000
31 - 60 days	\$3,111,357	\$2,214,200	\$1,360,000	\$2,236,000
61 - 90 days	\$433,462	\$734,300	\$570,000	\$502,000
Delinquent Receivables:				
91 - 120 days	\$461,387	\$553,500	\$682,000	\$572,000
121 - 365 days	\$3,112,916	\$3,486,900	\$2,788,000	\$2,788,000
366 - 730 days	\$3,524,194	\$5,225,500	\$4,806,000	\$4,174,000
731 - 999+ days	\$10,539,868	\$13,680,700	\$10,913,000	\$10,727,000

Finance Department

Performance Summary

Treasury Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 City's General Obligation Bond rating - Moody's - Standard & Poor's - Fitch	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+
 Average return on investments Comparison Benchmarks - Local Agency Investment Fund (LAIF) - Bank of America Merrill Lynch (BAML)	0.646% 0.268% 0.510%	0.890% N/A* N/A*	0.832% 0.393% 0.667%	0.940% N/A* N/A*
 Cost of Investment Program as a percentage of the City's total investment portfolio	0.042%	0.065%	0.054%	0.055%

* Numbers are not available. Bank of America Merrill Lynch (BAML) and Local Agency Investment Fund (LAIF) release these numbers on an annual and monthly basis. Due to volatility in market conditions, numbers cannot be determined.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total debt portfolio managed	\$4.622B	\$5.286B	\$4.450B	\$4.278B
Total of the City's investment portfolio	\$1.384B	\$1.350B	\$1.300B	\$1.350B

Finance Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	2.00	2.00	-
Accountant I/II	14.00	14.00	-
Accounting Technician	9.00	9.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	7.00	8.00	1.00
Assistant Director	1.00	1.00	-
Buyer I/II	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	3.00	3.00	-
Director of Finance	1.00	1.00	-
Division Manager	1.00	1.00	-
Financial Analyst	5.00	5.00	-
Investigator Collector I/II	13.00	12.00	(1.00)
Investment Officer	1.00	1.00	-
Office Specialist	5.00	5.00	-
Principal Account Clerk	4.00	4.00	-
Principal Accountant	4.00	4.00	-
Program Manager I	3.00	3.00	-
Program Manager II	1.00	1.00	-
Risk Manager	1.00	1.00	-
Senior Account Clerk	15.00	15.00	-
Senior Accountant	7.00	7.00	-
Senior Analyst	4.00	4.00	-
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	1.00	1.00	-
Staff Specialist	2.00	2.00	-
Supervising Accountant	1.00	1.00	-
Total Positions	117.00	117.00	0.00

Fire Department

Curtis P. Jacobson, Fire Chief

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To serve the community by protecting life, property, and the environment through prevention and response

City Service Areas

Community and Economic Development
Public Safety

Core Services

Emergency Response

Provide comprehensive life safety services to residents and visitors by responding to emergencies in San José's incorporated and the County of Santa Clara's unincorporated areas, totaling approximately 200 square miles; develop and maintain the Emergency Operations Center and its systems in coordination with federal and State requirements

Fire Prevention

Educate the community to reduce injuries, loss of life, and property damage from fires and other accidents; investigate fire cause; provide regulatory enforcement of fire and hazardous materials codes through inspection activities


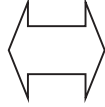
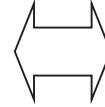
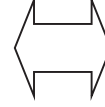
Fire Safety Code Compliance

Minimize loss of life and property from fires and hazardous materials releases; provide on-site code inspections and code plan review services to the City of San José business community and residents in the San José service area, resulting in a fire- and chemical-safe environment

Strategic Support: Administration, Emergency Preparedness Planning and Training, Employee/Volunteer Services, Equipment/Facilities, Homeland Security Programs and Grant Management, Information Technology, Master Planning, Multilingual Services, Safety/Wellness, and Training

Fire Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Emergency Response: <i>Provide comprehensive life safety services to residents and visitors by responding to emergencies in San José's incorporated and the County of Santa Clara's unincorporated areas, totaling approximately 200 square miles; develop and maintain the Emergency Operations Center and its systems in coordination with federal and State requirements</i></p>		<ul style="list-style-type: none"> • Fire Suppression • Public Assist • Emergency Medical Services (EMS) • Emergency Operations Center Readiness • Dispatch • Rescue • Hazardous Materials Mitigation
<p>Fire Prevention: <i>Educate the community to reduce injuries, loss of life, and property damage from fires and other accidents; investigate fire cause; provide regulatory enforcement of fire and hazardous materials codes through inspection activities</i></p>		<ul style="list-style-type: none"> • Fire Cause Investigation • Regulatory Enforcement • Fire and Life Safety Education/Community Outreach
<p>Fire Safety Code Compliance: <i>Minimize loss of life and property from fires and hazardous materials releases; provide on-site code inspections and code plan review services to the City of San José business community and residents in the San José service area, resulting in a fire- and chemical-safe environment</i></p>		<ul style="list-style-type: none"> • Engineering (Development Review) • Hazardous Materials (Development Review)
<p>Strategic Support: <i>Administration, Emergency Preparedness Planning and Training, Employee/Volunteer Services, Equipment/Facilities, Homeland Security Programs and Grant Management, Information Technology, Master Planning, Multilingual Services, Safety/Wellness, and Training</i></p>		<ul style="list-style-type: none"> • Administration • Information Technology • Safety/Wellness • Training • Emergency Preparedness Planning and Training • Employee/Volunteer Services • Equipment/Facilities • Homeland Security Programs and Grants Management • Master Planning • Multilingual Services

Fire Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Provide essential emergency services, such as fire suppression and emergency medical services, in a timely and effective manner.
- Implement all-hazard emergency management and homeland security programs for the City of San José.
- Deliver timely development review and inspection services.
- Provide life safety and fire prevention services to the community.

2016-2017 Key Budget Actions

- Redeploys staffing resources from four squad companies to provide the permanent staffing to restore Fire Engine 30 and Fire Engine 34, providing needed suppression and water supply capabilities.
- Adds 1.0 Senior Analyst and 1.0 limit-dated Analyst II (through June 2017) positions to provide financial and grants management to the Office of Emergency Services (OES) and non-personal/equipment funding of \$411,000 to support OES and the Emergency Operations Center.
- Adds 3.0 positions (1.0 Associate Engineer, 1.0 Senior Permit Specialist, and 1.0 Senior Engineer) to the Fire Development Fee Program to improve current cycle time performance and customer satisfaction levels and assist with the Integrated Permit System implementation. Shared support resources for this program to ensure the successful implementation of the new permit system is also included and can be found in the Planning, Building and Code Enforcement Department section of this document.
- Aligns administrative staffing positions to provide the Department with resources to continue improvements in the Department's information technology systems, including developing the Fire Department's Information Technology Master Plan, implementing a pre-alert system in fire stations, and implementing electronic patient care reporting, as well as manage employee relations activities in the Fire Department.
- Adds overtime funding of \$57,000 to the Non-Development Fee Program to improve the percentage of State-mandated and assemblies receiving inspections annually.
- Adds one-time funding of \$20,000 for temporary staffing to assist the Fire Department with increasing diversity in its recruitment efforts to represent the community it serves.

Operating Funds Managed

N/A

Fire Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Emergency Response	\$ 162,062,039	\$ 166,232,472	\$ 176,173,160	\$ 176,301,148	6.1%
Fire Prevention	2,909,330	4,598,780	4,682,837	4,739,354	3.1%
Fire Safety Code Compliance	4,358,879	4,469,425	4,895,746	4,995,746	11.8%
Strategic Support	9,950,148	14,544,579	11,073,183	12,219,481	(16.0%)
Total	\$ 179,280,396	\$ 189,845,256	\$ 196,824,926	\$ 198,255,729	4.4%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 163,070,781	\$ 175,700,112	\$ 182,327,745	\$ 183,209,351	4.3%
Overtime	8,275,830	5,991,060	6,632,344	6,688,861	11.6%
Subtotal	\$ 171,346,611	\$ 181,691,172	\$ 188,960,089	\$ 189,898,212	4.5%
Non-Personal/Equipment					
Total	\$ 179,280,396	\$ 189,845,256	\$ 196,824,926	\$ 198,255,729	4.4%
Dollars by Fund					
General Fund	\$ 178,608,661	\$ 189,342,292	\$ 196,344,839	\$ 197,726,359	4.4%
Capital Funds	671,735	502,964	480,087	529,370	5.3%
Total	\$ 179,280,396	\$ 189,845,256	\$ 196,824,926	\$ 198,255,729	4.4%
Authorized Positions by Core Service					
Emergency Response	687.03	688.03	710.57	710.57	3.3%
Fire Prevention	17.10	17.10	17.10	17.10	0.0%
Fire Safety Code Compliance	26.84	25.35	25.35	25.35	0.0%
Strategic Support	62.01	63.00	52.46	57.46	(8.8%)
Total	792.98	793.48	805.48	810.48	2.1%

Fire Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	793.48	189,845,256	189,342,292
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Fire Fighter Recruit Academy		(960,000)	(960,000)
• Rebudget: Fire Engineer Academy		(127,500)	(127,500)
• Rebudget: Airport Rescue and Firefighting Training		(92,000)	(92,000)
• Rebudget: Non-Development Fee Study		(70,000)	(70,000)
• Rebudget: Hazardous Materials Incident Responses Training		(65,000)	(65,000)
• Rebudget: Urban Search and Rescue Training		(55,000)	(55,000)
• Fire Engineer Academy and Training		(115,000)	(115,000)
• Fire Development Fee Program		(60,000)	(60,000)
• Fire Fighter Recruit Academies Training		(35,000)	(35,000)
• Fire Information Technology Staffing (1.0 Information Systems Analyst)	(1.00)	(23,868)	0
• Office of Emergency Services Staffing (1.0 Senior Analyst)	(1.00)	0	0
One-time Prior Year Expenditures Subtotal:	(2.00)	(1,603,368)	(1,579,500)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		6,189,242	6,188,251
- 1.0 Staff Technician to 1.0 Accounting Technician			
- 1.0 Analyst II PT to 1.0 Analyst I			
- 2.0 Network Technician II to 2.0 Network Technician III			
• Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant (City Council Approval - March 29, 2016) (3.0 Fire Captain, 4.0 Fire Engineer, and 7.0 Fire Fighter)	14.00	2,462,543	2,462,543
• Turnout Gear		50,000	50,000
• Paramedic Medical Director		10,000	10,000
• Fire Station 21 gas and electricity annualization		13,000	13,000
• Vehicle operations and maintenance		(138,747)	(138,747)
• Gas and electricity		(3,000)	(3,000)
Technical Adjustments Subtotal:	14.00	8,583,038	8,582,047
2016-2017 Forecast Base Budget:	805.48	196,824,926	196,344,839

Fire Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>			
1. Office of Emergency Services	2.00	696,185	696,185
2. Fire Development Fee Program	3.00	421,186	421,186
3. Fire Engines 30 and 34/Squad Unit Staffing Realignment		127,988	127,988
4. Enterprise Asset Management Team Support and Portable Generators Replacement		62,000	62,000
5. Fire Non-Development Fee Program		56,517	56,517
6. Fire Department Administrative Staffing Realignment		46,927	(2,356)
7. Fire Department Strategic Diversity Recruitment		20,000	20,000
	<hr/>	<hr/>	<hr/>
Total Budget Proposals Recommended	5.00	1,430,803	1,381,520
<hr/>			
2016-2017 Proposed Budget Total	810.48	198,255,729	197,726,359

Fire Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Office of Emergency Services	2.00	696,185	696,185

Public Safety CSA
Strategic Support

This action adds 1.0 Senior Analyst, 1.0 Analyst II (limit-dated through June 30, 2017), and non-personal/equipment funding of \$410,680. These positions will provide financial and grants management, including budget development and monitoring; management of grant proposals, award processes, program deliverables, and reimbursement requests; and grant management audits for various federal and State grants. In addition, the non-personal/equipment funding will provide resources to support the Office of Emergency Services (OES) and the Emergency Operations Center (EOC). These resources include, but are not limited to: contractual services for a planning specialist to develop and coordinate the Emergency Operations Plan; multi-jurisdictional hazard mitigation plans and the supporting Standard Operating Procedures and Field Operating Guides; replacement of primary equipment at the EOC; and contractual services for emergency planning and support for emergency training exercises. (Ongoing costs: \$196,185)

2. Fire Development Fee Program	3.00	421,186	421,186
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Community and Economic Development CSA
Fire Safety Code Compliance
Strategic Support

The actions included in this section, funded by fee activity and the use of reserves, support the Fire Development Fee Program by improving service levels with no fee increases.

- **Program Staffing:** This action adds 2.0 positions to address the increasing demand for development services (1.0 Associate Engineer and 1.0 Senior Permit Specialist). In addition, a one-time increase of \$100,000 for temporary staffing to meet peak workload volume will provide support for express plan reviews, allowing permanent staff to focus on more complex/larger projects. These resources will help the department maintain the service delivery target of 85% completion rates within the specified time frame. (Ongoing costs: \$206,365)
- **Integrated Permit System Implementation Staffing:** This action adds 1.0 Senior Engineer position through June 30, 2018 to assist with the Integrated Permit System implementation. (Ongoing costs: \$144,427)

While not reflected in this section of the document, other actions partially funded by the Fire Development Fee program include the following:

- **Integrated Permit System Implementation:** This action adds resources for the Integrated Permit System Implementation project being undertaken by the Planning, Building and Code Enforcement Department (PBCE). The Permit System is used by all the Development Services Partners (Building, Planning, Fire, and Public Works) along with other departments (Environmental Services and Transportation) in the City, and the implementation project is anticipated to take 28 months from the start of the project, which is anticipated to be in May 2016. The Permit System upgrade will allow the City to serve residents and businesses more efficiently, including adding essential features, such as electronic plan submittal, on-line plan approval, permit tracking, and permit process management. For the Fire Development Fee Program, the following resources are

Fire Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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2. Fire Development Fee Program

recommended as outlined below. Details on other recommended resources for this project can be found in the PBCE Department and Public Works Department sections in this document.

- 1.0 Supervising Applications Analyst position, limit-dated to June 30, 2018 (total cost: \$142,286, Fire Development Fee Program's portion: \$10,036), will lead the team in the technical aspects of designing and testing the new system. The position will also work with managers and front-line staff to ensure a seamless transition to the new system.
- 1.0 Senior Analyst position, limit-dated to June 30, 2018 (total cost: \$103,300, Fire Development Fee Program's portion: \$7,285), will be responsible for the implementation of a new Development Fee structure that is currently under development and incorporation of the new fee information into the new system, as appropriate. This position will also focus on assisting with documenting processes and streamlining procedures as well as tracking expenditures and technology purchases and needs.
- Contractual services funding for a temporary project manager through June 30, 2018 (total cost: \$479,850, Fire Development Fee Program's portion: \$35,263) that will provide project management services to ensure implementation success of the project.
- Temporary analytical staffing equivalent to six months of staff time for each year through June 30, 2018 (total cost: \$50,000, Fire Development Fee Program's portion: \$3,526) will support the Department's daily operations while experienced staff support the design, testing, and transition to the new system.
- To better align resources for the implementation project, 1.0 Building Inspection Manager position will shift from the technology team in the Planning, Building and Code Enforcement Department to the Building Development Fee Program along with the appropriate funding (total savings: \$622, Fire Development Fee Program's savings: \$18,250).
- **Virtual Desktop Infrastructure and Windows Upgrades:** The Fire Development Fee Program will provide funding to the Information Technology Department (IT) to support city-wide technology upgrades, including the new Virtual Desktop Infrastructure (VDI) and operating system upgrade to Microsoft Windows 10. VDI is a new organization-wide desktop management standard that centralizes desktop software, security, and patch management to the cloud, enhances software deployments throughout the organization, and enables IT to standardize and service thousands of desktops from a single location. This action also includes the deletion of 3.0 vacant Network Technician II/III positions in exchange for the addition of 2.0 Information Systems Analyst positions, given the greater level of technical expertise necessary to support these system upgrades. (Ongoing costs: \$351)

Fire Development Fee Program Reserve: A decrease to the Reserve (from \$5.3 million to \$4.7 million) is included to offset the recommended actions as part of the Proposed Operating Budget. It is important to note that while the recommended budget actions decrease this reserve, the 2016-2017 base level of revenues and expenditures necessitated the use of approximately \$610,000 of this Reserve, resulting in a Base Budget decrease from \$5.9 million to \$5.3 million.

Fire Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Fire Engines 30 and 34/Squad Unit Staffing Realignment		127,988	127,988

Public Safety CSA
Emergency Response

This action adds 6.0 Fire Captain positions and eliminates 6.0 Fire Engineer positions, which enables the redistribution of resources from four squad units to provide the permanent staffing complement required to restore two fire engine companies and improve response time performance. The restoration of Fire Engines 30 and 34 will provide needed suppression and water supply capabilities, which are not available with the squad units and will provide necessary resources to respond to house fires, life threatening injuries and illnesses, and more complex emergency incidents. Duty positions from Squad Units 4 and 18 will be reallocated to staff Engine 34 and staff from Squad Units 5 and 26 will staff Engine 30. The Fire Department has a response time goal of responding to Priority 1 calls in less than 8 minutes 80% of the time. In the last three years, response time data reflects a 67% average compliance for Fire Station 34 and a 72% average compliance for Fire Station 30. Overall, estimated response time compliance for Priority 1 calls for 2015-2016 is 72%, and the set target for 2016-2017 remains at 80%. (Ongoing costs: \$163,070)

4. Enterprise Asset Management Team Support and Portable Generators Replacement		62,000	62,000
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Public Safety CSA
Strategic Support

This action increases the Fire Department's non-personal/equipment funding by \$62,000 for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this document. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer in the Vehicle Maintenance and Operations Fund to better align and augment the Department's Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing savings: \$19,000)

Fire Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Fire Non-Development Fee Program		56,517	56,517

Public Safety CSA

Fire Prevention

This action adds ongoing overtime funding of \$57,000 to help improve the percentage of occupancies receiving inspections. Increased overtime will allow Fire Prevention Inspectors to increase the number of inspections conducted annually and meet the 2016-2017 performance targets for inspections of 100% for both State-mandated and assemblies categories. A fee study is currently underway and possible recommendations regarding risk-based inspections may be brought forward as part of the 2017-2018 budget process. This action is offset by Fire Non-Development Fee Program revenues and does not require a fee increase. (Ongoing costs: \$56,517)

6. Fire Department Administrative Staffing Realignment		46,927	(2,356)
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Public Safety CSA

Strategic Support

This action adds two positions (1.0 Information Systems Analyst and 1.0 Senior Analyst) and eliminates two vacant positions (1.0 Senior Office Specialist and 1.0 Training Specialist) to better align resources with administrative needs. The Information Systems Analyst (funded 0.65 in the General Fund and 0.35 in Capital Funds) will work on developing and implementing various technology initiatives, including the Fire Department's Information Technology Master Plan, pre-alert systems in fire stations, and the Electronic Patient Care Reporting (ePCR) system. Although the work with the County of Santa Clara continues on the development of specifications for the ePCR project, this position has also been engaged in other critical projects. The pre-alert system, which is funded in the 2016-2017 Proposed Capital Budget, requires the work of an Information Systems Analyst to ensure that some of the key processes, such as integration with the dispatch systems and the implementation of "text-to-speech" tool, are completed successfully and are maintained. A successful pre-alert system will allow for faster response times, which will help Fire Companies meet their response time goals. This position will also support current efforts to monitor response time performance (dispatch, turnout, and travel) by station and by type of incident. The Senior Analyst will manage activities related to the Department's professional standards, workers' compensation, disciplinary, and probationary processes and coordinate with the Office of Employee Relations. The elimination of the two vacant positions will not have a service level impact, as the duties associated with these positions have been absorbed by the remaining administrative staff. (Ongoing costs: \$45,972)

Fire Department

Budget Changes By Department





Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Fire Department Strategic Diversity Recruitment		20,000	20,000
<i>Public Safety CSA</i>			
<i>Strategic Support</i>			
<p>This action provides one-time non-personal/equipment funding for temporary staffing to assist the Department in increasing diversity in its recruitment efforts by preparing recruitment materials, supporting the event registration and recruitment booth, handing out interest cards and entering information into the recruitment database, coordinating candidate forums, providing staff support for interviews, and coordinating appointments for various examinations and screening of candidates. The Department is committed to improving its recruitment efforts to achieve its goal of enhancing diversity that represents the community it serves. In the past, the department has had success with veteran outreach and those efforts will continue along with more targeted efforts with women and minorities. The Department will evaluate program outcomes and will continue to work in partnership with the Human Resources Department to allocate resources towards designing a targeted and sustainable recruitment program. (Ongoing costs: \$0)</p>			
2016-2017 Proposed Budget Changes Total	5.00	1,430,803	1,381,520

Fire Department

Performance Summary

Emergency Response

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of fires contained: - in room of origin - in structure of origin	68% 90%	85% 90%	70% 90%	85% 90%
 % of hazardous material releases contained to property of origin by Hazardous Incident Team (total # contained)	N/A* N/A*	80% N/A*	N/A* N/A*	80% N/A*
 % of City employees trained in the State Mandated Standardized Emergency Management System (SEMS) and National Incident Management System (NIMS)** Senior Staff All other City employees	5% 5%	25% 15%	10% 15%	25% 15%
 Average cost of emergency response (budget/# of emergency responses)	\$1,948	\$1,950	\$1,949	\$1,955

* The Department continues to review this measure and methodology to capture data; an update to this measure and methodology may be presented for 2017-2018




** SEMS and NIMS training is provided to all employees every five years and new hires individually through online training.

Fire Department

Performance Summary

Emergency Response

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of response time compliance				
- Priority 1 (<8 min)	73%	80%	72%	80%
- Priority 2 (<13 min)	90%	80%	90%	80%
 % of response time breakdown for Priority 1				
- Dispatch time (<2 min)	88%	80%	87%	80%
- Turnout time (<2 min)	75%	80%	72%	80%
- Travel time (<4 min)	46%	80%	47%	80%
 % of EMS response time compliance				
- EMS Code 3 (<8 min)	89%	90-95%	89%	90-95%
- EMS Code 2 (<12 min)	97%	90-95%	97%	90-95%

Emergency Response

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
# of SJFD Emergency Incidents Dispatched	83,632	85,800	87,000	89,000
# of Priority 1 SJFD Responses (red lights/sirens)	66,555	67,800	69,700	71,300
# of Priority 2 SJFD Responses (no red lights/sirens)	16,804	17,700	17,000	17,400
# of other SJFD Calls (unclassified)	273	300	300	300
# of Squad Unit Responses	10,749	N/A	8,400	3,000*
# of Emergencies by Type Found on Arrival	83,632	86,600	87,000	89,000
# Fires	2,103	2,100	2,100	2,100
- structure fires	388	430	400	400
- vehicle/aircraft fires	321	350	300	300
- vegetation fires	365	350	400	400
- other fires	1,029	970	1,000	1,000
- # of medical emergencies	51,631	52,400	53,500	55,100
- # of Rescue, Haz-Mat, USAR and non-fire hazards	6,485	6,900	7,000	7,200
- # of Service Requests & Good Intent	9,718	10,700	10,200	10,400
- # of False Alarm/False Call (malicious)	1,062	1,200	1,300	1,300
- # of No incident, wrong location, cancelled en route	6,862	7,600	7,200	7,200
- # of Uncategorized	5,771	5,700	5,700	5,700
Total estimated property fire loss (x \$1,000)	\$40,000	\$40,000	\$40,000	\$40,000





* Due to the redistribution of resources from the Squad Car Units to Fire Engines 30 and 34, target data for 2016-2017 is for one remaining squad unit.

Fire Department

Performance Summary

Fire Prevention

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of arson investigations with determination of cause	65%	65%	65%	65%
 % of inspections not requiring a follow-up inspection	74%	70%	68%	70%
 % of occupancies receiving an inspection:				
- State-mandated	79%	100%	97%	100%
- Assemblies	81%	100%	90%	100%
- Non-mandated	68%	80%	63%	80%
 % of code violation complaint investigations initiated within 1 week	99%	100%	96%	100%

Fire Department

Performance Summary

Fire Prevention

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Target
# of investigations conducted by Arson Unit	293	300	200	200
# of investigations resulting in arson determination	126	160	80*	120
Total number of arson fires in structures	49	75	40	40
Total estimated dollar loss due to arson	\$4,022,000	\$3,500,000	\$3,500,000	\$3,500,000
Arson fires per 100,000 population	13	15	8	8
Plan reviews performed (special events)	467	435	470	470
# of initial inspections conducted by Firefighters:				
- State-mandated	3,570	4,500	4,530	4,600
# of initial inspections conducted by Bureau of Fire Prevention staff:				
- State-mandated	1,060	1,250	1,130	1,130
- Assemblies	1,227	1,550	1,400	1,450
- Non-mandated	2,869	2,900	2,650	2,650
# of re-inspections:				
- State-mandated	1,240	1,300	1,120	1,150
- Assemblies	842	850	940	950
- Non-mandated	1,058	975	1,000	1,000
Total annual permitted occupancies:				
- Hazardous Materials	2,852	2,925	2,840	2,900
- Fire Safety	4,256	4,350	4,320	4,350
# of complaints investigated	68	60	60	60




* Due to vacancies, the Arson Unit's investigations were focused on fires with suspected arson components.

Fire Department

Performance Summary

Fire Safety Code Compliance

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Ratio of fee revenue to Development Fee Program cost	100%	100%	100%	100%
 Selected cycle time measures for Development services:				
- Fire Plan Check processing targets met	92%	100%	91%	92%
- Fire inspections within 24 hours	100%	100%	100%	100%
 % of Development process participants rating service as good or excellent	85%	90%	88%	90%

Activity and Workload Highlights


	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of new construction and tenant improvement plan checks performed	5,153	5,000	5,500	5,500
# of new construction and tenant improvement inspections performed	7,674	8,000	8,000	8,000

Fire Department

Performance Summary

Strategic Support

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 # of Council Districts with at least 5 community members graduated from the 20-hour San José Prepared! course each year	1	5	1*	1*

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Target
# of residents graduating 20-hour San José Prepared! training annually	35	90	12*	20*
# of residents attending 2 hour San José Prepared! training (short course)	705	500	0*	0*

* Due to the prioritization of restoring the EOC, restoring and developing the Emergency Operations Plan, and developing a Continuity Plan, resources for this program have been redistributed. However, one training was completed in 2015-2016 by a partner agency (Council District information for participants is not available) and one training is anticipated in 2016-2017 in Council District 10, which will be sponsored by a community organization.

Fire Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	2.00	2.00	-
Accounting Technician	1.00	2.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I C	0.00	1.00	1.00
Analyst II	5.00	6.00	1.00
Analyst II C PT	1.00	0.00	(1.00)
Arson Investigator	3.00	3.00	-
Assistant Fire Chief	1.00	1.00	-
Associate Engineer	15.00	16.00	1.00
Battalion Chief	21.00	21.00	-
Deputy Director	1.00	1.00	-
Deputy Fire Chief	3.00	3.00	-
Director, Emergency Services	1.00	1.00	-
Fire Captain	166.00	175.00	9.00
Fire Chief	1.00	1.00	-
Fire Division Chief	3.00	3.00	-
Fire Engineer	226.00	224.00	(2.00)
Fire Equipment Technician	2.00	2.00	-
Fire Fighter	244.00	251.00	7.00
Fire Prevention Inspector	11.00	11.00	-
Hazardous Materials Inspector II	6.00	6.00	-
Information Systems Analyst	2.00	2.00	-
Network Technician I/II	2.00	0.00	(2.00)
Network Technician I/II/III	0.00	2.00	2.00
Office Specialist II	3.00	3.00	-
Permit Specialist	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Program Manager I	1.00	1.00	-
Public Safety Radio Dispatcher	30.00	30.00	-
Public Safety Radio Dispatcher PT	0.48	0.48	-
Senior Account Clerk	2.00	2.00	-
Senior Analyst	3.00	4.00	1.00
Senior Engineer	3.00	4.00	1.00
Senior Geographic Systems Specialist	1.00	1.00	-
Senior Office Specialist	3.00	2.00	(1.00)
Senior Permit Specialist	2.00	3.00	1.00
Senior Public Safety Dispatcher	11.00	11.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	3.00	3.00	-
Staff Technician	1.00	0.00	(1.00)
Supervising Applications Analyst	1.00	1.00	-
Supervising Public Safety Dispatcher	3.00	3.00	-
Training Specialist	3.00	2.00	(1.00)
Total Positions	793.48	810.48	17.00

Note: Of the 810.48 positions in the Fire Department in 2016-2017, 693 are sworn positions and 117.48 are civilian positions.

Housing Department

Jacky Morales-Ferrand, Director

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To strengthen and revitalize our community through housing and neighborhood investment

City Service Area

Community and Economic Development

Core Services

Community Development and Investment

Invest in at-risk residents and neighborhoods by providing housing and community development loans and support to public service providers; coordinate regional efforts to end homelessness

Housing Development and Preservation

Provide funding and technical assistance for the construction of new affordable housing and the acquisition and rehabilitation of existing housing; preserve existing affordable housing through loans and grants and effective management of the City's loan portfolio; provide homebuyer assistance and rehabilitation loans and grants, as funds are available; and provide Inclusionary and Market Rate Housing assistance to the housing development community


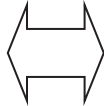
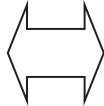

Neighborhood Development and Stabilization

Provide investment and support to neighborhoods through funding infrastructure improvements and provide Rental Rights and Referrals services to community residents

Strategic Support: Public Education, Long Range Planning, Financial Management, Computer Services, Clerical Support, Human Resources, Audit Supervision, Policy Development and Loan Servicing and Oversight

Housing Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Community Development and Investment:</p> <p><i>Invest in at-risk residents and neighborhoods by providing housing and community development loans and support to public service providers; coordinate regional efforts to end homelessness</i></p>		<ul style="list-style-type: none"> • Non-Profit Partnership to End Chronic Homelessness • Coordination of Interdepartmental Response to Homeless Encampments • Homelessness Response Team • City-wide Homeless Outreach and Engagement • Job Training and Placement for Unhoused Individuals • Non-Profit Services Grants for neighborhood engagement, limited senior programs, facility improvements, and homeless outreach programs
<p>Housing Development and Preservation:</p> <p><i>Provide funding and technical assistance for the construction of new affordable housing and the acquisition and rehabilitation of existing housing; preserve existing affordable housing through loans and grants and effective management of the City's loan portfolio; provide homebuyer assistance and rehabilitation loans and grants, as funds are available; and provide Inclusionary and Market Rate Housing assistance to the housing development community</i></p>		<ul style="list-style-type: none"> • Affordable Housing Development Loans • Homeless Tenant Based Rental Assistance Program • Place-Based Rapid Re-Housing Encampment Program • Limited Rehabilitation Homeowner Loans • Inclusionary Housing Program • Facilitate Market Rate Housing Development
<p>Neighborhood Development and Stabilization:</p> <p><i>Provide investment and support to neighborhoods through funding infrastructure improvements, and provide Rental Rights and Referral services to community residents</i></p>		<ul style="list-style-type: none"> • Fair Housing Programs • Rental Rights and Referral Services • Community Development Block Grant Program – Infrastructure Investments • Neighborhood Stabilization Program • Place-Based Neighborhood Strategy
<p>Strategic Support:</p> <p><i>Public Education, Long Range Planning, Financial Management, Computer Services, Clerical Support, Human Resources, Audit Supervision, Policy Development and Loan Servicing and Oversight</i></p>		<ul style="list-style-type: none"> • Loan Compliance and Collections • Policy Development • Financial Management • Clerical Support • Audit Supervision • Public Education

Housing Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Assist in the creation and preservation of affordable housing by committing \$41 million to provide financing for 211 newly constructed affordable rental apartments, including up to 110 homeless units and another 21 units for other vulnerable populations.
- Begin implementing the modified Apartment Rent Ordinance by providing additional resources as well as creating new systems and procedures.
- Continue implementing the Affordable Housing Impact Fee (AHIF) Program on new market-rate rental housing developments and begin implementing the Citywide Inclusionary Housing Ordinance to help address the need for affordable housing throughout the City.
- Respond to the impacts of homelessness in the community. Activities will include:
 - Implementing mobile response services such as safe parking programs, mobile hygiene services, and inclement weather centers to meet the needs of vulnerable populations throughout the City while also continuing encampment abatement and deterrent measures;
 - Developing additional interim housing options, including potential hotel/motel master leasing or conversion, manufactured home developments, and other alternative housing types;
 - Overseeing the tenant-based rental assistance program with a focus on employable and transitional homeless populations;
 - Providing multi-disciplinary outreach and case management teams for both city-wide and downtown-specific responses;
 - Continue coordinating with the County of Santa Clara, Destination: Home, and the Housing Authority on the implementation of the Community Plan to End Homelessness;
 - Supporting the “All the Way Home” campaign to end veteran homelessness by 2018; and,
 - Continue providing homeless services through Opportunity Court, as directed in the Mayor’s March Budget Message for Fiscal Year 2016-2017, as approved by the City Council.
- Continue employing a place-based, neighborhood-focused strategy as part of the Community Development Block Grant (CDBG) program, which will continue to be applied in three neighborhoods: Mayfair, Santee, and Five Wounds/Brookwood Terrace.

2016-2017 Key Budget Actions

- Adds 1.0 limit-dated Development Officer (through June 2018) funded by the City-Wide Homeless Rapid Rehousing Program to support the homelessness program by researching solutions to land use and regulatory challenges, as well as focusing on Department-wide initiatives for this program.
- Adds 2.0 Deputy Director and eliminates 1.0 Assistant Director to enhance leadership capacity and meet demands of the organization and community for affordable housing policies and programs.
- Adds 1.0 Development Officer to prepare loan documentation for projects and coordinate database entries and reporting for the Affordable Housing Impact Fee Program.
- Adds 1.0 Building Rehabilitation Supervisor to manage contractual services agreements for inspection services in the Single Family and Mobilehome Rehabilitation Program.
- Realigns staffing between various Housing funding sources with work to be performed by shifting staff to increase housing production activities and improve management of the \$780 million loan portfolio and adds one-time non-personal/equipment funding of \$190,000 for a consultant agreement to develop short- and long-term portfolio cash flow models, residual receipts projections and recommendations on loan management practices and staffing levels.

Operating Funds Managed

- | | |
|-------------------------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Community Development Block Grant Fund | <input type="checkbox"/> Housing Trust Fund |
| <input type="checkbox"/> Economic Development Administration Loan Fund | <input type="checkbox"/> Low and Moderate Income Housing Asset Fund |
| <input type="checkbox"/> Home Investment Partnership Program Trust Fund | <input type="checkbox"/> Multi-Source Housing Fund |

Housing Department

Department Budget Summary

The table below identifies the programs that are currently provided by the Housing Department. In each fund, the fund's total budget, full-time equivalent (FTE) position count, source of funds, and program name and activity are described.

Fund	FTEs	Source of Funds	Program/Activity
General Fund (Fund 001) Total Fund Budget: \$266,593	5.50	General Fund	Neighborhood Engagement <ul style="list-style-type: none"> - Implement place-based strategy Homeless Response Team* <ul style="list-style-type: none"> - Clean-up homeless encampments - Rapid Re-Housing * Funding in City-Wide Expenses
Housing Trust Fund (Fund 440) Total Fund Budget: \$2,906,042	3.50	Bond Administration Fees Tax Credit Review Fees	Grants for homeless programs/activities
Community Development Block Grant Fund (Fund 441) Total Fund Budget: \$13,068,821	7.34	Federal CDBG Funding	Grant management <ul style="list-style-type: none"> - Grants to non-profits - Place-based strategy - Infrastructure - Code Enforcement Housing Rehabilitation Loans and Grants Land Acquisition
Home Investment Partnership Program Trust Fund (Fund 445) Total Fund Budget: \$14,301,353	0.80	Federal HOME Investment Partnership Funding	Loans/Grants <ul style="list-style-type: none"> - New Construction - Acquisition/Rehabilitation - Home Rehabilitation Rental Assistance/Permanent Housing for Homeless Persons Grant to a non-profit for an acquisition and rehabilitation program

Housing Department

Department Budget Summary

Fund	FTEs	Source of Funds	Program/Activity
Multi-Source Housing Fund (Fund 448) Total Fund Budget: \$22,240,998	1.21	Other Federal/Entitlement Programs: Neighborhood Stabilization Program (NSP) 1 and 2 Emergency Shelter Grants (ESG) Housing Opportunities for Persons with AIDS (HOPWA)	Loans/Grants – Large Projects - New Construction - Acquisition/Rehabilitation Loans/Grants – Small Projects - Acquisition/Rehabilitation/ Resale of Single Family Homes Grants to homeless service providers for shelter, outreach, and care management Grants for services to persons living with HIV/AIDS including tenant based rental assistance
	3.65	Fees from Mobilehome Park Owners/Residents Fees from Apartment Owners	Mediation and arbitration services to landlords and tenants living in rent-controlled apartments Referral and arbitration services to mobilehome owners and mobilehome park owners
	1.75	State Funding: CalHome BEGIN	Affordable Homeownership Programs - First Time Homebuyer down payment loans - Home Rehabilitation - Down payment assistance loans

Housing Department

Department Budget Summary

Fund	FTEs	Source of Funds	Program/Activity
Low and Moderate Income Housing Asset Fund (Fund 346) Total Fund Budget: \$86,097,208	10.10	Loan Repayments Interest Affordable Housing Impact Fees	Executive Office Information Technology Policy - Data Collection and Report Preparation - Planning/Policy Development and Support - Legislative Analysis and Advocacy
	3.95		Project Development - Acquisitions - New Construction
	3.60		Asset Management – Single Family - Single Family Loan Portfolio Management - Homebuyer Assistance - Repayments/Refinancing - Affordability Restriction Monitoring - Homeowner Transactions
	7.00		Asset Management – Multi-Family - Multi-Family Rental Portfolio Management - Project Transactions - Income/Rent Compliance - Loan Repayment Collections - Physical Building Inspections
	5.00		Housing Rehabilitation - Small Projects - Acquisition/Rehabilitation/Resale of Single Family Homes
	2.00		Developer Funded Affordable Housing Programs - Monitor Inclusionary Properties - Implement new Inclusionary Housing Policy - Implement new Housing Impact Fee Program - Implement new Affordable Housing Impact Fee Program
	6.60		Management & Analysis - Budget - Human Resources - Contract Administration - Accounting - Audit

Housing Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Community Development and Investment	\$ 59,199	\$ 348,416	\$ 192,910	\$ 157,305	(54.9%)
Housing Development and Preservation	631,804	1,113,785	1,194,390	1,189,799	6.8%
Neighborhood Development and Stabilization	2,614,637	3,216,512	3,136,639	3,617,064	(12.5%)
Strategic Support	4,757,407	5,553,021	5,158,381	5,311,442	(4.4%)
Total	\$ 8,063,047	\$ 10,231,734	\$ 9,682,320	\$ 10,275,610	0.4%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 7,288,498	\$ 8,388,691	\$ 8,595,777	\$ 8,999,067	7.3%
Overtime	9,234	24,831	24,831	24,831	0.0%
Subtotal	\$ 7,297,732	\$ 8,413,522	\$ 8,620,608	\$ 9,023,898	7.3%
Non-Personal/Equipment					
Total	765,315	1,818,212	1,061,712	1,251,712	(31.2%)
Total	\$ 8,063,047	\$ 10,231,734	\$ 9,682,320	\$ 10,275,610	0.4%
Dollars by Fund					
General Fund	\$ 230,461	\$ 253,746	\$ 266,593	\$ 266,593	5.1%
Comm Dev Block Grant	1,272,752	1,253,646	1,330,130	1,253,846	0.0%
Home Invest Partnership	393,811	288,531	303,008	209,155	(27.5%)
Housing Trust Fund	380,805	429,430	430,335	430,335	0.2%
Low/Mod Income Hsg Asset	4,999,065	6,735,972	6,132,026	6,850,544	1.7%
Multi-Source Housing	786,153	1,270,409	1,220,228	1,265,137	(0.4%)
Total	\$ 8,063,047	\$ 10,231,734	\$ 9,682,320	\$ 10,275,610	0.4%
Authorized Positions by Core Service					
Community Development and Investment	3.50	3.50	2.50	3.10	(11.4%)
Housing Development and Preservation	4.30	5.20	5.20	5.15	(1.0%)
Neighborhood Development and Stabilization	21.55	19.65	20.15	22.85	16.3%
Strategic Support	28.65	29.65	30.15	30.90	4.2%
Total	58.00	58.00	58.00	62.00	6.9%

Housing Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	58.00	10,231,734	253,746
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Executive Recruitment		(100,000)	0
• Rebudget: High Density File Storage System		(40,000)	0
• Special Projects Funding		(295,000)	0
• Responsible Landlord Engagement Initiative		(150,000)	0
• Downtown Core Homeless Drop In Center		(12,500)	0
One-Time Prior Year Expenditures Subtotal:	0.00	(597,500)	0
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Office Specialist II to 1.0 Staff Specialist		207,586	12,847
• Financial advising and consulting		(115,000)	0
• Technical assistance and consulting		(20,000)	0
• Reallocation of non-personal/equipment funding to the Public Works Department for Geographic Information System software contractual services		(16,000)	0
• Database maintenance		(10,000)	0
• Building maintenance		(5,000)	0
• Vehicle maintenance and operations		7,000	0
• Professional development program		(500)	0
Technical Adjustments Subtotal:	0.00	48,086	12,847
2016-2017 Forecast Base Budget:	58.00	9,682,320	266,593
<hr/> Budget Proposals Recommended <hr/>			
1. Housing Loan Portfolio Management		190,000	0
2. Housing Department Management Realignment	1.00	187,684	0
3. Single Family and Mobilehome Rehabilitation Program	1.00	111,512	0
4. Affordable Housing Impact Fee Program	1.00	104,098	0
5. Homelessness Program Support	1.00	0	0
6. Low and Moderate Income Housing Asset Fund Staffing Realignment		(4)	0
Total Budget Proposals Recommended	4.00	593,290	0
2016-2017 Proposed Budget Total	62.00	10,275,610	266,593

Housing Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Housing Loan Portfolio Management</p> <p><i>Community and Economic Development CSA</i> <i>Neighborhood Development and Stabilization</i></p> <p>This action adds one-time non-personal/equipment funding of \$190,000 in the Low and Moderate Income Housing Asset Fund for the second phase of a consultant agreement with Tax Credit Asset Management (TCAM). In Phase II, TCAM will develop a robust, long-term portfolio cash flow model, residual receipts projections, and recommendations on loan management practices and staffing levels. (Ongoing costs: \$0)</p>		190,000	0
<p>2. Housing Department Management Realignment</p> <p><i>Community and Economic Development CSA</i> <i>Strategic Support</i></p> <p>This action adds 2.0 Deputy Director positions in the Low and Moderate Income Housing Asset Fund and eliminates 1.0 Assistant Director position, funded by the Low and Moderate Income Housing Asset Fund and the Community Development Block Grant Fund, to enhance leadership capacity and meet growing demands of the organization and community for affordable housing policies and programs. The Deputy Director of Policy and Neighborhood Programs will be responsible for monitoring, coordinating, and evaluating the activities of the Department's Policy and Planning, Neighborhood Development, Mobile Home and Apartment Rent Control Programs, and the Administrative and Compliance Divisions. The Deputy Director of Housing Production and Asset Management will be responsible for monitoring, coordinating, and evaluating the activities, work plans, and operating budgets for the Department's Housing Production, Asset Management, and Homelessness Response Divisions. (Ongoing costs: \$187,684)</p>	1.00	187,684	0
<p>3. Single Family and Mobilehome Rehabilitation Program</p> <p><i>Community and Economic Development CSA</i> <i>Neighborhood Development and Stabilization</i></p> <p>This action adds 1.0 Building Rehabilitation Supervisor position in the Low and Moderate Income Housing Asset Fund to oversee the Department's building inspection services for affordable housing and non-profit facility enhancements funded by the City. This position will manage contractual service agreements and provide technical support as necessary. Previously, the Single Family and Mobilehome Rehabilitation loan and grant program for low-income individuals was very successful. This position will oversee a modified, outsourced version of this program as well as oversee several affordable housing rehabilitation projects. (Ongoing costs: \$121,799)</p>	1.00	111,512	0

Housing Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Affordable Housing Impact Fee Program	1.00	104,098	0

Community and Economic Development CSA
Neighborhood Development and Stabilization

On November 18, 2014, the City Council adopted a resolution that established an Affordable Housing Impact Fee on new market-rate rental housing development of three or more units, which was recently upheld by the Supreme Court. This program is expected to grow to approximately \$20 million annually by 2020. This action adds 1.0 Development Officer position in the Low and Moderate Income Housing Asset Fund to support the Multi-Family Affordable Housing Impact Fee Program. This position will work in concert with a Senior Development Officer to prepare loan documentation for all projects being underwritten and coordinate the Loan Management System database entries and reports. This position will also enable the Department to increase the production of loans and grants, which will allow more affordable housing projects to proceed more expeditiously. In addition, this action shifts funding for 1.0 Development Officer position from the Low and Moderate Income Housing Asset Fund to the Multi-Source Housing Fund to support the Affordable Housing Impact Fee Program. (Ongoing costs: \$113,694)

5. Homelessness Program Support	1.00	0	0
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Community and Economic Development CSA
Community Development and Investment

This action adds 1.0 limit-dated Development Officer position (through June 30, 2018) to provide additional capacity to support the homelessness program. The Development Officer will focus on land use and regulatory challenges associated with siting housing options. This position will also contribute to several new Department-wide initiatives identified for the program this year, which include: warming centers, temporary church shelters, mobile hygiene services, and sanctioned encampments. In addition, a key responsibility of this position will be to research best practices to address homelessness. This position will be funded by the City-Wide Homeless Rapid Rehousing appropriation as described in the City-Wide Expenses section of this document. (Ongoing costs: \$0)

Housing Department

Budget Changes By Department



Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Low and Moderate Income Housing Asset Fund Staffing Realignment <i>Community and Economic Development CSA</i> <i>Community Development and Investment</i> <i>Housing Development and Preservation</i> <i>Neighborhood Development and Stabilization</i> <i>Strategic Support</i>		(4)	0
<p>This action shifts funding for several administrative positions in the Housing Department from various Housing Funds to the Low and Moderate Income Housing Asset Fund in order to align funding sources with the work performed by staff. This action shifts a portion of an Accounting Technician position from the Home Investment Partnership Program Fund, shifts a Staff Specialist position from the Home Investment Partnership Program Fund and Multi-Source Housing Fund, a Development Specialist position from the Multi-Source Housing Fund, and a Development Officer position from the Home Investment Partnership, the Multi-Source Housing, and Community Development Block Grant Funds. Staff will be shifted into the Low and Moderate Income Housing Asset Fund to work on affordable housing policy development and the Affordable Housing and Sustainable Communities (Cap and Trade) grant application. With the recent completion of several large affordable housing projects (including Japantown Apartments, and Donner Lofts), and several grant-funded projects (Neighborhood Stabilization Program I/II, Hazard Mitigation Grant Program, and Homebuyer Program), staff will be reallocated to work on new affordable housing projects. (Ongoing savings: \$3)</p>			
2016-2017 Proposed Budget Changes Total	4.00	593,290	0

Housing Department

Performance Summary

Community Development and Investment

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Reduction in the number of homeless individuals from prior two years*	707	400	700	500
 % of tenant/landlord mediations that resulted in mutual agreement	80%	88%	88%	88%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Estimated number of homeless individuals*:				
- chronically homeless	1,409	1,320	1,400	1,300
- non-chronically homeless	2,654	2,680	2,650	2,600
# of homeless individuals who secured new permanent housing:				
- chronically	227	200	130	200
- non-chronically	822	760	650	700
# of unduplicated mobilehome and apartment clients served by the Rental Rights and Referrals Program	2,334	2,400	2,700	2,500





* This number is collected on a biennial basis.

Housing Department

Performance Summary

Housing Development and Preservation

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of annual target achieved for production of affordable housing/# of units	179% (168)	100% (70)	303%* (212)*	100% (211)
 % of all rehab program funds that are loaned versus granted	100%	100%	100%	100%
 Cumulative ratio of non-City funds to City funds over the last five years in the New Construction Program	3.76:1	2.57:1	3.72:1	2.60:1
 % of rehabilitation and mobilehome clients satisfied or very satisfied based on overall service	N/A**	85%	75%	85%

* The increase in the 2015-2016 Estimate is due to several large affordable housing projects, including: Santa Clara Inn, Metropolitan Apartments South, and Interim Housing Community at Evans Lane.

** The Department did not receive any survey feedback from its clients.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of homebuyer loans closed:				
- CalHome BEGIN	4	5	6	15
- Other downpayment assistance	2	1	7	10
Total	6	6	13	25
# of unduplicated households assisted by the homebuyer program*	6	6	7	15
# of affordable housing units completed in the fiscal year	168	70	584**	171
Average per-unit subsidy in funding commitments for new construction projects (\$)	\$79,631	\$175,000	\$114,000	\$200,000
# of mobilehome retrofits completed	83	0***	0***	0***
# of rehabilitation projects completed:				
- Rehabilitation projects	14	20	4	10
- Mobilehome projects	0	0	0	0
- Minor repair	215	250	130	140
Total	229	270	130	150

* Some homebuyers received multiple loans.

** The increase in affordable housing units estimated to be completed in 2015-2016 includes non-subsidized affordable housing, which is expected to be completed per the Hitachi Development Agreement. However, these units were not included in the 2015-2016 Target.





*** This program was only funded through October 2015; however given current trends, the allocated funding was spent in April 2015.

Housing Department

Performance Summary

Neighborhood Development and Stabilization

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of CDBG-funded projects meeting all stated outcomes:				
- City projects	67%	90%	90%	90%
- Non-City projects	86%	90%	85%	90%
 % of CDBG invoices processed within 30 days of receipt of all required documentation	95%	90%	95%	90%
 % of CDBG contracts completed by July 1	0%	80%	0%*	80%
 % of all non-mobilehome rehabilitation project funds approved within place-based neighborhoods	18%	15%	0%**	20%

* Due to delays in the Request for Proposals (RFP) process, no contracts were completed by July 1, 2015; however, approximately 50% of the contracts are expected to be completed by July 1, 2016.

** Although non-mobilehome rehabilitation projects were completed in 2015-2016, they were not completed in place-based neighborhoods.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of single family Loan Management transactions (refinances, subordinations, assumptions, payoffs)	259	180	140	120
# of non-mobilehome rehabilitation projects completed in targeted neighborhood areas	4	8	2	4
# of neighborhood stabilization projects completed (homes sold)	2	0*	0*	0*



* The San José Dream Home Homebuyer Program concluded at the end of 2012-2013. However, the department acquired the final seven homes and sold five in 2013-2014. The remaining two homes were sold in 2014-2015.

Housing Department

Performance Summary

Strategic Support

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Monetary default rate of loan portfolio by category:				
% of total loan principal:				
1. Project Loans	0%	0%	0%	0%
2. Rehabilitation Loans	0%	0%	0%	0%
3. Homebuyer Loans	1%	1%	1%	1%
% of total loans:				
1. Project Loans	0%	0%	0%	0%
2. Rehabilitation Loans	0%	0%	0%	0%
3. Homebuyer Loans	1%	1%	1%	1%
 % of portfolio units brought into compliance with safe and sanitary condition requirements within 90 days	74%	80%	80%	80%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Size of Housing Department loan portfolio by category:				
Total loan principal (\$):				
1. Project Loans	646,990,584	653,155,731	645,215,000	665,115,000
2. Rehabilitation Loans	14,000,000	15,000,000	16,000,000	15,000,000
3. Homebuyer Loans	68,700,000	75,500,000	68,000,000	70,000,000
Total	729,690,584	743,655,731	729,215,000	750,115,000
Total number of loans:				
1. Project Loans	175	170	180	180
2. Rehabilitation Loans	305	360	350	300
3. Homebuyer Loans	1,290	1,390	1,200	1,225
Total	1,770	1,920	1,730	1,705
# of major projects in loan portfolio inspected annually				
- Projects	80	85	40	85
- Units	1,507	1,550	740	1,550
# of City facilitated affordable rental units	15,934	15,934	17,300	17,500
# of deed restricted for-sale homes	1,800	1,750	1,600	1,750

Housing Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk I	1.00	1.00	-
Accountant II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	8.00	-
Assistant Director of Housing	1.00	0.00	(1.00)
Building Rehabilitation Inspector II	3.00	3.00	-
Building Rehabilitation Supervisor	0.00	1.00	1.00
Community Activity Worker FT	1.00	1.00	-
Community Activity Worker PT	0.50	0.50	-
Community Programs Administrator	1.00	1.00	-
Community Services Supervisor	1.00	1.00	-
Deputy Director	0.00	2.00	2.00
Development Officer	8.00	10.00	2.00
Development Specialist	5.00	5.00	-
Development Specialist PT	0.50	0.50	-
Director of Housing	1.00	1.00	-
Division Manager	2.00	2.00	-
Housing Policy and Plan Administrator	1.00	1.00	-
Office Specialist II	4.00	3.00	(1.00)
Program Manager II	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Development Officer	8.00	8.00	-
Senior Systems Applications Programmer	1.00	1.00	-
Staff Specialist	4.00	5.00	1.00
Student Intern PT	1.00	1.00	-
Total Positions	58.00	62.00	4.00

Human Resources Department

Joe Angelo, Director

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To attract, develop and retain a quality workforce

City Service Area

Strategic Support

Core Services

Employee Benefits

Provide benefit programs that best meet the needs of employees, retirees, their dependents and the City, and assist participants in effectively utilizing their plans

Employment Services

Facilitate the timely hiring of excellent employees, and maintain the City's classification and compensation systems




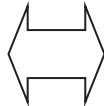
Health and Safety

Provide services that promote employee health, safety, and well-being

Strategic Support: Administration, Customer Service, Personnel Management, Human Resources Systems Management, Records Management, Financial Management

Human Resources Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Employee Benefits: <i>Provide benefit programs that best meet the needs of employees, retirees, their dependents and the City, and assist participants in effectively utilizing their plans</i></p>		<ul style="list-style-type: none"> • Competitive Processes for Benefit Plans • Staff Support for Benefits Review Forum and Deferred Compensation Advisory Committee • Benefits Orientations • Insurance Premium Payments • Claims Processing • Eligibility and Contribution Transfers • Customer Services, Counseling and Mediation • Human Resources Information System (HRIS) - Benefits Module Administration and Maintenance
<p>Employment Services: <i>Facilitate the timely hiring of excellent employees, and maintain the City's classification and compensation systems</i></p>		<ul style="list-style-type: none"> • Recruitment, Assessment, and Hiring • Executive Recruitment • Temporary Employment Program • Job Classification/ Compensation Review • Employee Reallocations • Civil Service and Hiring Rules, Policies, and Procedures • Employee Placements
<p>Health and Safety: <i>Provide services that promote employee health, safety, and well-being</i></p>		<ul style="list-style-type: none"> • Workers' Compensation Program • Safety and Loss Control • Employee Health Services
<p>Strategic Support: <i>Administration, Customer Service, Personnel Management, Human Resources Systems Management, Records Management, Financial Management</i></p>		<ul style="list-style-type: none"> • Administration • Financial Management • Personnel Management • Human Resources Systems Management • Records Management • Customer Service

Human Resources Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Facilitate recruitments and manage effective, efficient, and defensible hiring processes, in concert with departments, to attract and retain qualified employees.
- Maintain a safe and healthy work environment in compliance with all applicable state and federal regulations related to employee health and safety, and continue to minimize liability and loss to the City. Health and Safety programs will continue to ensure injured employees receive adequate and appropriate treatment; promote a culture of safety through the injury, illness, and prevention programs; and ensure employee medical exams and testing are completed as mandated.
- Provide a wide range of benefit programs that meet the needs of the employees, retirees, their dependents and the City, and assist participants in effectively using their plans.
- Assist in the implementation of the Oracle PeopleSoft Human Resources (HR)/Payroll System upgrade, which is expected to go live in 2016-2017.

2016-2017 Key Budget Actions

- Adds one-time funding of \$300,000 to increase the third party administrator contract for claims administration services and continues one-time funding of \$93,000 for a temporary Workers' Compensation Claims Adjuster to address the backlog of claims processing.
- Continues 1.0 Analyst II and 1.0 Senior Office Specialist positions through June 30, 2017 to assist in the various phases of the recruitment process, in order to help expeditiously fill vacant positions across the organization.
- Adds 1.0 Assistant Director position to provide support in the planning, organization, and overall direction in the operations of the department.
- Adds 1.0 Senior Analyst position in the Benefits Division for extended absence management for protected and unprotected leaves for all City employees, in order to ensure City compliance with federal and State laws and also ensure City employees are aware of their rights.
- Adds one-time funding for 1.0 Senior Analyst position through June 30, 2017 to coordinate and administer Requests For Proposals (RFPs) for various benefits, including an RFP for new medical plans that will identify more sustainable and affordable health plans for employees and retirees.
- Continues one-time funding of \$100,000 for 1.0 Analyst I position through March 31, 2017 and contractual services in the Employment Services Division that will continue the revision of critical job class specifications that have not been updated in over five years.
- Adds one-time funding of \$85,000 for a temporary Division Manager (six months) in the Employment Services Division for succession planning and the documentation of key processes.
- Eliminates 0.6 Physician and 0.5 Nurse Practitioner PT positions from Employee Health Services, as the services previously provided to retirees by the department are now being provided by the Office of Retirement Services. Additionally, reallocates \$283,000 in personal services savings generated by 2.40 vacant positions to the non-personal/equipment budget for contractual, temporary employees, pending a service delivery evaluation of Employee Health Services.
- Adds one-time funding of \$25,000 for a career fair.

Operating Funds Managed

- Benefit Fund – Benefit Fund
- Benefit Fund – Dental Insurance Fund
- Benefit Fund – Life Insurance Fund
- Benefit Fund – Unemployment Insurance Fund

Human Resources Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Employee Benefits	\$ 2,094,064	\$ 2,826,226	\$ 2,408,739	\$ 2,426,717	(14.1%)
Employment Services	2,188,565	2,962,072	2,447,034	2,821,237	(4.8%)
Health and Safety	2,639,877	3,096,783	3,161,783	3,554,783	14.8%
Strategic Support	941,838	1,045,781	962,715	1,295,134	23.8%
Total	\$ 7,864,344	\$ 9,930,862	\$ 8,980,271	\$ 10,097,871	1.7%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 5,398,096	\$ 6,649,344	\$ 6,400,081	\$ 6,784,762	2.0%
Overtime	23,407	13,018	13,018	13,018	0.0%
Subtotal	\$ 5,421,503	\$ 6,662,362	\$ 6,413,099	\$ 6,797,780	2.0%
Non-Personal/Equipment					
Total	\$ 7,864,344	\$ 9,930,862	\$ 8,980,271	\$ 10,097,871	1.7%
Dollars by Fund					
General Fund	\$ 5,984,764	\$ 7,574,705	\$ 6,603,773	\$ 7,814,815	3.2%
Benefit Fund	472,449	541,627	571,634	675,732	24.8%
Dental Insurance	497,514	715,564	736,177	736,177	2.9%
Federated Retirement	73,455	78,079	49,385	0	(100.0%)
Integrated Waste Mgmt	13,879	23,867	24,870	24,870	4.2%
Library Parcel Tax	33,130	72,798	59,866	59,866	(17.8%)
Life Insurance	62,755	69,767	76,236	76,236	9.3%
Low/Mod Income Hsg Asset	22,283	24,135	25,734	25,734	6.6%
Police & Fire Retirement	168,370	179,227	148,155	0	(100.0%)
PW Program Support	104,845	109,511	114,035	114,035	4.1%
Sewer Svc & Use Charge	24,696	26,639	28,433	28,433	6.7%
SJ/SC Treatment Plant Oper	262,702	266,048	273,784	273,784	2.9%
Storm Sewer Operating	21,600	44,875	46,379	46,379	3.4%
Unemployment Insurance	114,611	134,868	151,880	151,880	12.6%
Water Utility Fund	7,291	13,219	13,742	13,742	4.0%
Vehicle Maint & Opers	0	55,933	56,188	56,188	0.5%
Total	\$ 7,864,344	\$ 9,930,862	\$ 8,980,271	\$ 10,097,871	1.7%
Authorized Positions by Core Service					
Employee Benefits	11.65	14.45	11.80	12.70	(12.1%)
Employment Services	16.00	18.00	16.00	19.00	5.6%
Health and Safety	15.35	12.55	15.20	15.20	21.1%
Strategic Support	6.00	6.00	6.00	7.00	16.7%
Total	49.00	51.00	49.00	53.90	5.7%

Human Resources Department

Budget Reconciliation (2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	51.00	9,930,862	7,574,705
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Employment Services Staffing		(154,000)	(154,000)
• Rebudget: LinkedIn Subscription		(100,000)	(100,000)
• Employment Services Temporary Staffing (1.0 Analyst I/II and 1.0 Senior Office Specialist)	(2.00)	(161,698)	(161,698)
• Human Resources Department Service Delivery and Strategic Analysis Staffing		(129,000)	(129,000)
• Workers' Compensation Service Delivery Model Pilot Program Extension		(125,000)	(125,000)
• Employment Services Consulting Services		(100,000)	(100,000)
• Workers' Compensation Program Claims Temporary Backlog Staffing		(90,000)	(90,000)
• Library Volunteer Fingerprinting and Backgrounding		(21,200)	0
• Temporary Staffing (Health and Safety)		0	0
One-time Prior Year Expenditures Subtotal:	(2.00)	(880,898)	(859,698)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Office Specialist II to 1.0 Senior Office Specialist		(198,142)	(239,455)
• Vacancy Factor		(49,723)	(49,723)
• Workers' Compensation Service Delivery Model Pilot Program Extension		156,200	156,200
• Health and Safety Contractual Services		20,444	20,444
• Professional Development Program		1,300	1,300
• Unemployment Fund Third Party Administrator		228	0
Technical Adjustments Subtotal:	0.00	(69,693)	(111,234)
2016-2017 Forecast Base Budget:	49.00	8,980,271	6,603,773
Budget Proposals Recommended			
1. Workers' Compensation Claims Administration Backlog		393,000	393,000
2. Human Resources Assistant Director	1.00	199,548	199,548
3. Employment Services Division Recruitment Staffing	2.00	164,203	164,203
4. Human Resources Department Service Delivery and Strategic Analysis Staffing		132,871	132,871
5. Extended Absence Management Compliance Staffing	1.00	111,420	111,420
6. Benefits Division New Medical Plans Temporary Staffing	1.00	104,098	0
7. Employment Services Division Job Class Specification Updates	1.00	100,000	100,000
8. Employment Services Division Management Succession Planning		85,000	85,000

Human Resources Department

Budget Reconciliation **(2015-2016 Adopted to 2016-2017 Proposed)**

	Positions	All Funds (\$)	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>			
9. Career Fair		25,000	25,000
10. Employee Health Services Staffing Realignment	(1.10)	(197,540)	0
Total Budget Proposals Recommended	4.90	1,117,600	1,211,042
<hr/>			
2016-2017 Proposed Budget Total	53.90	10,097,871	7,814,815

Human Resources Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Workers' Compensation Claims Administration Backlog</p> <p><i>Strategic Support CSA</i> <i>Health and Safety</i></p> <p>This action adds one-time funding of \$393,000 to increase the third party administrator contract for Workers' Compensation Claim Administration Services (\$300,000) and to continue one-time funding of \$93,000 for the equivalent of 1.0 Workers' Compensation Claims Adjuster position. As part of the Workers' Compensation Service Delivery Model Pilot Program, approximately one-half of the City's workers' compensation claims are administered by a third party and one-half are administered by in-house staff. However, as a result of insufficient in-house staffing, a backlog continues for the claims the City administers. Temporary contractual and staffing resources to alleviate the backlog will enable the Workers' Compensation Program to close outstanding cases and bring the caseload per City claims adjuster closer to industry standards. (Ongoing costs: \$0)</p>		393,000	393,000
<p>2. Human Resources Assistant Director</p> <p><i>Strategic Support CSA</i> <i>Strategic Support</i></p> <p>With the complex issues facing the Human Resources Department, from employment services to workers' compensation to benefits management, the addition of 1.0 Assistant Director position is recommended in order to provide support in the planning, organization, and overall direction in the operations of the department. The Assistant Director will assist the Director with long and short-range departmental planning, provide guidance to Division Managers, and allow the Director more capacity for strategic initiatives. The Assistant Director will also participate in negotiations and direct the preparation of agreements and specifications for various types of contracts; act for the director in complex matters; provide support in the preparation, justification, and administration of the departmental and operational budgets; and direct or conduct special studies and reports, providing recommendations and substantive information for policy and decision making. (Ongoing costs: \$217,688)</p>	1.00	199,548	199,548
<p>3. Employment Services Division Recruitment Staffing</p> <p><i>Strategic Support CSA</i> <i>Employment Services</i></p> <p>This action continues one-time funding for 1.0 Analyst II and 1.0 Senior Office Specialist positions through June 30, 2017 to increase the hiring capacity across the City. These positions will help in the filling of vacancies as there are approximately 10%-12% of authorized City positions vacant at the present time. With this action, more recruitments will be able to be conducted concurrently, which will better meet the needs of various City departments by more quickly developing job postings; reviewing resumes; scheduling, conducting, proctoring and scoring examinations; ranking candidates and setting up interviews; and other related recruitment actions. (Ongoing costs: \$0)</p>	2.00	164,203	164,203

Human Resources Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Human Resources Department Service Delivery and Strategic Analysis Staffing <i>Strategic Support CSA</i> <i>Strategic Support</i> This action continues one-time funding of \$132,871 for temporary staffing resources to aid the department's evaluation of service delivery and strategic analysis. The position will analyze business processes, identify improvements, and document methodologies throughout the department, as well as develop metrics for measuring the success of those improvements and methodologies. Work has started on these efforts in 2015-2016; with the position focusing on the areas of data capture, statistical data analysis, and reporting on departmental service delivery. For 2016-2017, special attention will be on actions that reduce cycle time in key areas such as employment services and workers' compensation administration; increase efficiency; and improve the accuracy of work products. (Ongoing costs: \$0)		132,871	132,871
5. Extended Absence Management Compliance Staffing <i>Strategic Support CSA</i> <i>Employee Benefits</i> This action adds 1.0 Senior Analyst position in the Benefits Division for extended absence management for protected leaves (Family Medical Leave Act (FMLA)/California Family Rights Act/Pregnancy Disability Leave) and unprotected leaves for all City employees, including coordinating compliance with federal and State laws, as well as City policy. The position will be the City's FMLA coordinator and work with all City departments to ensure employees are aware of their rights and train timekeepers to ensure the appropriate recording of time for all extended absences. (Ongoing costs: \$111,420)	1.00	111,420	111,420
6. Benefits Division New Medical Plans Temporary Staffing <i>Strategic Support CSA</i> <i>Employee Benefits</i> This action adds one-time funding for 1.0 Senior Analyst position through June 30, 2017 in the Benefits Division to implement new medical plans for 2017, coordinate and administer Requests For Proposals (RFPs) for various benefits, and update the department's policies and procedures manual for the Benefits programs. For the second time in two years, the Benefits Division will be issuing a new medical RFP in 2016 to identify a new carrier that can offer more sustainable health plans to employees and retirees, and will also be issuing at least five other benefit RFPs. Due to the various RFPs, the department's policies and procedures manual will need significant updating to reflect the new vendors, rates and other pertinent information. (Ongoing costs: \$0)	1.00	104,098	0

Human Resources Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Employment Services Division Job Class Specification Updates	1.00	100,000	100,000

Strategic Support CSA
Employment Services

This action continues one-time funding of \$100,000 in the Employment Services Division to continue the review and update of critical job class specifications to address recommendations from the *Employee Hiring Audit* that was issued last year. The funding will provide \$68,000 for 1.0 Analyst I position limit-dated through March 31, 2017 and \$32,000 for contractual services. The position will assist with coordination of the project, review draft job class specifications revisions to ensure appropriateness and consistency with the City's standard format, and prepare Civil Service Commission and City Council memos for revisions that are recommended to be brought forward for consideration. The contractual services will be used for the analytical work related to the current job class specifications review and development of draft revisions. In addition to the proposed funding of \$100,000, it is anticipated that \$40,000 will be rebudgeted to 2016-2017 later in the budget process, for the contractual services portion of this project. In 2014-2015, approximately 88% of the City's 425 job specifications had not been updated in over five years. With the one-time funding added in 2015-2016 and the use of vacancy savings, it is anticipated that approximately 70 revised job specifications will be completed in 2015-2016; however, there are still over 300 job specifications that will remain to be updated. This action will provide funding to update approximately 70 more job specifications in 2016-2017. (Ongoing costs: \$0)

8. Employment Services Division Management Succession Planning		85,000	85,000
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Strategic Support CSA
Employment Services

This action provides one-time funding of \$85,000 for temporary staffing to help oversee the Employment Services Division and document procedures to allow for succession planning in this Division. This position will coordinate and assist in the streamlining of recruitment efforts and continue to study positions to ensure market competitiveness, among other duties. Additionally, this position will provide guidance and interpretation on the Civil Service rules for employment-related matters. (Ongoing costs: \$0)

Human Resources Department

Budget Changes By Department


Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Career Fair		25,000	25,000
<p><i>Strategic Support CSA</i> <i>Employment Services</i></p> <p>This action adds \$25,000 in one-time funding for a City of San José career fair in 2016-2017. One-time funding was added in 2015-2016 to provide for the City’s first career fair, which occurred on February 27, 2016 in the City Hall Rotunda with great success. A majority of the City’s departments attended, and there were over 900 people in attendance throughout the day that were interested in the City’s open positions. This additional funding will leverage that success and continue the momentum into 2016-2017, providing an additional recruitment tool to market the City’s job openings and providing one-on-one interaction with job applicants and hiring managers. (Ongoing costs: \$0)</p>			
10. Employee Health Services Staffing Realignment	(1.10)	(197,540)	0
<p><i>Strategic Support CSA</i> <i>Employee Benefits</i> <i>Health and Safety</i></p> <p>This action eliminates 0.6 Physician and 0.5 Nurse Practitioner PT positions that had previously been funded by Retirement Services funds and are no longer needed, as the Office of Retirement Services is now directly providing those services for retirees. Also, this action reallocates \$283,000 from personal services to non-personal/equipment to provide funding for 2.40 temporary positions (1.0 Nurse Practitioner, 0.4 Physician, and 1.0 Medical Assistant). In 2016-2017, these 2.40 temporary positions will remain vacant, pending a service delivery evaluation associated with Employee Health Services. A Senior Medical Assistant position, the temporary staffing, and contractual physician services will all be used to address the workload related to employee health services. (Ongoing savings: \$198,726)</p>			
2016-2017 Proposed Budget Changes Total	4.90	1,117,600	1,211,042

Human Resources Department

Performance Summary

Employee Benefits

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Cost of benefits administration per FTE	\$334	\$490	\$308	\$340*

* 2016-17 target decreased from 2015-2016 target due to Tier 2 employees having a lower cost for benefits.

Activity and Workload Highlights




	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Annual contributions to Deferred Compensation	\$26.3M	\$24.4M	\$26.4M	\$27M
% of employees contributing to Deferred Compensation	67%	70.7%	68%	69%
% of employees/retirees enrolled in dental HMO	5.7%	6%	5.2%	5.5%
# of Human Resources Information Systems Transactions	34.8K	27.0K	30K	30K

Human Resources Department

Performance Summary

Employment Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of employee performance reviews completed on schedule	73%	80%	75%	78%
 Average # of business days for recruitment*	N/A	54	50	54
 Average # of working days to reclassify an occupied position	75	150	150	150

* Includes standard and expedited recruitments. Non-standardized recruitments (e.g. positions requiring backgrounding, specialized testing, and executive recruitments) are not captured here.

Activity and Workload Highlights





	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of positions filled from recruitments:				
- Full-time	841	850	800	850
- Part-time	705	400	400	400

Human Resources Department

Performance Summary

Health and Safety

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 # of Workers' Compensation claims per 100 FTEs	13.6	14.0	17.8	14.0
 # of Workers' Compensation disability hours	142,406	200,000	130,000	150,000
 # of Workers' Compensation disability hours per claim	181	250	119	120
 Expenditures for Workers' Compensation per \$100 of total City salaries, benefits, and retirement	\$4.50	\$5.28	\$4.04	\$4.50

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of open Workers' Compensation claims	3,513	3,300	4,692	3,300
# of new Workers' Compensation claims	786	800	1,075	800
# of employees trained in safety	903	700	1,100	1,000
Total Workers' Compensation claims costs	\$19.4M	\$22.1M	\$20.3M	\$23.3M

Human Resources Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	15.00	16.00	1.00
Assistant Director	0.00	1.00	1.00
Director, Human Resources	1.00	1.00	-
Division Manager	3.00	3.00	-
Medical Assistant	1.00	1.00	-
Nurse Practitioner	1.00	1.00	-
Nurse Practitioner PT	0.50	0.00	(0.50)
Office Specialist II	2.00	1.00	(1.00)
Office Specialist II PT	0.50	0.50	-
Physician	1.00	0.40	(0.60)
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Senior Analyst	9.00	11.00	2.00
Senior Medical Assistant	1.00	1.00	-
Senior Office Specialist	5.00	6.00	1.00
Staff Technician	3.00	3.00	-
Workers' Compensation Claims Adjuster II	4.00	4.00	-
Total Positions	51.00	53.90	2.90

Office of the Independent Police Auditor

Walter Katz, Independent Police Auditor

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T*o provide independent oversight of the citizen complaint process to ensure its fairness, thoroughness, and objectivity*

City Service Area

Public Safety

Core Services

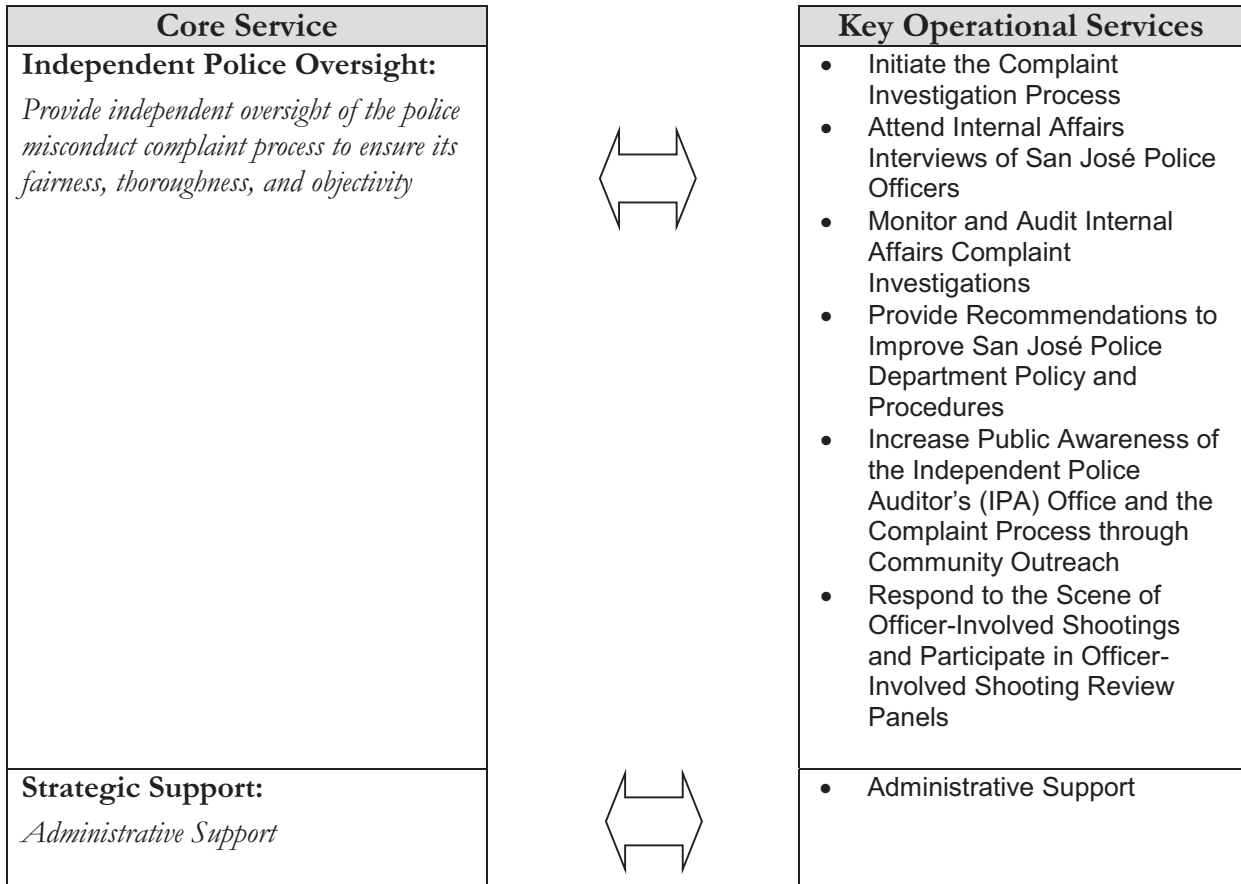
Independent Police Oversight

Provide independent oversight of the police misconduct complaint process to ensure its fairness, thoroughness, and objectivity

Strategic Support: Administrative Support

Office of the Independent Police Auditor

Service Delivery Framework



Office of the Independent Police Auditor

Department Budget Summary

Expected 2016-2017 Service Delivery

- Provide mandated oversight services: conduct community outreach, perform intake of complaints from the public, audit the San José Police Department's (SJPD) Internal Affairs complaint investigations, and make recommendations to improve SJPD policies and procedures.
- Identify opportunities for increased transparency in use of force investigation and police misconduct complaint processes.
- Resolve complaints, when appropriate, through the Independent Police Auditor (IPA)/SJPD mediation program.
- Identify new ways to inform San José residents about the IPA office and the services it provides.
- Develop and publish the 5th edition of the *Student's Guide to Police Practices*.
- Incorporate the lessons learned through the Teen Leadership Council (IPA-TLC) to identify new ways to reach young adult San José residents.
- Utilize location-based analysis of complaint data to assist in directing outreach services.

2016-2017 Key Budget Actions

N/A

Operating Funds Managed

N/A

Office of the Independent Police Auditor

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Independent Police Oversight	\$ 1,193,002	\$ 1,157,441	\$ 1,124,241	\$ 1,124,241	(2.9%)
Strategic Support	3,153	127,057	136,165	136,165	7.2%
Total	\$ 1,196,155	\$ 1,284,498	\$ 1,260,406	\$ 1,260,406	(1.9%)
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 1,173,185	\$ 1,251,383	\$ 1,226,431	\$ 1,226,431	(2.0%)
Overtime	0	1,000	1,000	1,000	0.0%
Subtotal	\$ 1,173,185	\$ 1,252,383	\$ 1,227,431	\$ 1,227,431	(2.0%)
Non-Personal/Equipment					
Total	\$ 1,196,155	\$ 1,284,498	\$ 1,260,406	\$ 1,260,406	(1.9%)
Dollars by Fund					
General Fund	\$ 1,196,155	\$ 1,284,498	\$ 1,260,406	\$ 1,260,406	(1.9%)
Total	\$ 1,196,155	\$ 1,284,498	\$ 1,260,406	\$ 1,260,406	(1.9%)
Authorized Positions by Core Service					
Independent Police Oversight	5.50	5.50	5.50	5.50	0.0%
Strategic Support	0.50	0.50	0.50	0.50	0.0%
Total	6.00	6.00	6.00	6.00	0.0%

Office of the Independent Police Auditor

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)




	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	6.00	1,284,498	1,284,498
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Student Guide to Police Practices Printing		(5,000)	(5,000)
One-time Prior Year Expenditures Subtotal:	0.00	(5,000)	(5,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation:			
- 1.0 Senior Analyst, Independent Police Auditor to 1.0 Analyst II, Independent Police Auditor		(24,952)	(24,952)
• Student Guide to Police Practices printing		5,000	5,000
• Professional memberships (State Bar)		860	860
Technical Adjustments Subtotal:	0.00	(19,092)	(19,092)
2016-2017 Forecast Base Budget:	6.00	1,260,406	1,260,406
Budget Proposals Recommended			
NONE			
2016-2017 Proposed Budget Total	6.00	1,260,406	1,260,406

Office of the Independent Police Auditor

Performance Summary

Independent Police Oversight

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 # of IPA recommendations to change policy or procedure made to the Internal Affairs Commander/Police Chief/City Council	18	12	12	12
 % of residents rating confidence with the independent police review/oversight process as good or excellent *	N/A**	51%	N/A	N/A
 % of community members responding to evaluations at outreach presentations or events who report an increased knowledge of IPA and the citizen complaint process	96%	97%	96%	96%

* Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

** Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
% of complainants filing their complaint at the IPA office rather than at Internal Affairs	46%	48%	46%	46%
# of classified complaints	299	260	241	260
# of total cases	342	310	265	310
# of outreach presentations/events*:				
- Total**	203	145	130	130
- To youth	46	40	35	35
- To immigrant and minority communities	66	70	70	70
# of persons receiving community outreach services	9,369	8,000	6,000	5,500
# of agencies/community organizations that received outreach materials from the IPA:				
- Total**	79	60	55	55
- To youth	34	21	21	21
- To immigrant and minority communities	57	30	30	30

* An outreach presentation/event may involve youth and immigrant and minority communities concurrently.

** The total represents City-Wide presentation/events and agencies/community organizations, which includes youth and immigrant and minority communities.

Office of the Independent Police Auditor

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Analyst II, Independent Police Auditor	1.00	2.00	1.00
Assistant Director	1.00	1.00	-
Independent Police Auditor	1.00	1.00	-
Office Specialist II	1.00	1.00	-
Senior Analyst, Independent Police Auditor	2.00	1.00	(1.00)
Total Positions	6.00	6.00	0.00

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Information Technology Department

Vijay Sammeta, Chief Information Officer

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Enable the service delivery of our customers through the integration of city-wide technology resources

City Service Area

Strategic Support

Core Services

Customer Contact Center

Serve as the primary point of City information for residents, businesses, and employees

Enterprise Technology Systems and Solutions

Manage the City's data so that critical business processes remain operational; determine, develop, implement, and support technology solutions that maximize the delivery of enterprise City services; consolidate technology solutions and ensure optimal resource utilization and technology investment across the city-wide organization

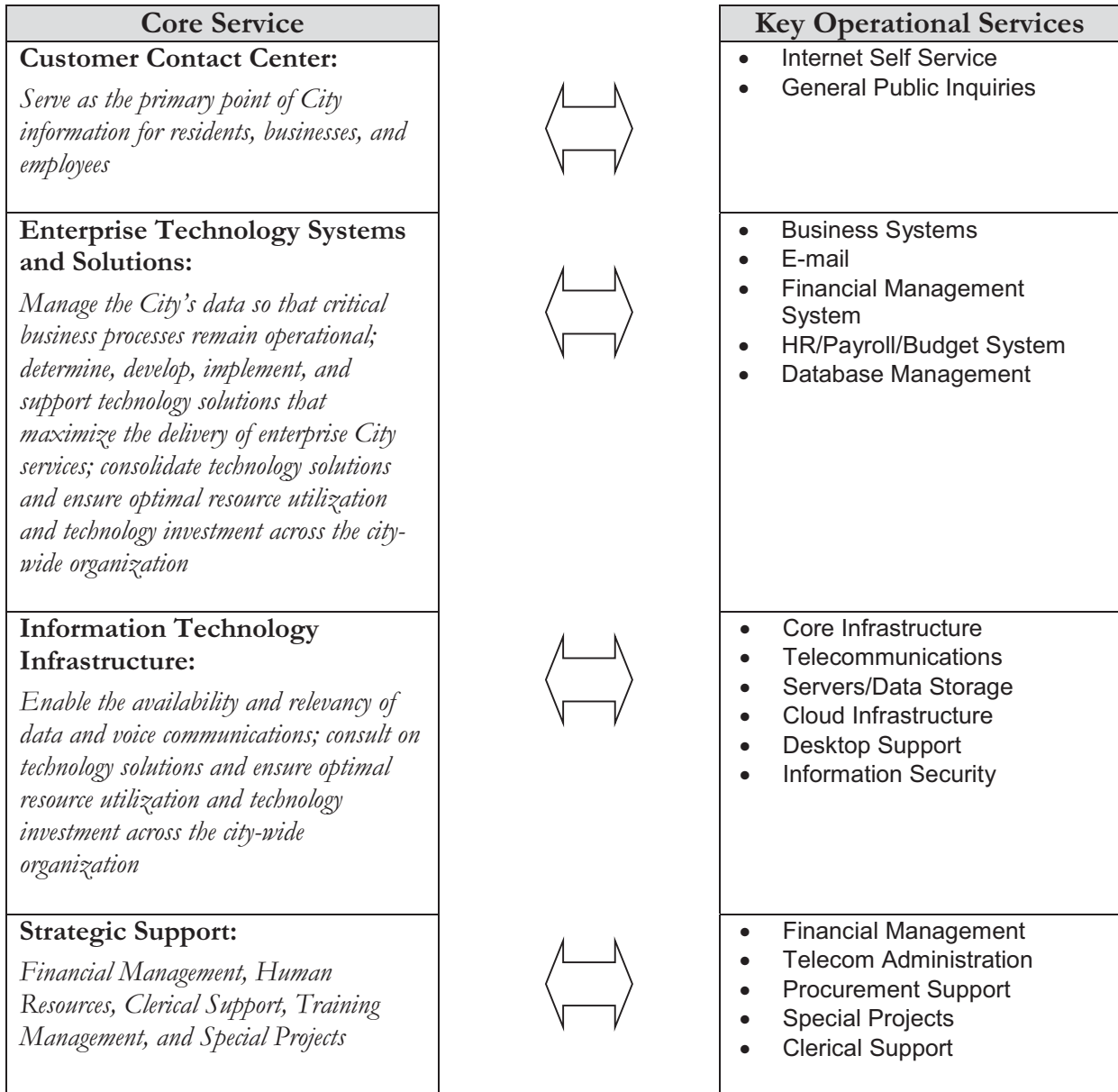
Information Technology Infrastructure

Enable the availability and relevancy of data and voice communications; consult on technology solutions and ensure optimal resource utilization and technology investment across the city-wide organization

Strategic Support: Financial Management, Human Resources, Clerical Support, Training Management, and Special Projects

Information Technology Department

Service Delivery Framework



Information Technology Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Continue Microsoft Office 365 phased SharePoint deployment to support enhanced document management and collaboration, and ultimately automate workflow and approvals.
- Continue to develop Open Data projects in partnership with departments to support San José's commitment to open government through civic transparency as well as work with the new Office of Innovation and Digital Strategy in the City Manager's Office to promote civic innovation.
- Implement Customer Relationship/Service Request Management system to enhance communications with the public and provide Council and the Administration greater insight into community priorities.
- Standardize the City's personal computer desktop environment through Virtual Desktop Infrastructure (VDI), which separates the desktop environment from the physical device. This will change the way ITD delivers desktop services through centralization.
- Implement or enhance communications infrastructure to enable timely access to information at community facilities.
- Continue to manage, maintain, and/or replace the City's aging technology infrastructure and applications, focusing on the most efficient solutions and ensuring investments are supportable and sustainable in the long term.
- Continue to provide day-to-day desktop support services, ensuring that City employees have the essential tools to perform their jobs.
- Provide modern business tools through the implementation of new or upgraded HR/Payroll, Recruiting, Financial Management System (FMS) and Budget applications.

2016-2017 Key Budget Actions

- Elimination of 2.0 Information Systems Analyst positions and transfer of the Customer Information System application support to the Environmental Services Department to continue the transition of single family garbage and recycling billing to the Santa Clara County property tax roll.
- Elimination of a Senior Electronics Systems Technician and addition of a Supervising Applications Analyst position to restore critical management capacity in the Network Team that will mitigate system downtime and address greater complexities in delivering converged voice and data services.
- Extension of two limit-dated Senior Office Specialist positions in the Customer Contact Center for one year and shift funding to accurately align resources and maintain current customer service levels.
- Addition of a Supervising Applications Analyst position to manage the Enterprise Business Systems Team, including FMS, Business Tax, Revenue Results, and the new HR/Payroll/Budget systems.
- Realignment of staff classifications and the addition of one-time funding to implement virtual desktop infrastructure (VDI) and meet audit recommendations for centralization of software deployment.
- Funding for the completion of a secondary data center to provide network and power redundancy for continuity of essential technical infrastructure in the case of a catastrophic event.
- Addition of \$150,000 ongoing funding to provide direct connectivity to Microsoft and Amazon cloud services, allowing for rapid connectivity to Office 365 and enhanced security by separating critical operations from the internet when the City comes under a cyber/denial of service attack.

Operating Funds Managed

N/A

Information Technology Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Customer Contact Center	\$ 3,125,467	\$ 1,834,213	\$ 1,727,044	\$ 1,965,110	7.1%
Enterprise Technology Systems & Solutions	4,670,596	6,528,157	5,942,641	5,727,769	(12.3%)
IT Infrastructure	8,071,012	11,069,571	10,639,694	12,206,469	10.3%
Strategic Support	1,212,022	1,551,238	1,653,202	1,765,759	13.8%
Total	\$ 17,079,097	\$ 20,983,179	\$ 19,962,581	\$ 21,665,107	3.2%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 10,497,817	\$ 13,040,189	\$ 13,890,590	\$ 13,993,116	7.3%
Overtime	86,041	128,664	128,664	128,664	0.0%
Subtotal	\$ 10,583,858	\$ 13,168,853	\$ 14,019,254	\$ 14,121,780	7.2%
Non-Personal/Equipment					
Total	\$ 17,079,097	\$ 20,983,179	\$ 19,962,581	\$ 21,665,107	3.2%
Dollars by Fund					
General Fund	\$ 13,496,164	\$ 17,897,104	\$ 16,831,901	\$ 18,651,093	4.2%
Airport Maint & Oper	0	110,225	128,276	128,276	16.4%
General Purpose Pkg	8,970	17,964	18,026	18,026	0.3%
Integrated Waste Mgmt	2,491,378	1,793,555	1,783,781	1,601,270	(10.7%)
Public Works Program Support	0	89,062	90,222	89,339	0.3%
Sewer Svc & Use Charge	417,756	396,376	407,825	329,606	(16.8%)
SJ/SC Treatment Plant Oper	84,746	90,882	96,852	96,852	6.6%
Storm Sewer Operating	340,858	301,774	305,018	252,871	(16.2%)
Water Utility	239,225	276,388	290,548	487,642	76.4%
Capital Funds	0	9,849	10,132	10,132	2.9%
Total	\$ 17,079,097	\$ 20,983,179	\$ 19,962,581	\$ 21,665,107	3.2%
Authorized Positions by Core Service					
Customer Contact Center	23.18	13.18	12.18	14.18	7.6%
Enterprise Technology Systems & Solutions	23.43	24.43	22.03	21.03	(13.9%)
IT Infrastructure	34.89	37.09	39.49	38.49	3.8%
Strategic Support	6.00	7.80	7.80	8.80	12.8%
Total	87.50	82.50	81.50	82.50	0.0%

Information Technology Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	82.50	20,983,179	17,897,104
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: SharePoint Application Development		(750,000)	(750,000)
• Rebudget: Office 365 Employee Training		(425,000)	(425,000)
• Rebudget: Critical Network Equipment Upgrades		(250,000)	(250,000)
• Rebudget: Critical Application Infrastructure Upgrades		(161,000)	(161,000)
• Rebudget: Customer Support		(81,000)	(81,000)
• Critical Security Remediation Efforts		(250,000)	(250,000)
• Single Family Garbage Billing Program Model Change: Call Center Staffing Senior Office Specialist	(1.00)	(121,669)	(121,669)
• City-Wide Customer Relationship Management		(100,000)	(100,000)
• Public Safety Vehicles Mobile Connectivity		(100,000)	(100,000)
One-time Prior Year Expenditures Subtotal:	(1.00)	(2,238,669)	(2,238,669)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 12.0 Network Technician I/II to 12.0 Network Technician I/II/III - 2.0 Supervising Applications Analyst to 2.0 Enterprise Technology Manager		1,029,513	984,908
• Vacancy factor		(55,942)	(55,942)
• Professional development program		(1,500)	(1,500)
• City-wide network system contracts maintenance		84,161	84,161
• Relational database management software contract		42,652	42,652
• City-wide servers cloud storage maintenance		38,105	38,105
• City-wide servers licenses and maintenance		29,078	29,078
• FMS database licenses		23,730	23,730
• Call Center system software maintenance		21,748	21,748
• Annualization of Spartan-Keyes/McKinley Neighborhood Centers Wifi		6,000	6,000
• New HR/Payroll/Budget systems maintenance		2,908	2,908
• Desktop computers maintenance		(4,382)	(4,382)
• Vehicle maintenance and operations		2,000	2,000
Technical Adjustments Subtotal:	0.00	1,218,071	1,173,466
2016-2017 Forecast Base Budget:	81.50	19,962,581	16,831,901

Information Technology Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>			
1. Virtual Desktop Infrastructure and Windows Upgrades	(1.00)	509,151	510,034
2. Remote Facilities Network Upgrades		500,000	500,000
3. Secondary Data Center Buildout		250,000	250,000
4. Customer Contact Center Staff Realignment	2.00	238,066	0
5. City Servers Replacements		200,000	200,000
6. Information Technology Division - Enterprise Business Systems Staffing Oversight	1.00	157,415	157,415
7. Direct Fiber Connectivity to Cloud Services		150,000	150,000
8. Information Technology Department Analytical Staffing	1.00	112,557	112,557
9. Integrated Billing System Staffing Realignment	(2.00)	(372,287)	(18,438)
10. Voice and Data System Technology Oversight Realignment	0.00	(42,376)	(42,376)
Total Budget Proposals Recommended	1.00	1,702,526	1,819,192
<hr/>			
2016-2017 Proposed Budget Total	82.50	21,665,107	18,651,093

Information Technology Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Virtual Desktop Infrastructure and Windows Upgrades</p> <p><i>Strategic Support CSA</i> <i>Customer Contact Center</i> <i>Enterprise Technology Systems and Solutions</i> <i>Information Technology Infrastructure</i> <i>Strategic Support</i></p> <p>This action deletes 3.0 vacant Network Technician I/II/III positions and adds 2.0 Information Systems Analyst positions to more effectively support Virtual Desktop Infrastructure (VDI), the new organization-wide desktop management standard. This more efficient approach centralizes desktop software, security, and patch management to the cloud, and enhances software deployments throughout the organization. Instead of a single technician servicing one desktop at a time, VDI enables the Information Technology (IT) Department to standardize and service thousands of desktops from a single location. This new approach requires a greater level of technical expertise than a Network Technician. This action also includes one-time funding of \$500,000 to upgrade operating system software to Windows 10, bringing consistency throughout the organization, and addressing compatibility and security vulnerabilities inherent in obsolete platforms. (Ongoing costs: \$6,213)</p>	(1.00)	509,151	510,034
<p>2. Remote Facilities Network Upgrades</p> <p><i>Strategic Support CSA</i> <i>Information Technology Infrastructure</i></p> <p>This action adds one-time funding of \$500,000 to perform network upgrades at the City's remote facilities, including community centers. For those remote sites that provide wired and wireless access for public and private use, upgrading their network equipment to a single standardized platform significantly reduces the likelihood of security breaches and equipment failure, and reduces IT support demands. (Ongoing costs: \$0)</p>		500,000	500,000
<p>3. Secondary Data Center Buildout</p> <p><i>Strategic Support CSA</i> <i>Information Technology Infrastructure</i></p> <p>This action adds one-time funding of \$250,000 for additional network, power supply and cooling equipment to complete buildout of the City's only redundant data center, which is housed at the Central Service Yard. A redundant data center ensures the protection of critical City data in the event that the primary data center fails or becomes inaccessible as a result of a catastrophic event. (Ongoing costs: \$0)</p>		250,000	250,000

Information Technology Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. Customer Contact Center Staff Realignment</p> <p><i>Strategic Support CSA</i> Customer Contact Center Strategic Support</p> <p>This action continues 2.0 Senior Office Specialist limit-dated positions through June 30, 2017 to support customer inquiries regarding water service and billing. Customer Contact Center call data demonstrates that there are a significant number of calls from residents with questions concerning water service bills. The Information Technology and Environmental Services Departments will continue to monitor call activity and will reevaluate staffing needs as part of the 2016-2017 Mid-Year Budget Review. Continuing these limit-dated positions for an additional year will ensure that average caller wait times do not exceed the current levels of approximately three minutes. (Ongoing costs: \$0)</p>	2.00	238,066	0
<p>5. City Servers Replacements</p> <p><i>Strategic Support CSA</i> Information Technology Infrastructure Strategic Support</p> <p>This action adds one-time funding of \$200,000 as a two-year strategy to replace approximately 25 aging servers of the approximately 300 City servers. While much of the City's data is moving to the cloud, certain servers, including print servers and Active Directory servers, are required to remain in the City's data centers to preserve network bandwidth and control costs. These servers are critical to core business operations and, if they are not replaced, the City is at risk for hardware failure, data loss, and reduced employee productivity. (Ongoing costs: \$0)</p>		200,000	200,000
<p>6. Information Technology Division – Enterprise Business Systems Staffing Oversight</p> <p><i>Strategic Support CSA</i> Enterprise Technology Systems and Solutions Information Technology Infrastructure Strategic Support</p> <p>This action adds 1.0 Supervising Applications Analyst (SAA) position to manage the Enterprise Business Systems Team, including the Financial Management System, Business Tax System, Revenue Results, and the new HR/Payroll and Budget Systems. The Enterprise Business Systems Team is currently implementing the new HR/Payroll, Budget, and Business Tax Systems, while simultaneously supporting and maintaining existing systems. While the City's upgraded financial and budget systems will bring new functionality, they also introduce significantly more complex technical environments that require an appropriate level of management and oversight. (Ongoing costs: \$157,415)</p>	1.00	157,415	157,415

Information Technology Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>7. Direct Fiber Connectivity to Cloud Services</p> <p><i>Strategic Support CSA</i> <i>Enterprise Technology Systems and Solutions</i> <i>Information Technology Infrastructure</i></p> <p>This action adds ongoing funding of \$150,000 to support direct fiber connection to Microsoft and Amazon cloud services. Currently, information flows from a desktop to the data center, and from the data center through the internet to the cloud. This proposed direct connection to the cloud bypasses the internet altogether, providing a much faster and more secure link to Office 365. This service will also decrease the time to provision new servers from weeks to minutes. Further, this connection separates critical operations from the internet should the City come under a cyber or denial of service attack. (Ongoing costs: \$150,000)</p>		150,000	150,000
<p>8. Information Technology Department Analytical Staffing</p> <p><i>Strategic Support CSA</i> <i>Strategic Support</i></p> <p>This action adds 1.0 Senior Analyst position limit-dated through June 30, 2017 to help manage the Department's budget, customer service performance, and accounts payable activities. With the department's Administrative Officer heavily focused on the recruitment of high-priority technical positions and succession planning efforts, the Senior Analyst will assume the primary responsibility of monitoring and tracking the department budget, overseeing accounts payable, and managing city-wide technology approvals and technology contract monitoring. Further, the Senior Analyst will improve the Department's ability to leverage performance metrics related to Customer Contact Center customer service and staffing levels. The possible extension of this position ongoing will be evaluated as part of the 2017-2018 budget process. (Ongoing costs: \$0)</p>	1.00	112,557	112,557
<p>9. Integrated Billing System Staffing Realignment</p> <p><i>Strategic Support CSA</i> <i>Enterprise Technology Systems and Solutions</i> <i>Information Technology Infrastructure</i> <i>Strategic Support</i></p> <p>This action eliminates 2.0 vacant Information Systems Analyst positions that supported the former Integrated Billing System. With the transition of garbage and recycling payment collection to Santa Clara County's property tax roll in 2015-2016, the Customer Information System (CIS) application will be supported and managed by the Environmental Services Department effective July 2016. Database hosting for CIS will remain in IT. (Ongoing savings: \$372,287)</p>	(2.00)	(372,287)	(18,438)

Information Technology Department

Budget Changes By Department




Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Voice and Data System Technology Oversight Realignment	0.00	(42,376)	(42,376)
<i>Strategic Support CSA</i>			
<i>Strategic Support</i>			
<p>This action adds 1.0 Supervising Applications Analyst (SAA) position and deletes 1.0 vacant Senior Electronic Systems Technician position. The Senior Electronic Systems Technician supported the legacy telephone system and managed the City's data circuits and analog lines. With the convergence of voice and data in the new telephone system, a different skill set is needed in order to manage the intricacies of the new technology. The SAA will be added to the team and will oversee the Network/Voice/Data and Security groups. (Ongoing savings: \$42,376)</p>			
2016-2017 Proposed Budget Changes Total	1.00	1,702,526	1,819,192

Information Technology Department

Performance Summary

Customer Contact Center

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of Customer Contact Center calls answered	70%	65%	80%*	80%
 % of calls/inquiries resolved within the Customer Contact Center	61%	75%	80%*	80%
 % of Technology Service Desk inquiries resolved	97%	95%	95%	95%

* This percentage has increased as a result of staff augmentation using temporary services.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of Customer Contact Center calls received	264,798	200,000	267,000	200,000
Average Wait Time	2.5 minutes	4.5 minutes	3 minutes	3 minutes
# of Technology Service Desk inquiries *	21,353	30,000	17,160	25,000



* The fluctuation in number of Service Desk inquiries in 2015-2016 and 2016-2017 represents implementation of a new more efficient solution to manage Help Desk tickets in 2015-2016 and the anticipation of increased inquiries in 2016-2017 resulting from the new Enterprise Business Systems.

Information Technology Department

Performance Summary

Enterprise Technology Systems and Solutions

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of requested custom business solutions delivered	97%	88%	98%	98%
 % of customers rating data availability and quality of data as good or excellent				
- availability	75%	75%	75%	75%
- quality	75%	75%	75%	75%

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of centralized E-mail mailboxes	6,433	6,500	7,000	7,100
# of FMS users	531	520	501	515
# of PeopleSoft users (HR/Payroll)	6,915	7,100	7,118	7,300
# of application repair requests	1,713	3,200	2,485	2,500
# of custom business solutions requested	104	100	87	100

Information Technology Department

Performance Summary

Information Technology Infrastructure

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of network services available 24x7				
- Core Network*	99.95%	99.95%	99.89%	99.90%
- Telephones	99.97%	99.95%	99.99%	99.99%
- Enterprise Servers*	99.55%	99.95%	99.92%	99.90%
- Active Directory*	99.94%	99.95%	100.00%	99.95%
 % of customers rating customer support as good or excellent based on:				
- timeliness of response	73%	75%	75%	75%
- satisfaction with resolution	78%	75%	80%	80%

* Due to the migration from aging infrastructure to newer platforms, it is anticipated that there may be periodic drops in network availability, which impacts network services.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of network outages	4	4	3	4*
# of network outages during normal business hours	2	2	2	2
Average time of network outages during normal business hours	.01 hour	.25 hour	<.01 hour	.25 hour
# of telephones (Centrex)	452	460	307	300
# of managed services IP phones	6,232	6,100	6,793	6,800
# of telecommunication repair orders	6,171	3,600	1,950**	1,950

* Due to core upgrades scheduled for 2016-2017, a high number of scheduled network outages will be taken during non-business hours.

** Decrease in telecom repair orders due to the complete migration of phones to hosted solution.

Information Technology Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	2.00	2.00	-
Analyst II PT	0.50	0.50	-
Assistant Director	1.00	1.00	-
Director of Information Technology	1.00	1.00	-
Division Manager	2.00	2.00	-
Enterprise Technology Manager	1.00	3.00	2.00
Information Systems Analyst	15.00	15.00	-
Network Engineer	15.00	15.00	-
Network Technician I/II	12.00	0.00	(12.00)
Network Technician I/II/III	0.00	9.00	9.00
Principal Office Specialist	3.00	3.00	-
Program Manager I	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	1.00	2.00	1.00
Senior Electronic Systems Technician	1.00	0.00	(1.00)
Senior Office Specialist	9.00	10.00	1.00
Senior Systems Application Programmer	4.00	4.00	-
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	9.00	9.00	-
Total Positions	82.50	82.50	0.00

Library Department

Jill Bourne, City Librarian

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T*he San José Public Library enriches lives by fostering lifelong learning and by ensuring that every member of the community has access to a vast array of ideas and information*

City Service Area

Neighborhood Services

Core Services

Access to Information, Library Materials, and Digital Resources

Link customers to the information they need through access to books, videos, digital, and other information resources

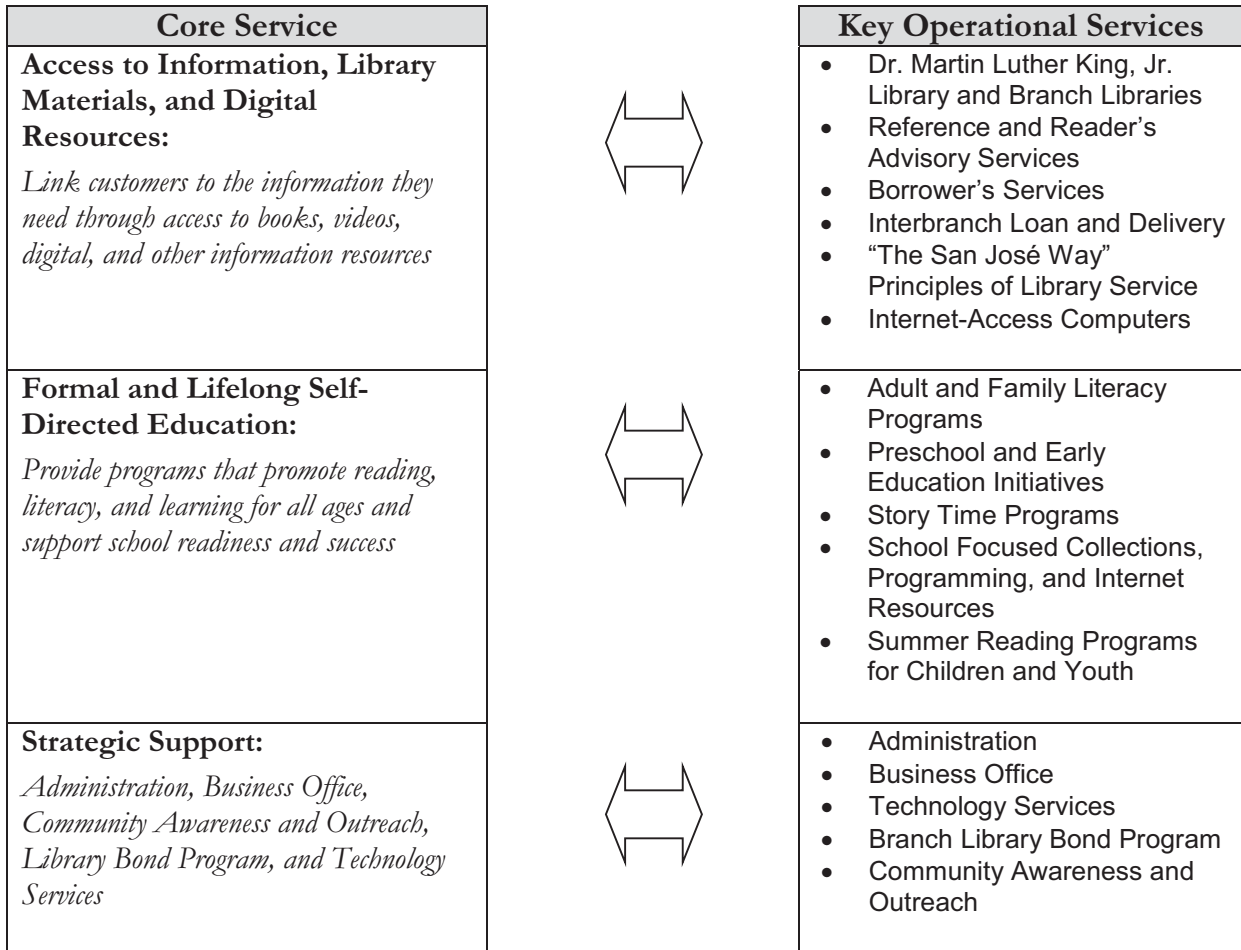
Formal and Lifelong Self-Directed Education

Provide programs that promote reading, literacy, and learning for all ages and support school readiness and success

Strategic Support: Administration, Business Office, Community Awareness and Outreach, Library Bond Program, and Technology Services

Library Department

Service Delivery Framework



Library Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Operate branch libraries 47 hours per week, Monday to Saturday, providing critical after-school and evening hours for families and an all-day Saturday schedule; operate the Dr. Martin Luther King, Jr. (MLK) Library every day for a total of 77 hours per week. 2016-2017 will also be the first full year of the new Village Square Branch Library.
- Provide increased educational focused services for all ages with the opening of the MLK Library Teen Center and Makerspace, the MLK Library San José Public Library Works Center, and Science Technology Engineering Arts and Technology (STEAM) programs city-wide.
- Deploy the new mobile Library known as the “Maker[Space]ship”, which will allow the Library to introduce new creative technology tools, equipment, and software to families in high-need communities.
- Continue efforts to increase technology and efficiency by implementing automated materials handling and other materials management applications, such as Radio Frequency Identification systems. Staff continues to assess the cost and benefit of these technologies and anticipates one machine to be installed in 2016-2017.
- Continue to engage adult and teen volunteers in a variety of roles to support and enhance Library operations. Traditional volunteer opportunities consist of adult literacy tutors, one-on-one computer mentors, trained readers to children, shelf readers, program assistants, teachers of citizenship classes, and English as a Second Language Conversation Club facilitators.

2016-2017 Key Budget Actions

- Adds 5.33 positions to support the new San José Public Library Works Center, increased and enhanced Early Education programming, continued Library educational partnerships, and new programming at the MLK Library Teen Center.
- Adds one-time non-personal/equipment funding of \$100,000 for fundraising activities by the San José Public Library Foundation in support of the Library’s key operations.
- Adds a net 0.25 position to address security challenges across the Library’s 23 branches and at MLK Library.
- Reduces non-personal/equipment funding by \$65,000 and personal services funding by \$70,000 on a one-time basis to offset a projected loss of Library fines and fees revenue of \$135,000. Library fines and fees are recommended to be adjusted as follows: reduce the Overdue Materials Fine from \$0.50 per day/\$20 maximum per item to \$0.25 per day/\$5 maximum per item; eliminate the Held Materials Fine of \$3; and reduce the handling fee from \$20 to \$10 for Damaged Materials and Lost Materials and Equipment.

Operating Funds Managed

- Library Parcel Tax Fund

Library Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Access to Information, Library Materials, and Digital Resources	\$ 26,460,491	\$ 31,486,136	\$ 31,956,849	\$ 31,936,426	1.4%
Formal and Lifelong Self- Directed Education	1,515,361	1,419,097	1,854,616	2,194,038	54.6%
Strategic Support	3,898,094	4,421,777	4,497,961	4,603,828	4.1%
Total	\$ 31,873,946	\$ 37,327,010	\$ 38,309,426	\$ 38,734,292	3.8%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 26,915,754	\$ 31,351,786	\$ 32,296,075	\$ 32,674,941	4.2%
Overtime	17,724	36,796	36,796	36,796	0.0%
Subtotal	\$ 26,933,478	\$ 31,388,582	\$ 32,332,871	\$ 32,711,737	4.2%
Non-Personal/Equipment					
	4,940,468	5,938,428	5,976,555	6,022,555	1.4%
Total	\$ 31,873,946	\$ 37,327,010	\$ 38,309,426	\$ 38,734,292	3.8%
Dollars by Fund					
General Fund	\$ 27,544,502	\$ 29,587,910	\$ 30,802,634	\$ 30,678,634	3.7%
Library Parcel Tax	4,047,364	7,427,677	7,033,924	7,582,790	2.1%
Capital Funds	282,080	311,423	472,868	472,868	51.8%
Total	\$ 31,873,946	\$ 37,327,010	\$ 38,309,426	\$ 38,734,292	3.8%
Authorized Positions by Core Service					
Access to Information, Library Materials, and Digital Resources	279.96	318.29	313.29	314.29	(1.3%)
Formal and Lifelong Self- Directed Education	13.50	11.00	15.15	19.48	77.1%
Strategic Support	24.00	25.00	25.85	26.10	4.4%
Total	317.46	354.29	354.29	359.87	1.6%

Library Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	354.29	37,327,010	29,587,910
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• New Village Square Branch Library Opening		(15,000)	0
One-time Prior Year Expenditures Subtotal:	0.00	(15,000)	0
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		499,725	312,818
- 1.0 Librarian I/II PT to 1.0 Librarian I/II			
- 5.0 Network Technician I/II to 5.0 Network Technician I/II/III			
- 0.5 Network Technician II PT to 0.5 Network Technician III PT			
- 1.0 Office Specialist II to 1.0 Library Clerk			
- 1.0 Senior Library Clerk to 1.0 Network Technician I/II/III			
• Living wage		235,000	170,000
• Part-time Unbenefited Sick Leave Payments		60,000	60,000
• New Village Square Branch Library Opening annualization (personal services and non-personal/equipment)	0.00	379,065	379,065
• Library Branch Hours Expansion to Six Days a Week (Shift 20% of personal services and non-personal/equipment)	0.00	0	449,491
• San José State/City of San José joint agreement for Dr. Martin Luther King, Jr. library operating costs		58,000	58,000
• Reallocation of non-personal/equipment funding from the Public Works Department for utilities at the Village Square Branch Library		50,880	50,880
• Custodial contractual services		50,000	41,000
• Books Aloud (community-based organization) costs to General Fund)		900	900
• Vacancy factor		(165,001)	(136,277)
• Gas and electricity		(159,653)	(159,653)
• Vehicle maintenance and operations		(11,000)	(11,000)
• Professional development program		(500)	(500)
Technical Adjustments Subtotal:	0.00	997,416	1,214,724
2016-2017 Forecast Base Budget:	354.29	38,309,426	30,802,634

Library Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>			
1. San José Public Library Works Center Staffing	2.00	147,256	0
2. Early Education Program Staffing	1.33	103,730	0
3. Library Educational Partnerships Staffing	1.00	103,577	0
4. San José Public Library Foundation		100,000	0
5. Dr. Martin Luther King, Jr. Library Teen Center Staffing	1.00	88,436	0
6. New Library Maintenance and Operations		11,000	11,000
7. Security Services	0.25	5,867	0
8. Library Fines and Fees Reduction Offset	0.00	(135,000)	(135,000)
Total Budget Proposals Recommended	5.58	424,866	(124,000)
<hr/>			
2016-2017 Proposed Budget Total	359.87	38,734,292	30,678,634

Library Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. San José Public Library Works Center Staffing	2.00	147,256	0
Neighborhood Services CSA <i>Formal and Lifelong Self-Directed Education</i>			
<p>This action adds 1.0 Librarian II and 1.0 Library Clerk positions to provide a variety of resources for employment seekers, small business owners, and entrepreneurs at the San José Public Library (SJPL) Works Center, which consists of three meeting rooms and one large classroom (projected to open July 2016), at the Dr. Martin Luther King, Jr. Library. In coordination with numerous partners, SJPL Works provides customers access to a variety of career and business resources, and serves as a training center for workshops and classes. For example, the Silicon Valley Talent Partnership provides workshops and training; Work2Future provides pop-in interviews; and the United States Patent Trademark Office provides training to City staff so that the Library can become a Patent and Trademark Resource Center. The Librarian II position will develop resources and programming as well as curate the Center's collection. The Library Clerk position will coordinate and schedule the Center's spaces, speakers, and partners, as well as provide general customer assistance and collection maintenance. (Ongoing costs: \$162,563)</p>			
2. Early Education Program Staffing	1.33	103,730	0
Neighborhood Services CSA <i>Formal and Lifelong Self-Directed Education</i>			
<p>This action adds 1.0 Librarian II and 0.33 Library Page PT positions to support increased programming and outreach for the Early Education Program, which addresses literacy and education needs of the City's youngest residents and their caregivers. The Librarian II position will be able to implement a new Every Child Ready to Read program by providing direct training to staff and partner agencies, increase Family Literacy Night programs, and grow volunteer opportunities. (Ongoing costs: \$114,019)</p>			
3. Library Educational Partnerships Staffing	1.00	103,577	0
Neighborhood Services CSA <i>Access to Information, Library Materials, and Digital Resources</i>			
<p>This action adds 1.0 Community Programs Administrator to make permanent a temporary position that has been addressing student achievement gap issues for public school students and collaborating with local schools and the East Side Alliance to improve educational outcomes since 2014-2015. This ongoing position will continue to assess the potential for wireless access in neighborhoods; develop and maintain partnerships for educational opportunities such as coding programs and entrepreneurship; create more summer learning opportunities; and establish increased technology access to students in targeted neighborhoods. (Ongoing costs: \$113,126)</p>			

Library Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. San José Public Library Foundation <i>Neighborhood Services CSA</i> <i>Strategic Support</i> This action adds one-time funding of \$100,000 for fundraising activities by the San José Public Library Foundation in support of the Library's key operations, such as Early Education, Adult Learning, and Literacy and Educational programming. In accordance with the terms of the grant agreement, the San José Public Library Foundation shall, at a minimum, raise \$250,000 in donations and pledges. (Ongoing costs: \$0)		100,000	0
5. Dr. Martin Luther King, Jr. Library Teen Center Staffing <i>Neighborhood Services CSA</i> <i>Formal and Lifelong Self-Directed Education</i> This action adds 1.0 Librarian II position to provide additional capacity for positive programs and activities at the Dr. Martin Luther King, Jr. Library Teen Center. With the planned move of the Teen Center to the Mezzanine above the Children's Room, the square footage of the Center will increase from 958 to 4,577 square feet. With this greater square footage, space is allocated for MakerSpace-type equipment, such as a 3-D printer, and a recording studio for video, audio, and digital creation. The Librarian II position will provide ongoing training and supervised operation of this equipment and will complement the existing Teen and Children's Room staffing and allow greater targeted life skills programming (such as apartment hunting and financial literacy). (Ongoing costs: \$97,679)	1.00	88,436	0
6. New Library Maintenance and Operations <i>Neighborhood Services CSA</i> <i>Access to Information, Library Materials, and Digital Resources</i> This action adds \$11,000 in non-personal/equipment funding to support the costs of maintaining and operating the Mobile Maker[Space]ship vehicle. This vehicle was approved as part of the 2015-2016 Adopted Capital Budget and is outfitted with a variety of technology that includes 3-D printers, laptops and tablets, a laser cutter, and several robotic kits, and will serve as a mobile space for patrons to participate in a range of services that include learning digital content creation and advanced computer coding skills. This funding was included in the 2017-2021 General Fund Forecast and the liquidation of an Earmarked Reserve set aside in the forecast for this purpose is described in the General Fund Capital, Transfers, Reserves section of this document. (Ongoing costs: \$11,000)		11,000	11,000

Library Department

Budget Changes By Department









Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Security Services	0.25	5,867	0
<i>Neighborhood Services CSA</i> <i>Access to Information, Library Materials, and Digital Resources</i>			
<p>This action deletes 0.75 Security Officer PT position and adds 1.0 Senior Security Officer position to address security challenges across the Library's 23 branches and at the Dr. Martin Luther King, Jr. Library. The Senior Security Officer will continue to provide regular monitoring at a number of branch libraries on a weekly basis; will train Library staff and support them through management of challenging customer issues; provide oversight of contracted security officers at Biblioteca Latinoamericana and Educational Park branches; and coordinate with San Jose State University's Police Department. (Ongoing costs: \$6,699)</p>			
8. Library Fines and Fees Reduction Offset	0.00	(135,000)	(135,000)
<i>Neighborhood Services CSA</i> <i>Access to Information, Library Materials, and Digital Resources</i>			
<p>As discussed in the General Revenue Estimates section of this document, this action offsets a projected loss of Library fines and fees revenue of \$135,000 with a one-time reduction of \$65,000 to the Library non-personal/equipment budget and a one-time defunding of 1.5 Library Page PT positions, responsible for general clerical assistance at the branches. The Library Department anticipates minimal impact to customer service as there are generally vacancies at least at that level. The revenue adjustment includes the following: reduce the Overdue Materials Fine from \$0.50 per day/\$20 maximum per item to \$0.25 per day/\$5 maximum per item (\$108,000); eliminate the Held Materials Fine of \$3 (\$20,000); and reduce the handling fee from \$20 to \$10 for Damaged Materials and Lost Materials and Equipment (\$7,000). These changes are designed to increase access and remove some of the barriers to using Library services. This proposal will allow time to assess the ongoing impact of the fines and fees adjustments. (Ongoing savings: \$0)</p>			
2016-2017 Proposed Budget Changes Total	5.58	424,866	(124,000)

Library Department

Performance Summary

Access to Information, Library Materials, and Digital Resources

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of customers finding materials or information	87%	85%	86%	85%
 % of customers able to access basic services through self-service	79%	75%	94%	90%
 % of residents with a library card used within the last year	31%	40%	30%	30%
 % of searches/requests for information/materials completed within customer time requirements	92%	85%	87%	85%
 % of customers rating staff assistance as good or excellent	93%	85%	85%	90%
 % of customers/residents that agree or strongly agree that the variety and availability of library collections and resources are good or excellent				
- Point of Service* (customers)	NEW	NEW	NEW	75%
- City-Wide (residents)	64%	65%	N/A**	65%
 % of customers/residents that agree or strongly agree that library services are good or excellent				
- Point of Service* (customers)	NEW	NEW	NEW	90%
- City-Wide (residents)	64%	60%	N/A**	N/A**
 % of customers/residents rating facilities as good or excellent				
- in terms of hours				
- Point of Service* (customers)	NEW	NEW	NEW	80%
- City-Wide (residents)	45%	45%	N/A**	45%
- in terms of condition				
- Point of Service* (customers)	NEW	NEW	88%	80%
- City-Wide (residents)	N/A***	80%	N/A**	80%
- in terms of location				
- Point of Service* (customers)	NEW	NEW	92%	85%
- City-Wide (residents)	N/A***	85%	N/A**	85%

* Point of Service means customer surveys conducted directly at the Library branches.

** Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.





*** Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

Library Department

Performance Summary

Access to Information, Library Materials, and Digital Resources

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % customers stating their inquiries were answered correctly	NEW	NEW	NEW	90%
 % customers stating that the information provided was valuable	NEW	NEW	NEW	90%
 % of customers rating the availability and accessibility of a variety of electronic materials (e.g. downloadable/online eBooks and music) as good or excellent	NEW	NEW	NEW	25%
 % of customers rating technology (e.g. computers, internet access, and WIFI) in facility as good or excellent	NEW	NEW	NEW	80%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of items purchased	252,845	320,000	314,000*	250,000
# of items checked out	9,831,284	11,000,000	9,738,000	10,000,000
# of reference questions	433,045	550,000	450,000	450,000
# of visits to Library website	2,740,862	3,000,000	2,574,000	2,600,000
# of residents with library card used in the last year	142,503	200,000	153,000	200,000
Cost per capita to provide access to information, library materials, and digital resources (84% of Library budget)	\$27.52	\$30.53	\$31.00	\$31.00
# of public access computer sessions at library facilities	1,068,510	1,500,000	1,213,000	1,400,000
# of visitors to main and branch libraries	6,057,777	6,500,000	6,855,000	7,000,000
# of volunteer hours	NEW	NEW	NEW	83,000
# of volunteers	NEW	NEW	NEW	2,800






* Includes new Village Square Branch Library collection.

Library Department

Performance Summary

Formal and Lifelong Self-Directed Education

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of literacy program participants in Family Learning Centers who improve their reading, writing, or speech skills	98%	85%	85%	85%
 Average cost per participant in library literacy and learning programs	\$55.73	\$43.00	N/A*	N/A*
 % of Partners in Reading (PAR) program participants that succeed in achieving self-defined learning goals	NEW	NEW	NEW	80%
 % of library program/class participants whose knowledge or skills have increased or improved	NEW	NEW	NEW	80%
 % of participants reported reading an average of 20 minutes per day during the Summer Reading Program	NEW	NEW	NEW	90%

* This measure was previously based on costs of Partners in Reading programs participants only. Beginning in 2016-2017, this measure will be based on costs of participants in all library literacy and learning programs. The department is working on finalizing the methodology and will come forward with estimates and targets as part of the 2017-2018 Proposed Budget.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of attendees at early literacy programs	97,762	110,000	86,000	90,000
# of attendees at literacy programs in Family Learning Centers:				
- Pre-School	N/A	N/A	1,000	1,000
- School Age	N/A	N/A	800	800
- Young Adult	N/A	N/A	100	100
- Adult	N/A	N/A	7,000	7,000
# of K-12 students attending Library class visit	10,292	12,000	12,000	12,000
# of participants in Summer Reading Program	18,540	25,000	20,000	20,000
Cost per capita to promote lifelong learning and educational support (12% of Library budget)	\$5.70	\$6.00	\$4.00	\$5.00
# of schools, after school programs, and community events visited by Library staff	293	300	300	350

Library Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	4.00	4.00	-
Assistant City Librarian	1.00	1.00	-
Assistant to the City Librarian	1.00	1.00	-
Capital Project Program Coordinator	1.00	1.00	-
City Librarian	1.00	1.00	-
Community Programs Administrator	2.00	3.00	1.00
Division Manager	3.00	3.00	-
Librarian I/II	51.00	55.00	4.00
Librarian I/II PT	18.80	17.80	(1.00)
Library Aide PT	34.67	34.67	-
Library Assistant	31.00	31.00	-
Library Clerk	40.00	42.00	2.00
Library Clerk PT	30.50	30.50	-
Library Page PT	70.07	70.40	0.33
Literacy Program Specialist	8.00	8.00	-
Network Engineer	5.00	5.00	-
Network Technician I/II/III	5.00	6.00	1.00
Network Technician I/II/III PT	0.50	0.50	-
Office Specialist II	3.00	2.00	(1.00)
Office Specialist II PT	0.50	0.50	-
Public Information Representative II	1.00	1.00	-
Security Officer PT	0.75	0.00	(0.75)
Senior Account Clerk	3.00	3.00	-
Senior Librarian	18.00	18.00	-
Senior Library Clerk	3.00	2.00	(1.00)
Senior Office Specialist	1.00	1.00	-
Senior Public Information Representative	1.00	1.00	-
Senior Security Officer	0.00	1.00	1.00
Senior Supervisor, Administration	1.00	1.00	-
Senior Warehouse Worker	1.00	1.00	-
Staff Technician	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Worker I PT	1.50	1.50	-
Warehouse Worker I/II	5.00	5.00	-
Total Positions	354.29	359.87	5.58

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Mayor and City Council

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The San José City Council consists of ten Councilmembers elected by district and a Mayor elected at-large, each for four-year terms. The Mayor and Council are responsible for representing the residents of San José, providing accountability, reviewing public policy and programs, and adopting those policies which best meet the needs of the residents, visitors, and businesses in San José.

Sam T. Liccardo, Mayor

Charles Jones
District 1

Pierluigi Oliverio
District 6

Ash Kalra
District 2

Tam Nguyen
District 7

Raul Peralez
District 3

Rose Herrera
District 8

Manh Nguyen
District 4

Donald Rocha
District 9

Magdalena Carrasco
District 5

Johnny Khamis
District 10

Mayor and City Council

Department Budget Summary

Expected 2016-2017 Service Delivery

- The Office of the Mayor provides leadership and guidance to the City Council. Through community-based budgeting and gathering public input, the Mayor's Office will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives of the City, including public safety, maintaining streets and roads, reducing homelessness, and economic development.
- The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- Council General will provide central funding resources to the Office of the Mayor and City Council.

2016-2017 Key Budget Actions

N/A

Operating Funds Managed

N/A

Mayor and City Council

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast* 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Program					
Office of the Mayor City Council	\$ 2,860,821	\$ 3,994,210	\$ 3,590,294	\$ 3,590,294	(10.1%)
Council District #1	581,873	760,897	721,420	721,420	(5.2%)
Council District #2	599,481	804,559	721,420	721,420	(10.3%)
Council District #3	617,877	701,226	721,420	721,420	2.9%
Council District #4	582,092	671,108	721,420	721,420	7.5%
Council District #5	552,446	807,600	721,420	721,420	(10.7%)
Council District #6	443,221	927,997	721,420	721,420	(22.3%)
Council District #7	682,360	801,700	721,420	721,420	(10.0%)
Council District #8	631,511	831,065	721,420	721,420	(13.2%)
Council District #9	563,286	954,917	721,420	721,420	(24.5%)
Council District #10	620,080	772,470	721,420	721,420	(6.6%)
Council General **	37,067	147,000	65,000	65,000	(55.8%)
Total	\$ 8,772,115	\$ 12,174,749	\$ 10,869,494	\$ 10,869,494	(10.7%)
Dollars by Category					
Operating Expenditures	\$ 8,772,115	\$ 12,174,749	\$ 10,869,494	\$ 10,869,494	(10.7%)
Total	\$ 8,772,115	\$ 12,174,749	\$ 10,869,494	\$ 10,869,494	(10.7%)
Dollars by Fund					
General Fund	\$ 8,772,115	\$ 12,174,749	\$ 10,869,494	\$ 10,869,494	(10.7%)
Total	\$ 8,772,115	\$ 12,174,749	\$ 10,869,494	\$ 10,869,494	(10.7%)
Authorized Positions ***	27.00	27.00	27.00	27.00	0.0%

* For the 2016-2017 Forecast column, the Office of the Mayor and the City Council District budgets are detailed below:

For 2016-2017 Forecast

Office of the Mayor (\$3,590,294)

- Salary and benefits for the Mayor (\$150,366), Mayor's Office classified staff, unclassified staff, and non-personal/equipment expenses (\$3,414,928)
- Constituent Outreach (\$25,000)

City Council (\$721,420 per District)

- Average cost of salary and benefits for each Councilmember (\$112,223), average cost of salary and benefits for classified and unclassified staff across all City Council Offices and non-personal/equipment expenses (\$599,197)
- Constituent Outreach (\$10,000)

** The ongoing Council General allocation pays for central expenses for the Mayor and Council Districts such as photocopiers or other office resources.

*** Does not include unclassified staff for Office of the Mayor and City Council Districts.

Mayor and City Council

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	27.00	12,174,749	12,174,749
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudget: City Council 2014-2015 Expenditure Savings		(1,356,473)	(1,356,473)
• Rebudget: Office of the Mayor 2014-2015 Expenditure Savings		(625,000)	(625,000)
• Rebudget: Council General 2014-2015 Expenditure Savings		(82,000)	(82,000)
One-time Prior Year Expenditures Subtotal:	0.00	(2,063,473)	(2,063,473)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		758,218	758,218
Technical Adjustments Subtotal:	0.00	758,218	758,218
2016-2017 Forecast Base Budget:	27.00	10,869,494	10,869,491
<hr/> Budget Proposals Recommended <hr/>			
NONE			
2016-2017 Proposed Budget Total	27.00	10,869,494	10,869,491

Mayor and City Council

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Administrative Assistant	10.00	10.00	-
Councilmember	10.00	10.00	-
Executive Assistant	1.00	1.00	-
Mayor	1.00	1.00	-
Office Specialist II	2.00	2.00	-
Principal Office Specialist	1.00	1.00	-
Senior Office Specialist	1.00	1.00	-
Staff Technician	1.00	1.00	-
Total Positions*	27.00	27.00	0.00

* Does not include Mayor and City Council Unclassified Staff.

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**Parks, Recreation
and
Neighborhood Services
Department**
Angel Rios, Jr., Director

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To build healthy communities through people,
parks and programs

City Service Area

Neighborhood Services

Parks Maintenance and Operations

Ensuring the proper maintenance and operation of City parks and open space and providing opportunities for City residents and visitors to play, learn, and socialize

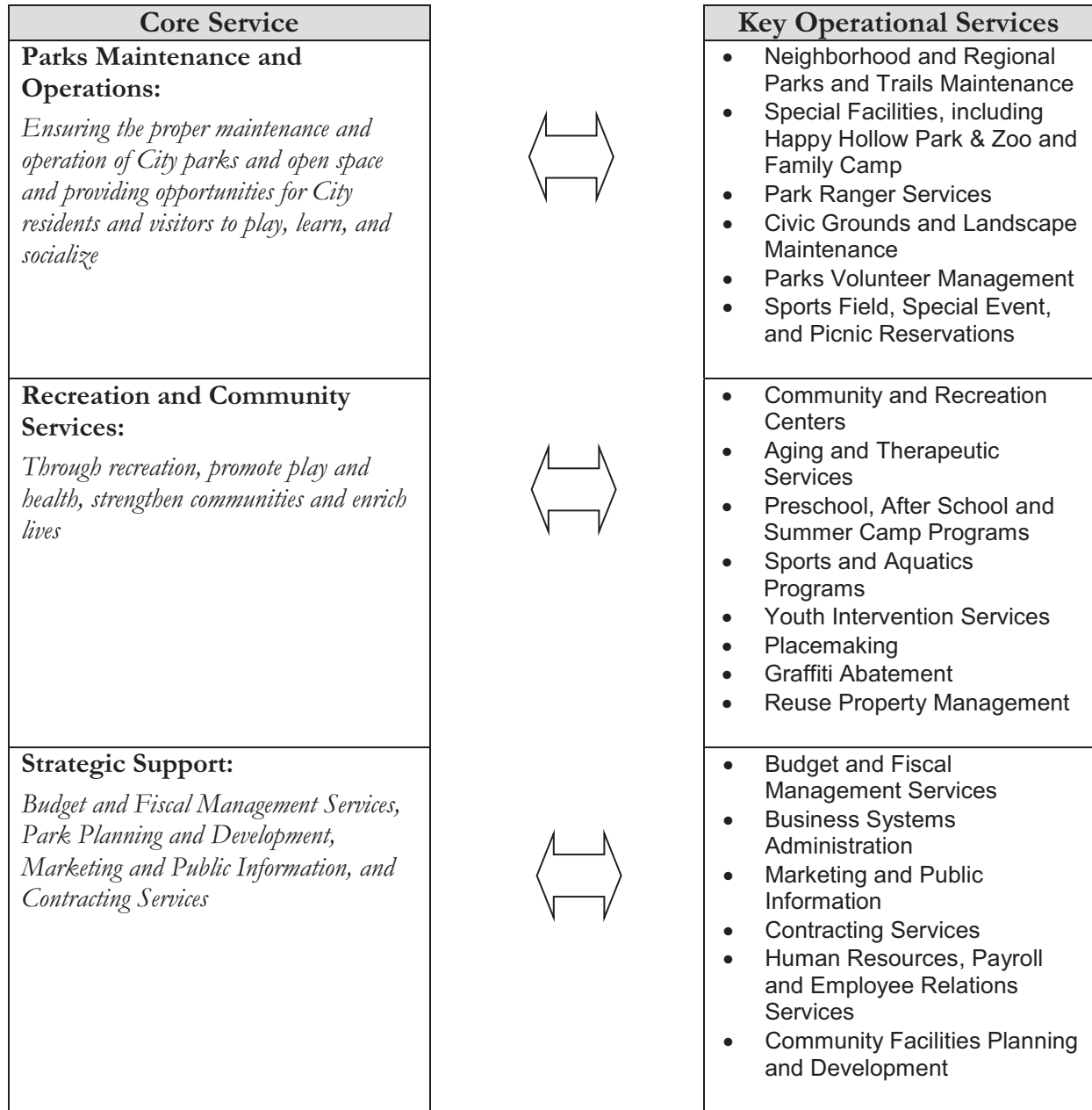
Recreation and Community Services

Through recreation, promote play and health, strengthen communities and enrich lives

Strategic Support: Budget and Fiscal Management Services, Park Planning and Development, Marketing and Public Information, and Contracting Services

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework



Parks, Recreation and Neighborhood Services Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Maintain clean and safe parks and trails.
- Protect, preserve, and enhance the natural and cultural resources of parks, trails, watersheds, and open spaces through the Park Ranger Program.
- Launch the Lake Cunningham Action Sports Park, with the opening of the Lake Cunningham Bike Park in late 2016 and installation of new play equipment enhancing the existing Lake Cunningham Regional Skate Park.
- Continue providing access to a variety of recreation programs, using a multi-service delivery model, at the ten “hub” community centers, one therapeutic center, and one hybrid center that are open on average 59 hours per week, and advancing the City Council-approved evaluation of 39 reuse sites, integrating community and provider input to adjust program outcomes as needed.
- Implement a five-year Therapeutic Recreation Services Operational Plan.
- Continue placemaking and park activation, including the Summer in St. James Park, Plaza de Cesar Chavez, Viva CalleSJ, and ¡Viva Parks! community-building programs.
- Continue providing the Summer Aquatics program at six City locations (Alviso, Biebrach, Camden, Mayfair, and Rotary Ryland pools, as well as the Fair Swim Center).
- Leverage gang intervention/prevention grants to deliver valuable community-supportive programs and services and further enhance the Bringing Everyone’s Strengths Together and Safe Summer Initiative Programs.
- Continue evaluating service offerings to determine which programs can become more self-supporting to balance other program activities, support service access, and maintain cost-neutral impacts to the General Fund.

2016-2017 Key Budget Actions

- Adds new positions and reallocates existing resources to support fee activities, offset by fee revenue. This includes the allocation of \$500,000 for the Citywide Scholarship Program to promote affordable access to recreation programs and camps.
- Adds a net 2.5 positions to open regional parks (Almaden Lake, Alum Rock, Emma Prusch Farm, and Overfelt Gardens) on Mondays.
- Adds 7.75 limit-dated positions through December 2019 to support the creation of a Parks Rehabilitation Strike Team, funded by the Park Trust Fund, as a three-year program to address deferred maintenance and infrastructure backlog issues at parks and recreation facilities.
- Adds one-time personal services funding of \$150,000 for six temporary positions and one-time non-personal/equipment funding of \$140,000 to continue placemaking and activations efforts through October 2016 with Plaza de Cesar Chavez, Viva CalleSJ, and ¡Viva Parks!.
- Adds 4.5 positions to maximize rentals of gymnasiums or multipurpose rooms with a maximum capacity of at least 430 people, with costs fully offset by increased rental revenues.
- Adds 5.79 positions and funding for operating and maintenance costs for new facilities coming online in 2016-2017.

Operating Funds Managed

- Municipal Golf Course Fund

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Parks Maintenance and Operations	\$ 32,621,307	\$ 35,756,633	\$ 37,311,922	\$ 39,365,965	10.1%
Recreation and Community Services	24,106,723	24,161,790	24,770,875	26,345,857	9.0%
Strategic Support	6,764,827	7,229,956	7,358,015	7,399,551	2.3%
Total	\$ 63,492,857	\$ 67,148,379	\$ 69,440,812	\$ 73,111,373	8.9%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 44,469,544	\$ 46,917,296	\$ 48,471,724	\$ 52,476,634	11.8%
Overtime	579,693	263,278	260,101	260,101	(1.2%)
Subtotal	\$ 45,049,237	\$ 47,180,574	\$ 48,731,825	\$ 52,736,735	11.8%
Non-Personal/Equipment					
Total	\$ 63,492,857	\$ 67,148,379	\$ 69,440,812	\$ 73,111,373	8.9%
Dollars by Fund					
General Fund	\$ 57,277,471	\$ 60,449,132	\$ 62,610,717	\$ 65,363,490	8.1%
Airport Maint & Oper	57,647	62,022	64,982	64,982	4.8%
Comm Fac District No. 14	297,491	359,411	370,855	370,855	3.2%
Integrated Waste Mgmt	63,626	0	0	0	0.0%
Storm Sewer Operating	193,039	0	0	0	0.0%
Capital Funds	5,603,583	6,277,814	6,394,258	7,312,046	16.5%
Total	\$ 63,492,857	\$ 67,148,379	\$ 69,440,812	\$ 73,111,373	8.9%
Authorized Positions by Core Service					
Parks Maintenance and Operations	282.11	300.02	297.32	326.82	8.9%
Recreation and Community Services	182.26	216.88	216.22	269.72	24.4%
Strategic Support	46.31	43.23	43.23	43.98	1.7%
Total	510.68	560.13	556.77	640.52	14.4%

Parks, Recreation and Neighborhood Services Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	560.13	67,148,379	60,449,132
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Open Streets Program		(80,000)	(80,000)
• Rebudget: Park Rangers		(44,000)	(44,000)
• Rebudget: Graffiti Abatement Services		(41,150)	(41,150)
• Homeless Response Team Park Rangers (2.0 Park Ranger)	(2.00)	0	0
• East San José Parks Activation (personal services and non-personal/equipment)	0.00	(80,000)	(80,000)
• Almaden Lake Park - Monday Opening (1.0 Maintenance Assistant)	(1.00)	(60,327)	(60,327)
• San Jose Parks Foundation		(50,000)	(50,000)
• Arena Green Carousel		(48,000)	(48,000)
• Family Camp Experience for Low Income Families		(25,000)	(25,000)
• Positive Coaching Alliance		(15,000)	(15,000)
• Christmas in the Park (0.36 Recreation Leader PT)	(0.36)	(14,604)	(14,604)
• Happy Hollow Park & Zoo		(13,000)	(13,000)
• East San José Reuse Center Activation		(11,615)	(11,615)
• San José Police Activities League (P.A.L.) Sports Complex and Emma Prusch Farm Park Maintenance		(963)	(963)
One-time Prior Year Expenditures Subtotal:	(3.36)	(483,659)	(483,659)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		768,290	647,442
- 0.5 Analyst I PT to 0.5 Analyst II PT			
- 1.0 Groundworker to 1.0 Heavy Equipment Operator			
- 2.0 Groundworker to 2.0 Park Maintenance Repair Worker I/II			
- 2.0 Maintenance Supervisor to 2.0 Parks Facilities Supervisor			
- 1.0 Planner II to 1.0 Planner III			
- 1.0 Principal Account Clerk to 1.0 Accounting Technician			
- 2.0 Recreation Superintendent to 2.0 Parks Manager			
- 1.0 Recreation Specialist to 1.0 Zoo Education Specialist			
- 1.0 Senior Planner to 1.0 Planner IV			
- 1.0 Senior Recreation Leader to 1.0 Rides and Attractions Safety Coordinator			
- 2.0 Senior Recreation Leader to 2.0 Zoo Educator			
- 0.5 Senior Recreation Leader PT to 0.5 Zoo Educator PT			
- 1.0 Volunteer Coordinator to 1.0 Program Manager I			
- 1.0 Youth Outreach Specialist to 1.0 Recreation Program Specialist			
• Living wage		622,000	622,000
• Part-Time Unbenefited Sick Leave Payments		100,000	100,000
• Lake Cunningham Bike Park and Skate Park annualization (personal services and non-personal/equipment)	0.00	336,892	336,892
• Personal Services and contractual services adjustment for delay in opening of Lake Cunningham Bike Park	0.00	(72,000)	(72,000)
• Park restrooms custodial services		144,000	134,000

Parks, Recreation and Neighborhood Services Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Banking Services (reallocation from City-Wide)		100,000	100,000
• Graffiti Abatement services contract		84,000	84,000
• Security guard services contract		71,000	71,000
• Utilities and maintenance associated with use of facilities at a variety of school districts		20,000	20,000
• Village Square Branch Library Landscape Maintenance annualization		18,000	18,000
• Happy Hollow Park & Zoo veterinary services		12,000	12,000
• Parking Payment System Payment Processing Services contract		10,000	10,000
• Parks and Recreation Facilities Maintenance and Operations annualization		2,076	2,076
• St. James Park Activation annualization		834	834
• Water		844,000	844,000
• Gas and electricity		(172,000)	(172,000)
• Vehicle maintenance and operations		(111,000)	(111,000)
• Professional development program		(2,000)	(2,000)
Technical Adjustments Subtotal:	0.00	2,776,092	2,645,244
2016-2017 Forecast Base Budget:	556.77	69,440,812	62,610,717
Budget Proposals Recommended			
1. Fee Activity Program	61.65	1,446,229	1,446,229
2. Parks Rehabilitation Strike and Capital Infrastructure Team	8.50	919,908	0
3. New Parks and Recreation Facilities Maintenance and Operations	5.79	354,000	354,000
4. Placemaking: Viva CalleSJ and ¡VivaParks!	0.00	290,000	290,000
5. Community Center Rentals	4.50	187,110	187,110
6. Regional Parks - Monday Opening	2.50	144,540	144,540
7. Happy Hollow Park & Zoo	1.25	91,817	91,817
8. Corporate Connections Program	0.00	90,000	90,000
9. Gardner Community Center	0.00	60,000	60,000
10. Leininger Center	0.87	49,195	49,195
11. Enterprise Asset Management Team Support and Portable Generators Replacement	0.00	30,000	30,000
12. Family Camp Experience for Low Income Families		25,000	25,000
13. Christmas in the Park	0.44	18,000	18,000
14. Positive Coaching Alliance		15,000	15,000
15. Alum Rock Parking Pilot Program	0.00	(30,000)	(30,000)
16. Parks, Recreation and Neighborhood Services Department Staff Realignment	(1.75)	(20,238)	(18,118)
Total Budget Proposals Recommended	83.75	3,670,561	2,752,773
2016-2017 Proposed Budget Total	640.52	73,111,373	65,363,490

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Fee Activity Program	61.65	1,446,229	1,446,229

Neighborhood Services CSA

*Parks Maintenance and Operations
Recreation and Community Services
Strategic Support*

This action adds a net 61.65 positions and reduces non-personal/equipment funding by \$1.9 million to increase and realign resources for a variety of programs funded by the existing Fee Activity Programs. This action:

- Upgrades 0.50 Account Clerk PT to 0.75 Account Clerk PT to align with processing increased Fee Activity revenue;
- Deletes 4.04 Camp Counselor PT, 0.20 Camp Maintenance Worker PT, and 0.40 Camp Recreation Director PT and adds 5.3 Recreation Leader PT as a technical adjustment;
- Deletes 0.76 Camp Counselor PT and 1.0 Cook PT and adds 1.0 Food Service Coordinator to coordinate food services at Family Camp and catering events as part of the Picnic Basket and Double-H Catering Programs;
- Reallocates non-personal/equipment funding to add 2.0 Cook PT to support the Picnic Basket and Double-H Catering Programs at Happy Hollow Park & Zoo (HHPZ);
- Reallocates non-personal/equipment funding to add 15.5 Class Instructor PT to lead leisure classes;
- Adds 33.0 Recreation Leader PT to support the Fee Activity Program (22.0 positions are offset by reallocating non-personal/equipment funding and 11.0 positions are offset by associated fee revenue);
- Adds 3.0 Recreation Program Specialist to support the preschool, Recreation of City Kids (ROCK), and Aging Services programs;
- Reallocates non-personal/equipment funding to add 2.0 Regional Park Aide PT and 5.0 Community Services Aide PT to support park camps and HHPZ fee activity programs; and
- Adds 1.0 Therapeutic Specialist to provide inclusion services and appropriately address the needs of children with disabilities in the preschool and ROCK programs.

These programs are delivered by a combination of City staff and outside vendors, and the staffing adjustments reflect the complement of resources to support these programs. The majority of position additions (46.5 positions) reflect the realignment of resources between personal services and non-personal/equipment based on actual experience. The remaining 15.15 position additions will be funded by the revenue generated by these programs. This action also allocates \$500,000 for the Citywide Scholarship Program, funded from Fee Activity revenue, in an effort to promote affordable access to the Parks, Recreation and Neighborhood Services Department's recreation programs and camps. The net additional cost of this proposal is funded by fee revenue, as described in the General Fund Revenues section of this document. (Ongoing costs: \$1,476,744)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Parks Rehabilitation Strike and Capital Infrastructure Team	8.50	919,908	0

Neighborhood Services CSA
Parks Maintenance and Operations
Strategic Support

This action adds 8.5 limit-dated positions (0.50 Analyst II PT, 1.0 Associate Engineering Technician, 2.0 Groundswoker, 2.0 Maintenance Assistant, 1.0 Office Specialist II, 1.0 Parks Maintenance Repair Worker I/II, and 1.0 Senior Maintenance Worker) through December 2019 and non-personal/equipment funding to create a Parks Rehabilitation Strike Team (7.75 positions), which will be funded by the Subdivision Park Trust Fund, and to provide increased support for the Capital Infrastructure Team (0.75 positions), which will be funded by the Parks Central Construction and Conveyance Tax Fund. These positions will be funded for a three-year program and will address deferred maintenance and infrastructure backlog issues at parks and recreation facilities. The Parks Rehabilitation Strike Team will concentrate on rehabilitating and refurbishing parks, upgrading irrigation systems, and turf management at reservable sports fields and open spaces that are located within the nexus requirement associated with the use of fees paid by developers. (Ongoing costs: \$629,634)

3. New Parks and Recreation Facilities Maintenance and Operations	5.79	354,000	354,000
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Neighborhood Services CSA
Parks Maintenance and Operations

This action adds 5.79 positions (0.50 Community Services Aide PT, 1.0 Groundswoker, 1.0 Maintenance Assistant, 1.0 Maintenance Assistant PT, 1.0 Park Ranger, 0.79 Park Ranger PT, and 0.50 Zoo Keeper PT) and non-personal/equipment funding to cover operating and maintenance costs associated with new facilities coming online in 2016-2017. These facilities include Baypointe Interim Park, Communication Hill Fitness Staircase, Del Monte Park Phase III (land), Happy Hollow Park & Zoo (amusement ride and animals), Iris Chang Park, Spartan Keyes (land), Tamien Park Phase I, TRAIL: Three Creeks (Lonus Street to Minnesota Avenue), and Vietnamese Cultural Heritage Garden. This funding was anticipated in the 2017-2021 General Fund Forecast and the liquidation of an Earmarked Reserve set aside in the forecast for this purpose is described in the General Fund Capital, Transfers, Reserves section of this document. (Ongoing costs: \$576,000)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Placemaking: Viva CalleSJ and ¡VivaParks!	0.00	290,000	290,000

Neighborhood Services CSA
Recreation and Community Services

This action adds one-time personal services funding of \$150,000 for six temporary positions (2.0 Recreation Leader, 2.0 Recreation Program Specialist, 1.0 Recreation Superintendent, and 1.0 Senior Recreation Leader) and one-time non-personal/equipment funding of \$140,000 to continue activation efforts with Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez events through October 2016. Viva CalleSJ is a free recreational program that closes approximately six miles of scenic San José streets and brings people and the community together to walk, bike, skate, play, and explore the City. The 2016 route will be formally announced as part of National Bike Month in May 2016. ¡Viva Parks! events are safe and fun for the community and approximately 24 will be held throughout the summer at various parks in East San José. Weekly events vary but may include healthy food demonstrations, zumba and martial arts demonstrations, bounce houses, cultural dance performances, large group games, skate jams and climbing wall, and movie nights. PRNS will also coordinate daily activation at Plaza de Cesar Chavez that will draw participants during early morning, lunch, and dinner times. Activation activities include, but are not limited to, yoga, games, food trucks, a beer garden, and music. A portion of these costs will be offset by booth rental revenues (\$40,000), as described in the General Fund Revenues section of this document. It is also anticipated that the department will receive grant revenues to support these programs. (Ongoing costs: \$0)

5. Community Center Rentals	4.50	187,110	187,110
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Neighborhood Services CSA
Recreation and Community Services

This action adds 4.5 Recreation Leader PT positions that will be assigned to the Almaden, Bascom, Camden, Mayfair, Roosevelt, and Seven Trees sites to maximize rentals of gymnasiums or multipurpose rooms with a maximum capacity of at least 430 people, as these are frequently rented spaces. These positions complement the existing rental team by providing consistent staff on site to assist community members with rental inquiries during all hours of operation as well as increase rentals during periods that are currently underutilized. The cost of these positions is fully offset by increased rental revenues, as described in the General Fund Revenues section of this document. (Ongoing costs: \$204,138)

6. Regional Parks – Monday Opening	2.50	144,540	144,540
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Neighborhood Services CSA
Parks Maintenance and Operations

This action adds a net 2.5 positions to open all regional parks on Mondays, including Almaden Lake, Alum Rock, Emma Prusch Farm, and Overfelt Gardens Parks. As a budget balancing action in 2009-2010, these parks were closed on Mondays, which was traditionally the slowest day of the week. The 2015-2016 Adopted Budget provided one-time funding for 1.0 Maintenance Assistant to re-open Almaden Lake Park and adjacent trails on Mondays. This action makes permanent the 1.0 Maintenance Assistant for Almaden Lake Park and also adds 2.0 Maintenance Assistant and deletes 0.5 Maintenance Assistant PT positions to re-open Alum Rock, Emma Prusch Farm, and Overfelt Gardens Parks on Mondays to allow residents and users of the park access seven days per week. (Ongoing costs: \$156,446)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Happy Hollow Park & Zoo	1.25	91,817	91,817

Neighborhood Services CSA
Parks Maintenance and Operations

This action upgrades 3.75 Senior Recreation Leader PT to 5.0 Senior Recreation Leader positions to support the increase in attendance at Happy Hollow Park & Zoo (HHPZ), from 430,000 in 2012 to 463,000 in 2015. These positions currently support key operations at HHPZ, including serving as Duty Park Manager, as well as overseeing guest services, memberships, and special events. The additional resources will provide the necessary staff to effectively manage overall operations. The cost of these positions are fully offset by HHPZ admission revenues, as described in the General Fund Revenues section of this document. (Ongoing costs: \$122,739)

8. Corporate Connections Program	0.00	90,000	90,000
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Neighborhood Services CSA
Parks Maintenance and Operations

This action provides one-time personal services funding of \$90,000 for one temporary Analyst I position to implement a one-year pilot of the Corporate Connections Program, a model of volunteer management combined with corporate social responsibility. As part of the pilot program, PRNS volunteer program staff will recruit volunteers from local businesses and corporations, who in turn pay a fee to the City for their employees to volunteer in parks. This program targets 24 events in the first year, and the proposed fee per participating volunteer will fund park materials for the volunteer activity and park maintenance. The temporary Analyst I will support the Program Manager I to develop policies and procedures, marketing tools, and conduct outreach activity to test the viability of the pilot program. PRNS will evaluate the success of the Corporate Connections Program and the need for an ongoing program, which will be brought forward as part of the 2017-2018 Proposed Budget, as appropriate. (Ongoing costs: \$0)

9. Gardner Community Center	0.00	60,000	60,000
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Neighborhood Services CSA
Recreation and Community Services

This action adds one-time personal services funding of \$55,000 for 2.0 temporary positions (1.0 Senior Recreation Leader and 1.0 Recreation Leader PT) through December 2016 and non-personal/equipment funding of \$5,000 to continue youth services at Gardner Community Center. This center is in the Community Center Reuse Program but currently does not have a youth and teen provider. Based on community needs, this addition will allow the PRNS Department more time to secure a reuse operator that will provide youth continued access to safe and supervised activities. By the end of December 2016, PRNS will report to Council with a status update. (Ongoing costs: \$0)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Leininger Center	0.87	49,195	49,195

Neighborhood Services CSA
Parks Maintenance and Operations

This action upgrades 2.13 Senior Recreation Leader PT to 3.0 Senior Recreation Leader positions to support key operations at Leininger Center, including revenue processing, wedding coordination, and sport field reservations. The demand for reservations and permits has increased in areas such as ceremonies/weddings and sports facilities. To address this growth, one position will be responsible for revenue collections and will ensure timely processing of payments and refunds. Two positions will assist customers with ceremony-related needs and sports field reservations during all hours of operation. The cost of these positions are fully offset by increased reservation revenues, as described in the General Fund Revenues section of this document. (Ongoing costs: \$67,642)

11. Enterprise Asset Management Team Support and Portable Generators Replacement	0.00	30,000	30,000
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Neighborhood Services CSA
Parks Maintenance and Operations

This action increases the PRNS Department's non-personal/equipment funding for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this document. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer in the Vehicle Maintenance and Operations Fund to better align and augment the Department's Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing costs: \$20,600)

12. Family Camp Experience for Low Income Families		25,000	25,000
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Neighborhood Services CSA
Parks Maintenance and Operations

This action provides ongoing funding of \$25,000 towards the Family Camp Campership Program, which provides a discount to low-moderate income families. Family Camp provides a unique, accessible, and all-inclusive Yosemite wilderness experience for families, and great summer job experiences for local San José youth and young adults. While modest, the cost remains prohibitive for many San José families. This funding enables qualifying low-income families to enjoy the Family Camp experience at no charge or at a reduced price. (Ongoing costs: \$25,000)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Christmas in the Park	0.44	18,000	18,000
<p><i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations</i></p> <p>This action continues funding for 0.44 Recreation Leader PT position through June 30, 2019 to provide support for the Christmas in the Park event, including the transport of holiday props to and from the City warehouse where the props are stored. The Christmas in the Park Foundation reimburses the City for Christmas in the Park program costs, as described in the General Fund Revenues section of this document. (Ongoing costs: \$18,000)</p>			
14. Positive Coaching Alliance		15,000	15,000
<p><i>Neighborhood Services CSA</i> <i>Recreation and Community Services</i></p> <p>This action adds one-time funding of \$15,000 to support a program by Positive Coaching Alliance (PCA), in partnership with the San Jose Earthquakes and the City of San José. This funding will support the City's youth sports organizations to train coaches to focus on teaching life lessons (resiliency, determination, teamwork, for example) and create an affirming environment for athletes, using PCA's Double Goal Coach Workshop and Curriculum. Child obesity appears partly attributable to the sports drop-out rate: 70% of kids drop out of organized sports by the time they are 13 years old because they no longer enjoy it. The rate of sports participation among kids has dropped 5% in the last half-decade. Many blame the "win at any costs" mindset of many parents and coaches. This program will strive to address that. (Ongoing costs: \$0)</p>			
15. Alum Rock Parking Pilot Program	0.00	(30,000)	(30,000)
<p><i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations</i></p> <p>As discussed in the General Revenue Estimates section of this document, this action offsets a projected loss of parking revenue of \$30,000 with a one-time defunding of a 0.67 Recreation Leader PT position, responsible for general assistance at regional parks. The PRNS Department anticipates minimal impact to customer service as there are generally vacancies at least at that level. The projected revenue reduction relates to a proposed pilot program to address parking issues outside Alum Rock Park. Since the implementation of parking fees, there has been an increase in parking in the Rock Canyon Circle residential area, which is outside the park entrance. The pilot program will allow time to assess the ongoing impact of free parking in designated parking lots within the park. PRNS will provide a memorandum in spring 2016 to Council with further details on this pilot program. (Ongoing costs: \$0)</p>			

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department



Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
16. Parks, Recreation and Neighborhood Services Department Staff Realignment <i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations</i> <i>Recreation and Community Services</i> <i>Strategic Support</i>	(1.75)	(20,238)	(18,118)
<p>This action realigns staff in the Adopt-A-Park and Community Gardens programs, Mayor's Gang Prevention Task Force, and Parks Division management and maintenance teams to provide better service delivery.</p> <p>Adopt-A-Park and Community Gardens: deletes 0.3 Recreation Leader PT currently supporting the Adopt-A-Park program and shifts this work to a Community Activity Worker that will be upgraded from 0.75 Community Activity Worker PT to 1.0 Community Activity Worker. Currently, the Community Activity Worker PT only supports the Community Gardens program; the upgraded position will play a greater role with the overall Parks Volunteer Management Program due to this position's higher level of knowledge, skills, and experience. (Ongoing costs: \$0)</p> <p>Mayor's Gang Prevention Task Force: reallocates existing funding to add 2.0 Youth Outreach Specialist and delete 1.0 Community Coordinator and 0.5 Youth Outreach Worker positions to realign staff with changes in the Safe School Campus Initiative (SSCI) program model. SSCI aims to create a safer environment at high school and middle school campuses and changed its model in 2015-2016 to include case management as part of its service delivery. The Youth Outreach Specialist positions will provide day-to-day program supervision of a team of Youth Outreach Workers, provide case management to program participants, and serve as the school liaison; these responsibilities are currently assigned to the deleted Community Coordinator and Youth Outreach Worker positions. A remaining Community Coordinator will serve as the SSCI program supervisor and will directly manage the Youth Outreach Specialists, prepare monthly program status and data reports, and implement the annual work plan. (Ongoing costs: \$0)</p> <p>Parks Division Maintenance and Management: adds 7.0 Maintenance Assistant positions and deletes 9.2 Maintenance Assistant PT positions, for a net reduction of 2.2 positions, to realign the park maintenance staffing complement and provide consistent coverage and service delivery. Under this model, work will be shifted to the 7.0 Maintenance Assistant positions that will have greater experience and expertise to complete responsibilities, such as minor repairs, independently. This allows other team members to complete their maintenance activities more efficiently. This action also adds 1.0 Division Manager and deletes 1.0 Parks Manager in the Parks Division to provide a higher level of management support for this division. In addition, partial funding for four positions (0.25 Analyst II, 0.20 Deputy Director, 0.16 Division Manager, and 0.20 Senior Analyst) are being shifted from the General Fund to the Parks Central Construction and Conveyance Tax Fund to align job duties with the funding source. (Ongoing savings: \$13,226)</p>			
2016-2017 Proposed Budget Changes Total	83.75	3,670,561	2,752,773

Parks, Recreation and Neighborhood Services Department

Performance Summary

Parks Maintenance and Operations

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Maintenance dollars per developed park acre maintained (includes regional and neighborhood parks, trails, community center and civic grounds, and community gardens)	\$9,930	\$10,879	\$10,643	\$11,347
 % of customer concerns completed within time standards established by PRNS	45%	56%	48%	56%

Activity and Workload Highlights














	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of developed neighborhood and regional parks	197	202	200	206
# of developed acres maintained (includes regional and neighborhood parks, trails, community center and civic grounds, and community gardens)	1,727	1,741	1,742	1,757
# of regional and neighborhood park restrooms maintained	99	100	101	103
# of customer concerns	2,073	1,964	1,750	1,800

Parks, Recreation and Neighborhood Services Department

Performance Summary

Recreation and Community Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of surveyed youth customers (BEST) who report experiencing change for the better due to youth services programs	77%	79%	78%	78%
 % of school/community crisis incidents responded to within 30 minutes	100%	100%	100%	100%
 % of school conflicts resolved with re-establishment of a safe learning environment within two weeks	99%	100%	100%	100%
 % of Safe School Campus Initiative customers surveyed rating services good or better	99%	86%	86%	86%
 % of customers who are repeat or returning customers (leisure classes)	69%	75%	78%	75%
 % of community center customers rating overall Satisfaction/Services as good or better	87%	90%	89%	90%
 % of gang or other offensive graffiti service requests completed by graffiti eradication vendor within 24 hours (service requests reported by the public)	81%	85%	85%	85%
 % of graffiti service requests in the Proactive Zones (1-5) completed within 48 hours by graffiti eradication vendor (service requests reported by the public)	80%	80%	80%	80%
 % of graffiti service requests in the Reactive Zones (1-5) completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	79%	75%	75%	75%
 % of Clean Slate Tattoo Removal program participants who complete the Life Skills Sessions classes	N/A	N/A	N/A	80%
 % of customers who register online for leisure classes	38%	38%	37%	38%
 % of youth participants that make healthier decisions as a result of their participation in summer camps and after school programs	74%	80%	66%	80%
 % of customers who state that participation in programs has helped them increase their physical activity level to at least 60 minutes per day	72%	75%	N/A*	25%*

* This question was not included in the 2015-2016 survey. For 2016-2017, the question will be revised to align with *Physical Activity Guidelines for Americans* from the Centers for Disease Control and Prevention, which could potentially substantially lower the response rate.

Parks, Recreation and Neighborhood Services Department

Performance Summary

Recreation and Community Services

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of surveyed youth customers (BEST) who report experiencing change for the better due to youth services programs	2,811	2,844	2,847	2,886
# of leisure class participant surveys completed with "2 nd time or more" answer selected	187	200	172	200
# of Safe Schools Campus Initiative customers rating City efforts at keeping schools safe as good or better	75	65	65	65
# of incidents on Safe School Campus Initiative School Sites responded to within 30 minutes	433	450	450	450
# of school conflicts resolved with re-establishment of safe learning environment within two weeks	427	450	450	450
# of Safe Schools Campus Initiative school sites	75	76	76	76
# of BEST youth service program participants	3,650	3,600	3,650	3,700
# of gang or other offensive graffiti service requests completed by graffiti eradication vendor within 24 hours (service requests reported by the public)	658	600	600	600
# of graffiti service requests in the Proactive Zones (1-5) completed within 48 hours by graffiti eradication vendor (service requests reported by the public)	12,914	9,000	10,000	10,000
# of graffiti service requests in the Reactive Zones (1-5) completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	11,235	7,000	9,000	9,000

Parks, Recreation and Neighborhood Services Department

Performance Summary

Recreation and Community Services

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of graffiti work orders assigned to graffiti eradication vendor (service requests reported by the public)	30,264	22,000	22,000	22,000
# of Clean Slate Tattoo Removal program participants who complete the Life Skills Sessions classes	N/A	N/A	N/A	100
# of Anti-Litter Program clean-up events coordinated (neighborhood, business, and community litter clean-up events)	N/A	N/A	N/A	36
# of Anti-Litter Program clean-up locations coordinated (neighborhood, business, and community litter clean-up events)	N/A	N/A	N/A	30
# of bags of litter collected by the Anti-Litter Program	N/A	N/A	N/A	6,500
# of customers who register online for leisure classes	22,026	20,500	23,000	23,000
# of customers who state that participation in programs has helped them increase their physical activity level at least 60 minutes per day	191	200	N/A*	75*
# of youth participants that make healthier decisions as a result of their participation in summer camps and after school programs	70	750	750	300


* This question was not included in the 2015-2016 survey. For 2016-2017, the question will be revised to align with *Physical Activity Guidelines for Americans* from the Centers for Disease Control and Prevention, which could potentially substantially lower the response rate.

Parks, Recreation and Neighborhood Services Department

Performance Summary

Strategic Support

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of grant agreements ready for agency signature by the grant agreement start dates (SJ BEST: September 1 st ; Safe Summer Initiative Grant (SSIG): June 1 st ; Senior Health & Wellness: October 1 st)	84%	80%	80%	80%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of grant agreements ready for agency signature by the grant agreement start dates (SJ BEST: September 1 st ; Safe Summer Initiative Grant (SSIG): June 1 st ; Senior Health & Wellness: October 1 st)	56	52	52	54
The size (in mileage) of the trail network in each phase:				
- construction	0.63	0.48	0.48	4.51
- open	56.77	57.92	57.92	58.23

Parks, Recreation and Neighborhood Services Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	2.00	2.00	-
Account Clerk I/II PT	2.87	3.12	0.25
Accounting Technician	2.00	3.00	1.00
Administrative Officer	1.00	1.00	-
Amusement Park Supervisor	1.00	1.00	-
Analyst I PT	0.50	0.00	(0.50)
Analyst I/II	17.00	17.00	-
Analyst II PT	1.00	2.00	1.00
Animal Health Technician	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant Swim Pool Manager PT	0.48	0.48	-
Associate Architect/Landscape Architect	1.00	1.00	-
Associate Construction Inspector	1.00	1.00	-
Associate Engineering Technician	0.00	1.00	1.00
Associate Structure Landscape Designer	1.00	1.00	-
Camp Counselor PT	4.80	0.00	(4.80)
Camp Maintenance Worker PT	0.20	0.00	(0.20)
Camp Recreation Director PT	0.40	0.00	(0.40)
Class Instructor PT	10.00	25.50	15.50
Community Activity Worker	3.00	4.00	1.00
Community Activity Worker PT	3.50	2.75	(0.75)
Community Coordinator	6.00	5.00	(1.00)
Community Services Aide PT	17.30	22.80	5.50
Community Services Supervisor	2.00	2.00	-
Cook PT	2.75	3.75	1.00
Deputy Director	3.00	3.00	-
Director, Parks, Recreation and Neighborhood Services	1.00	1.00	-
Division Manager	3.00	4.00	1.00
Entertainment Coordinator	1.00	1.00	-
Events Coordinator I PT	0.75	0.75	-
Events Coordinator II	3.00	3.00	-
Exhibit Builder PT	0.50	0.50	-
Exhibit Designer/Builder	1.00	1.00	-
Food and Beverage Services Supervisor	1.00	1.00	-
Food Service Coordinator	0.00	1.00	1.00
Food Service Coordinator PT	1.00	1.00	-
Gardener	23.00	23.00	-
Gerontology Specialist	9.00	9.00	-
Golf Course Manager	1.00	1.00	-
Groundskeeper	5.00	5.00	-
Groundswoker	40.00	40.00	-
Heavy Equipment Operator	2.00	3.00	1.00
Instructor-Lifeguard PT	1.89	1.89	-
Kitchen Aide PT	2.20	2.20	-
Landscape Maintenance Manager	1.00	1.00	-
Lifeguard PT	2.26	2.26	-

Parks, Recreation and Neighborhood Services Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Maintenance Assistant	10.00	22.00	12.00
Maintenance Assistant PT	30.71	22.01	(8.70)
Maintenance Supervisor	3.00	1.00	(2.00)
Maintenance Worker I	2.00	2.00	-
Office Specialist I/II	3.00	4.00	1.00
Park Ranger	16.00	15.00	(1.00)
Park Ranger PT	6.50	7.29	0.79
Parks Facilities Supervisor	9.00	11.00	2.00
Parks Maintenance Repair Worker I/II	12.00	15.00	3.00
Parks Manager	4.00	5.00	1.00
Planner II	1.00	0.00	(1.00)
Planner III	0.00	1.00	1.00
Planner IV	0.00	1.00	1.00
Principal Account Clerk	1.00	0.00	(1.00)
Program Manager I	5.00	6.00	1.00
Public Information Representative II	2.00	2.00	-
Puppeteer PT	1.50	1.50	-
Recreation Leader PT	94.94	137.52	42.58
Recreation Program Specialist	35.00	39.00	4.00
Recreation Specialist	3.00	2.00	(1.00)
Recreation Superintendent	5.00	3.00	(2.00)
Recreation Supervisor	13.00	13.00	-
Regional Park Aide PT	7.36	9.36	2.00
Rides and Attractions Safety Coordinator	0.00	1.00	1.00
Secretary	1.00	1.00	-
Senior Account Clerk	2.00	2.00	-
Senior Analyst	4.00	4.00	-
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Engineering Technician	1.00	1.00	-
Senior Maintenance Worker	12.00	13.00	1.00
Senior Office Specialist	3.00	3.00	-
Senior Park Ranger	1.00	1.00	-
Senior Planner	1.00	0.00	(1.00)
Senior Recreation Leader	13.00	18.00	5.00
Senior Recreation Leader PT	7.55	1.17	(6.38)
Senior Recreation Leader Teacher PT	2.24	2.24	-
Senior Therapeutic Treatment Specialist	1.00	1.00	-
Senior Zoo Keeper	2.00	2.00	-
Staff Specialist	3.00	3.00	-
Staff Technician	2.00	2.00	-
Structure/Landscape Designer	2.00	2.00	-
Swimming Pool Manager PT	0.33	0.33	-
Therapeutic Services Manager	1.00	1.00	-
Therapeutic Specialist	11.00	12.00	1.00

Parks, Recreation and Neighborhood Services Department

Departmental Position Detail

Position	2015-2016	2016-2017	Change
	Adopted	Proposed	
Volunteer Coordinator	1.00	0.00	(1.00)
Youth Outreach Specialist	5.00	6.00	1.00
Youth Outreach Worker I	13.00	13.00	-
Youth Outreach Worker I PT	0.60	0.10	(0.50)
Youth Outreach Worker II	6.00	6.00	-
Zoo Curator	1.00	1.00	-
Zoo Education Specialist	0.00	1.00	1.00
Zoo Educator	0.00	2.00	2.00
Zoo Educator PT	0.00	0.50	0.50
Zoo Keeper	9.00	9.00	-
Zoo Keeper PT	2.00	2.50	0.50
Zoo Manager	1.00	1.00	-
Total Positions	560.13	640.52	80.39

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Planning, Building and Code Enforcement Department

Harry Freitas, Director

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Facilitate the preservation and building of a safe, attractive, vibrant and sustainable San José through partnership with and exceptional service to our diverse communities and customers

City Service Areas

**Community and Economic Development
Neighborhood Services**

Core Services

Community Code Enforcement

Enforce and promote compliance with local and State codes to ensure a safe, healthy, and attractive community

Development Plan Review and Building Construction Inspection

Manage and review development and construction applications to allow issuance of permits in compliance with applicable codes and policies





Long Range Land Use Planning

Develop land use plans and policies to guide the future physical growth of the City

Strategic Support: Administration, Clerical Services, Budget Preparation, Fiscal Services, Human Resources, Information Systems, Marketing and Outreach, and Safety/Wellness

Planning, Building and Code Enforcement Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Community Code Enforcement: <i>Enforce and promote compliance with local and State codes to ensure a safe, healthy, and attractive community</i></p>		<ul style="list-style-type: none"> • Community Outreach/ Neighborhood Empowerment • General Code Enforcement • Housing Code Enforcement • Proactive Code Enforcement
<p>Development Plan Review and Building Construction Inspection: <i>Manage and review development and construction applications to allow issuance of permits in compliance with applicable codes and policies</i></p>		<ul style="list-style-type: none"> • Review of Land Use, Rezonings, Development Applications and Plans for Compliance with Zoning Code Standards, Policies, and Guidelines • Review of Construction Plans and Calculations for Compliance with Building Code Standards, Policies, and Guidelines • Environmental Review • Construction Inspection • Permit Issuance • Public Information Services
<p>Long Range Land Use Planning: <i>Develop land use plans and policies to guide the future physical growth of the City</i></p>		<ul style="list-style-type: none"> • City-wide Land Use Planning (General Plan) • Village/Area Planning • Policy/Ordinance Development
<p>Strategic Support: <i>Administration, Clerical Services, Budget Preparation, Fiscal Services, Human Resources, Information Systems, Marketing and Outreach, and Safety/Wellness</i></p>		<ul style="list-style-type: none"> • Administration • Clerical Support • Budget Preparation • Fiscal Accountability • Human Resources • Information Systems • Building and Code Call Centers • Imaging Services

Planning, Building and Code Enforcement Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Complete the Four-Year Review of the Envision San José 2040 General Plan process to further the Major Strategies and Vision of the Plan.
- Urban Village planning and implementation for the following areas: West San Carlos, Bascom, East Santa Clara, Roosevelt Park, Little Portugal, The Alameda, Stevens Creek, Santana Row, and Winchester.
- Initiate the planning processes for the North First Street and Berryessa Bay Area Rapid Transit Urban Villages.
- Complete the draft Downtown Strategy update and Environmental Impact Report.
- Complete the draft North San José Area Development Policy update and Environmental Impact Report.
- Draft a San José Urban Agricultural Incentive Zone Ordinance.
- Initiate a sign code amendment effort, including environmental and legal review, to develop options for City Council consideration that will allow electronic digital off-site advertising signs or billboard installations.
- Complete the Development Services Fee study for Planning, Building, Fire, and Public Works and bring forward recommendations to adjust the fee model, implement effective and efficient processes, and ensure cost recovery.
- Further usage of innovative technology, such as ongoing subscriptions of Plan Grid software to allow inspection staff the access to review any size construction plans from a mobile device, and use mobile devices to record inspection results in real time from the field. Additionally, implement innovative technology in the office and in the field to improve accuracy and efficiency in code enforcement case reporting and billing, enabling staff to perform more effectively and as a first step in recording code inspection results in real time from the field.
- Provide timely and effective services that meet the needs of departmental customers.

2016-2017 Key Budget Actions

- For the Building Development Fee Program, adds the following resources to improve cycle times and customer service levels: 2.0 Building Inspector Combination positions, 2.0 Senior Permit Specialist positions, 1.0 Senior Engineer position, ongoing funding to subscribe to Plan Grid software, one-time funding to augment peak staffing resources, and one-time funding for computers for Building Inspectors, California Building Code adoption training and materials, and replacement vehicles.
- For the Planning Development Fee Program, adds the following one-time resources to address continuing high levels of development activities while improving cycle times and customer service levels: 2.0 Planner IV positions, 2.0 Planner II positions, and funding for technology improvements.
- To support the California Environmental Quality Act (CEQA) review clearance required by projects programmed by the City's Capital Improvement Program, adds 1.0 Planner II position, funded by Capital funds, through June 30, 2018 to handle this critical function.
- Adds one-time funding, primarily supported by Medical Marijuana Regulatory Fee revenue, to support the CEQA review of medical marijuana growing facilities.
- Adds resources through June 30, 2018 for the Integrated Permit System Implementation project to ensure the successful implementation of the new permit system by providing project management services, subject-matter-expert staffing resources, and support for daily operations while experienced staff support the project: 1.0 Supervising Applications Analyst, 1.0 Senior Analyst, 1.0 Senior Engineer, and 2.0 Planner IV positions, and two-year funding for a consultant project manager and temporary administrative staffing.
- Adds one-time funding for a temporary position to improve Planning, Building and Code Enforcement public outreach information and prioritize the translation of key handouts and online materials to enhance the experience of the Department's diverse customers.

Operating Funds Managed

N/A

Planning, Building and Code Enforcement Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Community Code Enforcement	\$ 9,834,408	\$ 11,901,013	\$ 11,572,252	\$ 11,734,209	(1.4%)
Development Plan Review and Building Construction Inspection	24,643,723	28,751,658	28,882,548	31,418,296	9.3%
Long Range Land Use Planning	3,635,564	5,934,087	4,761,902	5,483,761	(7.6%)
Strategic Support	1,778,367	2,464,816	2,609,391	2,654,571	7.7%
Total	\$ 39,892,062	\$ 49,051,574	\$ 47,826,093	\$ 51,290,837	4.6%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 34,668,391	\$ 41,954,403	\$ 43,997,021	\$ 45,742,695	9.0%
Overtime	722,007	181,622	181,622	181,622	0.0%
Subtotal	\$ 35,390,398	\$ 42,136,025	\$ 44,178,643	\$ 45,924,317	9.0%
Non-Personal/Equipment					
	4,501,664	6,915,549	3,647,450	5,366,520	(22.4%)
Total	\$ 39,892,062	\$ 49,051,574	\$ 47,826,093	\$ 51,290,837	4.6%
Dollars by Fund					
General Fund	\$ 38,284,102	\$ 47,296,761	\$ 45,361,502	\$ 48,695,468	3.0%
Airport Maint & Oper	47,406	42,283	46,350	46,350	9.6%
Comm Dev Block Grant	1,205,807	1,195,010	1,041,593	1,041,593	(12.8%)
Integrated Waste Mgmt	178,250	157,242	1,015,204	1,042,259	562.8%
Sewer Svc & Use Charge	49,922	63,831	85,801	85,801	34.4%
Storm Sewer Operating	75,436	75,661	61,122	61,122	(19.2%)
Capital Funds	51,139	220,786	214,521	318,244	44.1%
Total	\$ 39,892,062	\$ 49,051,574	\$ 47,826,093	\$ 51,290,837	4.6%
Authorized Positions by Core Service					
Community Code Enforcement	81.94	81.96	81.77	81.96	0.0%
Development Plan Review and Building Construction Inspection	163.16	171.47	171.49	184.21	7.4%
Long Range Land Use Planning	30.40	34.50	31.84	33.84	(1.9%)
Strategic Support	15.00	17.07	16.90	16.99	(0.5%)
Total	290.50	305.00	302.00	317.00	3.9%

Planning, Building and Code Enforcement Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	305.00	49,051,574	47,296,761
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Geographic Information System Implementation		(556,000)	(556,000)
• Rebudget: Code Enforcement Replacement Vehicles		(440,000)	(440,000)
• Rebudget: Update Downtown Environmental Impact Report		(338,000)	(338,000)
• Rebudget: Workspace Improvement Project		(250,000)	(250,000)
• Rebudget: Envision San José 2040 General Plan Implementation		(186,000)	(186,000)
• Rebudget: Multiple Housing Code Enforcement Permit System		(110,000)	(110,000)
• North San José Area Development Policy and EIR Update		(640,000)	(640,000)
• Envision San José 2040 General Plan Four-Year Major Review (1.0 Planner II)	(1.00)	(488,725)	(488,725)
• Building Development Fee Program			
- Vehicle Replacements		(324,000)	(324,000)
- Program Staffing (0.5 Planner II)	(0.50)	(47,627)	(47,627)
- Inspection Mobile Devices		(40,000)	(40,000)
- Inspection Staffing		(6,000)	(6,000)
• Planning Development Fee Program			
- Program Staffing (1.5 Planner II)	(1.50)	(142,881)	(142,881)
- Project Expediter (1.0 Planner II)	(1.00)	(95,256)	(95,256)
- Library Digital File Conversion		(10,000)	(10,000)
• Sustainable Communities Planning Grant		(101,419)	(101,419)
• Illegal Dumping Rapid Response Program		(100,000)	0
One-time Prior Year Expenditures Subtotal:	(4.00)	(3,875,908)	(3,775,908)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		2,277,500	2,241,734
- 59.0 Building Inspector Combination Certified to 57.0 Building Inspector Combination Certified I, 1.0 Building Inspector Combination Certified II, and 1.0 Building Inspector Combination Certified III			
- 10.0 Supervising Building Inspector (Certified) to 10.0 Building Inspector, Supervisor Certified I			
- 3.0 Permit Specialist to 3.0 Senior Permit Specialist			
- 1.0 Associate Architect/Landscape Architect to 1.0 Engineer I			
- 1.0 Associate Engineer to 1.0 Engineer I			
- 1.0 Network Technician II to 1.0 Network Technician III			
- 1.0 Senior Account Clerk to 1.0 Principal Account Clerk			
- 1.0 Senior Architect/Landscape Architect to 1.0 Senior Engineer			

Planning, Building and Code Enforcement Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Extension of 1.0 Planner III for Urban Village Plan development funded by a Metropolitan Transportation Planning Grant (City Council approval - October 20, 2015) and California Department of Conservation Sustainable Communities Planning Grant (City Council approval - October 7, 2014)	1.00	115,618	115,618
• Living wage		38,000	38,000
• Solid Waste Enforcement Fee (Reallocate Regional Park Aides PT, Code Enforcement Inspectors, and administrative and technology services positions from General Fund fee supported to the General Fund (\$1,584,514; 13.83 FTE) and Integrated Waste Management Fund (\$785,472; 11.00 FTE) to align costs with revenue estimates)	0.00	0	(785,472)
• Metropolitan Transportation Commission Planning Grant for second year funding of consultant services for Urban Village Plans (City Council approval - October 20, 2015)		422,000	422,000
• Development Services data processing		4,820	(4,820)
• Building Development Fee Program printing/advertising		3,000	3,000
• Customer service survey		600	600
• Shift of Illegal Dumping funding to City-Wide Expenses		(150,000)	(150,000)
• Capital non-personal/equipment		(24,100)	0
• Professional development program		5,000	5,000
• Vehicle maintenance and operations		(23,000)	(26,000)
• Vacancy factor		(19,011)	(19,011)
Technical Adjustments Subtotal:	1.00	2,650,427	1,840,649
2016-2017 Forecast Base Budget:	302.00	47,826,093	45,361,502
Budget Proposals Recommended			
1. Building Development Fee Program	7.50	1,806,489	1,806,489
2. Planning Development Fee Program	6.07	766,993	766,993
3. Medical Marijuana Program CEQA Review		250,000	250,000
4. Policy and Ordinance Assistance		250,000	250,000
5. Fire and Public Works Development Fee Programs and Other Programs	0.43	229,424	200,884
6. Environmental Review Staffing	1.00	102,238	0
7. Code Inspector Mobile Devices		57,600	57,600
8. Enterprise Asset Management Team Support and Portable Generators Replacement		2,000	2,000
Total Budget Proposals Recommended	15.00	3,464,744	3,333,966
2016-2017 Proposed Budget Total	317.00	51,290,837	48,695,468

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Building Development Fee Program	7.50	1,806,489	1,806,489

Community and Economic Development CSA

Development Plan Review and Building Construction Inspection

The actions included in this section, funded by fee activity and the use of reserves, support the Building Development Fee Program by improving service levels with no fee increases.

- **Integrated Permit System Implementation:** This action adds resources for the Integrated Permit System Implementation project being undertaken by the Planning, Building and Code Enforcement (PBCE) Department. The Permit System is used by all the Development Services Partners (Building, Planning, Fire, and Public Works) along with other departments (Environmental Services and Transportation) in the City, and the implementation project is anticipated to take 28 months to complete from the start of the project, which is anticipated to be in May 2016. The Permit System upgrade will allow the City to serve residents and businesses more efficiently, including adding essential features, such as electronic plan submittal, on-line plan approval, permit tracking, and permit process management. For the Building Development Fee Program, the following resources are recommended as outlined below. Details on other recommended resources for this project can be found in the Planning Development Fee Program and Fire and Public Works Development Fee Programs and Other Programs proposed changes of this section and the Fire Department and Public Works Department sections in this document.
 - 1.0 Senior Engineer position, limit-dated to June 30, 2018 and funded by the Building Development Fee Program (\$132,217), will support the Department's daily operations to free up experienced staff to support the design, testing, and transition to the new system.
 - 1.0 Supervising Applications Analyst position, limit-dated to June 30, 2018 (total costs: \$142,286, Building Development Fee Program's portion: \$70,970), will lead the team in the technical aspects of designing and testing the new system. The position will also work with managers and front-line staff to ensure a seamless transition to the new system.
 - 1.0 Senior Analyst position, limit-dated to June 30, 2018 (total costs: \$103,300, Building Development Fee Program's portion: \$51,526), will be responsible for the implementation of a new Development Fee structure that is currently under development and incorporation of the new fee information into the new system, as appropriate. This position will also focus on assisting with documenting processes and streamlining procedures as well as coordinating the purchasing processes related to the technology needs associated with the project.
 - Contractual services funding for a temporary project manager through June 30, 2018 (total costs: \$479,850, Building Development Fee Program's portion: \$249,403) that will oversee the development of the new system and will provide project management services to ensure implementation success of the project.
 - Temporary analytical staff funding equivalent to six months of staff time for each year through June 30, 2018 (total costs: \$50,000, Building Development Fee Program's portion: \$24,940) will support the Department's daily operations while experienced staff support the design, testing, and transition to the new system.
 - To better align resources for the implementation project, 1.0 Building Inspection Manager position will shift from the technology team in the Planning, Building and Code Enforcement Department to the Building Development Fee Program (total savings: \$622, Building Development Fee Program's costs: \$129,056).

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Building Development Fee Program			
<ul style="list-style-type: none">- Permit Center Staffing: This action adds 1.0 Senior Engineer position (\$128,291), 2.0 Senior Permit Specialist positions (\$146,492), and 2.0 Building Inspector Combination Certified I positions (\$202,574) and associated non-personal funding (\$15,120) for the permit center to expand the Over the Counter (OTC) Plan Review program, improve customer service, and improve quality control of the permit review. The Senior Engineer will provide needed oversight and expertise for the complex and diverse requests and projects that are processed through the Permit Center. One Senior Permit Specialist and one Building Inspector will be added to the OTC Plan Review program, expanding hours and capacity. This will relieve some of the workload on the intake staff for submittal of plans and ensure response times are met for that program. The second Senior Permit Specialist and Building Inspector will help with quality control, online permit troubleshooting, phone information, and general counter help as well as backfill for the expanded OTC program. (Ongoing costs: \$535,619)- Peak Staffing Resources: This action adds one-time contractual services funding (\$400,000) for peak staffing resources for Building Development plan review and building inspection services. The continued high level of development activity combined with vacancies require the use of peak staffing contracted employees for plan review and building inspection services. This additional funding will increase resources for peak staffing from \$500,000 to \$900,000 on a one-time basis and will provide for the continued use of 10 part-time peak staffing contracted employees for plan review and one full-time contracted employee for building inspection services through February 2017. The need for any additional funding will be evaluated during the 2016-2017 Mid-Year Budget Review. (Ongoing costs: \$0)- Building Code Adoption Training and Materials: This action adds one-time funding of \$91,000 for California Building Code Adoption training and materials. The State of California updates its Building Code every three years in accordance with the California Health and Safety Code. Municipalities are mandated by the State to adopt the Codes. San José will adopt the 2016 California Building Standards (CBC) effective January 1, 2017. Code changes require training of all plan review, inspection, and counter staff as well as the purchase of new code books. (Ongoing costs: \$0)- Building Development Fee Program Vehicles: This action adds one-time funding of \$90,000 to purchase three new vehicles in the Building Development Fee Program. The Building Division has 75 field inspector staff that includes budgeted Building Inspector and Supervising Inspectors and temporary positions. With the addition of the three vehicles, the department's fleet will total 74 vehicles. This will provide a vehicle for each field staff, allowing for vacancies, and a group of unassigned vehicles. (Ongoing costs: \$0)- Plan Grid Software: This action adds ongoing funding of \$28,800 to purchase 60 Plan Grid software subscriptions. Construction plans on large projects contain hundreds of large format pages often at a standard size of 30" x 48" and can weigh anywhere from 25 to 50 pounds. The Plan Grid software allows the inspector to review the entire plan on a mobile device and find and view the exact area and details that are required for their inspection anywhere on the jobsite at any time. Large project plans are loaded to the tablet of the assigned inspectors, giving them the ability to safely and more efficiently inspect and manage the project. (Ongoing costs: \$28,800)			

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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1. Building Development Fee Program

- **Planning, Building and Code Enforcement Public Information Outreach:** This action adds one-time funding (\$52,000, which is funded 55% by Building Development Fee Program, 20% by Multiple Housing Permit Fees, 13% by Planning Development Fee Program, and 12% by Solid Waste Enforcement Fees) for a temporary position to provide communications, graphics, public information materials, website, and outreach support for the Planning, Building and Code Enforcement Department, including fact sheets for community meetings and presentations on ordinance changes that meet the needs of San José residents and customers. Additionally, as materials are developed, the position will assist with prioritizing the translation of key handouts and online services for the Building Development Fee Program and Code Enforcement, including the Multiple Housing and Small Business Ally programs, which takes place using the contracted translation services that are currently funded. If additional funding is needed for translation services, a budget adjustment will be evaluated during the year to ensure funding is available to translate the key priority materials. The record-breaking level of building and code enforcement activity over the last few years has made the case that clear, effective permit and code information is critical to the success of departmental operations. (Ongoing costs: \$0)
- **Building Inspector Computers:** This action adds one-time funding of \$15,000 to purchase 20 computers for the Building Development Fee Program. The field inspectors have been sharing seven computers, and this can cause long waits when several inspectors need to use the computers. The additional computers will give staff faster and more efficient access to email, time cards, the City's intranet-based employee self-service system (eWay), route mapping, and the permitting system. (Ongoing costs: \$0)

While not reflected in this section of the document, other additions partially funded by the Building Development Fee Program include the following:

- **Virtual Desktop Infrastructure and Windows Upgrades:** The Building Development Fee Program will provide funding to the Information Technology (IT) Department to support city-wide technology upgrades, including the new Virtual Desktop Infrastructure (VDI) and operating system upgrade to Microsoft Windows 10. VDI is a new organization-wide desktop management standard that centralizes desktop software, security, and patch management to the cloud, enhances software deployments throughout the organization, and enables IT to standardize and service thousands of desktops from a single location. This action also includes the deletion of 3.0 vacant Network Technician II/III positions in exchange for the addition of 2.0 Information Systems Analyst positions, given the greater level of technical expertise necessary to support these system upgrades. (Ongoing costs: \$6,213, Building Development Fee Program's savings: \$918)

Building Development Fee Program Reserve: A decrease to the Reserve of \$2.0 million (from \$15.8 million to \$13.8 million) is included to offset the recommended actions as part of the Proposed Operating Budget. It is important to note that while the recommended budget actions result in a decrease of \$2.0 million to the reserve, the 2016-2017 base level of revenues and expenditures necessitated the use of approximately \$6.8 million of this reserve, resulting in a Base Budget decrease from \$22.6 million to \$15.8 million.

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Planning Development Fee Program	6.07	766,993	766,993

Community and Economic Development CSA

*Development Plan Review and Building Construction Inspection
Long Range Land Use Planning*

The actions included in this section, funded by fee activity and the use of reserves, support the Planning Development Fee Program by improving service levels with no fee increases.

- **Development Review Staffing:** This action extends 2.0 Planner II positions through June 30, 2017 (\$196,082) and adds 1.0 Planner IV position through June 30, 2017 (\$128,114) and associated non-personal/equipment expenses (\$4,000) in the Planning Development Fee Program. Planner II positions in the Development Review division are lead project managers on privately-initiated development projects. The Department anticipates continued high demand on development review services in 2016-2017 with a number of large, key signature projects anticipated to be submitted within the next six to eight months. A Planner IV position in Development Review will provide oversight of complex projects and supervise a team of Planners (I/II/III) on the review of entitlement applications for rezonings, Conditional Use Permits, and Site Development Permits. (Ongoing costs: \$0)
- **Integrated Permit System Implementation:** This action adds resources for the Integrated Permit System Implementation project being undertaken by the Planning, Building and Code Enforcement (PBCE) Department. The Permit System is used by all the Development Services Partners (Building, Planning, Fire, and Public Works) along with other departments (Environmental Services and Transportation) in the City, and the implementation project is anticipated to take 28 months to complete from the start of the project, which is anticipated to be in May 2016. The Permit System upgrade will allow the City to serve residents and businesses more efficiently, including adding essential features such as electronic plan submittal, on-line plan approval, permit tracking, and permit process management. For the Planning Development Fee Program, the following resources are recommended as outlined below. Details on other recommended resources for this project can be found in the Building Development Fee Program and Fire and Public Works Development Fee Programs and Other Programs proposed changes in this section and the Fire Department and Public Works Department sections in this document.
 - 2.0 Planner IV positions, limit dated to June 30, 2018 and funded by Planning Development Fee Program (\$234,588), will support the Department's daily operations to free up experienced staff to support the design, testing, and transition to the new system.
 - 1.0 Supervising Applications Analyst position, limit-dated to June 30, 2018 (total costs: \$142,286, Planning Development Fee Program's portion: \$9,936), will lead the team in the technical aspects of designing and testing the new Permit System. The position will also work with managers and front line staff to ensure a seamless transition to the new system.
 - 1.0 Senior Analyst position, limit-dated to June 30, 2018 (total costs: \$103,300, Planning Development Fee Program's portion: \$7,213), will be responsible for the implementation of a new Development Fee structure that is currently under development and incorporation of the new fee information into the new Permit System, as appropriate. This position will also focus on assisting with documenting processes, streamlining procedures, and coordinating the processes related to the technology needs associated with the project.
 - Contractual services funding for a temporary project manager through June 30, 2018 (total costs: \$479,850, Planning Development Fee Program's portion: \$34,913) that will oversee the development of the new system and will ensure implementation success of the project.

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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2. Planning Development Fee Program

- Temporary analytical staff funding equivalent to six months of staff time for each year through June 30, 2018 (total costs: \$50,000, Planning Development Fee Program's portion: \$3,491) to support the Department's daily operations while experienced staff support the design, testing, and transition to the new system.
- To better align resources for the implementation project, 1.0 Building Inspection Manager position will shift from the technology team in the Planning, Building and Code Enforcement Department to the Building Development Fee Program (total savings: \$622, Planning Development Fee Program's savings: \$18,068).
- **Permit Center Staffing:** This action adds 1.0 Planner IV through June 30, 2017 (\$128,114) and non-personal/equipment expenses (\$2,000). This position will share the supervision responsibility of the Permit Planner staff and focus on improving service delivery as well as provide high level of assistance to complex projects. The Permit Center requires on-the-spot decisions on complex inquiries and higher level oversight on legal non-conforming verifications, staff work load assessments, administrative permits review, complex plan conformance reviews, and public record requests, which are now processed at the permit counter. (Ongoing costs: \$0)
- **Planning Technology Improvements:** This action adds one-time funding of \$29,500 to upgrade computers and monitors and purchase Adobe Acrobat Professional and Microsoft Project for the Planning Development Fee Program. With the acceptance of electronic plans by the Building Development Fee Program, planners will need to conform to the process of electronic plan review which requires staff to use two monitors for plan review and video cards to support dual video monitors. The Environmental Review team will be required to use the full version of Adobe Acrobat Professional to edit, delete, and add pages/comments. All these functions are required for efficient review of all environmental documents. Also, this funding will provide for the purchase of Microsoft Project, which will allow for the development of work plans, assign resources to track progress and identify deliverables, and enable staff to use project-specific schedules to manage the significant workload and forecast realistic deliverable timelines. (Ongoing costs: \$0)
- **Planning, Building and Code Enforcement Public Information Outreach:** This action adds one-time funding (\$52,000, which is funded 55% by Building Development Fee Program, 20% by Multiple Housing Permit Fees, 13% by Planning Development Fee Program, and 12% by Solid Waste Enforcement Fees) for a temporary position to provide communications, graphics, public information materials, website and outreach support for the Planning, Building and Code Enforcement (PBCE) Department, including fact sheets for community meetings and presentations on ordinance changes that meets the needs of San José residents and customers. Additionally, as materials are developed, the position will assist with prioritizing the translation of key handouts and online services for the Building Development Fee Program and Code Enforcement, including the Multiple Housing and Small Business Ally programs, which takes place using the contracted translation services that are currently funded. If additional funding is needed for translation services, a budget adjustment will be evaluated during the year to ensure funding is available to translate the key priority materials. The record-breaking level of building and code enforcement activity over the last few years has made the case that clear, effective permit and code information is critical to the success of departmental operations. (Ongoing costs: \$0)

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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2. Planning Development Fee Program

While not reflected in this section of the document, other actions partially funded by the Planning Development Fee Program include the following:

- **Virtual Desktop Infrastructure and Windows Upgrades:** The Planning Development Fee Program will provide funding to the Information Technology (IT) Department to support city-wide technology upgrades, including the new Virtual Desktop Infrastructure (VDI) and operating system upgrade to Microsoft Windows 10. VDI is a new organization-wide desktop management standard that centralizes desktop software, security, and patch management to the cloud, enhances software deployments throughout the organization, and enables IT to standardize and service thousands of desktops from a single location. This action also includes the deletion of 3.0 vacant Network Technician II/III positions in exchange for the addition of 2.0 Information Systems Analyst positions, given the greater level of technical expertise necessary to support these system upgrades. (Ongoing costs: \$6,213, Planning Development Fee Program's costs: \$351)

Planning Development Fee Program Reserve: A decrease to the Reserve of \$946,000 (from \$1.6 million to \$686,000) is included to offset the recommended actions as part of the Proposed Operating Budget. It is important to note that while the recommended budget actions result in a decrease of \$946,000 to the reserve, the 2016-2017 base level of revenues and expenditures necessitated the use of approximately \$939,000 of this reserve, resulting in a Base Budget decrease from \$2.5 million to \$1.6 million.

3. Medical Marijuana Program CEQA Review 250,000 250,000

Community and Economic Development CSA *Long Range Land Use Planning*

This action adds one-time funding (\$250,000) for a temporary Planner III position to work on preparing and reviewing environmental analyses (i.e. Initial Studies and odor reports) for Municipal Code amendments associated with expanding medical marijuana operations in the City and consultant services for the preparation of the necessary environmental documents. The environmental review will be a one-time cost primarily covered by the Medical Marijuana Regulatory Fee Program. The contract Planner III will also serve as a liaison to other departments and facilitate forums for public engagement on the CEQA review of the proposed Municipal Code changes. On March 29 2016, the City Council directed staff to bring forward amendments to the Municipal Code that would expand where and how medical marijuana could be grown and dispensed in the City of San José and transported to the City from other areas in the State of California. In order to bring a draft ordinance to the City Council for its consideration for adoption, the project must complete the process for environmental clearance under CEQA. (Ongoing costs: \$0)

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Policy and Ordinance Assistance		250,000	250,000

Community and Economic Development CSA
Long Range Land Use Planning

This action adds one-time funding (\$250,000) for contractual assistance for the Planning Division's Policy and Ordinance Team to help research and draft proposed changes to land use regulations in the San José Municipal Code and land use policy documents, in order to facilitate the implementation of action items identified in the Envision San José 2040 General Plan and economic development. In addition, the funds will help in drafting proposed code and policy changes, such as those identified in the work program of the General Plan's Housing Element (as certified by the State), the phases of the Council-adopted Sign Code Update strategy adopted by Council in 2010 as part of the Comprehensive Sign Code Update, and various Council-directed policy priorities, including electronic billboards, supergraphics signs, downtown sign district, and an urban agriculture ordinance. Funds will support planning, technical, and legal assistance required to do this work. (Ongoing costs: \$0)

5. Fire and Public Works Development Fee Programs and Other Programs	0.43	229,424	200,884
-----------------------------------------------------------------------------	-------------	----------------	----------------

Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Strategic Support

Neighborhood Services CSA
Community Code Enforcement

This section includes actions funded by other Fee Programs in the Planning, Building and Code Enforcement Department or actions administered by the Planning, Building and Code Enforcement Department but are funded by other development fee programs.

- **Integrated Permit System Implementation:** This action adds resources for the Integrated Permit System Implementation project being undertaken by the Planning, Building and Code Enforcement (PBCE) Department. The Permit System is used by all the Development Services Partners (Building, Planning, Fire, and Public Works) along with other departments (Environmental Services and Transportation) in the City, and the implementation project is anticipated to take 28 months from the start of the project, which is anticipated to be in May 2016. The Permit System upgrade will allow the City to serve residents and businesses more efficiently, including adding essential features such as electronic plan submittal, on-line plan approval, permit tracking, and permit process management. For the Fire and Public Works Development Fee Programs and Other Programs, the following resources are recommended as outlined below. Details on other recommended resources for this project can be found in the Building and Planning Development Fee Program proposed changes in this section and Fire Department and Public Works Department sections in this document.

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Fire and Public Works Development Fee Programs and Other Programs			
<ul style="list-style-type: none">- 1.0 Supervising Applications Analyst position, limit-dated to June 30, 2018 (total costs: \$142,286, Code Fee Program's portion: \$26,969, Public Works Development Fee Program's portion: \$11,470, Fire Development Fee Program's portion: \$10,036, Integrated Waste Management Fund's portion: \$7,170, Capital Projects' portion: \$5,735), will lead the team in the technical aspects of designing and testing the new Permit System. The position will also work with managers and front line staff to ensure a seamless transition to the new system.- 1.0 Senior Analyst position, limit-dated to June 30, 2018 (total costs: \$103,300, Code Fee Program's portion: \$19,583, Public Works Development Fee Program's portion: \$8,326, Fire Development Fee Program's portion: \$7,285, Integrated Waste Management Fund's portion: \$5,204, Capital Projects' portion: \$4,163), will be responsible for the implementation of a new Development Fee structure that is currently under development and incorporation of the new fee information into the new Permit System, as appropriate. This position will also focus on assisting with documenting processes, streamlining procedures, and coordinating the purchasing processes related to the technology needs associated with the project.- Contractual services funding for a temporary project manager through June 30, 2018 (total costs: \$479,850, Code Fee Program's portion: \$94,767, Public Works Development Fee Program's portion: \$40,307, Fire Development Fee Program's portion: \$35,263, Integrated Waste Management Fund's portion: \$25,197) that will oversee the development of the new system and will ensure implementation success of the project.- Temporary analytical staff funding equivalent to six months of staff time for each year through June 30, 2018 (total costs: \$50,000, Code Fee Program's portion: \$9,477, Public Works Development Fee Program's portion: \$4,031, Fire Development Fee Program's portion: \$3,526, Integrated Waste Management Fund's portion: \$2,520, Capital Projects' portion: \$2,015) to support the Department's daily operations while experienced staff support the design, testing, and transition to the new permit system.- To better align resources for the implementation project, 1.0 Building Inspection Manager position will shift from the technology team in the Planning, Building and Code Enforcement Department to the Building Development Fee Program (total savings: \$622, Code Fee Program's savings: \$49,039, Public Works Development Fee Program's savings: \$20,857, Fire Development Fee Program's savings: \$18,250, Integrated Waste Management Fund's savings: \$13,036, Capital Projects' savings: \$10,428).			

Planning, Building and Code Enforcement Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Fire and Public Works Development Fee Programs and Other Programs			
<ul style="list-style-type: none"> - Planning, Building and Code Enforcement Public Information Outreach: This action adds one-time funding (\$52,000, which is funded 55% by Building Development Fee Program, 20% by Multiple Housing Permit Fees, 13% by Planning Development Fee Program, and 12% by Solid Waste Enforcement Fees) for a temporary position to provide communications, graphics, public information materials, website and outreach support for the Planning, Building and Code Enforcement Department, including fact sheets for community meetings and presentations on ordinance changes that meets the needs of San José residents and customers. Additionally, as materials are developed, the position will assist with prioritizing the translation of key handouts and online services for the Building Development Fee Program and Code Enforcement, including the Multiple Housing and Small Business Ally programs, which takes place using the contracted translation services that are currently funded. If additional funding is needed for translation services, a budget adjustment will be evaluated during the year to ensure funding is available to translate the key priority materials. The record-breaking level of building and code enforcement activity over the last few years has made the case that clear, effective permit and code information is critical to the success of departmental operations. (Ongoing costs: \$0) 			
6. Environmental Review Staffing	1.00	102,238	0
<p><i>Community and Economic Development CSA</i> <i>Development Plan Review and Building Construction Inspection</i></p> <p>This action adds 1.0 Planner III through June 30, 2018 within the Environmental Review unit of the Planning Division. This position will be funded by various capital projects that require CEQA review. This position will work on preparing/reviewing environmental analyses (e.g. noise reports, air quality assessments, and historic resource reports) for public projects; coordinate with consultants on the preparation of adequate environmental documents and standard review timelines to complete the process; and serve as a liaison to certain departments to help with the preparation of environmental clearances, review of correct CEQA references for City Council memos, and/or provide direction on project design to comply with CEQA. (Ongoing costs: \$112,959)</p>			
7. Code Inspector Mobile Devices		57,600	57,600
<p><i>Neighborhood Services CSA</i> <i>Community Code Enforcement</i></p> <p>This action adds one-time funding of \$57,600 to purchase tablet computers for Code Enforcement Inspectors for field use with the ability to remotely run desktop software and perform research and updates to case files as well as communicate with other departments quickly and efficiently. Tablets are a tool that play an important role in the service delivery of Code Enforcement programs, allowing inspectors to take notes and conduct research on properties while in the field, which improves processing standards. The City Auditor's Report <i>Code Enforcement: Improvements are Possible, but Resources are Significantly Constrained</i> recommended improvements in technology in-house and in the field to improve accuracy and efficiency in case reporting and billing. Tablets will allow the inspector to take notes and issue warning notices while in the field. Ongoing data services will be covered under the existing plans. (Ongoing costs: \$0)</p>			

Planning, Building and Code Enforcement Department

Budget Changes By Department








Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Enterprise Asset Management Team Support and Portable Generators Replacement		2,000	2,000
<i>Neighborhood Services CSA</i>			
<i>Community Code Enforcement</i>			
<p>This action increases the PBCE Department's non-personal/equipment funding for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this document. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer in the Vehicle Maintenance and Operations Fund to better align and augment the Department's Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing savings: \$500)</p>			
2016-2017 Proposed Budget Changes Total	15.00	3,464,744	3,333,966

Planning, Building and Code Enforcement Department

Performance Summary

Community Code Enforcement

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of neighborhoods in "good" or better condition, based on a city-wide survey	64%	70%	N/A*	70%
 % of violations resolved through voluntary compliance, based on complexity of case types	92%	92%	90%	92%
 Cost per violation for: - proactive enforcement**	\$240	\$235	\$299	\$260
- complaint-based enforcement	\$796	\$795	\$806	\$800
 % of violations resolved within estimated processing standards, based on type and complexity of violations	58%	50%	58%	65%
 % of annual fee-based inspections completed on schedule, including multi-year programs	72%	91%	30%	45%
 % of residents who feel their neighborhood is in the same or better condition compared to previous year (annual Code Enforcement survey)	N/A***	70%	N/A***	70%
 % of customers who feel they received courteous treatment and timely service from their interaction with Code Enforcement staff	N/A***	70%	N/A***	70%

* Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in fall 2016, and those results will be reported in the 2017-2018 Proposed Budget.

** Proactive code enforcement services refer to Multiple Housing and Community Development Block Grant (CDBG)/Housing inspections. Currently, all Code Enforcement Inspectors that are CDBG-funded provide proactive and enhanced response to service requests.

*** Data for this measure is collected through a survey conducted by Code Enforcement. The survey was not completed in 2014-2015 and 2015-2016 and estimates are not available.

Planning, Building and Code Enforcement Department

Performance Summary

Community Code Enforcement

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Staff hours devoted to outreach/education/ Prevention	120	120	200	200
# of multiple housing dwelling buildings proactively inspected	939	1,679	1,004	1,679
Neighborhood Clean-Ups	22	23	22	22
General Code Compliance Cases:				
Opened	5,314	5,000	5,720	5,100
Resolved	4,972	5,100	6,228	5,200
Multiple Housing Complaint Cases*:				
Opened	454	480	442	480
Resolved	493	500	424	500
% of Violations Resolved:				
Warning	86%	88%	85%	88%
Citation	8%	7%	8%	7%
Compliance Order	5%	4%	6%	4%
Appeals Hearing Board/Litigation	1%	1%	1%	1%





* The 2015-2016 Estimate is lower than the 2015-2016 Forecast because of the revised Multiple Housing Fee Program.

Planning, Building and Code Enforcement Department

Performance Summary

Development Plan Review & Building Construction Inspection

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of projects that receive consistent feedback from staff throughout the course of project review:				
- Planning Permit Plan Review	68%	70%	68%	70%
- Building Permit Plan Review	76%	80%	81%	80%
- Building Inspectors Consistent With Building Plan Check	78%	80%	77%	80%
- Building Inspectors Consistent Among Multiple Inspectors	75%	80%	69%	80%
 Ratio of current year fee revenue to development fee program cost	100%	100%	100%	100%
 Development projects completed within processing time targets:				
Planning Permit Process	81%	85%	90%	85%
Building Plan Check Process	87%	85%	79%	85%
Building Inspection Process				
- within 24 hours	42%	75%	40%*	75%
- within 48 hours	61%	92%	60%*	92%
 % of process participants rating service "good" or better				
Planning Permit Process	71%	80%	67%	80%
Building Plan Check Process	73%	85%	75%	85%
Building Inspection Process	80%	85%	81%	85%

* While additional positions have been added in the past several years and some positions have been filled, vacancies still remain as a result of the difficulties in filling the positions quickly with qualified candidates. The Administration continues to recruit for a wide range of development services positions.

Planning, Building and Code Enforcement Department

Performance Summary

Development Plan Review & Building Construction Inspection

Activity and Workload Highlights




	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of building permits issued	33,889	30,000	35,000	34,000
# of customers served in Permit Center	26,080	26,000	29,000	27,000
# of plan checks	7,564	7,600	8,500	8,000
# of field inspections	220,087	230,000	212,000	200,000
# of planning applications				
- Major	401	400	450	400
- Minor	817	650	900	750
# of planning adjustments	1,487	1,250	1,500	1,300

Planning, Building and Code Enforcement Department

Performance Summary

Long Range Land Use Planning

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2012017 Target
 % of special planning efforts completed within targeted cost: Specific/Area Policy Plans:	100%	100%	100%	100%
 % of special planning efforts completed within targeted time: Specific/Area Policy Plans:	100%	100%	100%	100%
 % of planning process participants rating service as "good" or "excellent"	N/A*	85%	N/A*	85%

* The survey was not conducted in 2014-2015 and 2015-2016.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of Scheduled/Completed Specific/Area Policy Plans	0 of 8	3 of 8	4 of 8*	3 of 6*
# of planning policy studies	0 of 0	1 of 1	1 of 3**	2 of 2**
# of General Plan Amendments	22	10	19***	15***

* Four of the remaining eight Urban Village Plans are in draft form and pending CEQA clearance in order to be adopted by the City Council and formally completed. It is anticipated that these Urban Village plans will be completed by the end of 2015-2016. Four remaining Urban Village plans along with two new Urban Village Plans, North 1st Street and Berryessa Park, for a total of six plans are outstanding. Of the six, three are anticipated to be completed in 2016-2017.

** Work on Policy on Riparian Corridor Protection anticipated to be complete by June 2016. The Downtown Strategy update is scheduled for completion by December 2016, while completion of policy work on North San José EIR and Transportation Area Policy is anticipated by June 2017.

*** For the 2015-2015 General Plan annual review cycle, there were 19 text and land use amendments considered. For the 2016-2017 General Plan annual review cycle, staff anticipate working on 15 privately and City initiated land use amendments.

Planning, Building and Code Enforcement Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accountant II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst II	3.00	3.00	-
Assistant Director of Planning, Bldg and Code Enforcement	1.00	1.00	-
Associate Architect/Landscape Architect	1.00	0.00	(1.00)
Associate Engineer	18.00	17.00	(1.00)
Building Inspection Manager	4.00	4.00	-
Building Inspector Combination Certified	60.00	1.00	(59.00)
Building Inspector Combination Certified I	0.00	59.00	59.00
Building Inspector Combination Certified II	0.00	1.00	1.00
Building Inspector Combination Certified III	0.00	1.00	1.00
Building Inspector, Supervisor	5.00	5.00	-
Building Inspector, Supervisor Certified I	0.00	10.00	10.00
Code Enforcement Inspector II	48.00	48.00	-
Code Enforcement Supervisor	5.00	5.00	-
Deputy Director, Code Enforcement	1.00	1.00	-
Deputy Director, Unclassified	2.00	2.00	-
Director of Planning, Building and Code Enforcement	1.00	1.00	-
Division Manager	9.00	9.00	-
Engineer I/II	1.00	3.00	2.00
Environmental Inspector II	3.00	3.00	-
Geographic Systems Specialist II	1.00	1.00	-
Information Systems Analyst	2.00	2.00	-
Network Technician I/II	1.00	0.00	(1.00)
Network Technician I/II/III	0.00	1.00	1.00
Permit Specialist	6.00	3.00	(3.00)
Planner I/II/III	28.00	28.00	-
Planner IV	8.00	12.00	4.00
Planning Technician	3.00	3.00	-
Principal Account Clerk	0.00	1.00	1.00
Principal Office Specialist	2.00	2.00	-
Principal Permit Specialist	4.00	4.00	-
Principal Planner	1.00	1.00	-
Program Manager I	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I	1.00	1.00	-
Regional Park Aide PT	10.00	10.00	-
Senior Account Clerk	3.00	2.00	(1.00)
Senior Analyst	2.00	3.00	1.00
Senior Architect/Landscape Architect	1.00	0.00	(1.00)
Senior Engineer	4.00	7.00	3.00
Senior Office Specialist	25.00	25.00	-
Senior Permit Specialist	9.00	14.00	5.00
Senior Supervisor, Administration	4.00	4.00	-

Planning, Building and Code Enforcement Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Senior Systems Application Programmer	2.00	2.00	-
Staff Specialist	1.00	1.00	-
Staff Technician	5.00	5.00	-
Supervising Applications Analyst	0.00	1.00	1.00
Supervising Building Inspector (Certified)	10.00	0.00	(10.00)
Supervising Environmental Services Specialist	1.00	1.00	-
Systems Applications Programmer II	1.00	1.00	-
Total Positions	305.00	317.00	12.00

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Police Department

Edgardo Garcia, Police Chief

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Create safe places to live, work and learn through community partnerships

City Service Areas

Public Safety

Transportation and Aviation Services

Core Services

Crime Prevention and Community Education

Provide programs and services through community education and partnerships to reduce criminal activity and enhance public safety

Respond to Calls for Service

Provide for 24-hour emergency and non-emergency police calls, which include but are not limited to crimes against persons and property, disturbances, traffic accidents, disasters, and medical emergencies

Investigative Services

Provide for the objective examination of events through the collection of evidence, interviewing of witnesses, the interrogation of suspects, and other activities, to arrive at a resolution or successful prosecution

Special Events Services

Provide for safe and orderly special events including festivals and parades, free-speech demonstrations, political rallies, labor disputes, and dignitary visits, as well as other incidents requiring extra-ordinary planning and/or resources

Regulatory Services

Provide for the mandated regulation of businesses and activities and the issuance of those attendant mandated permits that are in the public interest






Traffic Safety Services

Provide for the safe and free flow of traffic through enforcement, education, investigation, and traffic control

Strategic Support: Public Information, Fiscal Integrity, Systems Availability, Recruiting/Training, Facilities and Vehicle Management, Wellness of the Workforce, and Safety

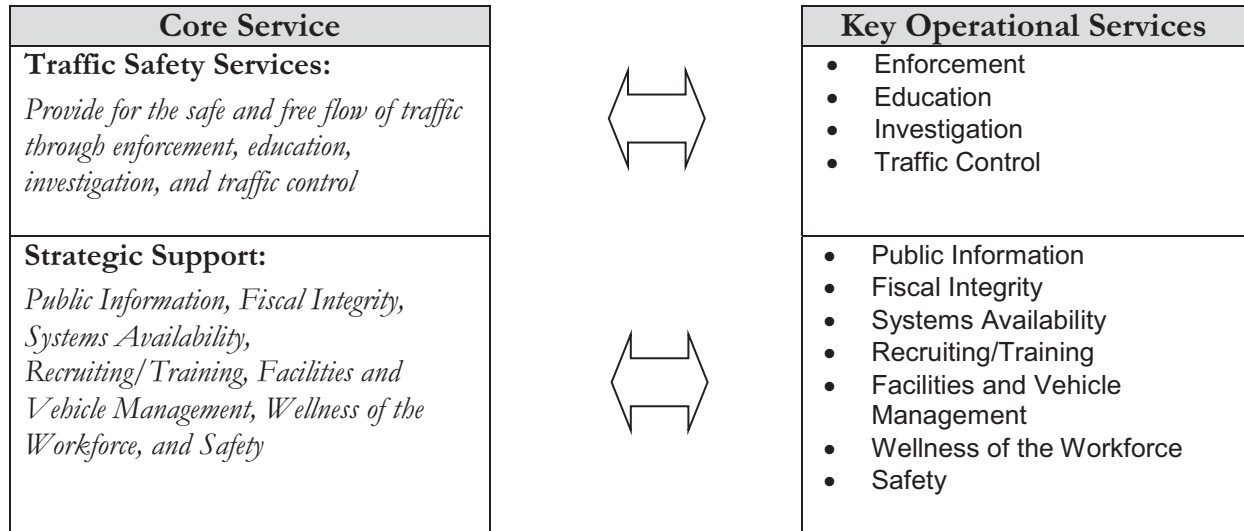
Police Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Crime Prevention and Community Education: <i>Provide programs and services through community education and partnerships to reduce criminal activity and enhance public safety</i></p>		<ul style="list-style-type: none"> • Proactive Patrol • Youth and School-Based Services • Community Problem Solving • Adult Services
<p>Investigative Services: <i>Provide for the objective examination of events through the collection of evidence, interviewing of witnesses, the interrogation of suspects, and other activities, to arrive at a resolution or successful prosecution</i></p>		<ul style="list-style-type: none"> • Interview and Interrogate Witnesses and Suspects • Collect and Process Evidence • Assist District Attorney's Office • Obtain and Provide Specialized Training • Facilitate Support Services for Victims and Witnesses • Liaison with Outside Agencies for Investigations and Community Policing
<p>Regulatory Services: <i>Provide for the mandated regulation of businesses and activities and the issuance of those attendant mandated permits that are in the public interest</i></p>		<ul style="list-style-type: none"> • Permits Issuance • Investigations • Inspections
<p>Respond to Calls for Service: <i>Provide for 24-hour emergency and non-emergency police calls, which include but are not limited to crimes against persons and property, disturbances, traffic accidents, disasters, and medical emergencies</i></p>		<ul style="list-style-type: none"> • Dispatch/Communications • Reactive Patrol
<p>Special Events Services: <i>Provide for safe and orderly special events including festivals and parades, free-speech demonstrations, political rallies, labor disputes, and dignitary visits, as well as other incidents requiring extra-ordinary planning and/or resources</i></p>		<ul style="list-style-type: none"> • Off-Duty Security Services

Police Department

Service Delivery Framework



Police Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Maintain a vibrant, safe community by delivering high quality police services.
- Continue to provide effective and timely response to calls for service.
- Improve the positive relationship the community has with the Police Department, which is critical in investigating crimes and patrolling the City. An open and positive community relationship can assist to quickly resolve the most serious crimes.
- Strive to reduce crime rates, conduct investigations effectively, and continue efforts to deter violence.

2016-2017 Key Budget Actions

- Adds one-time funding of \$5.0 million to the Department's overtime budget to continue backfilling for vacant patrol positions while new staff are being hired and trained. It will also be used to: maintain targeted enforcement of high crime activity through suppression cars; conduct high profile investigations; and backfill for civilian position vacancies as needed. Also adds one-time funding of \$580,000 for Downtown Foot Patrol resources.
- Adds ongoing funding of \$1.2 million to implement a Body Worn Camera program that will increase oversight for both Police Department members and members of the community who come in contact with officers wearing a body camera. This augmentation provides appropriate staffing as well as non-personal resources including an extensive video evidence management system.
- Establishes a Police Department Division of Medical Marijuana Control, including the addition of 2.0 civilian positions that will coordinate regulatory efforts across multiple City departments and agencies.
- Adds one-time funding of \$325,000 to recruit candidates for the 2016-2017 Police Officer Recruit and Dispatcher Academies.
- Adds one-time funding of \$535,000 in the State Drug Forfeiture Fund to repair the Police Department's helicopter, extending its service life while funding is identified to replace the aging helicopter.
- Adds one-time funding for technology investments that will include the replacement of the Department's antiquated Business Permit and Licensing software to increase efficiency and accuracy for the Permit Unit's operations, as well as software programs that increase efficiency in location-based social media intelligence gathering to deter criminal activity, and to better connect the Police Department records management system and the Statewide shared gang database.
- Adds a civilian Deputy Director position for the Bureau of Technical Services to assist in implementing data analytics tools to help reduce high-frequency and geographically-focused crimes.
- Adds ongoing funding to provide continued support to the South Bay Coalition to End Human Trafficking (\$50,000) and the Domestic Violence Prevention Program (\$15,000).
- Adds 5.0 Background Investigator positions to background candidates for sworn and non-sworn recruitments, offset by a reduction in temporary staffing funding for this purpose.
- Adds one-time funding of \$10,000 to help offset rental costs for City facilities in order to support neighborhoods that do not have or cannot afford a location to host the Department's Crime Prevention Neighborhood Watch Meetings.

Operating Funds Managed

- | | |
|-------------------------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Edward Byrne Memorial Justice Assistance Grant | <input type="checkbox"/> State Drug Forfeiture Fund |
| <input type="checkbox"/> Federal Drug Forfeiture Fund | <input type="checkbox"/> Supplemental Law Enforcement Services Fund |

Police Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Crime Prevention and Community Education	\$ 6,163,477	\$ 6,210,915	\$ 6,533,919	\$ 6,543,919	5.4%
Investigative Services	55,999,941	60,456,517	60,255,034	60,366,034	(0.1%)
Regulatory Services	3,168,452	3,277,769	3,268,505	3,990,804	21.8%
Respond to Calls for Service	197,467,036	211,939,898	210,418,937	217,881,077	2.8%
Special Events Services	1,923,610	1,500,194	1,581,603	1,581,603	5.4%
Traffic Safety Services	6,841,592	10,315,097	9,802,476	9,802,476	(5.0%)
Strategic Support	41,625,094	44,749,452	41,730,143	42,163,373	(5.8%)
Total	\$ 313,189,202	\$ 338,449,842	\$ 333,590,617	\$ 342,329,286	1.1%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 259,981,499	\$ 290,405,680	\$ 299,199,002	\$ 299,937,421	3.3%
Overtime	29,776,206	18,842,601	12,903,578	18,483,578	(1.9%)
Subtotal	\$ 289,757,705	\$ 309,248,281	\$ 312,102,580	\$ 318,420,999	3.0%
Non-Personal/Equipment					
	23,431,497	29,201,561	21,488,037	23,908,287	(18.1%)
Total	\$ 313,189,202	\$ 338,449,842	\$ 333,590,617	\$ 342,329,286	1.1%
Dollars by Fund					
General Fund	\$ 311,561,534	\$ 336,040,899	\$ 333,519,372	\$ 341,723,041	1.7%
Airport Maint & Oper	0	111,180	71,245	71,245	(35.9%)
Edward Byrne Mem Just Asst	296,372	160,763	0	0	(100.0%)
Federal Drug Forfeiture	77,370	157,174	0	0	(100.0%)
Integrated Waste Mgmt	104,000	104,000	0	0	(100.0%)
State Drug Forfeiture	96,559	613,000	0	535,000	(12.7%)
Supp Law Enf Svcs	1,053,367	1,262,826	0	0	(100.0%)
Total	\$ 313,189,202	\$ 338,449,842	\$ 333,590,617	\$ 342,329,286	1.1%
Authorized Positions by Core Service					
Crime Prevention and Community Education	57.17	61.17	61.17	61.17	0.0%
Investigative Services	274.50	278.50	277.50	277.50	(0.4%)
Regulatory Services	18.00	18.00	18.00	20.00	11.1%
Respond to Calls for Service	966.50	988.50	987.50	992.50	0.4%
Special Events Services	7.00	7.00	7.00	7.00	0.0%
Traffic Safety Services	55.00	56.00	56.00	56.00	0.0%
Strategic Support	197.50	201.50	203.50	209.50	4.0%
Total	1,575.67	1,610.67	1,610.67	1,623.67	0.8%

Police Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	1,610.67	338,449,842	336,040,899
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Supplemental Law Enforcement (SLES) Grant		(1,262,826)	0
• Rebudget: Computer Aided Dispatch (CAD) Hardware Replacement		(330,628)	(330,628)
• Rebudget: Fixed Cameras		(250,000)	(250,000)
• Rebudget: Edward Byrne Memorial Justice Assistance Grants (JAG)		(160,763)	0
• Rebudget: Sworn Unmarked Vehicles Replacement Vehicle Operations and Maintenance		(150,000)	(150,000)
• Rebudget: Computer Aided Dispatch Network Upgrade		(136,509)	(136,509)
• Rebudget: Limited Detentions Study		(125,000)	(125,000)
• Rebudget: Mobile ID Phase IV		(74,569)	(74,569)
• Rebudget: Parcel Post Interdiction		(33,174)	0
• Police Overtime		(5,000,000)	(5,000,000)
• Police Field Patrol Community Service Officers		(1,493,500)	(1,493,500)
• Field Patrol Mobile Data Computers		(1,169,500)	(1,169,500)
• Body Worn Camera Matching Grant		(613,000)	0
• Downtown Foot Patrol Program		(560,000)	(560,000)
• Police Protective Equipment		(530,000)	(530,000)
• Police Recruitment and Background Services		(425,000)	(425,000)
• Computer Aided Dispatch Business Intelligence		(275,000)	(275,000)
• Communications 9-1-1 Phone System		(150,000)	(150,000)
• Police Video Unit		(100,000)	(100,000)
• License Plate Readers		(69,000)	0
• LEADS/CAPPS Pawn Slip Database		(55,000)	0
• Northern California High Intensity Drug Trafficking Area Grant		(33,602)	(33,602)
• Anti-Human Trafficking Program		(20,000)	(20,000)
• Crime Prevention Program Staffing		(4,000)	(4,000)
• Crime Analysis Unit		(1,000)	(1,000)
• Bureau of Investigations Video Evidence		(1,000)	(1,000)
• Gang Investigations Unit		(1,000)	(1,000)
• Field Training Officer Program		(1,000)	(1,000)
One-Time Prior Year Expenditures Subtotal:	0.00	(13,025,071)	(10,831,308)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		11,855,002	11,894,937
- 1.0 Police Data Specialist to 1.0 Police Data Specialist PT			
- 1.0 Public Safety Communication Specialist to 0.5 Public Safety Radio Dispatcher PT and 0.5 Public Safety Communication Specialist PT			
- 1.0 Staff Specialist to 1.0 Analyst I/II			
- 1.0 Senior Office Specialist to 1.0 Accounting Technician			
- 3.0 Senior Latent Fingerprint Examiner to 1.0 Latent Fingerprint Examiner II and 2.0 Latent Fingerprint Examiner III			
- 3.0 Network Technician I/II to 3.0 Network Technician I/II/III			
• Living wage		169,000	169,000

Police Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Airport Overtime		49,753	49,753
• Vacancy factor		(3,088,180)	(3,088,180)
• Integrated Waste Management Program Overtime		(104,000)	-
• Contractual Services - Sexual Assault and Rape Testing (SART)		109,000	109,000
• Contractual Services - Domestic Violence Advocate		20,400	20,400
• Data Processing - Enterprise Cloud Manager		19,210	19,210
• Contractual Services - Police Board-Ups		14,000	14,000
• Data Processing - MDC Software		10,300	10,300
• Contractual Services - EDD (Backgrounding)		10,000	10,000
• License Plate Reader Maintenance		3,000	3,000
• Truancy Abatement and Burglary Suppression (TABS) counseling cost-of-living adjustment		1,200	1,200
• Alum Rock Counseling Ctr, Inc. (Crisis Intervention Program for Youth) cost-of-living adjustment		400	400
• Vehicle replacement		(408,239)	(408,239)
• Vehicle operations and maintenance		(387,500)	(387,500)
• Gas and electricity		(107,000)	(107,000)
• Professional development program		(500)	(500)
Technical Adjustments Subtotal:	0.00	8,165,846	8,309,781
2015-2016 Forecast Base Budget	1,610.67	333,590,617	333,519,372
Budget Proposals Recommended			
1. Police Overtime		5,000,000	5,000,000
2. Police Body Worn Camera Program	5.00	1,223,140	1,223,140
3. Downtown Foot Patrol Program		580,000	580,000
4. Police Department AIR2 Helicopter Engine Replacement		535,000	0
5. Police Business Permit and Licensing System		500,000	500,000
6. Police Department Recruiting Program		325,000	325,000
7. Medical Marijuana Control Division Staffing	2.00	222,299	222,299
8. Police Department Bureau of Technical Services Civilian Management	1.00	194,175	194,175
9. Enterprise Asset Management Team Support and Portable Generators Replacement		124,000	124,000
10. Anti-Human Trafficking Program		50,000	50,000
11. Intelligence Technology Enhancements		25,000	25,000
12. Gang Investigations Technology Enhancements		21,000	21,000
13. Domestic Violence Prevention Program		15,000	15,000
14. Crime Prevention Program Meeting Space		10,000	10,000
15. Background Investigations	5.00	(85,945)	(85,945)
Total Budget Proposals Recommended	13.00	8,738,669	8,203,669
2016-2017 Proposed Budget Total	1,623.67	342,329,286	341,723,041

Police Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Police Overtime		5,000,000	5,000,000

Public Safety CSA

Respond to Calls for Service

This action increases overtime funding by \$5.0 million, from a base budget level of \$12.9 million to \$17.9 million, to fund anticipated overtime needs in the Department in 2016-2017. A \$5.0 million Police Overtime Earmarked Reserve was proactively established for anticipated 2016-2017 overtime needs as part of the City Council approved 2015-2016 Mid-Year Budget Review. A corresponding action to recognize these funds, which remained unspent in 2015-2016 and projected to be carried over as Beginning Fund Balance in 2016-2017, can be found in the Beginning Fund Balance discussion in the General Fund Revenue Estimates section of this document. Although the Department is conducting police officer recruit academies to hire for the sworn vacancies, the Department is projected to begin 2016-2017 with 190 sworn vacancies. Additional overtime funding is anticipated to be needed to backfill for vacant patrol positions; maintain targeted enforcement of high crime activity through suppression cars, specifically related to gang enforcement, prostitution, and graffiti; conduct high profile investigations; and backfill for civilian vacancies as needed. (Ongoing costs: \$0)

2. Police Body Worn Camera Program	5.00	1,223,140	1,223,140
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Public Safety CSA

Respond to Calls for Service

This action adds 3.0 ongoing positions (1.0 Senior Crime and Intelligence Analyst, 1.0 Analyst II, and 1.0 Training Specialist), 2.0 limit-dated positions (1.0 Office Specialist II and 1.0 Training Specialist) through June 30, 2017, and \$814,000 in non-personal/equipment to implement a Body Worn Camera program for the Police Department. The Senior Crime and Intelligence Analyst will help review, research, and redact audio/visual digital files in coordination with the Research and Development Division, the City Attorney's Office, and the public; serve as the primary system administrator for the video evidence system and facilitate the hardware distribution and troubleshooting; inventory, assign, track, and troubleshoot all hardware and accessories needs; and create, maintain, and manage permission set profiles as staff assignments change. The Analyst II will help facilitate new video sharing requests, such as Public Records Act (PRA) and subpoena requests; research video files for PRA requests and criminal and internal investigations; and review, research, and coordinate evidence and video releases with the Research and Development Division, investigators, and the City Attorney's Office. The Training Specialist positions will provide policy and system training to officers, cadets, reserves, and support staff during the implementation of this program. Ongoing training will also be needed as staff assignments change and will be addressed with the ongoing Training Specialist position. The limit-dated Office Specialist II position will manage the anticipated increase in phone calls, emails, and walk-in customers after the implementation of the program. Any ongoing need will be assessed after the first year of implementation. The non-personal/equipment funding includes camera hardware and accessories, a cloud-based video evidence management solution, a new vehicle for training staff, and materials needed to support the program. The Department plans phasing in the issuance of a body camera as part of their regular required uniform for sworn positions. Funding for this program was included in the 2017-2021 General Fund Forecast and set aside in an Earmarked Reserve, which is recommended to be liquidated in this Proposed Budget. (Ongoing costs: \$1,344,685)

Police Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Downtown Foot Patrol Program		580,000	580,000
<i>Public Safety CSA Respond to Calls for Service</i>			
<p>This action provides one-time overtime funding of \$580,000 to continue the Downtown Foot Patrol program for an additional year. This program, which was first approved as part of the 2013-2014 Mid-Year Budget Review, enhances safety and security, supports ongoing surveillance and apprehension efforts, and allows specialized units such as the Downtown Services Unit to focus on high crime activity. This program will continue to deploy 4.0 Police Officers and 1.0 Police Sergeant on a five hours per day five days per week schedule to address concerns that were raised from businesses and the public regarding safety levels Downtown. This addition is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$0)</p>			
4. Police Department AIR2 Helicopter Engine Replacement		535,000	0
<i>Public Safety CSA Respond to Calls for Service</i>			
<p>This action provides one-time non-personal/equipment funding from the State Drug Forfeiture Fund for required repairs to the Police Department's AIR2 Helicopter. These repairs include an engine overhaul, a tail rotor gear box, a main gear box, and transmission as well as funding to rent an engine to allow continued use of the helicopter during the overhaul process. The engine replacement should extend the life of the existing helicopter by up to three years until funding is identified to purchase a new helicopter. (Ongoing costs: \$0)</p>			
5. Police Business Permit and Licensing System		500,000	500,000
<i>Public Safety CSA Regulatory Services</i>			
<p>This action provides one-time non-personal/equipment funding of \$500,000 to replace the Department's antiquated Business Permit and Licensing software to increase efficiency and accuracy for the Permit Unit's operation. The Permits Unit conducts regulatory oversight over various businesses operating within the City, processes approximately 2,700 transactions within 30 categories of business permits annually, and ensures compliance with laws through inspections of the various businesses it regulates, including: taxi companies, tow companies, massage parlors, entertainment venues, bingo parlors, and peddlers. This new permitting and licensing software will allow increased functionality and efficiency in daily operation and data reporting. A web-based public interface will allow business owners the ability to submit applications on-line, improving the customer experience and decreasing the cycle time for permit issuance. Auto e-mail notification for permit application status can shorten the overall processing time and reduce the number of inquiries. The web-based interface can also provide investigative and patrol officers' information regarding the business permit after Permits Unit business hours. This project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$20,000)</p>			

Police Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Police Department Recruiting Program		325,000	325,000

Public Safety CSA
Strategic Support

As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action continues one-time funding of \$325,000 for recruiting candidates for the upcoming Police Officer Recruit Academies as well as civilian candidates for non-sworn vacancies such as dispatchers. Recruitment funding will augment the 2016-2017 Base Budget allocation of \$125,000, bringing total funding to \$450,000. This funding will be used to attend job fairs and recruiting events; conduct targeted radio, print, and social media marketing; and outreach in publications, community colleges, and military agencies. This program is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$0)

7. Medical Marijuana Control Division Staffing	2.00	222,299	222,299
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Public Safety CSA
Regulatory Services

This action establishes a Division of Medical Marijuana Control that will be managed by the Police Department and adds 2.0 positions (1.0 Division Manager and 1.0 Senior Office Specialist) to coordinate regulatory efforts across multiple departments and agencies. These positions, along with existing positions in the Police, City Attorney's Office, Finance, and the Planning, Building and Code Enforcement Departments will regulate the 16 registered collectives. With the establishment of this Division, management of the program will shift from the City Manager's Office to the Police Department. The costs associated with regulatory activities are expected to be recovered by regulatory fees with a phase in expected in 2016-2017 due to the current timing allowed for changes in the Annual Operating Fee as described in the 2016-2017 Proposed Fees and Charges that is released under separate cover. (Ongoing costs: \$238,938)

8. Police Department Bureau of Technical Services Civilian Management	1.00	194,175	194,175
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Public Safety CSA
Strategic Support

As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action adds 1.0 Deputy Director position to the Department's Bureau of Technical Services to assist in implementing data analytics tools to advance predictive policing strategies in order to help reduce high-frequency and geographically-focused crimes, such as burglary and drug dealing. To provide more workload capacity for the Assistant Police Chief, the existing Deputy Police Chief position assigned to the Bureau of Technical Services would be relocated to the Office of the Chief to oversee various units such as: special investigations, gaming, medical marijuana control, internal affairs, and research and development. (Ongoing costs: \$193,175)

Police Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Enterprise Asset Management Team Support and Portable Generators Replacement <i>Public Safety CSA</i> <i>Respond to Calls for Service</i>		124,000	124,000
<p>This action increases the Police Department's non-personal/equipment funding for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this document. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Application Programmer position in the Vehicle Maintenance and Operations Fund to better align and augment the Department's Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing savings: \$38,200)</p>			
10. Anti-Human Trafficking Program <i>Public Safety CSA</i> <i>Investigative Services</i>		50,000	50,000
<p>This action adds ongoing non-personal/equipment funding of \$50,000 to continue support for the South Bay Coalition to End Human Trafficking coordinator contract. The coordinator provides administrative support to the Chair of the Coalition and its Committee Heads, supporting and promoting inclusive collaborative work among the Coalition member agencies. In 2016-2017, this program is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$50,000).</p>			
11. Intelligence Technology Enhancements <i>Public Safety CSA</i> <i>Investigative Services</i>		25,000	25,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action provides ongoing non-personal/equipment funding of \$25,000 for the Department's Special Investigations Unit to invest in technology that will increase efficiency in location-based social media intelligence gathering in order to deter criminal activity. New technologies that include web-based social media discovery and analytics can allow the Department to understand what is happening at a given location in real time. In 2016-2017, this project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$25,000)</p>			

Police Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
12. Gang Investigations Technology Enhancements		21,000	21,000
<i>Public Safety CSA</i> <i>Investigative Services</i>			
<p>This action adds one-time non-personal/equipment funding of \$21,000 for a bridge software program, creating efficiencies within the Department's Gang Investigations Unit by significantly reducing the current manual review process. This bridge software will electronically connect between the Police Department's records management system and the statewide-shared gang database to help identify possible gang related entries. This project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$0)</p>			
13. Domestic Violence Prevention Program		15,000	15,000
<i>Public Safety CSA</i> <i>Investigative Services</i>			
<p>This action adds ongoing non-personal/equipment funding of \$15,000 to fund critical events that bring awareness and support to domestic violence prevention and support programs in the City. This funding will augment services provided by the Police Department Family Violence Unit and includes support for the Domestic Violence Conference and other prevention and awareness events and activities. (Ongoing costs: \$15,000)</p>			
14. Crime Prevention Program Meeting Space		10,000	10,000
<i>Public Safety CSA</i> <i>Crime Prevention and Community Education</i>			
<p>This action adds one-time non-personal/equipment funding of \$10,000 to offset rental costs for City and non-City facilities in order to support neighborhoods that do not have or cannot afford a location to host neighborhood watch meetings. This action will help expand the Neighborhood Watch program in lower income neighborhoods. This project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that will remain unspent in 2015-2016 and carried over as 2016-2017 Beginning Fund Balance as described in the General Fund Revenue Estimates section of this document. (Ongoing costs: \$0)</p>			

Police Department

Budget Changes By Department





Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
15. Background Investigations	5.00	(85,945)	(85,945)
<i>Public Safety CSA</i>			
<i>Strategic Support</i>			
<p>This action adds 5.0 Background Investigator positions to the Background Unit at a cost of \$514,000. These positions will background candidates for sworn and non-sworn positions. The Police Department currently plans to hold three police academies, three dispatcher academies, along with various civilian recruitments throughout the year. This action also reduces the personal services budget for temporary staffing of \$600,000 that has been set aside to support the backgrounding function pending the determination of the final service delivery approach. (Ongoing savings: \$33,540)</p>			
2016-2017 Proposed Budget Changes Total	13.00	8,738,669	8,203,669

Police Department

Performance Summary

Crime Prevention and Community Education

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to the national crime rate (Index Crimes)	-7% 2755/2962	0%	N/A*	0%
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to the California crime rate (CCI)	-3% 2755/2829	0%	N/A*	0%
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to 12 similar cities (CCI)	-35%	0%	N/A*	0%
 % of requested crime prevention presentations scheduled within 30 days**	N/A**	N/A**	60%	95%

* Report anticipated to be published by the FBI in fall 2016.

** Performance measure was changed to accurately reflect the increase in advanced scheduling of presentations by the community, schools, and faith groups.

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
# of patrol hours spent on proactive community policing	17,691	17,000	15,514	15,500
# of community presentations (excluding schools)	357	320	270	275
# of participants at community presentations (excluding schools)	15,586	18,000	6,389	6,500
# of school presentations	237	210	270	270
# of participants at school presentations	10,068	10,000	13,614	14,000

Police Department

Performance Summary

Investigative Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of cases assigned that result in criminal filings or are otherwise successfully resolved	51%	44%	52.8%	53%
 % of change (increase or decrease) for # of cases assigned compared to the previous year	9.9%	No change	-12.7%	12.7%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of cases received	61,910	65,000	56,333	56,000
# of cases assigned*	25,408	27,000	22,176	22,500
# of cases that result in criminal filings	11,892	12,000	11,712	12,000
# of outstanding cases (cases currently open)	9,755	10,000	9,211	9,000
# of cases operationally closed due to lack of investigative resources	16,900	16,000	15,317	15,000
# of cases operationally closed**	58,696	58,000	54,086	54,000





* Number of cases assigned reflects the number of cases received that have a solvability factor and can be assigned if resources allow. This number differs from the number of cases received as some cases have insufficient information or leads to warrant assignment for further investigation.

** Number of cases operationally closed reflects cases that were resolved (solved, cleared, or closed) within the fiscal year regardless of when they were assigned. As a result, this number may include cases initially assigned in a prior fiscal year.

Police Department
Performance Summary

Regulatory Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of cardroom licenses, key employee licenses and card room work permits revoked or denied as compared to total licenses/work permits issued	0%	0%	0%	0%
 % of cardroom license revocations and denials overturned on appeal to total licenses or work permits revoked or denied	0%	0%	0%	0%
 % of cardroom employee work permit applications receiving written decision within the ordinance mandated 20 working days	100%	100%	100%	100%
 Ratio of budgeted costs to estimated revenues*	1.99:1	1.88:1	1.02:1	2.03:1

* Includes non-recoverable enforcement costs.

Activity and Workload Highlights









	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of gaming permit applications processed	770	440	1,189	1,200
# of cardroom/key employee license applications	25	440	50	50
# of denials and revocations – cardrooms only	4	0	14	0
# of denials overturned – cardrooms only	0	0	0	0
# of taxi cabs permitted	587	610	588	600
# of gaming permits issued	457	480	812	800

Police Department

Performance Summary

Respond to Calls for Service

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of 9-1-1 calls that are answered within 10 seconds	79.4%	90%	76.6%	90%
 Average time in which emergency calls, including 9-1-1 calls, are answered (in seconds)	6.25	2.50	7.67	2.50
 Average time in which non-emergency calls, including 3-1-1 calls are answered (in seconds)	71.25	25.00	76.67	25.00
 Average time in which Telephone Reporting Automation Center (TRAC) calls are answered (in minutes)	8.87	6.00	8.39	6.00
 Average response time (City-wide) - (in minutes) Priority One (present or imminent danger to life or major damage/loss of property)*	6.89	6.00	7.22	6.00
-Average call processing time	1.22	1.50	1.24	1.50
-Average call queuing time	1.34	0.50	1.44	0.50
-Average call driving-to-arrival time	4.36	4.00	4.56	4.00
 Average response time (City-wide) - (in minutes) Priority Two (injury or property damage or potential for either to occur)*	19.56	11.00	19.66	11.00
-Average call processing time	1.55	1.50	1.62	1.50
-Average call queuing time	10.77	3.50	10.65	3.50
-Average call driving-to-arrival time	7.53	6.00	7.76	6.00
 Annual cost of Police to respond to calls for service (in millions)	\$106.04	\$105.90	\$107.94	\$107.94
 Annual cost per call for Police service	\$115.30	\$115.15	\$119.28	\$119.28

* Annual targets are set by the City Council as part of the San José Envision 2040 General Plan.

Police Department

Performance Summary

Respond to Calls for Service

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of emergency calls received*	563,952	607,000	545,032	545,000
# of wireless 9-1-1 calls received	370,324	399,000	353,021	353,000
# of non-emergency calls received**	370,790	389,000	374,405	374,500
# of reports received by alternative means	20,268	20,000	19,829	20,000
# of officer-initiated calls received	68,875	62,000	69,872	70,000

* Includes 9-1-1, 7 digit, wireless, and California Highway Patrol (CHP) transfers.

** Includes 3-1-1, 7 digit non-emergency, and Telephone Report Automated Center (TRAC) calls.

Police Department

Performance Summary

Special Events Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
\$ Billing estimate to actual cost billed (in thousands)	\$888/639	within 10.0%	\$693/638	\$693/638
\$ Cost to event promoters for off-duty officers as compared to City costs for equivalent on-duty personnel (in thousands)	\$639/960	\$568/\$853	\$638/958	\$638/958

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of hours of off-duty uniformed work at special events (includes security and traffic control)	26,984	31,000	27,996	28,000
# of special events coordinated by Secondary Employment Unit (SEU)	495	550	461	450
# of officer work permits processed	437	990	358	350
Cost of providing Secondary Employment capability*	\$569,477	\$685,203	\$657,078	\$657,078



* Cost includes secondary employment administrative costs and excludes costs paid directly to off-duty Officers by secondary employers and event promoters.

Police Department

Performance Summary

Traffic Safety Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of change (increase or decrease) for # of DUI arrests compared to the previous year	-58%	No Change	-64%	No Change
 Ratio of fatal collisions to total number of traffic collisions	N/A	1:250	1:119	1:250

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of total traffic collisions	N/A	10,000	7,420*	7,400
# of injury traffic collisions	N/A	1,500	2,532*	2,500
# of fatal traffic collisions	54	38	62	60
# of neighborhood traffic enforcement requests received	4,128	2,500	3,720	3,750
# of DUI arrests	68	60	24	
# of moving violation citations issued by Traffic Enforcement Unit (TEU) personnel (both hazardous and non-hazardous)	9,115	9,000	7,936	8,000

* Number of traffic collisions are provided by the Department of Transportation.

Police Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	1.00	1.00	-
Accountant I/II	1.00	1.00	-
Accounting Technician	1.00	2.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	14.00	15.00	1.00
Assistant Chief of Police	1.00	1.00	-
Assistant Communications Manager	1.00	1.00	-
Background Investigator	0.00	5.00	5.00
Chief of Police	1.00	1.00	-
Community Service Officer I/II	50.00	50.00	-
Crime and Intelligence Analyst	13.00	13.00	-
Crime Prevention Specialist	12.00	12.00	-
Crime Prevention Supervisor	0.00	1.00	1.00
Crisis Intervention Training Manager	1.00	1.00	-
Darkroom Technician	1.00	1.00	-
Deputy Chief of Police	4.00	4.00	-
Deputy Director U	1.00	2.00	1.00
Division Manager	4.00	5.00	1.00
Information Systems Analyst	3.00	3.00	-
Latent Fingerprint Examiner II	2.00	3.00	1.00
Latent Fingerprint Examiner III	3.00	5.00	2.00
Maintenance Worker II	1.00	1.00	-
Messenger Clerk	1.00	1.00	-
Network Engineer	4.00	4.00	-
Network Technician I/II	3.00	0.00	(3.00)
Network Technician I/II/III	0.00	3.00	3.00
Office Specialist II	14.00	15.00	1.00
Office Specialist II PT	0.50	0.50	-
Police Captain	8.00	8.00	-
Police Data Specialist	63.00	62.00	(1.00)
Police Data Specialist PT	0.50	1.50	1.00
Police Lieutenant	35.00	35.00	-
Police Officer	870.00	870.00	-
Police Property Specialist II	17.00	17.00	-
Police Property Supervisor	2.00	2.00	-
Police Sergeant	188.00	188.00	-
Principal Office Specialist	5.00	5.00	-
Program Manager I	1.00	1.00	-
Program Manager II	1.00	1.00	-
Public Safety Communication Specialist	59.00	58.00	(1.00)
Public Safety Communication Specialist PT	1.00	1.50	0.50
Public Safety Radio Dispatcher	79.00	79.00	-
Public Safety Radio Dispatcher PT	1.50	2.00	0.50
School Crossing Guard PT	35.17	35.17	-
School Safety Supervisor	3.00	3.00	-
Secretary	2.00	2.00	-
Senior Account Clerk	4.00	4.00	-
Senior Analyst	7.00	7.00	-

Police Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Senior Auditor	3.00	3.00	-
Senior Crime and Intelligence Analyst	3.00	4.00	1.00
Senior Community Service Officer	4.00	4.00	-
Senior Latent Fingerprint Examiner	3.00	0.00	(3.00)
Senior Office Specialist	20.00	20.00	-
Senior Police Data Specialist	10.00	10.00	-
Senior Public Safety Dispatcher	14.00	14.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	11.00	10.00	(1.00)
Staff Technician	3.00	3.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervising Auditor	1.00	1.00	-
Supervising Police Data Specialist	4.00	4.00	-
Supervising Public Safety Dispatcher	6.00	6.00	-
Supply Clerk	1.00	1.00	-
Training Specialist	0.00	2.00	2.00
Video/Multimedia Producer	1.00	1.00	-
Video Unit Supervisor	1.00	1.00	-
Total Positions	1,610.67	1,623.67	13.00

Note: Of the 1,623.67 positions in the Police Department in 2016-2017, 1,107.00 are sworn positions and 516.67 are civilian positions.

Public Works Department

Barry Ng, Director

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To provide excellent service in building a smart and sustainable community, maintaining and managing City assets, and serving the animal care needs of the community

City Service Areas

Community & Economic Development
Neighborhood Services
Strategic Support

Core Services

Animal Care and Services

Promote and protect the health, safety, and welfare of animals and people in the City of San José

Facilities Management

Provide safe, efficient, comfortable, attractive, and functional buildings and facilities

Fleet and Equipment Services

Manage operations which provide a safe and reliable fleet of vehicles and equipment

Plan, Design, and Construct Public Facilities and Infrastructure

Plan, design, and construct public facilities and infrastructure




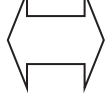
Regulate/Facilitate Private Development

Review private development to ensure that new development contributes to the safety and welfare of the citizens as well as the City's economic development

Strategic Support: Materials Testing Laboratory, Surveying Services, Infrastructure and Mapping, Financial and Contractual Administration, Computer Services, Equality Assurance, and Human Resources

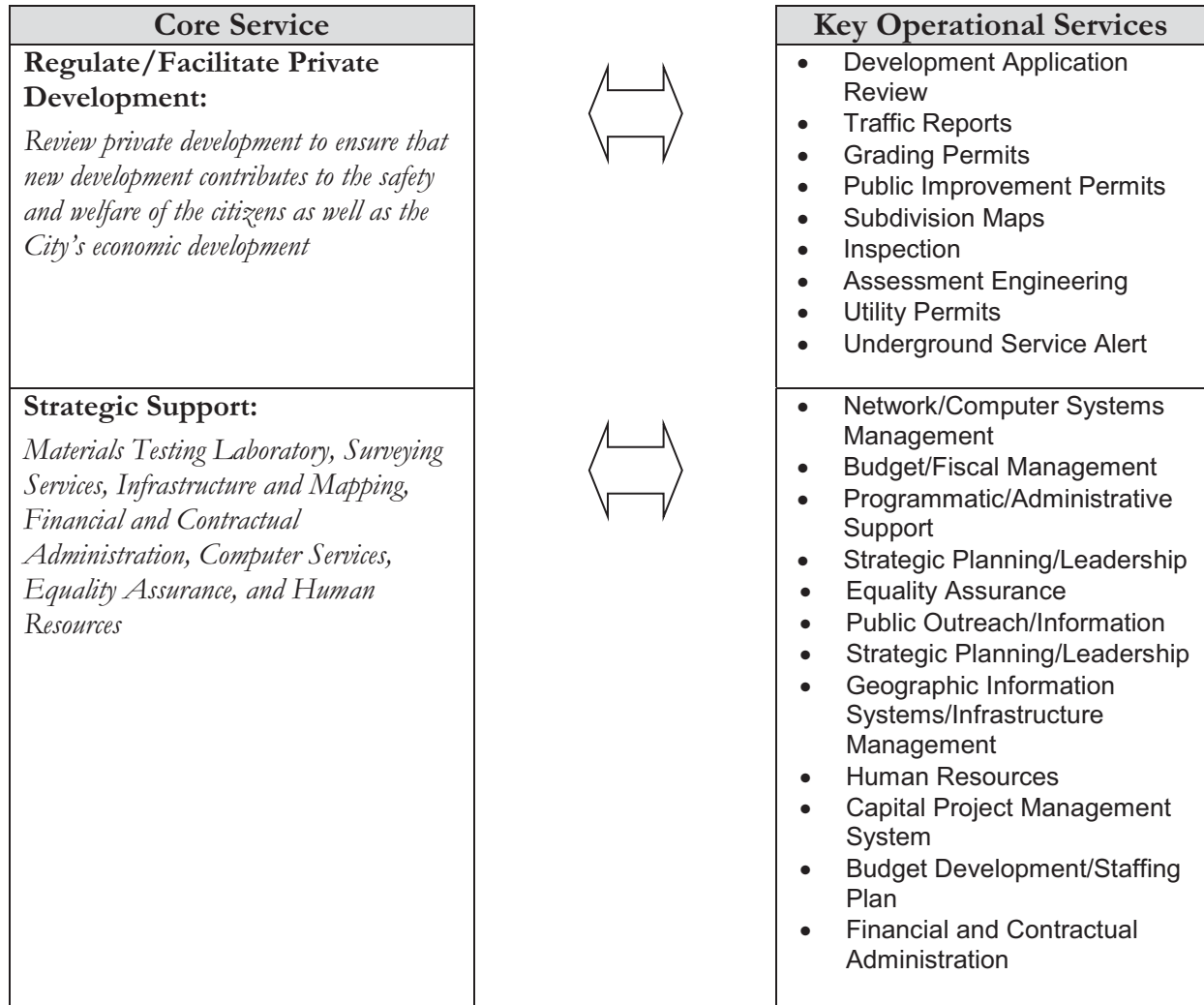
Public Works Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Animal Care and Services: <i>Promote and protect the health, safety, and welfare of animals and people in the City of San José</i></p>		<ul style="list-style-type: none"> • Licensing and Rabies Vaccination Compliance • Public Low-Cost Spay/Neuter Services • Animal Control in the Community • House and Care for Stray Animals
<p>Facilities Management: <i>Provide safe, efficient, comfortable, attractive, and functional buildings and facilities</i></p>		<ul style="list-style-type: none"> • Energy Efficiency and Green Building for City Facilities • Facilities Maintenance Services • Facilities Improvement Services • Special Event Support Services
<p>Fleet and Equipment Services: <i>Manage operations which provide a safe and reliable fleet of vehicles and equipment</i></p>		<ul style="list-style-type: none"> • Provide Repair and Maintenance of City Fleet and Equipment • Manage Fuel Availability and Distribution • Manage the Acquisition and Equipping of the Entire City Fleet • Manage Radio Communications and Equipment
<p>Plan, Design, and Construct Public Facilities and Infrastructure: <i>Plan, design, and construct public facilities and infrastructure</i></p>		<ul style="list-style-type: none"> • Airport Infrastructure • Parks and Recreation Facilities • Public Buildings • Public Safety Facilities • Streets and Transportation Facilities • Storm Sewers and Sanitary Sewers

Public Works Department

Service Delivery Framework



Public Works Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Oversee the City's capital projects, ensuring on-time and on-budget delivery that meet the needs of San José residents.
- Maintain City facilities, equipment, and vehicles.
- Provide expedited and quality plan review services for the development community.
- Provide animal care and services resources with concentrated focus on public health and safety.

2016-2017 Key Budget Actions

- Adds 1.0 Geographic Information Systems Analyst limit-dated through June 30, 2018 and non-personal/equipment funding to implement a Master Address Database to be used Citywide.
- Adds resources to support the Public Works Development Fee Program that will address the increase in development activity and improve current service delivery. While not reflected in the Public Works Department, the Public Works Development Fee Program will fund other shared resource additions in 2016-2017 in the areas of software upgrades, and Integrated Permit System Implementation, as described in the Information Technology Department and Planning, Building, and Code Enforcement Department sections of this document.
- Adds one-time funding of \$400,000 for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old.
- Adds one-time funding of \$145,000 for material and contractual services to address wire theft at storm sewer and sanitary sewer pump stations.
- Adds one-time funding of \$140,000 for supplemental security coverage at the City Hall Plaza for employees, customers, and the general public during late evening, early morning, and weekend hours. Continued vigilance on the City Hall Campus will provide a safe and secure environment while preventing unwanted behaviors, such as graffiti.
- Adds one-time funding of \$120,000 for one vehicle (\$80,000) for the Animal Care and Services Program for Animal Control Officers and one mail inserter (\$40,000) to manage licenses for cats and dogs.
- Adds 1.0 Senior Systems Applications Programmer to the Technology Services Section to provide crucial support and ensure continuity of service from the Enterprise Asset Management team to the Fleet and Facilities Maintenance Divisions.
- Reallocates 0.25 Associate Engineer position from Capital Funds to the General Fund to work on Smart Cities projects that occur in the public right-of-way or in City facilities.
- Continues a 1.0 Supervising Environmental Services Specialist position through June 30, 2017 to manage the City-Building Energy Projects Program, including the coordination with OpTerra Energy Service Company on energy and utility conservation projects that were approved by the City Council on February 11, 2014.

Operating Funds Managed

- Public Works Program Support Fund
- Vehicle Maintenance and Operations Fund

Public Works Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Animal Care & Services	\$ 7,506,940	\$ 7,664,063	\$ 7,700,830	\$ 7,820,830	2.0%
Facilities Management	20,022,060	21,611,322	22,007,935	22,322,343	3.3%
Fleet & Equipment Services	17,812,735	18,106,197	17,617,355	17,922,819	(1.0%)
Plan, Design, and Construct Public Facilities & Infrastr	30,652,020	33,164,990	34,514,179	34,732,999	4.7%
Regulate/Facilitate Private Development	9,269,353	9,897,083	10,330,984	10,585,506	7.0%
Strategic Support	6,107,340	6,865,171	7,233,202	7,854,774	14.4%
Total	\$ 91,370,448	\$ 97,308,826	\$ 99,404,485	\$ 101,239,271	4.0%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 68,997,320	\$ 74,613,387	\$ 77,347,483	\$ 77,976,238	4.5%
Overtime	1,245,750	909,346	909,346	909,346	0.0%
Subtotal	\$ 70,243,070	\$ 75,522,733	\$ 78,256,829	\$ 78,885,584	4.5%
Non-Personal/Equipment					
Inventory	13,974,264	14,607,093	14,473,656	15,679,687	7.3%
Total	\$ 91,370,448	\$ 97,308,826	\$ 99,404,485	\$ 101,239,271	4.0%
Dollars by Fund					
General Fund	\$ 37,483,314	\$ 39,972,563	\$ 40,789,213	\$ 41,952,215	5.0%
Airport Maint & Oper	128,211	202,512	211,470	211,470	4.4%
Convention & Cultural Affairs	0	5,000	5,000	5,000	0.0%
General Purpose Pkg	27,112	81,330	88,558	88,558	8.9%
Integrated Waste Mgmt	90,809	117,287	121,042	121,042	3.2%
Low/Mod Income Hsg Asset	123,848	103,787	119,562	119,562	15.2%
PW Program Support	4,920,700	5,564,569	5,809,622	5,812,122	4.4%
Sewer Svc & Use Charge	1,499,276	2,247,309	2,398,575	2,405,575	7.0%
Storm Sewer Operating	702,586	748,638	791,094	929,094	24.1%
SJ/SC Treatment Plant Oper	124,208	222,813	89,112	89,112	(60.0%)
Vehicle Maint & Opers	16,211,960	16,509,074	16,004,651	16,310,115	(1.2%)
Water Utility	32,184	36,251	38,929	38,929	7.4%
Capital Funds	30,026,240	31,497,693	32,937,657	33,156,477	5.3%
Total	\$ 91,370,448	\$ 97,308,826	\$ 99,404,485	\$ 101,239,271	4.0%
Authorized Positions by Core Service					
Animal Care & Services	67.17	68.17	68.17	68.17	0.0%
Facilities Management	78.50	79.40	78.50	79.60	0.3%
Fleet & Equipment Services	71.40	71.68	71.68	71.68	0.0%
Plan, Design and Construct Public Facilities & Infrastr	215.75	225.35	225.15	226.05	0.3%
Regulate/Facilitate Private Development	66.85	68.88	68.88	70.88	2.9%
Strategic Support	38.20	38.39	38.49	39.49	2.9%
Total	537.87	551.87	550.87	555.87	0.7%

Public Works Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	551.87	97,308,826	39,972,563
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Enterprise Asset Management System		(500,000)	(500,000)
• Public Works Development Fee Program		(25,000)	(25,000)
• Energy Program (1.0 Supervising Environmental Services Specialist)	(1.00)	(17,655)	0
• Communications Installation		(2,500)	0
One-time Prior Year Expenditures Subtotal:	(1.00)	(545,155)	(525,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		2,832,666	1,063,666
- 1.0 Geographic Systems Specialist II to 1.0 Engineer I/II			
- 1.0 Geographic Systems Specialist II to 1.0 Senior Geographic Systems Specialist			
- 1.0 Principal Engineering Technician to 1.0 Program Manager I			
- 1.0 Public Outreach Representative II to 1.0 Senior Public Information Representative			
- 1.0 Security Officer to 1.0 Senior Security Officer			
- 1.0 Senior Engineering Technician to 1.0 Engineer I/II			
• Living wage		11,120	11,120
• Vacancy factor		(102,035)	(102,035)
• Custodial contractual services		172,700	168,000
• New Parks and Library facilities maintenance annualization		56,000	56,000
• Reallocation from the Housing Department for Geographic Information System software contractual services		16,000	0
• United States Patent and Trademark Office maintenance and repairs		13,000	13,000
• Server maintenance contract		8,714	0
• Elevator maintenance contractual services		5,529	5,529
• Fleet inventory		(505,000)	0
• Reallocation of non-personal/equipment funding to the Library Department for utilities at the Village Square Branch Library		(50,880)	(50,880)
• Gas and electricity		237,000	237,000
• Professional development program		10,000	(750)
• Vehicle maintenance and operations		(50,000)	(45,000)
• Water		(14,000)	(14,000)
Technical Adjustments Subtotal:	0.00	2,640,814	1,341,650
2016-2017 Forecast Base Budget:	550.87	99,404,485	40,789,213

Public Works Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>			
1. Master Address Database	1.00	607,072	607,072
2. Portable Generators Replacement		400,000	0
3. Public Works Development Fee Program	2.00	254,522	254,522
4. Wire Theft Mitigation		145,000	0
5. City Hall Plaza Security		140,000	140,000
6. Enterprise Asset Management Team Support	1.00	138,856	12,000
7. Animal Care and Services		120,000	120,000
8. Energy Team Staffing	1.00	29,336	0
9. Smart Cities Vision	0.00	0	29,408
	<hr/>	<hr/>	<hr/>
Total Budget Proposals Recommended	5.00	1,834,786	1,163,002
<hr/>			
2016-2017 Proposed Budget Total	555.87	101,239,271	41,952,215

Public Works Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Master Address Database	1.0	607,072	607,072

Strategic Support CSA

Strategic Support

This action adds 1.0 Information Systems Analyst limit-dated through June 30, 2018 and provides non-personal/equipment funding for contractual services to augment Public Works Department Technology Services Section Geographic Information System team. Currently, addressing is performed by separate groups in the City – generally for the singular addressing needs of each department. This will be a two year project in which the existing addresses will be consolidated and the Master Address Database will be created during the first year. In year two of the project, the Master Address Database will be implemented by the various departments that will use it. The Information Systems Analyst position will provide oversight, planning, and implementation of the Master Address Database. Successful implementation of the Master Address Database can improve fire and police response times, enable better use of data analytics to assess and improve service delivery, streamline staff work time, and improve the City's ability to become more innovative as address information is a major backbone for these efforts. (Ongoing costs: \$0)

2. Portable Generators Replacement		400,000	0
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Strategic Support CSA

Fleet and Equipment Services

This action provides one-time funding of \$400,000 for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. New units will have the latest in clean diesel technology that greatly reduces emissions compared to the existing units. The new generators will provide emergency and remote power for flood response, power outages, and various City-sponsored community events. (Ongoing costs: \$0)

3. Public Works Development Fee Program	2.0	254,522	254,522
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Community and Economic Development CSA

Regulate/Facilitate Private Development

The actions included in this section, funded by fee activity and the use of reserves, support the Public Works Development Fee Program by improving service levels with no fee increases.

- **Program Staffing:** Adds 1.0 Senior Construction Inspector position to address the increased activity and workload anticipated in 2016-2017 and help the program meet the service delivery target of 85% completion rates within the specified time frame. (Ongoing costs: \$105,826)
- **Integrated Permit System Implementation:** Adds 1.0 Associate Engineer position through June 30, 2018 to assist with the implementation of the Integrated Permit System. The Permit System upgrade will allow the City to serve residents and businesses more efficiently, including adding essential features such as electronic plan submittal, on-line plan approval, permit tracking, and permit process management. (Ongoing costs: \$123,740)
- **Non-Personal/Equipment:** Adds one-time non-personal/equipment funding of \$32,500 to purchase one vehicle and supplies and materials for the inspector position. (Ongoing costs: \$0)

Public Works Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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3. Public Works Development Fee Program

While not reflected in this section of the document, other recommendations partially funded by the Public Works Development Fee Program include the following:

- **Integrated Permit System Implementation:** This action adds resources for the Integrated Permit System Implementation project being undertaken by the Planning, Building and Code Enforcement Department (PBCE). The Permit System is used by all the Development Services Partners (Building, Planning, Fire, and Public Works) along with other departments (Environmental Services and Transportation) in the City, and the implementation project is anticipated to take 28 months to complete from the start of the project, which is anticipated to be May 2016. The Permit System upgrade will allow the City to serve residents and businesses more efficiently, including adding essential features, such as electronic plan submittal, on-line plan approval, permit tracking, and permit process management. For the Public Works Department, the following resources are recommended as outlined below. Details on other recommended resources for this project can be found in the Fire Department and PBCE Department sections in this document.
 - 1.0 Supervising Applications Analyst position, limit-dated to June 30, 2018 (\$142,286, Public Works Development Fee Program portion \$11,470), will lead the team in the technical aspects of designing and testing the new system. The position will also work with managers and front-line staff to ensure a seamless transition to the new system.
 - 1.0 Senior Analyst position, limit-dated to June 30, 2018 (\$103,300, Public Works Development Fee Program portion \$8,326), will be responsible for the implementation of a new Development Fee structure that is currently under development and incorporation of the new fee information into the new Permit System, as appropriate. This position will focus on assisting with documenting processes and streamlining procedures as well coordinating the purchasing processes related to the technology needs associated with the project.
 - Contractual services funding for a temporary project manager through June 30, 2018 (\$479,850, Public Works Development Fee Program portion \$40,307) that will oversee the development of the new system and will provide project management services to ensure implementation success of the project.
 - Temporary analytical staffing equivalent to six months of staff time for each year through June 30, 2018 (\$50,000, Public Works Development Fee Program portion \$4,031) will support the Department's daily operations while experienced staff support the design, testing, and transition to the new Permit System.
 - To better align resources for the implementation project, 1.0 Building Inspection Manager position will shift from the technology team in the Planning, Building and Code Enforcement Department to the Building Development Fee Program (total savings \$622, Public Works Development Fee Program savings of \$20,857).
- **Virtual Desktop Infrastructure and Windows Upgrades**

The Public Works Development Fee Program will provide funding to the Information Technology (IT) Department to support city-wide technology upgrades, including the new Virtual Desktop Infrastructure (VDI) and operating system upgrade to Windows 10. VDI is a new organization-wide desktop management standard that centralizes desktop software, security, and patch management to the cloud, enhances software deployments throughout the organization, and enables IT to standardize and service thousands of desktops from a single location. This action also includes the deletion of 3.0 vacant Network Technician II/III positions in exchange for the addition of 2.0 Information Systems Analyst positions, given the greater level of technical

Public Works Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Public Works Development Fee Program			
<p>expertise necessary to support these system upgrades. (Ongoing savings: \$152)</p> <p>Public Works Development Fee Program Reserve: A decrease to the Public Works Development Fee Program Reserve by \$315,458 to offset the recommended actions in this budget is included. The Public Works Development Fee Program reserve will decrease from the anticipated base level of \$3.7 million to \$3.4 million in 2016-2017. It is important to note that while the recommended budget actions decrease the reserve, the 2016-2017 base level of revenues and expenditures necessitated the use of approximately \$1.4 million of this reserve, resulting in a base budget decrease from \$5.1 million to \$3.7 million.</p>			
4. Wire Theft Mitigation		145,000	0
<p>Strategic Support CSA <i>Facilities Management</i></p> <p>This action provides one-time funding of \$145,000 for material and contractual services to address wire theft at the Taylor Street (\$12,000) and Willow Street (\$126,000) storm sewer pump stations, as well as at the Tea Garden (\$7,000) sanitary sewer pump station. This funding will address these stations that are affected by wire theft and allow the department to try new methods in wire theft prevention. (Ongoing costs: \$0)</p>			
5. City Hall Plaza Security		140,000	140,000
<p>Strategic Support CSA <i>Facilities Management</i></p> <p>This action provides ongoing funding for supplemental security coverage at the City Hall Plaza for employees, customers, and the general public during late evening, early morning, and weekend hours. The existing City Hall Plaza security coverage hours are from 6:00 A.M to 10:00 P.M on the weekdays and the supplemental coverage will extend hours from 9:30 P.M. to 6:30 A.M. on the weekdays and 24 hours on weekends. Continued vigilance on the City Hall Campus will provide a safe and secure environment while preventing unwanted behaviors, such as graffiti. (Ongoing costs: \$140,000)</p>			
6. Enterprise Asset Management Team Support	1.0	138,856	12,000
<p>Strategic Support CSA <i>Fleet and Equipment Services</i> <i>Plan, Design, and Construct Public Facilities and Infrastructure</i> <i>Strategic Support</i></p> <p>This action reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer in the Vehicle Maintenance and Operations Fund to better align and augment the Department's Technology Services Section, Enterprise Asset Management (EAM) team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. (Ongoing costs: \$121,818)</p>			

Public Works Department

Budget Changes By Department




Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Animal Care and Services		120,000	120,000
<i>Neighborhood Services CSA</i>			
<i>Animal Care and Services</i>			
<p>This action adds one-time funding of \$120,000 to the Animal Care and Services Program to purchase one vehicle (\$80,000) for Animal Services Officers (ASOs) and a mail inserter (\$40,000). ASOs use a specialized vehicle that includes a custom built body to house and transport the animals found in the community. This will improve availability and reliability of vehicles for staff. Additionally, the licensing section manages more than 65,000 licenses for dogs and cats. The mail inserter will improve efficiency and will eliminate the need to manually mail renewal notices, citations, warning notices, and other correspondence. (Ongoing costs: \$0)</p>			
8. Energy Team Staffing	1.00	29,336	0
<i>Strategic Support CSA</i>			
<i>Facilities Management</i>			
<i>Plan, Design, and Construct Public Facilities and Infrastructure</i>			
<p>This action extends 1.0 Supervising Environmental Services Specialist position through June 30, 2017. This position will continue to manage the City Building Energy Projects Program, which includes coordination with OpTerra on the Energy and Utility Conservation Measures project (Energy Services Company (ESCO)), and continue to serve as an energy advisor on other capital projects throughout the City as needed. As planned, these projects will continue through the end of 2016-2017. The full position cost of \$196,000 is largely funded by an anticipated rebudget from 2015-2016 of a portion of the Energy and Utility Conservation Measures Program located in the City-Wide section of this document. (Ongoing costs: \$0)</p>			
9. Smart Cities Vision	0.00	0	29,408
<i>Strategic Support CSA</i>			
<i>Facilities Management</i>			
<i>Plan, Design, and Construct Public Facilities and Infrastructure</i>			
<p>This action reallocates 0.25 Associate Engineer position from Capital Funds to the General Fund to work on Smart Cities projects that occur in the public right-of-way or in City facilities. The position will support the implementation of the civic innovation programs requiring Public Works resources. The Associate Engineer will also serve as a key strategic partner with other departments. (Ongoing costs: \$0)</p>			
2016-2017 Proposed Budget Changes Total	5.00	1,834,786	1,163,002

Public Works Department

Performance Summary

Animal Care and Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % change in the number of animals licensed annually	2%	5%	2%	5%
 Animal Care Center live release rate	85%	85%	87%	89%
 % of Priority 1 calls with response time in one hour or less. (Priority 1: injured or aggressive animal, or public safety assist)	95%	95%	95%	95%

Activity and Workload Highlights









	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Animal licenses issued annually	63,973	67,500	65,000	68,000
# of animals adopted/rescued/returned	13,433	13,500	13,500	13,750
# of incoming animals	16,846	16,000	16,500	16,000
# of calls for service completed	24,815	24,000	24,500	24,000
# of low-cost spay/neuter surgeries provided to public	5,993	6,500	6,500	6,500

Public Works Department

Performance Summary

Facilities Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of facilities with a condition assessment rating of good or better (3 or better on a 5-pt scale)	N/A*	84%	N/A*	84%
 % change in energy usage in all City Accounts from 2007 baseline	(5.5%)	(12%)	3.0%**	(12%)
 % of preventative maintenance work orders completed	91%	80%	92%	80%
 % of health and safety concerns mitigated within 24 hours	100%	100%	100%	100%
 % of non-health and safety work completed within time standards	75%	75%	68%	75%
 % of time a request for record retention item is delivered within one day	100%	95%	100%	95%
 % of customers who rate service as good or excellent based on timeliness of response and quality of work	83%	85%	89%	85%
 % of public who rate publicly accessed buildings as good or excellent	N/A***	65%	N/A***	65%

* Data for this measure comes from the Public Works Building Assessment Survey, which has not been conducted since 2011-2012. The Public Works Department anticipates conducting a City-wide Building Assessment program in 2015-2016 with results expected to be reported as part of the 2017-2018 Proposed Budget.

** Energy usage is anticipated to increase in 2015-2016 over the 2007 baseline due to cogeneration equipment failure causing a significant increase in natural gas usage at the Regional Wastewater Facility, which is the single highest energy user City-wide. The 2016-2020 Adopted Water Pollution Control Capital Improvement Program includes projects to rehabilitate and repair the cogeneration facility and equipment.

*** Data for this measure is not available since the question to collect the data was removed from the biennial City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in the 2017-2018 Proposed Budget.

Public Works Department

Performance Summary

Facilities Management

Activity and Workload Highlights





	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of corrective and preventive work orders completed	28,286	20,000	25,000	20,000
kW of renewable energy installed at City-owned sites	4,823kW	5,823kW	5.166kW	6,466kW
Total cost for services - Materials Management Services	\$0.30M	\$0.30M	\$0.40M	\$0.35M
Total dollars recovered from surplus sales	\$652,316	\$250,000	\$450,000	\$300,000
# of record retention requests delivered within one day	7,575	5,000	6,000	5,500
Total square footage maintained	2.8M	2.8M	2.8M	2.8M

Public Works Department

Performance Summary

Fleet and Equipment Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of fleet that is alternate fuel vehicles	41%	42%	42%	44%
 % of fleet in compliance with replacement cycle:				
Emergency Vehicles	100%	100%	100%	100%
General Fleet	87%	90%	88%	90%
 Cost per mile or hours, by class (of equipment):				
Police (miles)	\$0.38	\$0.38	\$0.32	\$0.35
Fire (miles)	\$2.11	\$1.75	\$2.87	\$2.50
General Fleet Light (miles)	\$0.36	\$0.30	\$0.34	\$0.34
General Fleet Heavy (miles)	\$1.76	\$1.65	\$1.80	\$1.80
Off Road Light (hours)	\$0.70	\$0.80	\$0.54	\$0.70
Off Road Heavy (hours)	\$0.70	\$0.80	\$1.11	\$1.00
 % of customers who rate service good or better based on:				
Timeliness	96%	97%	87%	90%
Convenience	98%	98%	93%	95%
Courtesy	96%	97%	97%	97%

Activity and Workload Highlights





	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Total number of repair and preventive work orders	21,132	22,000	21,600	22,000
Total number of vehicles and equipment	2,690	2,680	2,720	2,720

Public Works Department

Performance Summary

Plan, Design, and Construct Public Facilities and Infrastructure

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of projects completed within the approved baseline budget*	88%	90%	90%	90%
 Departmental project delivery costs compared to target industry norm:				
Projects ≤ \$500,000	68%	66%	69%	68%
Projects > \$500,000	43%	43%	40%	46%
 % of projects designed and constructed by Public Works within approved baseline schedule*	89%	85%	79%	85%
 % of projects rated as good or excellent based on the achievement of project goals and the quality of the overall final product	96%	80%	100%	80%

* Projects are considered "completed" when final cost accounting has occurred and the project has been accepted; projects are considered "on budget" when the total expenditures do not exceed 101% of the baseline budget.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of construction projects delivered	39	65	54	75
Total construction cost of projects*	\$38,100,000	\$56,400,000	\$58,500,000	\$93,000,000




* For multi-year projects, the total construction costs are reflected in the year that the project is completed rather than spread over multiple years.

Public Works Department

Performance Summary

Regulate/Facilitate Private Development

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 Ratio of fee revenue to Development Fee Program cost	100%	100%	100%	100%
 Selected cycle time measures for:				
Construction permit processing targets met	79%	85%	80%	85%
Planning processing targets met	90%	85%	85%	85%
 % of Development process participants rating service as good or excellent:				
Development Review	81%	80%	80%	80%

Activity and Workload Highlights


	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of underground service alert requests received	37,026	35,000	35,000	35,000
# of Public Works permit applications	447	500	450	500
Value of permitted public improvements	\$27,847,994	\$30,000,000	\$30,000,000	\$30,000,000
Value of accepted public improvements	\$19,655,476	\$16,000,000	\$16,000,000	\$16,000,000

Public Works Department

Performance Summary

Strategic Support

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of reviewed projects that attain established labor compliance goals by project completion	93%	90%	93%	93%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of contracts with wage requirements	163	250	200	200
# of contracts with labor compliance violations identified	45	15	15	15
Minimum wage compliance cases:				
# Opened	20	20	10	20
# Resolved	11	15	6	15
# of contractors' employees owed restitution	145	100	100	100
Total \$ amount of restitution owed to employees	\$46,000	\$50,000	\$30,000	\$50,000

Public Works Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	6.00	6.00	-
Air Conditioning Supervisor	1.00	1.00	-
Analyst II	6.00	6.00	-
Animal Care Attendant	7.00	7.00	-
Animal Care Attendant PT	12.07	12.07	-
Animal Health Technician	5.00	5.00	-
Animal Health Technician PT	1.30	1.30	-
Animal Services Officer	13.00	13.00	-
Animal Shelter Coordinator	3.00	3.00	-
Animal Shelter Veterinarian	2.00	2.00	-
Animal Shelter Veterinarian PT	1.00	1.00	-
Assistant Director	1.00	1.00	-
Associate Architect/Landscape Architect	2.00	2.00	-
Associate Construction Inspector	19.00	19.00	-
Associate Engineer	46.00	47.00	1.00
Associate Engineering Technician	20.00	20.00	-
Associate Structure/Landscape Designer	15.00	15.00	-
Automotive Equipment Specialist	1.00	1.00	-
Building Inspector/Combination Certified	6.00	6.00	-
Building Inspector Supervisor	1.00	1.00	-
Building Management Administrator	2.00	2.00	-
Building Maintenance Superintendent	1.00	1.00	-
Carpenter	5.00	5.00	-
Chief of Surveys	1.00	1.00	-
Communications Installer	2.00	2.00	-
Communications Technician	5.00	5.00	-
Construction Manager	3.00	3.00	-
Contract Compliance Assistant	1.00	1.00	-
Contract Compliance Coordinator	1.00	1.00	-
Contract Compliance Specialist	7.00	7.00	-
Deputy Director of Public Works	4.00	4.00	-
Director of Public Works	1.00	1.00	-
Dispatcher	5.00	5.00	-
Division Manager	4.00	4.00	-
Electrician II	11.00	11.00	-
Electrician Supervisor	1.00	1.00	-
Engineer I/II	38.00	40.00	2.00
Engineering Geologist	1.00	1.00	-
Engineering Technician II	21.00	21.00	-
Engineering Trainee PT	2.00	2.00	-
Equipment Maintenance Supervisor	3.00	3.00	-
Equipment Mechanic Assistant I/II	20.00	20.00	-
Events Coordinator II PT	0.50	0.50	-

Public Works Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Facility Attendant	3.00	3.00	-
Facility Repair Worker	5.00	5.00	-
Facility Sound and Light Technician	1.00	1.00	-
Fleet Manager	1.00	1.00	-
Geographic Systems Specialist II	6.00	4.00	(2.00)
Information Systems Analyst	5.00	6.00	1.00
Instrument Person	3.00	3.00	-
Land Surveyor	1.00	1.00	-
Mail Processor	1.00	1.00	-
Maintenance Contract Supervisor	1.00	1.00	-
Maintenance Worker I	3.00	3.00	-
Mechanic	23.00	23.00	-
Network Engineer	3.00	3.00	-
Office Specialist II	5.00	5.00	-
Office Specialist II PT	3.00	3.00	-
Painter	3.00	3.00	-
Plumber	2.00	2.00	-
Principal Account Clerk	2.00	2.00	-
Principal Accountant	1.00	1.00	-
Principal Construction Inspector	5.00	5.00	-
Principal Engineer/Architect	2.00	2.00	-
Principal Engineering Technician	4.00	3.00	(1.00)
Program Manager I	4.00	5.00	1.00
Public Outreach Representative II	1.00	0.00	(1.00)
Radio Communications Manager	1.00	1.00	-
Recreation Leader PT	1.00	1.00	-
Security Officer	4.00	3.00	(1.00)
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	5.00	5.00	-
Senior Air Conditioning Mechanic	2.00	2.00	-
Senior Analyst	3.00	3.00	-
Senior Animal Services Officer	3.00	3.00	-
Senior Architect/Landscape Architect	5.00	5.00	-
Senior Auto Equipment Specialist	1.00	1.00	-
Senior Carpenter	1.00	1.00	-
Senior Communications Technician	1.00	1.00	-
Senior Construction Inspector	37.00	38.00	1.00
Senior Electrician	4.00	4.00	-
Senior Engineer	14.00	14.00	-
Senior Engineering Technician	24.00	23.00	(1.00)
Senior Events Coordinator	1.00	1.00	-
Senior Facility Attendant	2.00	2.00	-
Senior Facility Repair Worker	1.00	1.00	-
Senior Geographic Systems Specialist	1.00	2.00	1.00
Senior Mechanic	5.00	5.00	-
Senior Mechanical Parts Worker	1.00	1.00	-

Public Works Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Senior Office Specialist	6.00	6.00	-
Senior Public Information Representative	0.00	1.00	1.00
Senior Security Officer	0.00	1.00	1.00
Senior Systems Applications Programmer	1.00	2.00	1.00
Senior Transportation Specialist	1.00	1.00	-
Senior Warehouse Worker	2.00	2.00	-
Staff Specialist	4.00	4.00	-
Staff Technician	1.00	1.00	-
Structure/Landscape Designer II	6.00	6.00	-
Supervising Applications Analyst	1.00	1.00	-
Supervising Environmental Services Specialist	1.00	1.00	-
Supervising Traffic Signal Technician	1.00	1.00	-
Supervisor, Animal Services Operations	2.00	2.00	-
Supervisor of Facilities	1.00	1.00	-
Survey Field Supervisor	5.00	5.00	-
Trades Supervisor	1.00	1.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Worker II	1.00	1.00	-
Total Positions	551.87	555.87	4.00

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Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

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Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans

City Service Area

Strategic Support

Core Services

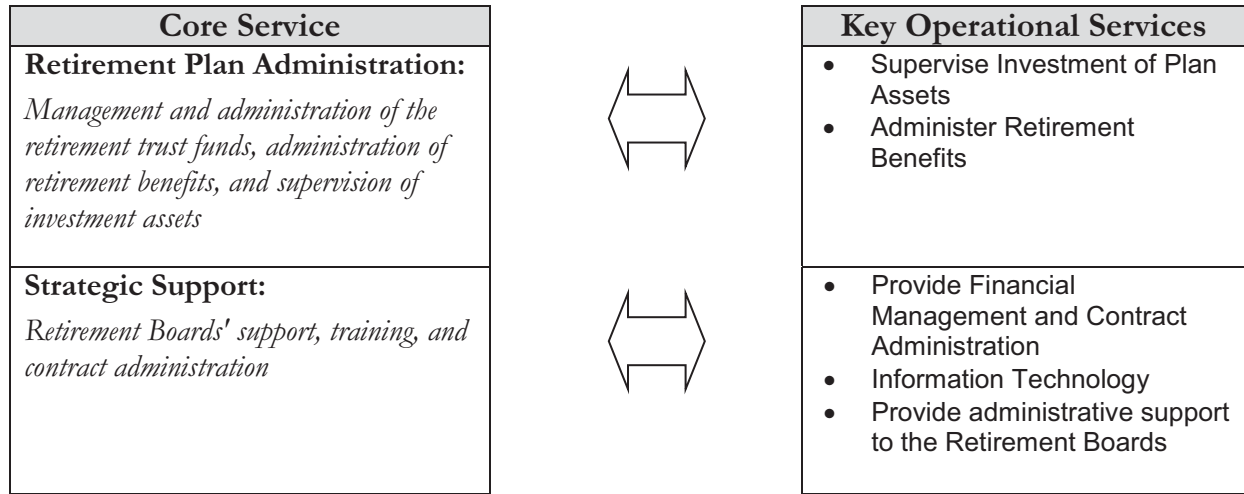
Retirement Plan Administration

Management and administration of the retirement trust funds, administration of retirement benefits, and supervision of investment assets

Strategic Support: Retirement Boards' Support, Training, and Contract Administration

Office of Retirement Services

Service Delivery Framework



Office of Retirement Services

Department Budget Summary

Expected 2016-2017 Service Delivery

- Manage Retirement Plans' assets and seek solutions to increase investment returns, and reduce volatility and cost, while mitigating risk.
- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to de-risk the plans, reduce volatility, and reduce intergenerational shifting of liabilities.
- Provide quality retirement planning, counseling, and financial reporting.

2016-2017 Key Budget Actions

- The addition of a Senior Investment Officer position will create a clear career ladder spanning from Investment Analyst to Chief Investment Officer. The position will ensure that the Investment Program remains competitive within California Public Pension Plans since this classification is widely used among the City's peers.
- The addition of a Senior Analyst position through June 30, 2018 will support the implementation of the new Pension Administration System (PAS), which was kicked off in March 2015 and is expected to take over four years to complete. As the Retirement Office continues with the PAS implementation, the existing Senior Analyst is required to spend more time on the implementation project. The additional Senior Analyst position will support the Office's daily operations to free up the experienced Senior Analyst to support the design, testing, and transition to the new system. The new position will also assist with the succession planning as a majority of the benefits staff nears retirement eligibility in the next one to five years.
- The extension of the Information Systems Analyst position for two years (limit dated June 30, 2018) will support the implementation of the new PAS. In order to ensure a successful implementation of the new PAS, experienced staff will manage and support the design, testing, and transition to the new system. The addition of this position will support the everyday operations of the Office during the implementation project and transition to the new system.

Operating Funds Managed

- Federated Retiree Health Care Trust Fund
- Federated Retirement Fund
- Fire Retiree Health Care Trust Fund
- Police and Fire Retirement Fund
- Police Retiree Health Care Trust Fund

Office of Retirement Services

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2015-2016 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Retirement Plan Administration	\$ 3,407,574	\$ 3,953,960	\$ 4,010,108	\$ 4,129,206	4.4%
Strategic Support	1,958,684	2,360,619	2,195,150	2,422,778	2.6%
Total	\$ 5,366,258	\$ 6,314,579	\$ 6,205,258	\$ 6,551,984	3.8%
Dollars by Category					
Personal Services Salaries/Benefits	\$ 5,366,258	\$ 6,314,579	\$ 6,205,258	\$ 6,551,984	3.8%
Total	\$ 5,366,258	\$ 6,314,579	\$ 6,205,258	\$ 6,551,984	3.8%
Dollars by Fund					
Federated Retirement	\$ 2,683,129	\$ 3,159,529	\$ 3,105,235	\$ 3,278,598	3.8%
Police & Fire Retirement	2,683,129	3,155,050	3,100,023	3,273,386	3.8%
Total	\$ 5,366,258	\$ 6,314,579	\$ 6,205,258	\$ 6,551,984	3.8%
Authorized Positions by Core Service					
Retirement Plan Administration	23.75	24.00	23.27	24.27	1.1%
Strategic Support	15.00	15.75	14.48	15.48	(1.7%)
Total	38.75	39.75	37.75	39.75	0.0%

Office of Retirement Services

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2015-2016):	39.75	6,314,579
<hr/> Base Adjustments <hr/>		
One-Time Prior Year Expenditures Deleted		
• Pension Administration System Implementation Staffing (1.0 Analyst I/II and 1.0 Information Systems Analyst)	(2.00)	(210,092)
One-time Prior Year Expenditures Subtotal:	(2.00)	(210,092)
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations: - 1.0 Network Technician I/II to 1.0 Network Technician I/II/III - 2.0 Retirement Actuarial Analyst I/II to 2.0 Retirement Investment Analyst I/II		100,771
Technical Adjustments Subtotal:	0.00	100,771
2016-2017 Forecast Base Budget:	37.75	6,205,258
<hr/> Budget Proposals Recommended <hr/>		
1. Pension Administration System Implementation Staffing	2.00	331,726
2. Retirement Department Investment Staffing Realignment		15,000
Total Budget Proposals Recommended	2.00	346,726
2016-2017 Proposed Budget Total	39.75	6,551,984

Office of Retirement Services

Budget Changes by Department




Proposed Budget Changes	Positions	All Funds (\$)
1. Pension Administration System Implementation Staffing	2.00	331,726
Strategic Support CSA <i>Retirement Plan Administration</i>		
<p>This action extends 1.0 Information Systems Analyst position (\$227,600) and adds 1.0 Senior Analyst position (\$104,100) through June 30, 2018 to continue to support the implementation of a new Pension Administration System (PAS), which started in March 2015 and is anticipated to take four years to complete. The positions will support the everyday operations of the Department, providing capacity for the experienced staff to manage and support the design, testing, and transition of the new system to ensure a successful implementation. The use of positions will ensure a successful implementation of the new PAS. The continued need for these positions will be evaluated during the 2018-2019 annual budget process, depending on the status of the system implementation at that time. The Senior Analyst position will also assist with succession planning as a majority of the benefits staff is nearing retirement eligibility in the next one to five years. (Ongoing costs: \$341,324)</p>		
2. Retirement Department Investment Staffing Realignment	0.00	15,000
Strategic Support CSA <i>Retirement Plan Administration</i>		
<p>This action adds 1.0 Senior Retirement Investment Officer position and deletes 1.0 Retirement Investment Officer position to better align the resources with the investment program needs. The new classification of Senior Investment Officer, once established, will ensure that the Investment Program remains competitive within California Public Pension Plans since this classification is widely used among the City's peers. In addition, the classification will create a clear career ladder spanning from Retirement Investment Analyst to Chief Investment Officer and assist with the succession planning of the Investments Group to properly manage the assets of the plan. This action also deletes a Retirement Investment Officer position that has been vacant since August 2011. (Ongoing costs: \$15,000)</p>		
2016-2017 Proposed Budget Changes Total	2.00	346,726

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of active members that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals	93%	100%	88%	100%
 % of portfolios analyzed for compliance with investment policy	100%	100%	100%	100%
 % of members (active and retired) that rate department services as very good or excellent based on accuracy and usefulness of work	94.5%	100%	100%	100%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of active and retired members surveyed	387	400	400	400
# of portfolios analyzed annually	125	119	163	178
# of agendaized Board meetings	102	102	102	102
Investment committee work plan projects	66	48	39	45

Office of Retirement Services

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Account Clerk II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Analyst I/II	7.00	6.00	(1.00)
Assistant Director and Chief Investment Officer	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Director of Retirement Services	1.00	1.00	-
Division Manager	2.00	2.00	-
Financial Analyst	1.00	1.00	-
Information Systems Analyst	2.00	2.00	-
Network Technician I/II	1.00	0.00	(1.00)
Network Technician I/II/III	0.00	1.00	1.00
Office Specialist II	1.00	1.00	-
Retirement Actuarial Analyst I/II	2.00	0.00	(2.00)
Retirement Investment Analyst I/II	0.00	2.00	2.00
Retirement Investment Officer	5.00	4.00	(1.00)
Senior Account Clerk	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	1.00	2.00	1.00
Senior Auditor	1.00	1.00	-
Senior Retirement Investment Officer	0.00	1.00	1.00
Staff Technician	7.00	7.00	-
Staff Technician PT	0.75	0.75	-
Total Positions	39.75	39.75	0.00

Transportation Department

Jim Ortbal, Director

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The mission of the Transportation Department is to plan, develop, operate, and maintain transportation facilities, services, and related systems which contribute to the livability and economic health of the City

City Service Areas

Environmental and Utility Services
Transportation and Aviation Services

Core Services

Parking Services

Provide well-maintained and operated public on-street and off-street parking facilities, implement effective policies and regulations, and encourage compliance with posted regulations

Street Landscape Maintenance

Provide for the management and maintenance of street landscapes, street trees, and sidewalks in order to provide a safe and aesthetically pleasing streetscape

Pavement Maintenance

Maintain and repair the street network pavement to allow for optimum street service life and the safe and efficient travel of the motoring public

Traffic Maintenance

Ensure the proper operation of the City's traffic devices and streetlights by providing maintenance and repair of traffic signals, streetlights, traffic safety devices, signs, and roadway markings

Sanitary Sewer Maintenance

Provide timely and effective cleaning and repair of the sanitary sewer collection system to ensure uninterrupted sewage flow to the Water Pollution Control Plant

Transportation Operations

Provide for the safe and efficient movement of vehicles and pedestrians by optimizing traffic flow for all roadway users, enhancing school area traffic safety, providing traffic safety education, and installing traffic improvements

Storm Sewer Management

Maintain and operate the storm sewer system in a way that ensures proper flow and is environmentally sensitive to the regional water tributary system and to the South San Francisco Bay






Transportation Planning and Project Delivery

Plan and develop the City's transportation system through local and regional programs

Strategic Support: Budget and Financial Services, Training and Safety, Personnel, and Information Technology

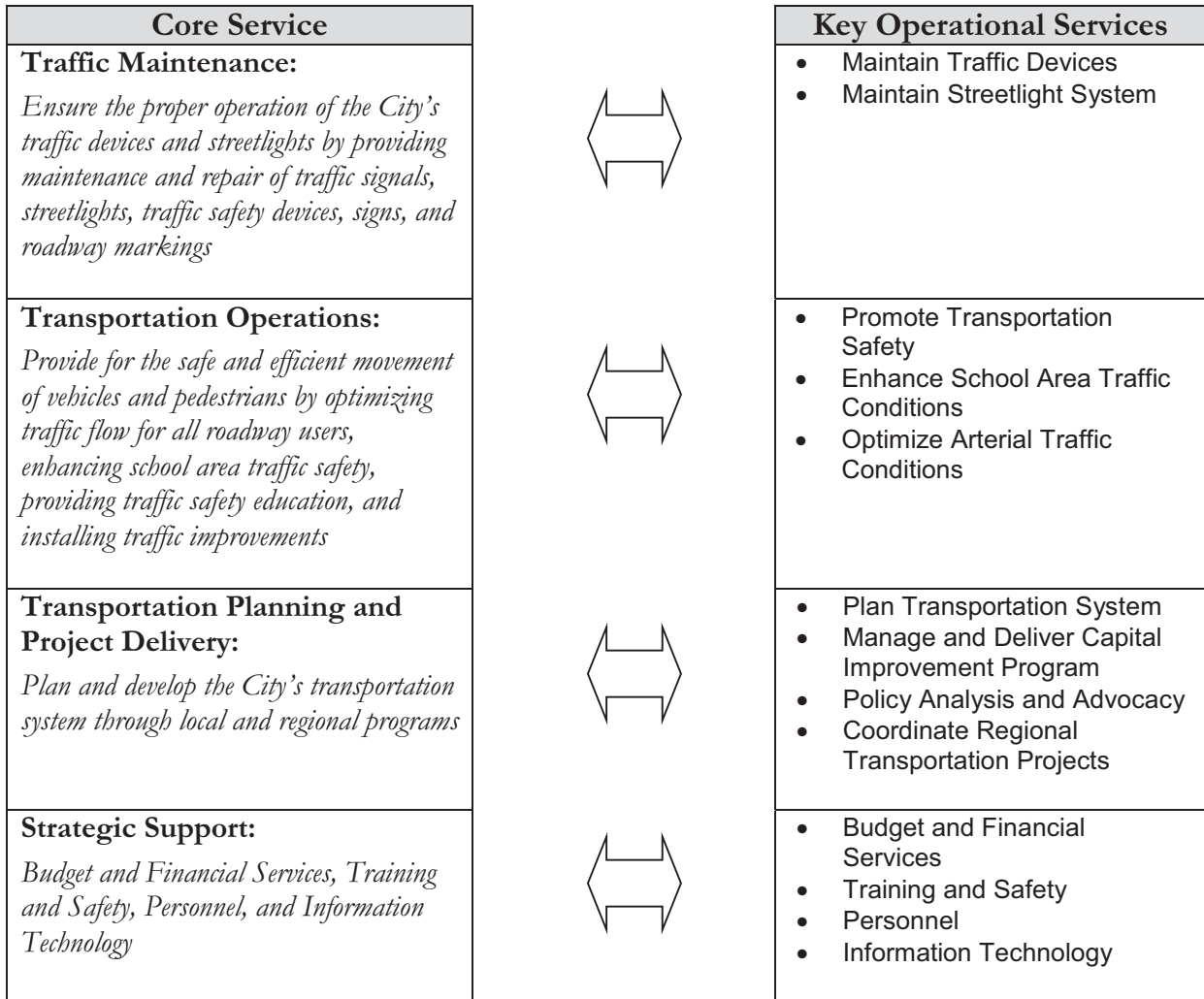
Transportation Department

Service Delivery Framework

Core Service		Key Operational Services
<p>Parking Services: <i>Provide well-maintained and operated public on-street and off-street parking facilities, implement effective policies and regulations, and encourage compliance with posted regulations</i></p>		<ul style="list-style-type: none"> • Manage Off-Street Parking • Manage On-Street Parking
<p>Pavement Maintenance: <i>Maintain and repair the street network pavement to allow for optimum street service life and the safe and efficient travel of the motoring public</i></p>		<ul style="list-style-type: none"> • Maintain Street Pavement
<p>Sanitary Sewer Maintenance: <i>Provide timely and effective cleaning and repair of the sanitary sewer collection system to ensure uninterrupted sewage flow to the Water Pollution Control Plant</i></p>		<ul style="list-style-type: none"> • Maintain Sanitary Sewer System
<p>Storm Sewer Management: <i>Maintain and operate the storm sewer system in a way that ensures proper flow and is environmentally sensitive to the regional water tributary system and to the South San Francisco Bay</i></p>		<ul style="list-style-type: none"> • Maintain Storm Sewer System • Manage Stormwater Pollution Control • Provide Street Sanitation
<p>Street Landscape Maintenance: <i>Provide for the management and maintenance of street landscapes, street trees, and sidewalks in order to provide a safe and aesthetically pleasing streetscape</i></p>		<ul style="list-style-type: none"> • Maintain Street Landscaping • Manage Care of City Street Trees • Maintain Undeveloped Rights-of-Way • Manage Special Landscape Programs • Inspect and Repair Sidewalks • Downtown Cleaning Activities

Transportation Department

Service Delivery Framework



Transportation Department

Department Budget Summary

Expected 2016-2017 Service Delivery

- Continue the implementation of City's Transportation Safety Plan and Vision Zero San José, with targeted efforts related to traffic safety evaluation, engineering, education, and enforcement and with increasing emphasis placed on technology, policy alignment, and partnerships.
- Continue work on implementing balanced, multimodal goals of the Envision San José 2040 General Plan to provide a transportation network for all users that is safe, efficient, and sustainable.
- Facilitate a variety of regional transportation projects including BART Silicon Valley Phase II, Bus Rapid Transit (BRT), High Speed Rail, Caltrain Modernization, Diridon Transportation Center, and numerous highway interchange and overcrossing improvements.
- Effectively program and use available funding for the 2016 pavement maintenance season to provide preventative maintenance and rehabilitation treatments on major streets.
- Continue the efficient and effective repair and maintenance of the City's 2,400 miles of transportation infrastructure including streetlights, traffic signals, traffic and street signs, pavement, roadway markings, trees, landscaping, street sweeping, sidewalks, curb ramps, sewers, and storm drains.
- Provide parking for business, retail, and event customers and employees in Downtown parking facilities, as well as parking compliance services in support of businesses and programs.
- Support the development, demonstration, and implementation of new technologies and innovations that help advance critical transportation goals.
- Continue to effectively manage the Department's budget; hire and effectively train employees; manage Information Technology resources to maximize productivity; and improve employee safety.

2016-2017 Key Budget Actions

- Positions are added to effectively deliver a balanced and innovative transportation program, including coordinating the City's involvement in regional rail projects, managing the transportation innovation program, and addressing administrative workload demands in the Traffic Capital Program.
- The investment of one-time funds will support the completion of pedestrian safety and traffic calming projects, as well as better align Walk n' Roll staffing with program needs.
- A Parking Program funded Maintenance Worker I will address increased diagnostic, maintenance, and programming demands associated with the new Smart Meter technology and pavement embedded parking sensors.
- A staffing reallocation in the Pavement Maintenance Program will enable more effective planning and delivery of pavement projects, and improve coordination with other programs.
- A Storm and Sanitary Sewer Program funded crew of four maintenance staff and associated vehicles will address an increased level of sewer repair needs that have resulted in a growing backlog, additional overtime, and declining response times.
- An Arborist Technician will support the effective coordination of landscape special assessment district projects. A one-time Storm Sewer Program funded position will develop the monitoring and maintenance protocols associated with new stormwater facilities in the public right-of-way.

Operating Funds Managed

- Community Facilities District/Maintenance District Funds
- Downtown Property Business and Improvement District Fund
- General Purpose Parking Fund

Transportation Department

Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Parking Services	\$ 11,862,122	\$ 13,640,959	\$ 14,079,178	\$ 14,178,003	3.9%
Pavement Maintenance	6,053,749	5,918,167	6,000,757	5,995,186	1.3%
Sanitary Sewer Maintenance	15,875,399	15,726,667	16,178,052	16,479,766	4.8%
Storm Sewer Management	7,957,852	7,971,265	8,268,550	8,224,548	3.2%
Street Landscape Maint	9,217,046	11,784,621	10,015,551	11,197,335	(5.0%)
Traffic Maintenance	13,115,009	12,781,775	13,133,630	13,347,630	4.4%
Transportation Operations	7,111,033	9,086,587	9,273,704	9,495,501	4.5%
Transportation Planning and Project Delivery	5,399,640	5,531,293	5,597,473	5,738,604	3.7%
Strategic Support	2,773,701	3,050,136	3,278,747	3,387,637	11.1%
Total	\$ 79,365,551	\$ 85,491,470	\$ 85,825,642	\$ 88,044,210	3.0%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 48,727,628	\$ 54,670,521	\$ 56,196,564	\$ 56,929,907	4.1%
Overtime	1,709,400	742,771	742,771	742,771	0.0%
Subtotal	\$ 50,437,028	\$ 55,413,292	\$ 56,939,335	\$ 57,672,678	4.1%
Non-Personal/Equipment					
Subtotal	28,928,523	30,078,178	28,886,307	30,371,532	1.0%
Total	\$ 79,365,551	\$ 85,491,470	\$ 85,825,642	\$ 88,044,210	3.0%
Dollars by Fund					
General Fund	\$ 27,395,049	\$ 29,521,913	\$ 29,206,967	\$ 29,288,980	(0.8%)
General Purpose Parking	6,793,886	7,955,525	8,599,293	8,698,118	9.3%
Integrated Waste Mgmt	182,516	0	0	0	0.0%
Comm/Maint Districts	5,039,493	7,016,557	5,411,006	6,724,777	(4.2%)
Sewer Svc & Use Charge	16,646,648	16,517,332	17,019,512	17,321,226	4.9%
Storm Sewer Operating	8,277,715	8,234,777	8,595,878	8,551,876	3.9%
Capital Funds	15,030,244	16,245,366	16,992,986	17,459,233	7.5%
Total	\$ 79,365,551	\$ 85,491,470	\$ 85,825,642	\$ 88,044,210	3.0%
Authorized Positions by Core Service					
Parking Services	63.74	63.74	63.74	64.74	1.6%
Pavement Maintenance	46.67	45.97	45.47	45.47	(1.1%)
Sanitary Sewer Maintenance	98.30	99.80	100.85	104.65	4.9%
Storm Sewer Management	47.89	48.24	48.24	48.19	(0.1%)
Street Landscape Maint	23.90	28.65	28.55	28.80	0.5%
Traffic Maintenance	40.60	40.60	40.25	40.25	(0.9%)
Transportation Operations	55.45	59.90	59.90	60.90	1.7%
Transportation Planning and Project Delivery	34.45	36.00	35.00	37.00	2.8%
Strategic Support	15.00	16.10	16.00	17.00	5.6%
Total	426.00	439.00	438.00	447.00	1.8%

Transportation Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2015-2016):	439.00	85,491,470	29,521,913
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Computerized Maintenance Management System		(250,000)	0
• Rebudget: Capitol Expressway Plant Establishment		(80,000)	(80,000)
• Maintenance Assessment Districts and Community Facilities Districts Renovation Projects		(1,809,667)	0
• Neighborhood Traffic Calming Staffing (1.0 Senior Engineer)	(1.00)	(183,755)	0
• Sidewalk Inspection Program		(70,000)	(70,000)
• Our City Forest Volunteer Program Manager		(50,000)	(50,000)
• Bioretention Facility Maintenance		(85,000)	0
One-time Prior Year Expenditures Subtotal:	(1.00)	(2,528,422)	(200,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		1,934,805	(151,939)
- 1.0 Associate Transportation Specialist to 1.0 Associate Engineer			
- 1.0 Associate Transportation Specialist to 1.0 Senior Engineer			
- 1.0 Parking/Ground Transportation Administrator to 1.0 Senior Analyst			
- 1.0 Senior Engineering Technician to 1.0 Engineer II			
- 1.0 Senior Transportation Specialist to 1.0 Principal Engineer/Architect			
- 1.0 Transportation Specialist to 1.0 Associate Transportation Specialist			
• Vacancy Factor		(179,007)	(179,007)
• Parking Garage/Lot Operator Contract		531,677	0
• Sanitary Sewer Equipment Replacement		174,000	0
• Maintenance District Landscape Services		59,996	0
• New Transportation Infrastructure Maintenance and Operations		55,000	55,000
• Parking Garage/Lot Security Contract		35,661	15,000
• Mobile tablets/smart phone wireless billing		15,000	0
• Parking Guidance System Maintenance		14,629	0
• Team San Jose Convention Center Contract		14,000	0
• Parking Program Credit Card Processing Service		10,540	0
• Our City Forest (Community-Based Organization)		8,300	0
• 4th Street Garage HVAC System		3,000	0
• Parking Garage/Lot Maintenance Contract		(41,000)	0
• Maintenance Contract for SAP Center		(15,000)	(15,000)
• Electricity		287,000	287,000
• Vehicle Maintenance and Operations		(45,007)	(125,000)
• Professional development program		(1,000)	(1,000)
Technical Adjustments Subtotal:	0.00	2,862,594	(114,946)
2016-2017 Forecast Base Budget:	438.00	85,825,642	29,206,967

Transportation Department

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Special Assessment District Landscape Projects		1,215,000	0
2. Sanitary Sewer Repair Program	4.00	294,437	0
3. Neighborhood Traffic Calming	1.00	221,797	0
4. New Transportation Infrastructure Maintenance and Operations		199,000	199,000
5. Regional Rail Planning	1.00	114,431	0
6. Transportation Innovation Program Manager	1.00	112,318	0
7. Enhanced Parking Meter Maintenance	1.00	98,825	0
8. Stormwater Bioretention Monitoring and Maintenance	1.00	87,765	0
9. Special Districts Coordination Staffing	1.00	76,826	0
10. Walk n' Roll Staffing Alignment	1.00	54,147	0
11. Enterprise Asset Management Team Support and Portable Generators Replacement		47,000	16,000
12. Illegal Dumping Rapid Response Program	(2.00)	(266,532)	(132,987)
13. Traffic Capital Program Staffing	0.00	(30,875)	0
14. Pavement Engineering Staffing	0.00	(5,571)	0
Total Budget Proposals Recommended	9.00	2,218,568	82,013
2016-2017 Proposed Budget Total	447.00	88,044,210	29,288,980

Transportation Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Special Assessment District Landscape Projects		1,215,000	0

Transportation and Aviation Services CSA
Street Landscape Maintenance

This action adds one-time funding for the design and renovation of aging landscape in a number of the Special Assessment Districts. Presently, a number of districts have excess fund balance that can be invested in the applicable districts over the next several years to address renovation needs. The following projects are proposed for 2016-2017:

- MAD 1 *Los Paseos*: Renovation of the landscaped walkway. Convert spray irrigation to in-line drip irrigation and drought resistant plants (\$315,000)
- MAD 11 *Brokaw Road - Old Oakland Road*: Cover bare soil with a layer of wood mulch on median islands on Brokaw Road/Murphy Avenue from Ridder Park Drive to east of Oyama Drive (\$30,000)
- MAD 15 *Silver Creek Valley*: Planned Silver Creek Valley Road median island renovation to convert spray irrigation to in-line drip irrigation and install drought resistant plants. (\$550,000)
- MAD 20 *Renaissance - N. First Landscaping*: Reconnect water source to median islands between Vista Montana and Holger Way (\$20,000)
- MAD 21 *Gateway Place - Airport Parkway*: Renovation of four median islands on Gateway Avenue to remove approximately 8,712 square feet of turf, install drought resistant plants, and convert spray irrigation to in-line drip irrigation (\$100,000)
- CFD 1 *Capitol Automall*: Renovation of five median islands on Capitol Expressway to remove approximately 25,125 square feet of turf, install drought resistant plants, and convert spray irrigation to in-line drip irrigation (\$200,000)
- (Ongoing costs: \$0)

2. Sanitary Sewer Repair Program	4.00	294,437	0
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Environmental and Utility Services CSA
Sanitary Sewer Maintenance
Storm Sewer Management

This action adds 1.0 Senior Maintenance Worker position (\$81,625), 1.0 Heavy Equipment Operator position (\$81,673), 1.0 Maintenance Worker I position (\$62,725), and 1.0 Maintenance Worker II position (\$68,414) to increase the Sewer Repair Crew by one full crew to continue to address urgent sewer repair requests and hasten the elimination of a backlog of less urgent repairs requests. Due to increased demand, there has been a gradual decline in the Department's ability to restore service within 24 hours to all sanitary sewer calls where service has been completely severed. Moreover, as the Department's preventative maintenance program spreads to more remote areas of the City, repair jobs increase and the time and cost required to complete the jobs increase due to the large degree of required manual excavation and hauling activities. The current staffing resources have been inadequate to address the increased level of repair needs. (Ongoing costs: \$338,061)

Transportation Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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3. Neighborhood Traffic Calming	1.00	221,797	0
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Transportation and Aviation Services CSA
Transportation Operations

This action continues 1.0 Senior Engineer position through June 30, 2017 to continue managing the Pedestrian Safety and Traffic Calming projects. This position will be funded by the remaining balance in one-time Neighborhood Traffic Calming funding in the Construction Excise Tax Fund and from ongoing Safety-Pedestrian Improvements funding in the Building and Structure Construction Tax Fund. The Senior Engineer position will continue to manage the Neighborhood Traffic Calming programs with a focus on streamlining the administrative process for selecting and delivering the highest priority projects for public funding. The position will continue to help implement projects to address adverse neighborhood speeding conditions using physical devices, such as road humps and choker islands at warranted locations consistent with City Council's Traffic Calming Policy for Residential Neighborhoods. In addition, the Senior Engineer will continue to help manage the Pedestrian Safety Improvement Program, which focuses on improving pedestrian crossings on major roads. (Ongoing costs: \$221,782)

4. New Transportation Infrastructure Maintenance and Operations		199,000	199,000
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Transportation and Aviation Services CSA
Street Landscape Maintenance
Traffic Maintenance

This action provides funding for the maintenance and operations impacts associated with the following projects in the five-year Traffic Capital Improvement Program (CIP) that are scheduled to come on-line in 2016-2017: Bicycle and Pedestrian Facilities (\$98,000), Developer Traffic Signals (\$53,000), Capitol Expressway Light Rail Pedestrian Improvements (\$27,000), Pedestrian Oriented Traffic Signals (OBAG) (\$14,000), Ocala Avenue Pedestrian Improvements (\$2,000), Traffic Signal Improvement Program (\$2,000), Neighborhood Traffic Calming (\$1,000), Park Avenue Multimodal Improvements (\$1,000), and The Alameda "Beautiful Way" Phase 2 (OBAG) (\$1,000). This additional funding was assumed in the development of the 2017-2021 Five-Year Forecast and the liquidation of an Earmarked Reserve set aside in the forecast for this purpose is recommended in the General Fund Capital, Transfers, Reserves section of this document. (Ongoing costs: \$228,000)

Transportation Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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5. Regional Rail Planning	1.00	114,431	0
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Transportation and Aviation Services CSA
Transportation Planning and Project Delivery

This action adds 1.0 Associate Engineer position to provide transportation and environmental planning, and design coordination related to the increased regional rail projects. The position will coordinate the City's involvement in the planning and construction of the Bay Area Rapid Transit (BART) rail from Berryessa Station through downtown San José, California High Speed Rail from the Central Valley to Diridon Station, the electrification of Caltrain (2020), Caltrain Modification Phase 2 (2024), and the Blended System of Caltrain and High Speed Rail (2025). These regional rail projects involve a large degree of coordination with the other agencies and engineering expertise. The addition of an Associate Engineer will provide the necessary administrative support for the successful and timely implementation of these projects. (Ongoing costs: \$124,988)

6. Transportation Innovation Program Manager	1.00	112,318	0
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Transportation and Aviation Services CSA
Transportation Planning and Project Delivery

This action adds 1.0 Program Manager I to support the implementation of the civic innovation programs requiring transportation resources. This position will oversee the large demands flowing into the Department as a result of technical innovation growth within the transportation industry. During 2015-2016, the Department began evaluating, implementing, and managing multiple innovation programs, but current staffing levels are insufficient to focus adequately on these programs. This position will be responsible for managing, planning, coordinating, and executing all Technology Innovation programs within the framework of city-wide Information Technology protocols and standards. The Program Manager will also serve as a key strategic partner with other departments as well as the point person for the Transportation Innovation Zone (TIZ). Funding for this position would come from the Transportation System Technology allocation in the Traffic CIP. (Ongoing costs: \$122,677)

7. Enhanced Parking Meter Maintenance	1.00	98,825	0
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Transportation and Aviation Services CSA
Parking Services

This action adds 1.0 Maintenance Worker I (\$62,725) position and provides for the purchase of a vehicle (\$35,000) and other job specific equipment (\$1,100) to add capacity to the Parking Meter Maintenance Unit. This position will provide additional support to address increased diagnostic, maintenance, programming, and revenue collection workload resulting from the 2014 parking meter upgrade to Smart Meter technology and pavement embedded parking sensors. Increased maintenance activity resulting from the installation of the Smart Meters includes data downloads, revenue memory resets, and more regular battery replacement. Additionally, as a result of the rate increase and slower than anticipated transition to credit cards, the volume of coin collection activity is currently 60% higher than before the meter upgrade. The addition of the Maintenance Worker I will allow the Parking Meter Maintenance Unit to better maintain the parking meter operability, ensuring more well-maintained and well-operated public on-street parking facilities. (Ongoing cost: \$73,461)

Transportation Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Stormwater Bioretention Monitoring and Maintenance	1.00	87,765	0

Environmental and Utility Services CSA
Storm Sewer Management

Transportation and Aviation Services CSA
Street Landscape Maintenance

This action adds 1.0 Senior Engineering Technician position through June 30, 2017 to manage the design, construction, and acceptance by the City of stormwater bioretention facilities. As a result of heightened development activity and more stringent requirements prescribed by the updated Municipal Regional Stormwater Permit (MRP), the inventory of stormwater bioretention facilities is growing. These facilities enhance the removal of sediments, pollutants, and heavy metals running off the public streets. Currently, there are 80,684 square feet of treatment facilities in the Department's inventory, most of which will have been accepted by the end of 2015-2016. Once the projects that are currently in development are completed, the inventory will encompass approximately 240,000 square feet. The Department requires a full-time staff member to attend planning meetings, provide landscape and irrigation input, and develop the cost/benefit analyses of maintenance design choices. During 2015-2016, the administration of bioretention facilities was filled by a City Arborist on a part-time basis. However, the growth of the current and pending Bioretention Facilities, in addition to the increasing sophistication of the facility designs, requires a Senior Engineering Technician on a full-time basis. (Ongoing costs: \$0)

9. Special Districts Coordination Staffing	1.00	76,826	0
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Transportation and Aviation Services CSA
Street Landscape Maintenance

This action adds 1.0 Arborist Technician position in the Special Assessment Districts Landscape Management program to address the need for increased external stakeholder coordination for renovation projects taking place in special districts. This position will work closely with City staff and special district residents to coordinate district work plans, including project planning, budgetary review, identification of grant opportunities, and management of the tree stewardship program. The Arborist Technician will be funded by special assessment districts with high resident participation levels and particularly large renovation projects that require enhanced outreach. (Ongoing costs: \$84,839)

10. Walk n' Roll Staffing Alignment	1.00	54,147	0
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Transportation and Aviation Services CSA
Transportation Planning and Project Delivery

This action adds 2.0 Recreation Specialist positions through June 30, 2017 and deletes 1.0 vacant limit-dated Transportation Specialist position in the Planning and Project Delivery Division's Walk n' Roll program. The additional Walk n' Roll grant-funded Recreation Specialists will better align staffing resources and support the implementation of the Walk n' Roll project by coordinating classes, planning and running events, and providing education and outreach to community groups and agencies. The Recreation Specialist classification provides a better and more cost-efficient match than the Transportation Specialist classification for the required skills in community outreach and special event coordination. (Ongoing costs: \$0)

Transportation Department

Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
11. Enterprise Asset Management Team Support and Portable Generators Replacement		47,000	16,000

Environmental and Utility Services CSA

Sanitary Sewer Maintenance

Storm Sewer Management

Transportation and Aviation Services CSA

Traffic Maintenance

This action increases the Transportation Department’s non-personal/equipment funding for vehicle maintenance and operations related to the Enterprise Asset Management (EAM) Team Support and Portable Generators Replacement proposals, as described in the Public Works Department section of this document. The EAM Team Support proposal reallocates funding for 1.0 Network Engineer position and 2.0 Information Systems Analyst positions between the Vehicle Maintenance and Operations Fund and various capital funds and adds 1.0 Senior Systems Applications Programmer in the Vehicle Maintenance and Operations Fund to better align and augment the Department’s Technology Services Section EAM team. The added position will provide crucial support and ensure continuity of service from the EAM team to the Fleet and Facilities Maintenance Divisions of the Public Works Department. In addition, one-time funding is included for the replacement of four portable generators that are non-compliant with emission standards and are more than fifteen years old. (Ongoing savings: \$14,600)

12. Illegal Dumping Rapid Response Program	(2.00)	(266,532)	(132,987)
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Environmental and Utility Services CSA

Storm Sewer Management

Transportation and Aviation Services CSA

Street Landscape Maintenance

This action shifts 2.0 Maintenance Worker II (MW II) positions (\$250,639) and associated vehicle maintenance and operations costs (\$15,893) from the Transportation Department to the Environmental Service Department (ESD) (one MW II remains in the General Fund and the other MW II shifts from the Storm Sewer Operating Fund to the Integrated Waste Management Fund) to consolidate support for the Illegal Dumping Rapid Response Program. A corresponding ESD proposal is included elsewhere in this document. (Ongoing savings: \$266,532)

Transportation Department

Budget Changes By Department







Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Traffic Capital Program Staffing	0.00	(30,875)	0
<p><i>Transportation and Aviation Services CSA</i> <i>Transportation Planning and Project Delivery Strategic Support</i></p> <p>This action adds 1.0 Senior Analyst (\$104,094) position and deletes 1.0 Staff Specialist (\$139,765) position in the Project Planning and Delivery Division to better align staffing resources for the management of the Traffic Capital Program. The current group administering the Traffic Capital Program consists of a Division Manager, Analyst I/II, and a Staff Specialist. With the increasing magnitude and complexity of the \$354 million Traffic Capital Program and competing priorities for the Division Manager's time, the addition of a Senior Analyst adds necessary staffing capacity for the overall management of the budget and fiscal needs of the program. The Senior Analyst will be responsible for grant management, revenue tracking, and preparing the Annual Street Report. This position will also oversee the grant audit process, supervise an Analyst I/II, and manage the Project and Planning Delivery Division's (PPD) staffing plan and Operating Budget. (Ongoing savings: \$21,273)</p>			
14. Pavement Engineering Staffing	0.00	(5,571)	0
<p><i>Transportation and Aviation Services CSA</i> <i>Pavement Maintenance</i></p> <p>This action adds 1.0 Senior Engineer (\$133,522) position and deletes 1.0 Associate Engineer (\$137,123) position to provide appropriate staff support for project workload in the planning, design, and delivery of various Capital-funded pavement projects. The program currently has two vacant positions (a Pavement Maintenance Division Manager and an Associate Engineer) whose duties are currently being performed by the Deputy Director and remaining Associate Engineers. The Senior Engineer will better align with the program's operation needs, providing the necessary technical expertise to sign off on plans and specifications while performing research on optimal pavement treatments. Moreover, the Pavement Maintenance section is developing a Request for Proposals for a consultant to assess the American with Disabilities Act (ADA) compliance of 26,000 curb ramps throughout the City, and this position will lead the assessment. (Ongoing costs: \$6,763)</p>			
2016-2017 Proposed Budget Changes Total	9.00	2,218,568	82,013

Transportation Department

Performance Summary

Parking Services

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of on-street parkers in compliance with all regulations	97%	97%	96%	97%
 Parking System revenue to operating cost ratio	1.96	1.67	1.66	1.61
 % of meter repair service requests completed in 1 day	100%	95%	100%	100%
 % of citation appeal requests completed in 14 days	99%	97%	98%	97%
 % of reported abandoned or stored vehicles in voluntary compliance by staff's second visit	90%	90%	90%	90%
 % of customers rating services good or better based upon satisfaction, appearance, comfort (4 or better on a 1-5 scale)	87%	85%	85%	85%

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of monthly parking customers served	94,738	93,500	103,600	105,000
# of parking visitors served	1,695,862	1,700,000	1,700,000	1,700,000
# of parking meter service activities completed	6,391	5,000	7,000	6,500
# of parking citations issued	203,961	215,000	210,000	218,000
# of parking citations appealed/ adjudicated	7,737	9,000	9,500	9,500

Transportation Department

Performance Summary

Pavement Maintenance

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 75)	63	62	64	63
 % of corrective pavement repairs completed within two days (potholes) and 30 days (large pavement repairs)	87%	85%	80%	85%

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Miles of paved roadway to maintain	2,410	2,410	2,432	2,432
Miles of streets receiving surface seal application*	44	70	59	51
Miles of street resurfacing completed	23	24	27	49
# of pothole repairs completed	9,881	10,000	11,000	10,000
Square yards of large pavement repairs completed	772	25,000	13,000	15,000
Average sealing maintenance cost per mile of street (includes preparation work)	\$175,000	\$175,000	\$125,000	\$150,000





* The number increased from 2014-2015 due to additional one-time funding and an ongoing federal project (OBAG).

Transportation Department

Performance Summary

Sanitary Sewer Maintenance

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 # of sanitary sewer overflows per 100 miles of sewer mains (annualized)	4.2	4.0	3.0	3.5
 % of reported sanitary sewer problems responded to within 30 minutes	71%	80%	75%	80%
 % of in-house repairs completed within established time guidelines:				
- Priority A: Service completely severed Full service restored – 24 hours; final repairs – 5 days	45%	90%	81%	90%
- Priority B: Service exists at a limited capacity Final repair – 20 days	94%	90%	95%	90%
- Priority C: Future service impact identified Corrective actions – 90 days	86%	90%	87%	90%
 % of customers rating services good or better based upon timeliness and effectiveness (rating of 4 or greater on a 1 – 5 scale)	97%	97%	98%	97%

Activity and Workload Highlights





	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Miles/number of sewer line segments	2,294/51,900	2,294/51,900	2,294/51,900	2,294/51,900
Miles of sanitary sewer lines cleaned	1,035	950	1,051	950
# of sanitary sewer main line stoppages cleared	287	350	245	260
Miles of sanitary sewer lines inspected by video to support maintenance and repair	75.8	55	63	55
# of reported sanitary sewer problems	5,433	6,000	5,436	6,000
# of sewer repairs completed	NEW	515	516	450
# of sanitary sewer overflows	96	92	68	80

Transportation Department

Performance Summary

Storm Sewer Management

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of storm sewer inlets without obstruction	95%	95%	96%	95%
 % of swept curb miles rated by City as good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale)	81%	85%	80%	85%
 % of high priority storm sewer service requests/repairs addressed within 4 hours	55%	85%	100%	85%
 % of customers rating street sweeping services good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale)*	N/A	59%	41%	59%

* Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2015-2016 and 2017-2018. No survey was conducted in 2014-2015.

Activity and Workload Highlights






	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Miles/number of storm sewer segments	1,250/25,500	1,250/25,500	1,250/25,500	1,250/25,500
# of storm sewer inlets	32,200	34,700	32,200	32,200
# of storm sewer inlet stoppages identified and cleared	1,498	1,500	1,439	1,500
# of curb miles swept	57,547	63,000	63,000	63,000
# of debris (illegal dumping) removals from the public right of way	8,041	7,300	7,190	7,500
Cubic yards of debris (illegal dumping) removed from the right of way	18,724	20,700	14,004	17,500
Thousands of tons of sweeping debris collected	7.8	8.0	9.3	9.0

Transportation Department

Performance Summary

Street Landscape Maintenance

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of general benefit street landscapes in good condition	52%	55%	53%	55%
 % of community forest in the public right-of-way that is in optimal condition	39%	36%	38%	36%
 % of sidewalks, curbs, gutters, and parkstrips repaired within 90 days of the notification of damage	39%	35%	38%	36%
 % of unimproved rights-of-way that are rated as fire safe by June 30th	100%	100%	100%	100%
 % of customers rating tree and sidewalk services good or better (4 or better on a 1-5 scale)	74%	75%	70%	75%

Activity and Workload Highlights









	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
Acres of general benefit-maintained street landscapes	240	240	241	242
# of street tree emergency responses	553	800	855	800
# of sidewalk repairs completed	7,256	7,500	7,000	7,500
Acres/districts of Special District street landscapes	329/21	329/21	329/21	329/21
# of street tree pruning permits issued / # of trees pruned	1,059/5,189	1,000/3,000	771/2,158	1,000/3,000
# of street tree removal permits issued / # of trees removed	1,046/1,139	900/1,000	695/1,372	900/1,000

Transportation Department

Performance Summary

Traffic Maintenance

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of traffic signal preventative maintenance activities completed within established guidelines	18%	33%	9%	33%
 % of traffic and street name signs meeting visibility and operational guidelines	79%	84%	82%	85%
 % of traffic roadway markings meeting visibility and operational guidelines	65%	65%	62%	70%
 % of time streetlights are operational	97%	97%	98%	97%
 % of traffic signal malfunctions responded to within 30 minutes	55%	60%	40%	60%
 % of traffic signs and street name signs service requests completed within prioritized operational guidelines	97%	90%	94%	90%
 % of all roadway marking service requests completed within prioritized operational guidelines	99%	90%	98%	90%
 % of reported streetlight malfunctions repaired within 7 days	44%	65%	39%	65%

Transportation Department

Performance Summary

Traffic Maintenance

Activity and Workload Highlights




	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of traffic signals	923	941	932	959
# of streetlights	64,105	64,300	64,280	64,300
# of traffic and street name signs	114,291	117,750	118,500	121,000
# of square feet of markings (in millions)	5.53	5.53	5.50	5.76
# of traffic signal repair requests completed	2,173	2,000	2,191	2,000
# of traffic signal preventive maintenance activities completed	509	923	319	932
# of traffic and street name signs repair/replacement requests completed	1,174	1,500	1,200	1,200
# of traffic and street name signs preventively maintained	2,737	5,600	3,000	4,500
# of roadway markings maintenance requests completed	495	400	414	400
# of roadway markings preventively maintained (sq. ft)	1,238,592	1,350,000	1,150,000	1,350,000
# of streetlight repair requests completed	17,495	17,000	11,463	12,000

Transportation Department

Performance Summary

Transportation Operations

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of traffic signals proactively re-timed along commute corridors to minimize wait times*	9%	20%	5%	25%
 % of signs and markings installed within 35 days from initial study request	44%	45%	45%	45%
 % of customers rating services good or better based upon timeliness, added safety, and satisfaction with solution	94%	80%	80%	80%

* This measure is based on the 600 signals located along commute corridors, not the 933 total signals city-wide.

Activity and Workload Highlights



	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of pedestrian and bike injury crashes (reported on a calendar year basis)	569	600	591	580
# of pedestrian and bike injury crashes for children ages 5 to 14 (reported on a calendar year basis)	56	55	57	55
# of traffic congestion projects completed	561	400	400	400
# of traffic studies completed and implemented	827	800	600	600
# of children receiving traffic safety education	24,646	25,000	25,000	25,000
# of special events managed	325	380	440	400

Transportation Department

Performance Summary

Transportation Planning and Project Delivery

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of Transportation CSA projects delivered within two months of approved baseline schedule	69%	80%	80%	80%
 % of customers rating services as good or better on Transportation Capital projects	N/A*	80%	80%	80%

* Data for this measure is not available because the survey was not conducted in 2014-2015.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of local Transportation projects in CIP Database	68	70	79	82
Dollar amount of transportation grant funds awarded* (in millions)	\$21.2	\$35.9	\$35.56	\$31.53
# of regional projects in the City	25	23	24	24
Dollar amount of regional projects in the City (in billions)	\$2.24	\$2.39	\$2.40	\$2.40



* The dollar amount of regional projects reflects only projects under construction.

Transportation Department

Performance Summary

Strategic Support

Performance Measures

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of invoices paid within 30 days*	76%	55%	74.5%	75%
 % of customers whose service quality expectations are met or exceeded (4 or better on a 1-5 scale)	79%	75%	79%	80%

* The 2015-2016 Target did not account for revised data entry process for P-cards. This has been corrected in the 2015-2016 Estimate and 2016-2017 Forecast.

Activity and Workload Highlights

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of financial/budget transactions	18,544	17,000	19,447	20,000
# of employees hired	171	120	150	150
# of responses to information technology issues	1,171	850*	1,620	1,500

* The 2015-2016 Target does not reflect updated data collection methodology. This has been corrected in the 2015-2016 Estimate and 2016-2017 Forecast.

Transportation Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	5.00	5.00	-
Arborist	1.00	1.00	-
Arborist Technician	2.00	3.00	1.00
Assistant Arborist	2.00	2.00	-
Assistant Director	1.00	1.00	-
Associate Construction Inspector	14.00	14.00	-
Associate Engineer	22.00	23.00	1.00
Associate Engineering Technician	7.00	7.00	-
Associate Transportation Specialist	8.00	7.00	(1.00)
Concrete Finisher	2.00	2.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	3.00	3.00	-
Director of Transportation	1.00	1.00	-
Division Manager	8.00	8.00	-
Electrical Maintenance Superintendent	1.00	1.00	-
Electrician	15.00	15.00	-
Electrician Supervisor	3.00	3.00	-
Engineer I/II	22.00	23.00	1.00
Engineering Technician II	6.00	6.00	-
Engineering Trainee PT	0.50	0.50	-
Geographic Systems Specialist I	1.00	1.00	-
Geographic Systems Specialist II	1.00	1.00	-
Heavy Equipment Operator	10.00	11.00	1.00
Information Systems Analyst	3.00	3.00	-
Maintenance Assistant PT	1.50	1.50	-
Maintenance Superintendent	3.00	3.00	-
Maintenance Supervisor	11.00	11.00	-
Maintenance Worker I	56.00	58.00	2.00
Maintenance Worker II	76.00	75.00	(1.00)
Network Engineer	2.00	2.00	-
Network Technician I/II	1.00	0.00	(1.00)
Network Technician I/II/III	0.00	1.00	1.00
Office Specialist I/II	2.00	2.00	-
Operations Manager	1.00	1.00	-
Parking and Traffic Control Officer	39.00	39.00	-
Parking and Traffic Control Officer PT	4.00	4.00	-
Parking and Traffic Control Supervisor	2.00	2.00	-
Parking/Ground Transportation Administrator	3.00	2.00	(1.00)
Parking Manager	2.00	2.00	-
Principal Construction Inspector	2.00	2.00	-
Principal Engineering Tech	1.00	1.00	-
Principal Engineer/Architect	0.00	1.00	1.00
Program Manager I	2.00	3.00	1.00
Recreation Specialist	0.00	2.00	2.00
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	3.00	3.00	-

Transportation Department

Departmental Position Detail

Position	2015-2016 Adopted	2016-2017 Proposed	Change
Senior Analyst	4.00	6.00	2.00
Senior Construction Inspector	4.00	4.00	-
Senior Electrician	3.00	3.00	-
Senior Engineer	8.00	10.00	2.00
Senior Engineering Technician	1.00	1.00	-
Senior Geographic Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	2.00	2.00	-
Senior Maintenance Worker	24.00	25.00	1.00
Senior Office Specialist	7.00	7.00	-
Senior Parking and Traffic Control Officer	5.00	5.00	-
Senior Transportation Specialist	4.00	3.00	(1.00)
Senior Tree Maintenance Lead Worker	1.00	1.00	-
Staff Specialist	5.00	4.00	(1.00)
Street Sweeper Operator	5.00	5.00	-
Systems Application Programmer II	1.00	1.00	-
Transportation Specialist	8.00	6.00	(2.00)
Total Positions	439.00	447.00	8.00

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City-Wide Expenses

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To provide for City-Wide expenses that relate to more than one department or are not directly associated with ongoing departmental operations

City Service Areas

Community and Economic Development
Environmental and Utility Services
Neighborhood Services
Public Safety
Transportation and Aviation Services
Strategic Support

Programs

Community and Economic Development	Environmental and Utility Services
Neighborhood Services	Public Safety
Transportation and Aviation Services	Strategic Support

City-Wide Expenses

Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Community and Economic Development	\$ 26,693,991	\$ 31,286,089	\$ 25,637,217	\$ 28,802,117	(7.9%)
Environmental and Utility Services	1,234,028	2,202,761	1,779,527	2,279,527	3.5%
Neighborhood Services	7,313,697	10,526,645	7,440,570	7,690,570	(26.9%)
Public Safety	17,985,771	19,640,789	17,530,500	17,530,500	(10.7%)
Transportation and Aviation Services	6,091,032	5,763,175	6,204,000	6,204,000	7.6%
Strategic Support	181,756,411	53,383,459	28,844,040	34,489,040	(35.4%)
Total	\$ 241,074,930	\$ 122,802,918	\$ 87,435,854	\$ 96,995,754	(21.0%)
Dollars by Category					
City-Wide Expenses	\$ 241,074,930	\$ 122,802,918	\$ 87,435,854	\$ 96,995,754	(21.0%)
Total	\$ 241,074,930	\$ 122,802,918	\$ 87,435,854	\$ 96,995,754	(21.0%)
Dollars by Fund					
General Fund	\$ 241,074,930	\$ 122,802,918	\$ 87,435,854	\$ 96,995,754	(21.0%)
Total	\$ 241,074,930	\$ 122,802,918	\$ 87,435,854	\$ 96,995,754	(21.0%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

City-Wide Expenses

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2015-2016):	0.00	122,802,918
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Community and Economic Development CSA		
• Rebudget: 4th Street Garage Banquet Facility Maintenance and Operations		(300,000)
• Rebudget: BART Public Art Design		(179,245)
• Rebudget: Cultural Affairs Special Project		(547,132)
• Rebudget: Downtown Streets Monterey Road Pilot Program		(68,300)
• Rebudget: Economic Development/Incentive Fund		(500,000)
• Rebudget: Economic Development Pre-Development Activities		(117,000)
• Rebudget: Historic Preservation		(597,500)
• Rebudget: Homeless Rapid Rehousing		(1,500,000)
• Rebudget: Homeless Response Team		(80,000)
• Rebudget: Move Your Jobs to San José Communications		(70,000)
• Rebudget: Property Leases		(70,000)
• Rebudget: Valley Transit Authority Bus Rapid Transit Enhancement Project		(94,450)
• Arena Authority		(48,000)
• BART Public Art Design		(108,000)
• Cultural Affairs Special Project		(20,000)
• East San José Business Improvement District		(36,000)
• Homeless Response Team		(175,000)
• Manufacturing Jobs Initiative		(200,000)
• San José Downtown Association		(100,000)
• San José Jobs Communications Campaign		(125,000)
• San José Works		(1,020,000)
• Small Business Activation and Assistance		(220,000)
• Sports Authority		(100,000)
• Valley Transit Authority Bus Rapid Transit Enhancement Project		(250,000)
Subtotal:	0.00	(6,525,627)
Environmental and Utility Services CSA		
• Rebudget: Burrowing Owl Habitat Management		(190,000)
• Rebudget: City-Building Energy Projects Program		(590,480)
• Rebudget: Clean Creeks/Healthy Communities		(142,000)
• Rebudget: Property Assessed Clean Energy (PACE) Program		(175,000)
• Rebudget: Silicon Valley Energy Watch (SVEW) 2015		(282,806)
• Silicon Valley Energy Watch (SVEW) 2015		(464,475)
Subtotal:	0.00	(1,844,761)
Neighborhood Services CSA		
• Rebudget: California Gang Reduction, Intervention, and Prevention (CalGRIP) Grant 2015		(278,000)
• Rebudget: Maddie Lifesaving Grant		(150,000)
• Rebudget: National Forum Capacity-Building Grant OJJDP 2012-2016		(10,842)
• Rebudget: OJJDP Community-Based Violence Prevention Demonstration Program Grant		(43,636)
• Rebudget: PG&E Summer Cooling Shelter Program Grant		(24,977)
• Rebudget: San José BEST and Safe Summer Initiative Programs		(1,000,000)
• Rebudget: Senior Education and Outreach Grant		(30,000)

City-Wide Expenses

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Neighborhood Services CSA		
• Children's Health Initiative		(275,000)
• National Forum Capacity-Building Grant OJJDP 2012-2016		(65,540)
• San José Learns		(2,000,000)
• Summer Youth Nutrition Program		(44,990)
Subtotal:	<u>0.00</u>	<u>(3,922,985)</u>
Public Safety CSA		
• Rebudget: 2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant		(266,754)
• Rebudget: CrimeStoppers		(44,750)
• Rebudget: Domestic Violence Prevention Program		(30,000)
• Rebudget: Emergency Response and Preparedness		(42,412)
• Rebudget: Hazardous Materials Consent Judgment		(35,088)
• Rebudget: Human Trafficking Prevention Grant 2011		(6,845)
• Rebudget: Internet Crimes Against Children Federal Grant 2014-2015		(176,169)
• Rebudget: Mobile Identification Services Project		(137,000)
• Rebudget: Selective Traffic Enforcement Grant Program 2014-2015		(134,727)
• Rebudget: Urban Area Security Initiative Grant - Fire 2014		(111,500)
• Rebudget: Urban Area Security Initiative Grant - Police 2014		(64,435)
• 2013 Encourage Arrest Policies and Enforcement of Protection Orders Grant		(289,713)
• Emergency Response and Preparedness		(62,588)
• Northern California Regional Intelligence Center SUASI - Police		(212,308)
• San José End of Watch Police Memorial		(75,000)
• Selective Traffic Enforcement Grant Program 2014-2015		(87,500)
• Urban Area Security Initiative Grant - Fire 2014		(118,500)
• Urban Area Security Initiative Grant - Police 2014		(60,000)
Subtotal:	<u>0.00</u>	<u>(1,955,289)</u>
Transportation and Aviation Services CSA		
• Rebudget: Contractual Street Tree Planting		(107,175)
• Rebudget: Parking Citations Processing		(45,000)
• Rebudget: Vehicle Detection Sensors		(170,000)
Subtotal:	<u>0.00</u>	<u>(322,175)</u>
Strategic Support CSA		
• Rebudget: Arena Community Fund		(66,000)
• Rebudget: Business Tax System Replacement		(697,000)
• Rebudget: City Manager Special Projects		(145,000)
• Rebudget: City Outreach and Education Efforts		(90,000)
• Rebudget: Computer System Remediation Project		(75,000)
• Rebudget: Cultural Facilities Capital Maintenance		(332,000)
• Rebudget: E-Ideas Program		(25,000)
• Rebudget: Elections and Ballot Measures		(300,000)
• Rebudget: Energy and Utility Conservation Measures Program		(7,777,063)
• Rebudget: Financial Management System Business Process Mapping		(140,000)
• Rebudget: General Liability Claims		(6,900,000)
• Rebudget: Government Access - Capital Expenditures		(325,000)

City-Wide Expenses

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Strategic Support CSA		
• Rebudget: Human Resources/Budget/Payroll Systems Upgrade		(6,813,000)
• Rebudget: Information Technology Desktop Modernization		(500,000)
• Rebudget: Insurance Premiums		(25,000)
• Rebudget: Internal Financial Controls Evaluation		(103,000)
• Rebudget: Labor/Employee Relations Consultant Funding		(115,000)
• Rebudget: Organizational Effectiveness		(40,000)
• Rebudget: Public, Educational, and Government (PEG) Access Facilities - Capital		(461,396)
• Rebudget: Retirement Actuarial Studies		(54,000)
• Ballot Measure Polling		(55,000)
• City Council District 3 Participatory Budgeting Pilot		(100,000)
• Family College Success Center		(100,000)
• Human Resources/Payroll/Budget Systems Upgrade		(882,000)
• Office of Immigrant Affairs		(250,000)
• Silicon Valley Talent Partnership		(80,000)
• Youth Commission		(12,000)
Subtotal:	<u>0.00</u>	<u>(26,462,459)</u>
One-time Prior Year Expenditures Subtotal:	0.00	(41,033,296)
Technical Adjustments to Costs of Ongoing Activities		
Community and Economic Development CSA		
• Business Incentive - Business Cooperation Program		169,600
• Business Incentive - Business Cooperation Program Administration		169,600
• Business Incentive - Maxim Integrated Products		(8,500)
• Business Incentive - Samsung		30,000
• Convention Center Lease Payments		(19,000)
• FMC Operating Site Costs		(15,000)
• Hammer Theatre Center Operations and Maintenance		35,000
• Homeless Rapid Rehousing		500,000
• Illegal Dumping (shift from PBCE Department to CED CSA)		150,000
• Illegal Dumping (shift from CED CSA to EUS CSA)		(150,000)
• Planning Commission		(135)
• Property Leases		15,190
Subtotal:	<u>0.00</u>	<u>876,755</u>
Environmental and Utility Services CSA		
• Illegal Dumping (shift to EUS CSA from CED CSA)		150,000
• Silicon Valley Energy Watch (SVEW) 2016		1,278,527
• Storm Fees		(7,000)
Subtotal:	<u>0.00</u>	<u>1,421,527</u>

City-Wide Expenses

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
Neighborhood Services CSA		
• California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015		146,910
• San José BEST and Safe Summer Initiative Programs		500,000
• Senior Education and Outreach Grant		(210,000)
• Workers' Compensation Claims - PRNS		400,000
Subtotal:	<u>0.00</u>	<u>836,910</u>
Public Safety CSA		
• Arena Traffic Control		18,000
• Police Officers' Professional Liability Insurance		(8,000)
• Urban Area Security Initiative Grant - Police 2015		(60,000)
• Urban Area Security Initiative Grant - Fire 2015		195,000
• Workers' Compensation Claims - Fire		1,100,000
• Workers' Compensation Claims - Police		(1,400,000)
Subtotal:	<u>0.00</u>	<u>(155,000)</u>
Transportation and Aviation Services CSA		
• Contractual Street Tree Planting		3,000
• Emergency Street Tree Services		100,000
• Parking Citations Processing		(30,000)
• Parking Citations/Jail Courthouse Fees		(80,000)
• Sidewalk Repairs		250,000
• Workers' Compensation Claims - Transportation		520,000
Subtotal:	<u>0.00</u>	<u>763,000</u>
Strategic Support CSA		
• 1970, 1980, and 1990 COLA Federated, Police & Fire Retirees		(15,000)
• Annual Audit		(47,800)
• Banking Services		211,000
• Banking Services (transfer to Parks, Recreation and Neighborhood Services Department)		(100,000)
• Banking Services (transfer from Finance Department)		13,000
• Bond Project Audits		(3,500)
• City Auditor's Office Performance Audit		(3,000)
• City Dues/Memberships		17,000
• Customer Satisfaction Survey (Bi-Annual)		55,000
• Employee Engagement Program Survey and Training		(30,000)
• Energy Services Company (ESCO) Debt Service		655,000
• Ethics Commission		(20,000)
• FMC Debt Service Payments		(60,000)
• General Liability Claims		1,000,000
• Government Access - Capital Expenditures		332,400
• Grant Compliance Single Audit		43,500
• Insurance Premiums		(21,000)
• Police Retirees' Health/Dental Fees		25,000
• Property Tax Administration Fee		(185,000)
• Public, Educational, and Government (PEG) Access Facilities - Capital		(190,800)

City-Wide Expenses

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
Strategic Support CSA		
• PEG - CreaTV		318,240
• Retirement Prepayment Actuarial Services		(1,000)
• TRAns Debt Service		50,000
• Workers' Compensation Claims - Other Departments		30,000
• Workers' Compensation Claims - Public Works		50,000
• Workers' Compensation State License		(200,000)
Subtotal:	<u>0.00</u>	<u>1,923,040</u>
Technical Adjustments Subtotal:	0.00	5,666,232
2016-2017 Forecast Base Budget:	0.00	87,435,854
Budget Proposals Recommended		
Community and Economic Development CSA		
1. Arena Authority		48,000
2. Business Improvement District Creation		100,000
3. Diridon Project Management		351,500
4. Downtown Signs		50,000
5. Economic Development Pre-Development Activities		200,000
6. Independence Day Celebrations		65,000
7. Manufacturing Jobs Initiative		200,000
8. Neighborhood Blight Eradication		330,400
9. San José Works		1,470,000
10. Sports Authority		350,000
Community and Economic Development Subtotal:	0.00	3,164,900
Environmental and Utility Services CSA		
1. Clean Creeks/Healthy Communities		200,000
2. Community Choice Aggregation Technical Study		300,000
Environmental and Utility Services Subtotal:	0.00	500,000
Neighborhood Services CSA		
1. Children's Health Flouridation		250,000
Neighborhood Services Subtotal:	0.00	250,000
Strategic Support CSA		
1. Alternative Pension Reform Ballot Polling		55,000
2. Family College Success Center		75,000
3. Financial Management System Upgrade		60,000
4. General Liability Claims		5,000,000
5. Human Resources/Payroll/Budget Systems Upgrade		500,000
6. Silicon Valley Talent Partnership		80,000

City-Wide Expenses

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
<hr/> Budget Proposals Recommended <hr/>		
Strategic Support CSA		
7. Successor Agency City Subsidy		(175,000)
8. Voluntary Employee Beneficiary Association Counseling Services		50,000
Strategic Support Subtotal:	<u>0.00</u>	<u>5,645,000</u>
 Total Budget Proposals Recommended	 0.00	 9,559,900
<hr/>		
2016-2017 Proposed Budget Total	0.00	96,995,754
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City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
1. Arena Authority		48,000
<p>This action adds ongoing funding of \$48,000 to maintain the current level of service provided by the Arena Authority, which supports oversight and coordination of activity at the SAP Center, Sharks Ice at San José, San José Municipal Stadium, and South Campus of San José State University. In recent years, this funding was offset by revenues from a year-to-year lease with San José Sharks for use of the City's suite at the SAP Center for eight hockey games. However, as part of the Mayor's June Budget Message for Fiscal Year 2015-2016, as approved by the City Council, the Administration was directed to increase the Arena Authority budget on an ongoing basis beginning in 2016-2017 without relying on the City suite revenue. This action will continue the ongoing funding without the lease of the City suite. (Ongoing costs: \$48,000)</p>		
2. Business Improvement District Creation		100,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action adds one-time funding of \$100,000 to provide grants or cost offsets for administrative and engineering study fees associated with Business Improvement District (BID) formation. A BID provides a vehicle for small property and business owners to make collective contributions to the maintenance, development, and promotion of their commercial areas. Various business associations and commercial areas, such as along Alum Rock Avenue, have expressed interest in creating a BID, yet are concerned regarding the expense of the administrative process. This funding will provide assistance to entities interested in creating a BID in their areas. (Ongoing costs: \$0)</p>		
3. Diridon Project Management		351,500
<p>This action adds one-time funding of \$351,500 to continue the coordination and development of the Diridon Station Area Plan (DSAP), as approved by the City Council on June 17, 2014. Of this amount, \$140,000 is funded by the General Purpose Parking Fund for project management as directed in the City Council approved Mayor's March Budget Message for Fiscal Year 2016-2017, and \$212,000 is funded by remaining California High Speed Rail Authority (HSRA) grant funds in the General Fund. A total grant award of \$600,000 was issued to the City from the HSRA in 2015-2016 and is expected to be spent over two years. In 2016-2017, the HSRA grant will fund a part-time project manager (\$104,000) and consultant services (\$108,000) to develop a financing strategy, governance structure, parking strategy, and process to select a master developer for the Diridon area. In order to advance the DSAP and fully use the grant funds, a full-time project manager is needed. City funds of \$140,000 from the General Purpose Parking Fund will augment the grant funds to ensure sufficient resources are available for project management and a full-time project manager. (Ongoing costs: \$0)</p>		
4. Downtown Signs		50,000
<p>This action adds one-time funding of \$50,000 for consulting services to develop a Sign District ordinance. Interest continues to grow in developing a Sign District in Downtown San José; however, its creation would require a complex analysis of State and local codes to develop a District model. Given the unique nature of these districts, technical expertise is necessary to guide the development of this District for City Council consideration. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
5. Economic Development Pre-Development Activities		200,000
<p>This action adds one-time funding of \$200,000 for Economic Development Pre-Development Activities. Pre-development funds are used to cover a variety of costs including: consultant services; studies; analyses such as appraisals and pro-forma analyses; paying for the necessary development services partners work; economic and fiscal analysis; and property management related costs which are not covered by other departments. The funding is anticipated be allocated to the following projects: Zanker/237 Property (\$75,000); Parkside Hall Development (\$25,000); Singleton Development (\$25,000). A remaining balance of \$75,000 will be available for unanticipated projects that may arise during the year. (Ongoing costs: \$0)</p>		
6. Independence Day Celebrations		65,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action adds one-time funding of \$65,000 to continue the Rotary International Fourth of July Fireworks and Independence Day Celebration at Almaden Lake in 2016. For future City support, the Administration will work with the producers of these events to inform them of the potential for Transient Occupancy Tax Fund Cultural Development funds and the grant application process required for funding consideration. (Ongoing costs: \$0)</p>		
7. Manufacturing Jobs Initiative		200,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action adds one-time funding of \$200,000 to continue the Manufacturing Jobs Initiative to incentivize the retrofit of older, vacant industrial buildings by covering the cost of permit approvals. This will provide funds to offset the City's permitting costs and taxes associated with manufacturing production facilities on a first-come, first-served basis for tenant improvement projects of 25,000 square feet or more. This initiative began in 2015-2016, and the funding was able to support four businesses (Space Systems Loral, Hansen Medical, BenteK, and Four In One Co.). It is anticipated that the continued funding will be able to support two to five projects in 2016-2017. The initiative seeks to expand middle-income job opportunities for residents lacking a college or other advanced degree. (Ongoing costs: \$0)</p>		
8. Neighborhood Blight Eradication		330,400
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action adds one-time funding of \$330,400 for a pilot program to provide work experience opportunities for homeless individuals by addressing litter and illegal dumping in highly affected neighborhoods. This proposal stems from a successful City and Downtown Streets Team partnership that positively engaged the homeless community in combatting blight in both the Downtown and Monterey Highway areas. The funding will support a team of 15 workers, two supervisors, vouchers, supplies and administrative costs and will provide clean-up five days per week. This pilot will fully fund the placed-based neighborhoods (Mayfair, Santee, and Five-Wounds/Brookwood Terrace), continue the work on Monterey Highway, and expand the program into the Canoas Garden/Evans Lane area, and potentially other priority areas. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
9. San José Works		1,470,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action adds one-time funding of \$1,470,000 to continue the San José Works youth initiative effort that focuses on strengthening the City's partnerships, such as those through the Mayor's Gang Prevention Task Force, to identify, recruit, train, and place at-risk youth in jobs. This initiative targets youth in gang and crime hot spots and offers economic opportunity for the City's young residents. The initiative started in 2015-2016 as directed in the Mayor's March Budget Message for that year, as approved by City Council. The program is implemented by the work2future program in partnership with the Parks, Recreation and Neighborhood Services Department. Under the 2015-2016 program, 234 youth were placed in a five-week subsidized work program, 188 youth were placed in community centers, libraries, and community-based organizations, and 46 older youth were placed with private employers, including Jabil, TiVo, and PG&E. The retention rate of youth in the program was 94%, exceeding typical retention rates of approximately 75% for similar programs. Encouraged by the success of the 2015-2016 program, the 2016-2017 program is being expanded to serve up to 1,000 youth and young adults ages 14-29. The subsidized employment component of the program will help a total of 500 youth (ages 14-17) through three six-week sessions (summer, fall, and winter/spring), while the unsubsidized component will place approximately 500 young adults (ages 18-29) into employment opportunities with private companies. (Ongoing costs: \$0)</p>		
10. Sports Authority		350,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action adds one-time funding of \$350,000 to the annual budget for the Sports Authority, increasing funding from \$348,200 to \$698,200. To drive additional economic opportunities, the majority of the funding (\$250,000) will go toward attracting an increased number of major sporting events, such as the Major League Soccer All-Star Game, College Football Championship, Figure Skating Championship, WWE/WrestleMania Bid, Amgen Tour of California Bid, and Rugby World Cup. The Office of Economic Development, in conjunction with the Authority, will seek possible private fundraising opportunities to augment the Authority's Base Budget in future years. The remaining funds (\$100,000) provide the third and final payment for the Women's Gymnastics Olympic Trials that the Sports Authority committed to the U.S. Olympic Gymnastics Federation to bring the 2016 Women's Gymnastics Olympic Trials to San José (to be held July 8-10, 2016). (Ongoing costs: \$0)</p>		
Subtotal Community and Economic Development CSA:	0.00	3,164,900

City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Environmental and Utility Services CSA		
1. Clean Creeks/Healthy Communities		200,000
<p>This action provides funding of \$200,000 annually for a minimum of five years to establish support for non-profit organizations in the community to reduce trash in the City's waterways, support regulatory compliance, and foster community engagement towards clean creeks and health communities. More specifically, this program will include expanded regular volunteer creek cleanup activities; public engagement, education and outreach; and research that promotes improved understanding of local area conditions, such as sources of pollutants/trash, to guide more effective solutions in the community. This support of non-profit organizations will also support the City's current Trash Plan and help achieve compliance with the trash provisions of the Stormwater Municipal Regional Permit, as well as mitigate past environmental harms. (Ongoing costs: \$200,000)</p>		
2. Community Choice Aggregation Technical Study		300,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action provides funding of \$300,000 for a technical study to determine the feasibility of launching a Community Choice Aggregation (CCA) in San José, in an effort to achieve the City's renewable energy goals under the Green Vision. (A Community Choice Aggregation is a State-adopted policy that allows local governments to aggregate electricity in order to offer alternative energy supplies.) This study would include information regarding economic viability, an analysis of energy load data and customer base, whether the CCA could provide electricity rates that are competitive with the incumbent utility, governance models, renewable energy scenarios, and employment impact analysis, among other areas of analysis. (Ongoing costs: \$0)</p>		
Subtotal Environmental and Utility Services CSA:	0.00	500,000
Neighborhood Services CSA		
1. Children's Health Fluoridation		250,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action provides one-time funding of \$250,000 to the Health Trust to assist with securing an additional \$4 million from the State of California for fluoridation efforts in East San José. The Health Trust has spearheaded a public-private fundraising effort, securing \$6 million in funding from Santa Clara County, FIRST 5 Santa Clara County, and its own funds to advance fluoridation in East San José in cooperation with the water retailer. Although the United States Center for Disease Control ranks fluoridation as one of the ten most impactful public health achievements in the last century, San José remains the largest U.S. city not completely served with fluoridated water, potentially impacting the dental health of children. (Ongoing costs: \$0)</p>		
Subtotal Neighborhood Services CSA:	0.00	250,000

City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Strategic Support CSA		
1. Alternative Pension Reform Ballot Polling		55,000
As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action adds one-time funding of \$55,000 for polling costs related to a November 2016 Ballot measure to implement the Alternative Pension Reform Settlement Framework Agreements recently negotiated with all bargaining units. (Ongoing costs: \$0)		
2. Family College Success Center		75,000
As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by City Council, this action adds one-time funding of \$75,000 in the form of a matching grant to the Hispanic Foundation of Silicon Valley to implement the Family College Success Center. This program is designed to boost high school graduation rates and improve college readiness among low-income students. (Ongoing costs: \$0)		
3. Financial Management System Upgrade		60,000
This action provides one-time funding of \$60,000 to complete the Cayenta Financial Management System upgrade, from version 7.5 to 7.8, that was approved in 2015-2016. The City's current version is at end of life and will soon be unsupported, thereby leaving the system at risk. Funding of \$140,000 in 2015-2016 for the upgrade was budgeted for software, professional services, technical support, and City staff resources. Due to staffing constraints, the upgrade has been delayed to 2016-2017. The \$60,000 in additional funding, bringing the project total to \$200,000, will provide for additional costs for new features and modules (such as a report writing tool and Purchasing reporting functionality) that will improve efficiency and address hardware requirements not previously included but needed to support the new version. (Ongoing costs: \$0)		
4. General Liability Claims		5,000,000
This action provides one-time funding of \$5.0 million for the payment of General Liability Claims. Given several recent awards against the City, additional funding is necessary to augment the General Liability Claims budget in 2016-2017. This one-time funding, combined with ongoing Base Budget funding of \$4.0 million, and the anticipated carryover or rebudget of unspent 2015-2016 monies, will ensure that the appropriation has sufficient funding for existing and anticipated claims against the City next year. (Ongoing costs: \$0)		

City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
5. Human Resources/Payroll/Budget Systems Upgrade		500,000
<p>This action provides one-time funding of \$500,000 for the Human Resources/Payroll/Budget Systems Upgrade project to provide additional project contingency to help ensure that the project remains on schedule and meets anticipated “go-live” dates. The current contingency balance is low due to the need to hire developer and consulting resources to supplement the City’s technical staff, necessary change orders with the City’s contractor, and changes to comply with the Affordable Health Care Act, to name a few examples. The additional contingency is necessary to provide capacity for unanticipated software customizations; additional software customizations and other technical problem-solving activities that are necessary to ensure that the City’s detailed specifications are being met; potential additional vendor and project manager support after “go-live” to ensure a smoother transition between the old and new systems; and additional training as necessary for the City’s core project team. (Ongoing costs: \$0)</p>		
6. Silicon Valley Talent Partnership		80,000
<p>This action adds one-time funding of \$80,000 to continue work with the Silicon Valley Talent Partnership (SVTP). SVTP is a non-profit organization that engages private sector talent and innovation to solve public sector problems. The SVTP has worked with the City since 2012-2013 on various projects that have benefited both the City and the community. In 2015-2016, SVTP is anticipated to have directly provided over 480 project management hours and mobilized over 140 volunteers donating more than 2,400 hours, worth an estimated value of \$300,000 in support of programs such as: the Office of Economic Development’s Ignite workshops and seminar programs; private sector one-on-one mentoring support for over 50 small businesses, with a focus on immigrant entrepreneurs; the development of a free, on-line application with the Housing Department and key partners to connect excess food to non-profits that distribute meals to the homeless; and the design of an interactive reporting tool for the City Auditor’s Annual Report on City Services. Funding in 2016-2017 will continue support for SVTP and facilitate the City’s continued use of private sector resources, as appropriate. (Ongoing costs: \$0)</p>		
7. Successor Agency City Subsidy		(175,000)
<p>This action reduces funding for the administrative support provided by the Successor Agency to the Redevelopment Agency from \$1,150,000 to \$975,000 to reflect the continued phase out of work performed by existing staff. With the dissolution of Redevelopment Agencies in 2012, Successor Agencies were tasked with winding down operations and overseeing the dissolution process. An annual review of resources will continue in future years. (Ongoing savings: \$175,000)</p>		

City-Wide Expenses

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
8. Voluntary Employee Beneficiary Association Counseling Services		50,000
<p>This action adds one-time funding of \$50,000 for an independent consultant to provide Voluntary Employee Beneficiary Association (VEBA) counseling services, including educational seminars, to eligible employees in the retirement plans. Alternative Pension Reform Settlement Framework Agreements with all bargaining units changed the retiree healthcare plan to provide for a one-time irrevocable election into a Voluntary Employee Beneficiary Association (VEBA) for eligible employees. The agreements include a provision that the City would provide plan members with financial counseling to assist them with any decisions to remain in or 'opt-out' of the current defined benefit retiree medical plan. The cost of this proposal is offset by the use of a portion of the Retiree Healthcare Solutions Reserve. (Ongoing costs: \$0)</p>		
Subtotal Strategic Support CSA:	0.00	5,645,000
2016-2017 Proposed Budget Changes Total	0.00	9,559,900

City-Wide Expenses

Budget Program: Community and Economic Development

City Service Area: Community and Economic Development

Detail of Costs Description

Community and Economic Development	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
4th Street Garage Banquet Facility Maintenance and Operations	PW	\$ 76,014	\$ 400,000	\$ 100,000	\$ 100,000
Arena Authority	CMO	156,598	189,900	141,900	189,900
Arts Capacity Building Project	OED	50,000	0	0	0
BART Public Art Design	OED	81,428	329,245	42,000	42,000
Building Public Will for the Arts	OED	42,000	0	0	0
Business Improvement District Creation	OED	0	0	0	100,000
Business Incentive - Business Cooperation Program	OED	108,536	20,400	190,000	190,000
Business Incentive - Business Cooperation Program Administration	OED	63,385	20,400	190,000	190,000
Business Incentive - Maxim Integrated Products	OED	11,265	28,500	20,000	20,000
Business Incentive - Samsung	OED	0	20,000	50,000	50,000
Certified Access Specialist (CASp) Program - ADA Compliance	FIN	41,573	50,000	50,000	50,000
Children's Discovery Museum	OED	270,750	270,750	270,750	270,750
CommUniverCity Program	CMO	7,807	100,000	100,000	100,000
Convention Center Lease Payments	FIN	15,304,000	15,280,000	15,261,000	15,261,000
Cultural Affairs Special Project Replacement and Maintenance	OED	275,429	567,132	0	0
Development Fee Program Electronic Content Management System	PBCE	186,800	0	0	0
Diridon Project Management	OED	0	0	0	351,500
Downtown Signs	OED	0	0	0	50,000
Downtown Streets Monterey Road Pilot Program	HSG	0	68,300	0	0
East San José Business Improvement District	OED	0	36,000	0	0
Economic Development/Incentive Fund	OED	284,861	500,000	0	0
Economic Development Pre-Development Activities	OED	86,395	117,000	0	200,000
Festival Parade Celebration	OED	2,000	0	0	0
Filling Empty Storefronts Pilot Project	OED	142,656	0	0	0
FMC Operating Site Costs	PW	8,125	25,000	10,000	10,000
Hammer Theatre Center Operations and Maintenance	OED	254,049	250,000	285,000	285,000
Historic Preservation	PBCE	0	597,500	0	0
History San José	OED	784,000	784,000	784,000	784,000
Homeless Rapid Rehousing	HSG	1,485,094	3,500,000	2,500,000	2,500,000
Homeless Response Team	HSG	1,865,213	1,755,000	1,500,000	1,500,000
Independence Day Celebrations	OED	0	0	0	65,000
Joint Venture Silicon Valley	OED	34,617	35,617	35,617	35,617
Manufacturing Jobs Initiative	OED	0	200,000	0	200,000

City-Wide Expenses

Budget Program: Community and Economic Development

City Service Area: Community and Economic Development

Detail of Costs Description

Community and Economic Development	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Martha Gardens/Spartan Keyes Arts Festival	OED	\$ 900	\$ 0	\$ 0	\$ 0
Mexican Heritage Plaza Capital Maintenance	PW	51,085	50,000	50,000	50,000
Mexican Heritage Plaza Maintenance and Operations	PW	450,000	450,000	450,000	450,000
Move Your Jobs to San José Communications	OED	0	70,000	0	0
Neighborhood Blight Eradication	HSG	0	0	0	330,400
Neighborhood Business Districts	OED	0	50,000	50,000	50,000
Planning Commission	PBCE	21,673	23,135	23,000	23,000
Property Leases	OED	1,622,646	1,465,810	1,411,000	1,411,000
Public Art in Private Development	OED	(290)	0	0	0
Responsible Landlord Engagement Initiative (RLEI)	CMO	25,000	0	0	0
San José Downtown Association	OED	270,000	350,000	250,000	250,000
San José Jobs Communications Campaign	OED	0	125,000	0	0
San José Museum of Art	OED	475,000	475,000	475,000	475,000
San José Works	OED	22,932	1,020,000	0	1,470,000
SAP Center Renegotiation	OED	95,807	0	0	0
Small Business Activation and Assistance	OED	0	220,000	0	0
Sports Authority	CMO	438,073	448,200	348,200	698,200
Tech Museum of Innovation	OED	1,049,750	1,049,750	1,049,750	1,049,750
Valley Transit Authority Bus Rapid Transit Enhancement Project	OED	548,817	344,450	0	0
TOTAL		\$ 26,693,991	\$ 31,286,089	\$ 25,637,217	\$ 28,802,117

City-Wide Expenses

Budget Program: Environmental and Utility Services

City Service Area: Environmental and Utility Services

Detail of Costs Description

Environmental and Utility Services	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Burrowing Owl Habitat Management	ESD	\$ 9,073	\$ 190,000	\$ 0	\$ 0
City-Building Energy Projects Program	ESD	171,075	590,480	0	0
City Facilities Solid Waste Collection and Processing	ESD	501,030	101,000	101,000	101,000
Clean Creeks/Healthy Communities	ESD	92,228	142,000	0	200,000
Community Choice Aggregation Technical Study	ESD	0	0	0	300,000
Illegal Dumping	ESD	0	0	150,000	150,000
Property Assessed Clean Energy (PACE) Program	ESD	31,661	175,000	0	0
Silicon Valley Energy Watch (SVEW) 2015	ESD	183,816	747,281	0	0
Silicon Valley Energy Watch (SVEW) 2016	ESD	0	0	1,278,527	1,278,527
Storm Fees	ESD	245,145	257,000	250,000	250,000
TOTAL		\$ 1,234,028	\$ 2,202,761	\$ 1,779,527	\$ 2,279,527

City-Wide Expenses

Budget Program: Neighborhood Services

City Service Area: Neighborhood Services

Detail of Costs Description

Neighborhood Services	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
1st Act Silicon Valley Digital Media Grant	PRNS	\$ 13,334)	\$ 0	\$ 0	\$ 0
After School Education and Safety Programs for 2013-2014	PRNS	11,644	0	0	0
After School Education and Safety Programs for 2014-2015	PRNS	412,273	0	0	0
California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015	PRNS	0	278,000	146,910	146,910
California Gang Reduction, Intervention and Prevention (CALGRIP) Grant	PRNS	136,729	0	0	0
Children's Health Flouridation	PRNS	0	0	0	250,000
Children's Health Initiative	PRNS	412,500	275,000	0	0
Community Action and Pride Grants	CMO	100,000	100,000	100,000	100,000
Enhance Fitness and Matter of Balance Program Grant	PRNS	2,000	0	0	0
Health Trust Corner Store Program	CMO	50,000	0	0	0
Maddie Lifesaving Grant	PW	121,090	150,000	0	0
National Forum Capacity-Building Grant OJJDP 2012-2016	PRNS	109,816	110,042	33,660	33,660
OJJDP Community-Based Violence Prevention Demonstration Program Grant	PRNS	78,613	43,636	0	0
PG&E Summer Cooling Shelter Program Grant	PRNS	0	24,977	0	0
San José BEST and Safe Summer Initiative Programs	PRNS	4,767,550	6,060,000	5,560,000	5,560,000
San José Learns	PRNS	0	2,000,000	0	0
Senior Education and Outreach Grant	PRNS	15,737	240,000	0	0
Summer Youth Nutrition Program	PRNS	36,684	44,990	0	0
Workers' Compensation Claims - PRNS	PRNS	1,045,727	1,200,000	1,600,000	1,600,000
TOTAL		\$ 7,313,697	\$ 10,526,645	\$ 7,440,570	\$ 7,690,570

City-Wide Expenses

Budget Program: Public Safety

City Service Area: Public Safety

Detail of Costs Description

Public Safety	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant	PD	\$ 130,564	\$ 556,467	\$ 0	\$ 0
Anti-Drug Abuse Grant 2013-2014	PD	30,866	0	0	0
Anti-Human Trafficking Task Force Program Grant 2012	PD	30,830	0	0	0
Arena Traffic Control	DOT	292,501	288,000	306,000	306,000
Bay Area Regional Interoperability Communication System (BayRICS)	CMO	0	7,500	7,500	7,500
Cardiac Monitors/Defibrillators	FIRE	21,968	0	0	0
CrimeStoppers	PD	2,250	44,750	0	0
Domestic Violence Prevention Program	CMO	0	30,000	0	0
Emergency Response and Preparedness	FIRE	121,067	105,000	0	0
Hazardous Materials Consent Judgment	FIRE	0	35,088	0	0
Human Trafficking Prevention Grant 2011	PD	91,532	6,845	0	0
Internet Crimes Against Children Continuation Grant 2011	PD	177,893	0	0	0
Internet Crimes Against Children Federal Grant 2014-2015	PD	276,021	176,169	0	0
Internet Crimes Against Children State Grant 2014-2015	PD	100,000	0	0	0
Mobile Identification Services Project	PD	0	137,000	0	0
Northern California Regional Intelligence Center SUASI - Police	PD	272,308	212,308	0	0
San José End of Watch Police Memorial	PD	0	75,000	0	0
Police Officers' Professional Liability Insurance	FIN	138,260	130,000	122,000	122,000
Protecting Children from Commercial Sexual Exploitation Grant 2011	PD	20,802	0	0	0
Selective Traffic Enforcement Grant Program 2013-2014	PD	43,420	0	0	0
Selective Traffic Enforcement Grant Program 2014-2015	PD	178,956	222,227	0	0
Silicon Valley Regional Interoperability Project Authority	FIRE	142,092	0	0	0
Sobriety Checkpoint Grant Program 2013-2014	PD	36,041	0	0	0
State Homeland Security Grant Program 2013-2014	PD	27,201	0	0	0
Urban Area Security Initiative Grant - Fire 2013	FIRE	454,869	0	0	0
Urban Area Security Initiative Grant - Fire 2014	FIRE	121,760	230,000	0	0
Urban Area Security Initiative Grant - Fire 2015	FIRE	0	0	195,000	195,000
Urban Area Security Initiative Grant - Police 2013	PD	135,634	0	0	0

City-Wide Expenses

Budget Program: Public Safety

City Service Area: Public Safety

Detail of Costs Description

Public Safety	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Urban Area Security Initiative Grant - Police 2014	PD	\$ 303,108	\$ 184,435	\$ 0	\$ 0
Workers' Compensation Claims - Fire	FIRE	6,517,326	7,800,000	8,900,000	8,900,000
Workers' Compensation Claims - Police	PD	8,318,502	9,400,000	8,000,000	8,000,000
TOTAL		\$ 17,985,771	\$ 19,640,789	\$ 17,530,500	\$ 17,530,500

City-Wide Expenses

Budget Program: Transportation and Aviation Services

City Service Area: Transportation and Aviation Services

Detail of Costs Description

Transportation and Aviation Services		2014-2015	2015-2016	2016-2017	2016-2017
	Dept	Actual	Adopted	Forecast	Proposed
		1	2	3	4
Contractual Street Tree Planting	DOT	\$ 0	\$ 108,175	\$ 4,000	\$ 4,000
Emergency Street Tree Services	DOT	289,900	200,000	300,000	300,000
Parking Citations Processing	DOT	727,957	825,000	750,000	750,000
Parking Citations/Jail Courthouse Fees	DOT	2,194,322	2,280,000	2,200,000	2,200,000
Radar Speed Display Signs	DOT	(2,935)	0	0	0
Raised Reflective Markers and Arterial Street Striping	DOT	96,835	0	0	0
Sidewalk Repairs	DOT	1,836,380	1,500,000	1,750,000	1,750,000
Street Tree Maintenance	DOT	369,656	0	0	0
Vehicle Detection Sensors	DOT	15,989	170,000	0	0
Workers' Compensation Claims - Transportation	DOT	562,929	680,000	1,200,000	1,200,000
TOTAL		\$ 6,091,032	\$ 5,763,175	\$ 6,204,000	\$ 6,204,000

City-Wide Expenses

Budget Program: Strategic Support

City Service Area: Strategic Support

Detail of Costs Description

Strategic Support	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
1970, 1980, and 1990 COLA Federated, Police & Fire Retirees	RET	\$ 63,496	\$ 75,000	\$ 60,000	\$ 60,000
2-1-1 Call Center	CMO	75,000	75,000	75,000	75,000
Alternative Pension Reform Ballot Polling	CMO	0	0	0	55,000
Annual Audit	AUD	258,716	228,000	180,200	180,200
Arena Community Fund	CLK	258,700	316,000	250,000	250,000
Ballot Measure Polling	CMO	78,152	55,000	0	0
Banking Services	FIN	1,490,900	1,650,000	1,774,000	1,774,000
Bay Area Electric Vehicle Corridor Project	PW	30,183	0	0	0
Bond Project Audits	AUD	58,793	57,500	54,000	54,000
Business Tax System Replacement	FIN	198,058	697,000	0	0
Chinese Historical Society	PW	3,000	3,000	3,000	3,000
City Auditor's Office Performance Audit	CLK	0	6,000	3,000	3,000
City Council District 3 Participatory Budgeting Pilot	CLK	0	100,000	0	0
City Dues/Memberships	CLK	330,948	340,000	357,000	357,000
City Manager Special Projects	CMO	2,052	145,000	0	0
City Outreach and Education Efforts	CMO	29,573	190,000	100,000	100,000
Civil Service Commission	CLK	16,972	20,000	20,000	20,000
Community Translation/Interpretation and Meeting Spaces	CLK	10,296	0	0	0
Computer System Remediation Project	ITD	0	75,000	0	0
Cultural Facilities Capital Maintenance	PW	74,467	471,000	139,000	139,000
Customer Satisfaction Survey (Bi-Annual)	CMO	62,483	0	55,000	55,000
E-Ideas Program	CMO	3,400	50,000	25,000	25,000
Elections and Ballot Measures	CLK	1,819,799	1,400,000	1,100,000	1,100,000
Employee and Community Surveys	CMO	8,157	0	0	0
Employee Engagement Program Survey and Training	CMO	93,055	120,000	90,000	90,000
Energy and Utility Conservation Measures Program	PW	8,146,086	7,777,063	0	0
ESCO Debt Service	FIN	1,085,110	2,479,000	3,134,000	3,134,000
Ethics Commission (formerly Elections Commission)	CLK	115,796	60,000	40,000	40,000
False Claims Act Litigation Settlement	ATTY	6,695	0	0	0
Family College Success Center	CMO	0	100,000	0	75,000
Financial Management System Business Process Mapping	ITD	0	140,000	0	0
Financial Management System Upgrade	FIN	0	0	0	60,000
Fiscal Reform Plan Outside Legal Counsel	ATTY	893,387	0	0	0
FMC Debt Service Payments	FIN	36,438,859	2,237,000	2,177,000	2,177,000
General Employee Tuition	HR	74,570	75,000	75,000	75,000
General Liability Claims	ATTY	3,084,420	9,900,000	4,000,000	9,000,000
Government Access - Capital Expenditures	CMO	101,438	523,000	530,400	530,400
Grant Compliance Single Audit	AUD	77,477	78,000	121,500	121,500
Hellyer-Piercey Deferral Assessment Agreement Program	PW	(15,799)	0	0	0
Human Resources/Payroll/Budget Systems Upgrade	FIN	\$ 34,229	\$ 7,695,000	\$ 0	\$ 500,000

City-Wide Expenses

Budget Program: Strategic Support

City Service Area: Strategic Support

Detail of Costs Description

Strategic Support	Dept	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Information Technology Desktop Modernization	ITD	0	500,000	0	0
Insurance Premiums	FIN	564,852	600,000	554,000	554,000
Internal Financial Controls Evaluation	FIN	75,265	103,000	0	0
Labor/Employee Relations Consultant Funding	CMO	124,394	115,000	0	0
Learning Management System	HR	74,794	177,500	177,500	177,500
Mayor and City Council Travel	CLK	13,698	20,000	20,000	20,000
Office of Immigrant Affairs	CMO	0	250,000	0	0
Organizational Effectiveness	CMO	81,323	130,000	90,000	90,000
PEG - CreaTV	CMO	0	0	318,240	318,240
Police Retirees' Health/Dental Fees	RET	120,032	125,000	150,000	150,000
Property Tax Administration Fee	FIN	1,558,638	2,000,000	1,815,000	1,815,000
Public, Educational, and Government (PEG) Access Facilities - Capital	CMO	1,659,247	2,243,396	1,591,200	1,591,200
Public Works Unfunded Projects	PW	160,471	200,000	200,000	200,000
Retirement Actuarial Studies	CMO	55,235	54,000	0	0
Retirement Prepayment Actuarial Services	RET	0	6,000	5,000	5,000
Revenue Enhancement Consulting Services	FIN	258,307	455,000	455,000	455,000
Sick Leave Payments Upon Retirement	FIN	5,564,064	5,000,000	5,000,000	5,000,000
Silicon Valley Talent Partnership	CMO	0	80,000	0	80,000
State of the City Convocation	CLK	48,675	55,000	55,000	55,000
Successor Agency City Subsidy	CMO	13,700,000	1,150,000	1,150,000	975,000
TRANS Debt Service	FIN	100,266,774	350,000	400,000	400,000
Voluntary Employee Beneficiary Association Counseling Services	CMO	0	0	0	50,000
Workers' Compensation Claims - Other Departments	HR	856,378	970,000	1,000,000	1,000,000
Workers' Compensation Claims - Public Works	PW	601,713	450,000	500,000	500,000
Workers' Compensation State License	HR	964,084	1,200,000	1,000,000	1,000,000
Youth Commission	CLK	0	12,000	0	0
TOTAL		\$ 181,756,411	\$ 53,383,459	\$ 28,844,040	\$ 34,489,040

General Fund Capital, Transfers, Reserves

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To provide necessary funding for: (1) capital projects not funded by a dedicated funding source, (2) transfers to other funds, (3) reserves earmarked for known future needs, and (4) a reserve for unforeseen contingencies

City Service Areas

Community and Economic Development
Environmental and Utility Services
Neighborhood Services
Public Safety
Transportation and Aviation Services
Strategic Support

Programs

Capital Contributions

Earmarked Reserves

Transfers to Other Funds

Contingency Reserve

General Fund Capital, Transfers, Reserves

Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
Dollars by Program					
Capital Contributions	\$ 18,556,541	\$ 56,279,000	\$ 5,250,000	\$ 14,350,000	(74.5%)
Transfers to Other Funds	36,755,743	27,074,606	27,261,710	27,261,710	0.7%
Earmarked Reserves	N/A	110,948,361	13,203,434	22,346,179	(79.9%)
Contingency Reserve	N/A	34,000,000	34,500,000	35,500,000	4.4%
Total	\$ 55,312,284	\$ 228,301,967	\$ 80,215,144	\$ 99,457,889	(56.4%)
Dollars by Category					
Capital, Transfers, Reserves	\$ 55,312,284	\$ 228,301,967	\$ 80,215,144	\$ 99,457,889	(56.4%)
Total	\$ 55,312,284	\$ 228,301,967	\$ 80,215,144	\$ 99,457,889	(56.4%)
Dollars by Fund					
General Fund	\$ 55,312,284	\$ 228,301,967	\$ 80,215,144	\$ 99,457,889	(56.4%)
Total	\$ 55,312,284	\$ 228,301,967	\$ 80,215,144	\$ 99,457,889	(56.4%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2015-2016):	0.00	228,301,967
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions Rebudget: Airport West Property Caltrain Connection		(5,973,000)
• Capital Contributions Rebudget: Arena Repairs		(350,000)
• Capital Contributions Rebudget: Children's Discovery Museum Chiller Replacements		(700,000)
• Capital Contributions Rebudget: Children's Discovery Museum Portico Reroof		(220,000)
• Capital Contributions Rebudget: City Hall Waterproofing		(1,445,000)
• Capital Contributions Rebudget: Fire Apparatus Replacement		(11,853,000)
• Capital Contributions Rebudget: Fire Facilities Remediation		(253,000)
• Capital Contributions Rebudget: Kelley House Demolition		(328,000)
• Capital Contributions Rebudget: Police Administration Building Generator Replacement		(88,000)
• Capital Contributions Rebudget: Police Administration Building Security Upgrades		(117,000)
• Capital Contributions Rebudget: Police Communications Center Chiller Replacements		(500,000)
• Capital Contributions Rebudget: Police Communications Center Electrical System Upgrade		(1,246,000)
• Capital Contributions Rebudget: Police Communications Center Elevator Retrofit		(595,000)
• Capital Contributions Rebudget: Police Communications Center Redundant Power Circuitry System Design		(90,000)
• Capital Contributions Rebudget: Police Communications Emergency Uninterrupted Power Supply		(3,551,000)
• Capital Contributions Rebudget: Police Communications Fire Protection System Upgrade		(2,866,000)
• Capital Contributions Rebudget: South San José Police Substation		(300,000)
• Capital Contributions Rebudget: TRAIL: San Tomas Aquino Pedestrian Improvements		(100,000)
• Capital Contributions Rebudget: United States Patent and Trademark Office - Tenant Improvements Project		(3,000,000)
• Capital Contributions: Alviso Park Improvements		(100,000)
• Capital Contributions: Alviso Park Master Plan		(80,000)
• Capital Contributions: Animal Care and Services Fire Alarm and Security Upgrade		(225,000)
• Capital Contributions: Animal Care and Services Waterproofing		(800,000)
• Capital Contributions: Arc Flash Hazard Analysis		(350,000)
• Capital Contributions: Children's Discovery Museum Fencing		(350,000)
• Capital Contributions: City Hall Audio Visual Upgrade		(500,000)
• Capital Contributions: City Hall Chiller Media Replacement		(250,000)
• Capital Contributions: City-Wide Building Assessment		(400,000)
• Capital Contributions: History Park Safety and Security		(175,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

Base Adjustments	Positions	General Fund (\$)
One-Time Prior Year Expenditures Deleted		
• Capital Contributions: History San José - Minor Renovations		(30,000)
• Capital Contributions: Mexican Heritage Plaza Building Management System Upgrade		(300,000)
• Capital Contributions: Pavement Maintenance Program		(8,000,000)
• Capital Contributions: Permit Center Breakroom and Restrooms		(570,000)
• Capital Contributions: Plaza de Cesar Chavez Stage Canopy		(210,000)
• Capital Contributions: Police Administration Building - Employee Parking Lot Perimeter Fencing		(300,000)
• Capital Contributions: Police Administration Building Roof Replacement		(350,000)
• Capital Contributions: Police Fleet Management System		(400,000)
• Capital Contributions: San José Museum of Art - Minor Renovations		(50,000)
• Capital Contributions: San José Museum of Art Roof Replacement		(150,000)
• Capital Contributions: The Tech Museum Minor Renovations		(55,000)
• Capital Contributions: The Tech Museum Cooling Tower Replacement - Design		(25,000)
• Capital Contributions: The Tech Museum Terrazzo Floor Replacement		(150,000)
• Capital Contributions: United States Patent and Trademark Office - Tenant Improvements Project		(3,434,000)
• Earmarked Reserves Rebudget: Artificial Turf Replacement Reserve		(450,000)
• Earmarked Reserves Rebudget: Budget Stabilization Reserve		(10,000,000)
• Earmarked Reserves Rebudget: Building Development Fee Program Reserve		(22,288,697)
• Earmarked Reserves Rebudget: Cultural Facilities Maintenance Reserve		(1,202,000)
• Earmarked Reserves Rebudget: Development Fee Programs Technology Reserve		(4,495,000)
• Earmarked Reserves Rebudget: Fire Development Fee Program Reserve		(5,901,229)
• Earmarked Reserves Rebudget: Fiscal Reform Plan Implementation Reserve		(2,437,000)
• Earmarked Reserves Rebudget: General Plan Update Reserve		(643,014)
• Earmarked Reserves Rebudget: Planning Development Fee Program Reserve		(1,262,390)
• Earmarked Reserves Rebudget: Police Department Staffing/Operations Reserve		(11,042,200)
• Earmarked Reserves Rebudget: Police Property Facility Relocation Reserve		(500,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Earmarked Reserves Rebudget: Public Works Development Fee Program Reserve		(5,045,715)
• Earmarked Reserves Rebudget: Retiree Healthcare Solutions Reserve		(6,195,000)
• Earmarked Reserves Rebudget: Salaries and Benefits Reserve		(5,225,000)
• Earmarked Reserves Rebudget: Sick Leave Payments Upon Retirement Reserve		(6,000,000)
• Earmarked Reserves Rebudget: Workers' Compensation/General Liability Catastrophic Reserve		(15,000,000)
• Earmarked Reserves: 2016-2017 Long Range Planning Project Staffing Reserve		(110,000)
• Earmarked Reserves: Silicon Valley Regional Communications System Reserve		(3,000,000)
• Earmarked Reserves: Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve		(1,950,000)
One-Time Prior Year Expenditures Subtotal:	0.00	(153,576,245)
Technical Adjustments to Costs of Ongoing Activities		
• Capital Contributions: Fire Apparatus Replacement		(250,000)
• Capital Contributions: Unanticipated/Emergency Maintenance		50,000
• Transfers to Other Funds: City Hall Debt Service Fund		865,424
• Transfers to Other Funds: Community Facilities Revenue Fund/Hayes Mansion		(300,000)
• Transfers to Other Funds: Downtown Property and Business Improvement District Fund		21,680
• Transfers to Other Funds: Municipal Golf Course Fund		(400,000)
• Earmarked Reserves: Air Service Incentive Program Reserve		100,000
• Earmarked Reserves: Artificial Turf Capital Replacement Reserve		25,000
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		3,506,000
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		800,000
• Earmarked Reserves: Employee Market Competitiveness Reserve		(500,000)
• Earmarked Reserves: General Plan Update Reserve		75,711
• Earmarked Reserves: New Library Maintenance and Operations Reserve		11,000
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		354,000
• Earmarked Reserves: New Police Maintenance and Operations Reserve		1,300,000

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
• Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve		199,000
• Earmarked Reserves: Police Department Staffing/Operations Reserve		(382,200)
• Earmarked Reserves: Salaries and Benefits Reserve adjustment		(486,193)
• Contingency Reserve		500,000
Technical Adjustments Subtotal:	0.00	5,489,422
2015-2016 Forecast Base Budget:	0.00	80,215,144
Budget Proposals Recommended		
Capital Contributions		
1. Capital Contributions: Animal Care and Services - Various Improvements		340,000
2. Capital Contributions: Arc Flash Hazard Analysis		360,000
3. Capital Contributions: Children's Discovery Museum Skylight Replacement		20,000
4. Capital Contributions: City Hall and Employee Garage Security Upgrades		325,000
5. Capital Contributions: City Hall Audio/Visual Upgrade		275,000
6. Capital Contributions: City Hall HVAC Control System Replacement		5,000,000
7. Capital Contributions: City-Wide Buildings Assessments		300,000
8. Capital Contributions: Hammer Theatre Miscellaneous HVAC and Electrical Upgrades		200,000
9. Capital Contributions: History San José - Fallon House Elevator and Ramp Replacement		100,000
10. Capital Contributions: History San José - Pacific Hotel - Fire and Intrusion Alarm		250,000
11. Capital Contributions: Mexican Heritage Plaza Roof Repairs		25,000
12. Capital Contributions: Municipal Garage LED Lighting Upgrade		85,000
13. Capital Contributions: San José Municipal Stadium Improvements		270,000
14. Capital Contributions: San José Stage Company		1,000,000
15. Capital Contributions: The Tech Museum Controls Module Improvements		250,000
16. Capital Contributions: Vietnamese-American Community Center Planning and Fundraising		300,000
Capital Contributions Subtotal:	0.00	9,100,000
Earmarked Reserves		
1. Earmarked Reserves: 2017-2018 Future Deficit Reserve		4,131,000
2. Earmarked Reserves: Airport Attraction Reserve		850,000
3. Earmarked Reserves: Budget Stabilization Reserve		2,500,000

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

	Positions	General Fund (\$)
Budget Proposals Recommended		
Earmarked Reserves		
4. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)
5. Earmarked Reserves: Essential Services Reserve		2,500,000
6. Earmarked Reserves: Intergovernmental Relations Reserve		200,000
7. Earmarked Reserves: New Library Maintenance and Operations Reserve Elimination		(11,000)
8. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(354,000)
9. Earmarked Reserves: New Police Maintenance and Operations Reserve Elimination		(1,300,000)
10. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(199,000)
11. Earmarked Reserves: Office of Immigrant Affairs Reserve		250,000
12. Earmarked Reserves: Silicon Valley Regional Communications System Reserve		1,375,745
Earmarked Reserves Subtotal:	0.00	9,142,745
Contingency Reserve		
1. Contingency Reserve		1,000,000
Contingency Reserve Subtotal:	0.00	1,000,000
Total Budget Proposals Recommended	0.00	19,242,745
2016-2017 Proposed Budget Total	0.00	99,457,889

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
1. Capital Contributions: Animal Care and Services - Various Improvements		340,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$340,000 for various improvements at the Animal Care and Services Shelter. These improvements include renovating the animal intake area (\$240,000), painting the main adoption gallery (\$60,000), and improving the landscaping in the interior/exterior courtyard (\$40,000). Project elements will include expanding the animal intake area with segregated areas for cat and dog intake, installing isolation cages and adding sinks for employees to keep their hands clean; replacing the gallery's wallpaper in the main adoption gallery with new paint; and landscaping improvements to improve the overall look of the facility and address a rodent issue with existing landscaping. The improvements will provide a safer and more effective facility. (Ongoing costs: \$0)</p>		
2. Capital Contributions: Arc Flash Hazard Analysis		360,000
<i>Strategic Support CSA</i>		
<p>This project provides second year funding to continue an Arc Flash Hazard Analysis at City facilities to address potential compliance concerns with the National Fire Protection Association (NFPA) 70E requirements. An arc is produced by the flow of electrical current through ionized air after an initial short circuit. Arcs produce extremely high temperatures, up to 35,000 degrees Fahrenheit, and the blast can produce up to 2,100 pounds per square inch of pressure (PSI). A third year of funding will be needed and is expected to be brought forward as part of next year's budget process. The results of the analysis will prioritize any future projects that might be necessary to mitigate potentially hazardous conditions. (Ongoing costs: \$0)</p>		
3. Capital Contributions: Children's Discovery Museum Skylight Replacement		20,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$20,000 to replace the skylight (roof window) at the Children's Discovery Museum due to leaks that have developed as a result of age. Water infiltration can lead to mold development and ultimately to interruptions to the use of the facility. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
4. Capital Contributions: City Hall and Employee Garage Security Upgrades		325,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$325,000 for City Hall and Employee Garage Security upgrades. These upgrades will include installation of additional video cameras, lighting, and a security gate on the City Hall Plaza, which will be installed at the back side of the Rotunda and the Wing. Additional video cameras and elevator card access will also be installed at the Employee Parking Garage. This project will improve safety at City Hall and Employee Parking Garage. (Ongoing costs: \$0)</p>		
5. Capital Contributions: City Hall Audio/Visual Upgrade		275,000
<i>Strategic Support CSA</i>		
<p>This project provides second year funding to continue the upgrade of the audio/visual system at City Hall in the Council Chambers and Rotunda. This project will include the upgrade of core audio/visual controls, core video distribution, display equipment, transmission systems, the Rotunda audio system, and switching the network infrastructure. This project is needed to optimize system efficiencies and reliability, and improve audio and visual coverage by minimizing system failures and unplanned downtime. (Ongoing costs: \$0)</p>		
6. Capital Contributions: City Hall HVAC Control System Replacement		5,000,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$5.0 million for replacement of the HVAC control system in City Hall with a new up-to-date control system. This is a two-phase project. The first phase will include extensive system evaluation, preliminary design, and detailed cost estimates. The second phase will include plans and specifications, parts acquisition, and installation. Replacement parts for the current HVAC system are no longer manufactured, leaving the equipment at risk for failure. (Ongoing costs: \$0)</p>		
7. Capital Contributions: City-Wide Buildings Assessments		300,000
<i>Strategic Support CSA</i>		
<p>This project provides second year (of a three year program) funding of \$300,000 to conduct building inspection and evaluation assessments of City-owned facilities. This project is needed to conduct building assessments of the City's most crucial building components and systems, which will help the City's facilities management staff determine and prioritize the replacement and repair needs of the City-owned building infrastructure and equipment. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
8. Capital Contributions: Hammer Theatre Miscellaneous HVAC and Electrical Upgrades		200,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$200,000 to upgrade the HVAC system and electrical and lighting systems at the Hammer Theatre Center. Due to the age of the Center, these systems have stopped working properly. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
9. Capital Contributions: History San José – Fallon House Elevator and Ramp Replacement		100,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$100,000 for facility improvements at the Fallon House that is operated by History San José. These improvements include replacing an elevator lift and ramp that are beyond their useful life and have stopped working properly at the Fallon House located at the History Park. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
10. Capital Contributions: History San José – Pacific Hotel - Fire and Intrusion Alarm		250,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$250,000 to replace the fire and intrusion alarm at the Pacific Hotel that is operated by History San José. The fire and intrusion alarm at the Pacific Hotel, which is located at the History Park, has been experiencing significant technical issues. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
11. Capital Contributions: Mexican Heritage Plaza Roof Repairs		25,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$25,000 for minor building roof repairs at the Mexican Heritage Plaza. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
12. Capital Contributions: Municipal Garage LED Lighting Upgrade		85,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$85,000 to replace fluorescent lights with energy efficient Low Emitting Diode (LED) lights in the Municipal Fleet Garage at the Police Campus. This project will improve lighting and increase safety at the Municipal Fleet Garage. This project is supported by existing funds in the Police Department Staffing/Operations Reserve from 2015-2016 that has been set aside from savings from new police officers who receive Tier 2 retirement benefits and are to be set aside annually until 141 new sworn positions (bringing total sworn positions to 1,250) have been added to the Police Department on an ongoing basis. A portion of this reserve that is not being used in 2015-2016 is recommended to be used to support various additions in 2016-2017 in the Police Department and the lighting upgrade. (Ongoing costs: \$0)</p>		
13. Capital Contributions: San José Municipal Stadium Improvements		270,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$270,000 for various capital improvements at the San José Municipal Stadium. The improvements include replacing the sewer lines inside the stadium, fixing the perimeter fencing, and replacing a water heater. This project is necessary to repair the aging sewer lines to prevent any sanitary sewer overflows, to repair the perimeter fence to prevent break-ins and to increase safety at the stadium, and to replace the water heater that has reached the end of its useful life and has stopped working properly. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
14. Capital Contributions: San José Stage Company		1,000,000
<i>Strategic Support CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action provides funding of \$1.0 million to help secure a permanent, publicly-owned site for the San José Stage Company. The site, formerly owned by the Redevelopment Agency faces the threat of sale, under the requirements of the Successor Agency to the Redevelopment Agency (SARA) and the California Department of Finance. San José Stage Company plans to potentially partner with the City to finance the acquisition and redevelopment of the parcel in order to keep this arts facility in the community. This proposal will provide funding for necessary appraisals, planning, and potential purchase of the site. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
15. Capital Contributions: The Tech Museum Controls Module Improvements		250,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$250,000 for replacement of a control module that is linked to the HVAC system at the Tech Museum of Innovation. This project will replace the control module to allow the recently installed chiller system to function at its designed optimal level, improving both energy and water efficiency for the building. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
16. Capital Contributions: Vietnamese-American Community Center Planning and Fundraising		300,000
<i>Neighborhood Services CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action provides funding of \$300,000 for planning efforts and to specifically help launch private fundraising for the development of a Vietnamese-American Community Center. Once completed, the Vietnamese-American Community Center will serve as a public gathering space for events, civic dialogue, and for provision of services and information in the Vietnamese language. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
Subtotal Capital Contributions:	0.00	9,100,000

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
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Earmarked Reserves

1. **Earmarked Reserves: 2017-2018 Future Deficit Reserve** **4,131,000**

Strategic Support CSA

This action establishes the 2017-2018 Future Deficit Reserve of \$4.1 million (and \$6.9 million ongoing). The 2017-2021 General Fund Forecast that was issued in February 2016 projected an ongoing \$11.1 million shortfall for 2017-2018. This reserve is recommended to be set aside to address this shortfall. (Ongoing costs: \$6,935,000)

2. **Earmarked Reserves: Airport Attraction Reserve** **850,000**

Community and Economic Development CSA

As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action establishes an Airport Attraction Program Reserve of \$850,000 to promote San José as a travel destination in foreign markets. With recent growth in long-haul flights, these funds will be used to launch a concerted effort to promote San José in key markets that have international air service ties to Norman Y. Mineta San José International Airport. A Manager's Budget Addendum will be released later in the budget process that will outline a plan for the use of these funds in consultation with Team San Jose for City Council consideration. This reserve is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2015-2016 that was funded by the growth in the General Fund portion of the Transient Occupancy Tax revenue above the 2013-2014 base year that has been set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)

3. **Earmarked Reserves: Budget Stabilization Reserve** **2,500,000**

Strategic Support CSA

As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action increases the Budget Stabilization reserve by \$2.5 million (up to \$12.5 million once funding of \$10.0 million is rebudgeted from 2015-2016 and included in the Adopted Budget). Per City Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, there is a goal of 10% of General Fund Operating Budget expenditures for the combination of the General Fund Contingency Reserve, Budget Stabilization Reserve, and Workers' Compensation/General Liability Catastrophic Reserve. With this change, these reserves will equate to approximately 5%. The Budget Stabilization Reserve provides budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. It is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. (Ongoing costs: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
4. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)
<i>Strategic Support CSA</i>		
This action liquidates the Deferred Maintenance/Technology Reserve set aside as part of the 2016-2017 General Fund Forecast to be allocated to deferred maintenance and technology projects approved as part of the 2016-2017 Proposed Budget. (Ongoing savings: \$0)		
5. Earmarked Reserves: Essential Services Reserve		2,500,000
<i>Strategic Support CSA</i>		
As directed in the Mayor's March Budget Message for Fiscal Year 2016-2017, as approved by the City Council, this action establishes an Essential Services Reserve totaling \$2.5 million to fund one-time services that are not yet contained in the budget, but are of essential importance to the community and/or to establish a Participatory Budget Pilot Program for those City Council Districts that wish to opt-in to this program. These funds will be allocated later during the 2016-2017 budget process as part of the Mayor's June Budget Message for City Council consideration and eventual approval. It should be noted that the March Budget Message directed the Administration to establish this reserve at \$2.0 million. However, the Proposed Budget contains a \$500,000 increase to this reserve in order to provide additional flexibility during the City Council budget deliberation process. (Ongoing costs: \$0)		
6. Earmarked Reserves: Intergovernmental Relations Reserve		200,000
<i>Strategic Support CSA</i>		
This action establishes an Intergovernmental Relations Reserve of \$200,000 for potential governmental relations consultant services to provide legislative advocacy at the State level. A Manager's Budget Addendum will be released later in the budget process that will outline a plan for the use of these funds for City Council consideration. (Ongoing costs: \$200,000)		
7. Earmarked Reserves: New Library Maintenance and Operations Reserve Elimination		(11,000)
<i>Neighborhood Services CSA</i>		
This action liquidates the Earmarked Reserve that was established in the 2016-2017 General Fund Forecast for projected operations and maintenance expenses of \$11,000 related to the Mobile Maker(Space)ship vehicle that is scheduled to become operational in 2016-2017 and was included in the Five-Year Capital Improvement Program. These funds are allocated in the Library Department section of this document. (Ongoing savings: \$11,000)		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
8. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(354,000)
<i>Neighborhood Services CSA</i>		
<p>This action liquidates the Earmarked Reserve that was established in the 2016-2017 General Fund Forecast for projected operations and maintenance expenses of \$354,000 related to new parks and recreation facilities that are scheduled to become operational in 2016-2017 including the following: Baypointe Interim Park, Communication Hill Fitness Staircase, Del Monte Park Phase III (land), Happy Hollow Park and Zoo (amusement ride and animals), Iris Change Park, Spartan Keyes (land), Tamien Park Phase I, TRAIL: Three Creeks (Ionus Street to Minnesota Avenue), and Vietnamese Cultural Heritage Garden. These funds are allocated for operations and maintenance expenses in the Parks, Recreation and Neighborhood Services Department section of this document. (Ongoing savings: \$576,000)</p>		
9. Earmarked Reserves: New Police Maintenance and Operations Reserve Elimination		(1,300,000)
<i>Public Safety CSA</i>		
<p>This action liquidates the Earmarked Reserve that was established in the 2016-2017 General Fund Forecast for projected operations and maintenance expenses of \$1.3 million related to the purchase of body worn cameras for the Police Department. These funds are allocated for operations and maintenance expenses in the Police Department section of this document. (Ongoing savings: \$1,339,000)</p>		
10. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(199,000)
<i>Transportation and Aviation Services CSA</i>		
<p>This action liquidates the Earmarked Reserve that was established in the 2016-2017 General Fund Forecast for projected operations and maintenance expenses of \$199,000 related to new traffic infrastructure assets (traffic signals, landscaping, and street lighting) that are scheduled to become operational in 2016-2017 and were included in the Five-Year Capital Improvement Program. These funds are allocated for operations and maintenance expenses in the Transportation Department section of this document. (Ongoing savings: \$228,000)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
11. Earmarked Reserves: Office of Immigrant Affairs Reserve		250,000
<i>Strategic Support CSA</i>		
<p>This action establishes an Office of Immigrant Affairs (OIA) Reserve of \$250,000. This reserve sets aside one-time funding for the OIA while the Administration, with support of the Welcoming San José Steering Committee, develops a three-year immigrant integration plan that will recommend goals and objectives to create a more welcoming environment and improve the quality of life of immigrants. The Administration will recommend a Welcoming San José Plan (Plan) to the City Council in May 2016 with approval anticipated in June 2016. To ensure the Plan can be implemented, the Administration plans to allocate this reserve to support the program through the Manager's Budget Addendum process. This funding will support the implementation of the Plan and the various initiatives proposed, such as language translation and interpretation services, civic engagement, communication, education, workforce development, and connected communities. (Ongoing costs: \$0)</p>		
12. Earmarked Reserves: Silicon Valley Regional Communications System Reserve		1,375,745
<i>Strategic Support CSA</i>		
<p>This action increases the Silicon Valley Regional Communications System (SVRCS) Reserve (from \$3.0 million to \$4.4 million) to fully fund the City's portion of the infrastructure buildout for the SVRCS totaling \$7.5 million. The SVRCS is a multistage project coordinated by Silicon Valley Regional Interoperability Authority (SVRIA), a joint powers authority consisting of 15 member agencies, including the City of San José, whose mission is to identify, coordinate, and implement communication interoperability solutions to its member agencies by integrating voice and data communications between law enforcement, fire and rescue services, emergency medical services, and emergency management for routine operations, critical incidents and disaster response and recovery. A total need of \$24.6 million was identified to fund San José's portion of the upfront investment to build the SVRCS (\$7.5 million, with Valley Transportation Authority participation), purchase of new radios (\$14.6 million), and purchase of dispatch consoles (\$2.5 million). This proposal addresses the infrastructure build out only.</p> <p>To address the \$14.6 million needed for radio replacements, the City will use grant and local funding from several sources. A total of \$10.1 million, to date, has been used to begin radio replacements. In addition, over the five-year CIP, approximately \$2.5 million is included in the Silicon Valley Regional Communications System – Radios project. After taking these year-to-date and future investments into account, the remaining unfunded amount for radio replacement is \$2.0 million.</p> <p>The need for dispatch console replacements totals \$2.5 million. In 2015-2016, the City replaced two dispatch consoles for \$250,000, leaving a remaining unfunded need of \$2.3 million. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Program

Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
12. Earmarked Reserves: Silicon Valley Regional Communications System Reserve		
The City's total unfunded need for implementation of the SVRCS is approximately \$4.3 million. The City will continue to explore additional sources of grant funding to further defray these costs, and is working with the SVRIA to appropriately phase the contribution schedule for the SVRCS build out county-wide. (Ongoing costs: \$0)		
	Subtotal Earmarked Reserves:	0.00 9,142,745
Contingency Reserve		
1. Contingency Reserve		1,000,000
Strategic Support CSA		
Per City Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, the General Fund Contingency Reserve is to be set at a minimum of 3% of the operating budget. This action increases the Contingency Reserve from \$34.5 million to \$35.5 million to ensure compliance with the 3% funding requirement for the 2016-2017 Budget. (Ongoing costs: \$0)		
	Subtotal Contingency Reserve:	0.00 1,000,000
2016-2017 Proposed Budget Changes Total		0.00 19,242,745

General Fund Capital, Transfers, Reserves

Budget Program: Capital Contributions City Service Area: Multiple

Detail of Costs Description

Capital Contributions	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Neighborhood Services CSA				
Parks & Community Facilities Dev. Capital Program				
Alviso Park Improvements	\$ 0	\$ 100,000	\$ 0	\$ 0
Alviso Park Master Plan	0	80,000	0	0
Kelley House Demolition	68,271	328,000	0	0
TRAIL: San Tomas Aquino Pedestrian Improvements	0	100,000	0	0
Vietnamese-American Community Center Planning and Fundraising	0	0	0	300,000
Total Parks & Community Fac. Dev. Capital Pgm.	\$ 68,271	\$ 608,000	\$ 0	\$ 300,000
Total Neighborhood Services CSA	\$ 68,271	\$ 608,000	\$ 0	\$ 300,000
Public Safety CSA				
Public Safety Capital Program				
Fire Apparatus Replacement	\$ 2,325,738	\$ 15,853,000	\$ 3,750,000	\$ 3,750,000
Fire Facilities Remediation	104,101	253,000	0	0
South San José Police Substation	191,089	300,000	0	0
Total Public Safety Capital Program	\$ 2,620,928	\$ 16,406,000	\$ 3,750,000	\$ 3,750,000
Total Public Safety CSA	\$ 2,620,928	\$ 16,406,000	\$ 3,750,000	\$ 3,750,000
Transportation & Aviation Services CSA				
Traffic Capital Program				
Bucknall Road	\$ 2,113	\$ 0	\$ 0	\$ 0
Pavement Maintenance Program	0	8,000,000	0	0
Total Traffic Capital Program	\$ 2,113	\$ 8,000,000	\$ 0	\$ 0
Total Transportation & Aviation Services CSA	\$ 2,113	\$ 8,000,000	\$ 0	\$ 0
Strategic Support CSA				
Municipal Improvements Capital Program				
Airport West Property Caltrain Connection	\$ 0	\$ 5,973,000	\$ 0	\$ 0
Airport West Property Underground Abatement	1,000,000	0	0	0
Animal Care and Services Fire Alarm and Security Upgrade	0	225,000	0	0
Animal Care and Services - Various Improvements	0	0	0	340,000
Animal Care and Services Waterproofing	0	800,000	0	0
Arc Flash Hazard Analysis	0	350,000	0	360,000
Arena Repairs	150,829	450,000	100,000	100,000
Children's Discovery Museum Chiller Replacements	24,157	700,000	0	0
Children's Discovery Museum Fencing	0	350,000	0	0
Children's Discovery Museum Portico Reroof	29,464	220,000	0	0
Children's Discovery Museum Skylight Replacement	0	0	0	20,000
City Cultural Facilities Capital Maintenance	98,974	0	0	0
City Hall and Employee Garage Security Upgrades	0	0	0	325,000
City Hall Audio/Visual Upgrade	0	500,000	0	275,000

General Fund Capital, Transfers, Reserves

Budget Program: Capital Contributions

City Service Area: Multiple

Detail of Costs Description

Capital Contributions	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Strategic Support CSA				
Municipal Improvements Capital Program				
City Hall Chiller Media Replacement	\$ 0	\$ 250,000	\$ 0	\$ 0
City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance	150,000	200,000	200,000	200,000
City Hall Bamboo Courtyard Renovation	224,341	0	0	0
City Hall HVAC Control System Replacement	0	0	0	5,000,000
City Hall Waterproofing	110,426	1,445,000	0	0
City-Wide Buildings Assessments	0	400,000	0	300,000
Closed Landfill Compliance	359,391	350,000	350,000	350,000
Downtown Ice Rink Improvements	100,000	0	0	0
Fuel Tank Monitoring	38,589	50,000	50,000	50,000
Hammer Theatre Miscellaneous HVAC and Electrical Upgrades	0	0	0	200,000
History Park Safety and Security	0	175,000	0	0
History San José - Fallon House Elevator and Ramp Replacement	0	0	0	100,000
History San José - Minor Renovations	0	30,000	0	0
History San José - Pacific Hotel - Fire and Intrusion Alarm	0	0	0	250,000
Mexican Heritage Plaza Building Management System Upgrade	0	300,000	0	0
Mexican Heritage Plaza Roof Repairs	0	0	0	25,000
Municipal Garage LED Lighting Upgrade	0	0	0	85,000
Municipal Garage Repainting	114,577	0	0	0
Permit Center Breakroom and Restrooms	0	570,000	0	0
Plaza de Cesar Chavez Stage Canopy	0	210,000	0	0
Police Administration Building Critical Repairs	0	0	0	0
Police Administration Building - Employee Parking Lot Perimeter Fencing	0	300,000	0	0
Police Administration Building Firing Range Lighting	36,648	0	0	0
Police Administration Building Generator Replacement	321,245	88,000	0	0
Police Administration Building HVAC Controls Replacement	70,851	0	0	0
Police Administration Building Roof Replacement	0	350,000	0	0
Police Administration Building Security Upgrades	599,405	117,000	0	0
Police Administration Building Visitors Parking Lot and Campus Asphalt Repairs	115,187	0	0	0
Police Administration Building/Police Communications Center Chiller Replacements	1,493,262	500,000	0	0
Police Administration Building/Police Communications Center Exterior Waterproofing	350,000	0	0	0

General Fund Capital, Transfers, Reserves

Budget Program: Capital Contributions

City Service Area: Multiple

Detail of Costs Description

Capital Contributions	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Strategic Support CSA				
Municipal Improvements Capital Program				
Police Communications Center Electrical System Upgrade	\$ 321,348	\$ 1,246,000	\$ 0	\$ 0
Police Communications Center Elevator Retrofit	0	595,000	0	0
Police Communications Center Redundant Power Circuitry System Design	115,663	90,000	0	0
Police Communications Center Parking Deck and Ramp Restoration	54,909	0	0	0
Police Communications Emergency Uninterrupted Power Supply	50,580	3,551,000	0	0
Police Communications Fire Protection System Upgrade	114,441	2,866,000	0	0
Police Fleet Management System	0	400,000	0	0
San José Municipal Stadium Improvements	0	0	0	270,000
San José Museum of Art - Minor Renovations	0	50,000	0	0
San José Museum of Art Roof Replacement	0	150,000	0	0
San José Stage Company	0	0	0	1,000,000
Silicon Valley Regional Communications System Infrastructure Payment	3,130,000	0	0	0
The Tech Museum Cooling Tower Replacement - Design	0	25,000	0	0
The Tech Museum Controls Module Improvements	0	0	0	250,000
The Tech Museum - Minor Renovations	0	55,000	0	0
The Tech Museum Terrazzo Floor Replacement	0	150,000	0	0
Unanticipated/Emergency Maintenance	482,553	750,000	800,000	800,000
United States Patent and Trademark Office - City Staff Relocation	1,880,110	0	0	0
United States Patent and Trademark Office - Tenant Improvements Project	4,328,279	6,434,000	0	0
Total Municipal Improvements Capital Program	\$ 15,865,229	\$ 31,265,000	\$ 1,500,000	\$ 10,300,000
Total Strategic Support CSA	\$ 15,865,229	\$ 31,265,000	\$ 1,500,000	\$ 10,300,000
TOTAL CAPITAL CONTRIBUTIONS	\$ 18,556,541	\$ 56,279,000	\$ 5,250,000	\$ 14,350,000

General Fund Capital, Transfers, Reserves

Budget Program: Transfers to Other Funds

City Service Area: Multiple

Detail of Costs Description

Transfers to Other Funds	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
<i>Community & Economic Development CSA</i>				
Arena Enhancement Fund	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Arena Reserve Fund	250,000	750,000	750,000	750,000
Business Improvement District Fund	10,000	10,000	10,000	10,000
Economic Development Administration Loan Fund	165,000	0	0	0
Ice Centre Revenue Fund - Former RDA SERAF Loan Repayment	2,029,673	0	0	0
Total Community & Economic Develop. CSA	\$ 3,454,673	\$ 760,000	\$ 760,000	\$ 760,000
<i>Environmental & Utility Services</i>				
Sewage Treatment Plant Connection Fee Fund - Former RDA SERAF Loan Repayment	\$ 5,074,182	\$ 0	\$ 0	\$ 0
Total Environmental & Utility Services CSA	\$ 5,074,182	\$ 0	\$ 0	\$ 0
<i>Neighborhood Services CSA</i>				
Municipal Golf Course Fund	\$ 2,200,000	\$ 2,600,000	\$ 2,200,000	\$ 2,200,000
Parks C&C Tax Fund - Council District 10	85,000	0	0	0
Subdivision Park Trust Fund - Former RDA SERAF Loan Repayment	3,044,508	0	0	0
Total Neighborhood Services CSA	\$ 5,329,508	\$ 2,600,000	\$ 2,200,000	\$ 2,200,000
<i>Transportation & Aviation Services CSA</i>				
Downtown Property and Bus Impvt District Fund	\$ 695,415	\$ 705,327	\$ 727,007	\$ 727,007
Maintenance Assessment District #2	2,408	2,408	2,408	2,408
Maintenance Assessment District #8	2,353	2,353	2,353	2,353
Maintenance Assessment District #9	23,480	23,480	23,480	23,480
Maintenance Assessment District #11	6,354	6,354	6,354	6,354
Maintenance Assessment District #15	16,636	16,636	16,636	16,636
Maintenance Assessment District #19	6,195	6,195	6,195	6,195
Maintenance Assessment District #20	21,461	21,461	21,461	21,461
Maintenance Assessment District #21	8,996	8,996	8,996	8,996
Maintenance Assessment District #22	35,223	35,223	35,223	35,223
Total Transportation & Aviation Services CSA	\$ 818,521	\$ 828,433	\$ 850,113	\$ 850,113

General Fund Capital, Transfers, Reserves

Budget Program: Transfers to Other Funds

City Service Area: Multiple

Detail of Costs Description

Transfers to Other Funds	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4
Strategic Support CSA				
City Hall Debt Service Fund	\$ 17,741,359	\$ 18,186,173	\$ 19,051,597	\$ 19,051,597
Communications Construction and Convey Tax Fund	237,500	0	0	0
Community Facilities Revenue Fund/Hayes Mansion	3,100,000	3,700,000	3,400,000	3,400,000
Vehicle Maint. and Ops. Fund/General Fleet	1,000,000	1,000,000	1,000,000	1,000,000
Vehicle Replacement				
Total Strategic Support CSA	\$ 22,078,859	\$ 22,886,173	\$ 23,451,597	\$ 23,451,597
TOTAL TRANSFERS TO OTHER FUNDS	\$ 36,755,743	\$ 27,074,606	\$ 27,261,710	\$ 27,261,710

Budget Program: Earmarked Reserves

City Service Area: Multiple

Detail of Costs Description

Earmarked Reserves	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	Type of Reserve*
Community & Economic Development CSA					
2015-2016 Homeless Rapid Rehousing Reserve	N/A	\$ 110,000	\$ 0	\$ 0	
Airport Attraction Reserve	N/A	0	0	850,000	C
Building Development Fee Program Reserve	N/A	22,288,697	0	0	
Development Fee Programs Technology Reserve	N/A	4,495,000	0	0	
Fire Development Fee Program Reserve	N/A	5,901,229	0	0	
General Plan Update Reserve	N/A	807,303	240,000	240,000	B
Planning Development Fee Program Reserve	N/A	1,262,390	0	0	
Public Works Development Fee Program Reserve	N/A	5,045,715	0	0	
Total Community & Economic Develop. CSA	N/A	\$ 39,910,334	\$ 240,000	\$ 1,090,000	
Neighborhood Services CSA					
Artificial Turf Capital Replacement Reserve	N/A	\$ 650,000	\$ 225,000	\$ 225,000	B
New Library Maintenance and Operations Reserve	N/A	0	11,000	0	
New Parks and Recreation Facilities Maintenance and Operations Reserve	N/A	0	354,000	0	
Total Neighborhood Services CSA	N/A	\$ 650,000	\$ 590,000	\$ 225,000	
Public Safety CSA					
New Police Maintenance and Operations Reserve	N/A	\$ 0	\$ 1,300,000	\$ 0	
Police Department Staffing/Operations Reserve	N/A	11,424,400	0	0	
Police Property Facility Relocation Reserve	N/A	500,000	0	0	
Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve	N/A	1,950,000	0	0	
Total Public Safety CSA	N/A	\$ 13,874,400	\$ 1,300,000	\$ 0	
Transportation & Aviation Services CSA					
Air Service Incentive Program Reserve	N/A	\$ 400,000	\$ 500,000	\$ 500,000	C
New Traffic Infrastructure Assets Maintenance and Operations Reserve	N/A	0	199,000	0	
Total Transportation & Aviation Services CSA	N/A	\$ 400,000	\$ 699,000	\$ 500,000	
Strategic Support CSA					
2017-2018 Future Deficit Reserve	N/A	\$ 0	\$ 0	\$ 4,131,000	A
Budget Stabilization Reserve	N/A	10,000,000	0	2,500,000	A
Cultural Facilities Capital Maintenance Reserve	N/A	3,644,000	5,948,000	5,948,000	C
Deferred Infrastructure and Maintenance Reserve	N/A	0	800,000	0	
Employee Market Competitiveness Reserve	N/A	1,250,000	750,000	750,000	C
Essential Services Reserve	N/A	0	0	2,500,000	C
Fiscal Reform Plan Implementation Reserve	N/A	2,437,000	0	0	
Intergovernmental Relations Reserve	N/A	0	0	200,000	C
Office of Immigrant Affairs Reserve	N/A	0	0	250,000	C
Retiree Healthcare Solutions Reserve	N/A	6,195,000	0	0	
Salaries and Benefits Reserve	N/A	8,587,627	2,876,434	2,876,434	C
Sick Leave Payments Upon Retirement Reserve	N/A	6,000,000	0	0	

Budget Program: Earmarked Reserves

City Service Area: Multiple

Detail of Costs Description

Earmarked Reserves	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	Type of Reserve*
Strategic Support CSA					
Silicon Valley Regional Communications System Reserve	N/A	3,000,000	0	1,375,745	C
Workers' Compensation/General Liability Catastrophic Reserve	N/A	15,000,000	0	0	
Total Strategic Support CSA	N/A	\$ 56,113,627	\$ 10,374,434	\$ 20,531,179	
TOTAL EARMARKED RESERVES	N/A	\$ 110,948,361	\$ 13,203,434	\$ 22,346,179	

*Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

B: Restricted Reserve (set aside for specified purpose from a restricted funding source).

C: Programmatic Reserve (set aside to deliver a particular program/project, many are multi-year projects).

Budget Program: Contingency Reserves
City Service Area: Strategic Support

Detail of Costs Description

Contingency Reserve	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	Type of Reserve*
Strategic Support CSA					
Contingency Reserve	N/A	\$ 34,000,000	\$ 34,500,000	\$ 35,500,000	A
Total Strategic Support CSA	N/A	\$ 34,000,000	\$ 34,500,000	\$ 35,500,000	
TOTAL CONTINGENCY RESERVE	N/A	\$ 34,000,000	\$ 34,500,000	\$ 35,500,000	

*Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

B: Restricted Reserve (set aside for specified purpose from a restricted funding source).

C: Programmatic Reserve (set aside to deliver a particular program/project, many are multi-year projects).

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AIRPORT CUSTOMER FACILITY AND TRANSPORTATION FEE FUND (519)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Coverage Reserve	3,772,763	4,353,020	4,353,020	4,353,020	4,425,162
Future Debt Service Reserve	3,881,806	4,227,467	4,881,117	4,881,117	7,079,327
Rate Stabilization Reserve	937,193	937,193	937,193	937,193	937,193
Reserve for Encumbrances	61,033	61,033	70,577	70,577	70,577
Total Beginning Fund Balance	8,652,795	9,578,713	10,241,907	10,241,907	12,512,259
Revenues					
Customer Transport Fee	18,689,878	18,763,000	18,763,000	19,941,000	20,386,000
Interest	46,014	0	0	30,000	30,000
Rental Car Agencies	2,472,140	2,524,361	2,524,361	2,524,361	2,556,261
Total Revenues	21,208,032	21,287,361	21,287,361	22,495,361	22,972,261
TOTAL SOURCE OF FUNDS	29,860,827	30,866,074	31,529,268	32,737,268	35,484,520
USE OF FUNDS					
Expenditures					
Airport Non-Pers/Equip	2,087,145	2,153,654	2,153,654	2,153,654	2,185,554
CFC Audit	8,078	8,500	8,500	8,500	8,500
Operations Contingency	0	250,000	250,000	250,000	250,000
Total Expenditures	2,095,223	2,412,154	2,412,154	2,412,154	2,444,054
Transfers					
Airport Fiscal Agent Fund	17,411,490	17,700,648	17,700,648	17,700,648	18,025,888
Airport Surplus Revenue Fund	112,207	112,207	112,207	112,207	112,207
Total Transfers	17,523,697	17,812,855	17,812,855	17,812,855	18,138,095
Ending Fund Balance					
Debt Service Coverage Reserve	4,353,020	4,425,162	4,425,162	4,425,162	4,506,472
Future Debt Service Reserve	4,881,117	5,217,677	5,871,327	7,079,327	9,388,129
Rate Stabilization Reserve	937,193	937,193	937,193	937,193	937,193
Reserve for Encumbrances	70,577	61,033	70,577	70,577	70,577
Total Ending Fund Balance	10,241,907	10,641,065	11,304,259	12,512,259	14,902,371
TOTAL USE OF FUNDS	29,860,827	30,866,074	31,529,268	32,737,268	35,484,520

AIRPORT FISCAL AGENT FUND (525)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve	86,076,988	80,769,480	80,172,688	80,172,688	80,208,444
Total Beginning Fund Balance	86,076,988	80,769,480	80,172,688	80,172,688	80,208,444
Revenues					
Bond Proceeds	144,836,295	0	0	0	0
Interest	225,694	300,000	300,000	300,000	520,000
Total Revenues	145,061,989	300,000	300,000	300,000	520,000
Transfers					
Airport Cust Fac & Transp Fee Fd	17,411,490	17,700,648	17,700,648	17,700,648	18,025,888
Airport Pass Fac Charge Fd	25,202,373	24,829,000	24,829,000	24,829,000	24,810,000
Airport Revenue Bond Imp Fd	11,082,025	11,083,000	11,083,000	11,083,000	4,788,000
Airport Revenue Fund	42,386,802	41,839,894	41,839,894	41,839,894	48,109,346
Total Transfers	96,082,690	95,452,542	95,452,542	95,452,542	95,733,234
TOTAL SOURCE OF FUNDS	327,221,667	176,522,022	175,925,230	175,925,230	176,461,678
USE OF FUNDS					
Expenditures					
Bond Issuance Costs	976,228	0	0	0	0
Interest Payment	72,673,220	71,791,786	71,791,786	71,791,786	71,021,924
Principal Payment	173,185,000	23,660,000	23,660,000	23,660,000	24,700,000
Total Expenditures	246,834,448	95,451,786	95,451,786	95,451,786	95,721,924
Transfers					
Airport Revenue Fund	214,531	265,000	265,000	265,000	364,000
Total Transfers	214,531	265,000	265,000	265,000	364,000
Ending Fund Balance					
Debt Service Reserve	80,172,688	80,805,236	80,208,444	80,208,444	80,375,754
Total Ending Fund Balance	80,172,688	80,805,236	80,208,444	80,208,444	80,375,754
TOTAL USE OF FUNDS	327,221,667	176,522,022	175,925,230	175,925,230	176,461,678

AIRPORT MAINTENANCE AND OPERATION FUND (523)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Master Trust Agreement Reserve	27,978,697	30,354,235	27,308,798	27,308,798	29,665,835
Reserve for Encumbrances	2,506,554	2,506,554	3,169,003	3,169,003	3,169,003
Retiree Healthcare Solutions Reserve	475,000	752,297	752,297	752,297	893,297
Workers' Comp Claims Reserve	2,242,233	2,242,233	2,741,401	2,741,401	2,741,401
Total Beginning Fund Balance	33,202,484	35,855,319	33,971,499	33,971,499	36,469,536
Transfers					
Airport Revenue Fund	68,415,338	81,591,702	81,591,702	81,591,702	82,573,654
Total Transfers	68,415,338	81,591,702	81,591,702	81,591,702	82,573,654
TOTAL SOURCE OF FUNDS	101,617,822	117,447,021	115,563,201	115,563,201	119,043,190
USE OF FUNDS					
Expenditures					
Airport Non-Pers/Equip	29,954,734	32,629,794	34,333,547	34,333,547	33,513,853
Airport Personal Services	23,941,891	27,867,822	26,959,538	26,959,538	27,551,799
Annual Audit	64,758	78,250	78,250	78,250	78,250
City Attny Non-Pers/Equip	2,106	4,000	4,000	4,000	4,000
City Attny Personal Services	577,575	674,251	679,874	679,874	715,072
City Mgr Non-Pers/Equip	24,400	24,500	24,500	24,500	24,500
City Mgr Personal Services	198,418	0	0	0	0
IT Personal Services	0	110,225	109,814	109,814	128,276
OED Non-Pers/Equip	1,939	5,000	5,000	5,000	5,000
OED Personal Services	128,455	173,915	175,594	175,594	141,562
Operations Contingency	0	1,969,173	579,835	579,835	3,116,118
Overhead	2,857,133	4,001,712	3,522,959	3,522,959	2,908,925
PBCE Personal Services	47,406	42,283	46,957	46,957	46,350
PRNS Personal Services	57,647	62,022	61,807	61,807	64,982
PW Non-Pers/Equip	10,044	14,511	14,511	14,511	14,511
PW Personal Services	118,167	188,001	187,254	187,254	196,959
Police Personal Services	0	111,180	110,749	110,749	71,245
Workers' Comp Claims	404,498	563,462	563,462	563,462	563,462
Total Expenditures	58,389,171	68,520,101	67,457,651	67,457,651	69,144,864
Transfers					
General Fund - Aircraft Rescue/Fire Fighting	3,293,417	3,991,614	4,913,064	4,913,064	5,158,017
General Fund - Human Resources/Payroll System Upgrade	35,618	128,068	128,068	128,068	16,214
General Fund - Police Services	5,928,117	6,594,882	6,594,882	6,594,882	6,738,648
Total Transfers	9,257,152	10,714,564	11,636,014	11,636,014	11,912,879
Ending Fund Balance					
Master Trust Agreement Reserve	27,308,798	32,711,272	29,665,835	29,665,835	31,181,746
Reserve for Encumbrances	3,169,003	2,506,554	3,169,003	3,169,003	3,169,003

AIRPORT MAINTENANCE AND OPERATION FUND (523)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
USE OF FUNDS (CONT'D.)					
Ending Fund Balance					
Retiree Healthcare Solutions Reserve	752,297	752,297	893,297	893,297	893,297
Workers' Comp Claims Reserve	2,741,401	2,242,233	2,741,401	2,741,401	2,741,401
Total Ending Fund Balance	33,971,499	38,212,356	36,469,536	36,469,536	37,985,447
TOTAL USE OF FUNDS	101,617,822	117,447,021	115,563,201	115,563,201	119,043,190

AIRPORT REVENUE FUND (521)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve	31,639,988	17,682,034	24,348,573	24,348,573	27,472,994
Future Budgets/Capital Reserve	30,161,479	41,909,366	41,909,366	41,909,366	47,416,419
Total Beginning Fund Balance	61,801,467	59,591,400	66,257,939	66,257,939	74,889,413
Revenues					
Airfield Area	3,993,032	3,998,162	3,998,162	4,654,970	4,902,387
Landing Fees	11,855,787	12,705,869	12,705,869	12,703,682	17,494,840
Miscellaneous	9,086,090	9,306,294	9,306,294	10,458,356	10,755,091
Parking & Roadway	46,576,354	47,739,656	47,739,656	50,536,201	51,638,244
Petroleum Products	3,257,258	3,514,393	3,514,393	3,464,245	3,526,746
Terminal Building	16,271,413	16,995,915	16,995,915	17,510,338	18,603,431
Terminal Rental	34,371,908	40,417,875	40,417,875	40,575,061	38,724,881
Total Revenues	125,411,842	134,678,164	134,678,164	139,902,853	145,645,620
Transfers					
Airport Fiscal Agent Fund	214,531	265,000	265,000	265,000	364,000
Total Transfers	214,531	265,000	265,000	265,000	364,000
TOTAL SOURCE OF FUNDS	187,427,840	194,534,564	201,201,103	206,425,792	220,899,033
USE OF FUNDS					
Transfers					
Airport Fiscal Agent Fund	42,386,802	41,839,894	41,839,894	41,839,894	48,109,346
Airport Maint and Oper Fund	68,415,338	81,591,702	81,591,702	81,591,702	82,573,654
Airport Surplus Revenue Fund	10,367,761	8,104,783	8,104,783	8,104,783	8,104,783
Total Transfers	121,169,901	131,536,379	131,536,379	131,536,379	138,787,783
Ending Fund Balance					
Airline Agreement Reserve	24,348,573	15,581,766	22,248,305	27,472,994	34,694,831
Future Budgets/Capital Reserve	41,909,366	47,416,419	47,416,419	47,416,419	47,416,419
Total Ending Fund Balance	66,257,939	62,998,185	69,664,724	74,889,413	82,111,250
TOTAL USE OF FUNDS	187,427,840	194,534,564	201,201,103	206,425,792	220,899,033

AIRPORT SURPLUS REVENUE FUND (524)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve	18,780	13,461	46,312	46,312	46,312
Discretionary Exp Reserve	6,000,000	7,000,000	7,000,000	7,000,000	8,000,000
Rate Stabilization Reserve	6,694,681	9,000,000	9,000,000	9,000,000	9,000,000
Total Beginning Fund Balance	12,713,461	16,013,461	16,046,312	16,046,312	17,046,312
Revenues					
Interest	28,659	0	0	0	0
Total Revenues	28,659	0	0	0	0
Transfers					
Airport Cust Fac & Transp Fee Fd	112,207	112,207	112,207	112,207	112,207
Airport Rev Bond Impvmnt Fd	134,567	0	0	0	0
Airport Revenue Fund	10,367,761	8,104,783	8,104,783	8,104,783	8,104,783
Total Transfers	10,614,535	8,216,990	8,216,990	8,216,990	8,216,990
TOTAL SOURCE OF FUNDS	23,356,655	24,230,451	24,263,302	24,263,302	25,263,302
USE OF FUNDS					
Expenditures					
Commercial Paper Principal and Interest	3,198,136	3,104,783	3,104,783	3,104,783	3,104,783
Green Island Principal and Interest	112,207	112,207	112,207	112,207	112,207
Total Expenditures	3,310,343	3,216,990	3,216,990	3,216,990	3,216,990
Transfers					
Airport Renew & Replace Fd	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Transfers	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Ending Fund Balance					
Airline Agreement Reserve	46,312	13,461	46,312	46,312	46,312
Discretionary Exp Reserve	7,000,000	8,000,000	8,000,000	8,000,000	9,000,000
Rate Stabilization Reserve	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Total Ending Fund Balance	16,046,312	17,013,461	17,046,312	17,046,312	18,046,312
TOTAL USE OF FUNDS	23,356,655	24,230,451	24,263,302	24,263,302	25,263,302

BENEFIT FUNDS - BENEFIT FUND (160)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	18,994	18,994	704	704	704
Retiree Healthcare Solutions Reserve	0	14,715	14,715	14,715	18,520
Unrestricted	1,073,031	817,998	423,560	423,560	534,751
Total Beginning Fund Balance	1,092,025	851,707	438,979	438,979	553,975
Revenues					
Contractual Performance Guarantee Penalties	216,246	0	0	156,963	0
Flexible Spending Accounts Forfeitures	34,108	0	0	67,432	0
Interest/Demutualization Fds	3,697	5,000	5,000	50	1,000
Recovery Act - COBRA Subsidy	0	0	0	39	0
Total Revenues	254,051	5,000	5,000	224,484	1,000
Transfers					
401(a) Defined Contrib Retirement Plan	79,646	100,000	110,000	116,000	136,000
Benefits Administration Fee	487,611	1,030,000	1,030,000	1,021,000	1,097,000
Employee Assist Program	561,949	550,000	550,000	550,000	605,000
FICA - Medicare	6,807,273	7,385,000	7,600,000	7,530,000	7,719,000
General Employee Vision	252,265	379,000	379,000	271,000	339,000
General Purpose Parking Fund (Commuter Benefit)	569	5,000	5,000	2,500	5,000
Health Plans	44,826,496	47,670,000	47,670,000	44,051,000	49,916,000
MEF Legal	78,249	110,000	110,000	80,000	97,000
PTC 457	950,920	1,063,000	1,163,000	1,120,000	1,182,000
Total Transfers	54,044,978	58,292,000	58,617,000	54,741,500	61,096,000
TOTAL SOURCE OF FUNDS	55,391,054	59,148,707	59,060,979	55,404,963	61,650,975
USE OF FUNDS					
Expenditures					
401(a) Defined Contrib Retirement Plan	81,115	100,000	110,000	116,000	136,000
Alternative Medical Insurance Plan Study	0	0	100,000	100,000	0
Benefits Consultant Fee	181,700	189,000	189,000	189,000	196,000
Commuter Benefit	0	0	0	0	5,000
Employee Assist Program	571,297	550,000	550,000	550,000	605,000
FICA - Medicare	7,049,000	7,385,000	7,600,000	7,530,000	7,719,000
Flexible Spending Accounts	101,000	5,000	5,000	2,500	0
General Employee Vision	254,611	379,000	379,000	271,000	339,000
HR Personal Services	472,449	541,627	537,822	454,000	675,732
Health Plans	44,888,777	47,670,000	47,670,000	44,051,000	49,916,000
MEF Legal	78,196	110,000	110,000	80,000	97,000
Overhead	193,721	140,669	140,669	140,669	178,715
PTC 457	975,000	1,063,000	1,163,000	1,120,000	1,182,000
Wellness Program	0	200,000	200,000	200,000	0

BENEFIT FUNDS - BENEFIT FUND (160)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
USE OF FUNDS (CONT'D.)					
Expenditures					
Total Expenditures	<u>54,846,866</u>	<u>58,333,296</u>	<u>58,754,491</u>	<u>54,804,169</u>	<u>61,049,447</u>
Transfers					
City Hall Debt Service Fund	105,209	46,819	46,819	46,819	46,181
Total Transfers	<u>105,209</u>	<u>46,819</u>	<u>46,819</u>	<u>46,819</u>	<u>46,181</u>
Ending Fund Balance					
Reserve for Encumbrances	704	18,994	704	704	704
Retiree Healthcare Solutions Reserve	14,715	14,715	18,520	18,520	18,520
Unrestricted	423,560	734,883	240,445	534,751	536,123
Total Ending Fund Balance	<u>438,979</u>	<u>768,592</u>	<u>259,669</u>	<u>553,975</u>	<u>555,347</u>
TOTAL USE OF FUNDS	<u>55,391,054</u>	<u>59,148,707</u>	<u>59,060,979</u>	<u>55,404,963</u>	<u>61,650,975</u>

BENEFIT FUNDS - DENTAL INSURANCE FUND (155)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	1,657,000	2,625,000	2,575,000	2,575,000	2,612,500
Retiree Healthcare Solutions Reserve	0	7,292	7,292	7,292	9,098
Unrestricted	2,742,345	1,351,347	1,635,215	1,635,215	1,164,320
Total Beginning Fund Balance	4,399,345	3,983,639	4,217,507	4,217,507	3,785,918
Revenues					
COBRA Administration Fee	0	0	0	40	0
Interest	18,489	29,000	29,000	29,000	29,000
Participant Contributions	323,178	333,000	333,000	317,000	353,000
Total Revenues	341,667	362,000	362,000	346,040	382,000
Transfers					
Reimbursement from City Funds	5,099,003	5,400,000	5,400,000	5,030,000	5,468,000
Reimbursement from Retirement Funds	5,548,849	5,498,000	5,498,000	5,596,000	5,832,000
Total Transfers	10,647,852	10,898,000	10,898,000	10,626,000	11,300,000
TOTAL SOURCE OF FUNDS	15,388,864	15,243,639	15,477,507	15,189,547	15,467,918
USE OF FUNDS					
Expenditures					
Dental HMO Plan	293,558	318,000	318,000	318,000	354,000
HR Non-Pers/Equip	321,843	486,000	486,000	450,000	486,000
HR Personal Services	175,671	229,564	227,758	204,000	250,177
Overhead	84,232	61,998	61,998	61,998	63,996
Payment of Claims	10,251,579	10,650,000	10,650,000	10,350,000	10,971,000
Total Expenditures	11,126,883	11,745,562	11,743,756	11,383,998	12,125,173
Transfers					
City Hall Debt Service Fund	44,474	19,631	19,631	19,631	19,039
Total Transfers	44,474	19,631	19,631	19,631	19,039
Ending Fund Balance					
Claims Reserve	2,575,000	2,662,500	2,612,500	2,612,500	2,580,500
Retiree Healthcare Solutions Reserve	7,292	7,292	9,098	9,098	9,098
Unrestricted	1,635,215	808,654	1,092,522	1,164,320	734,108
Total Ending Fund Balance	4,217,507	3,478,446	3,714,120	3,785,918	3,323,706
TOTAL USE OF FUNDS	15,388,864	15,243,639	15,477,507	15,189,547	15,467,918

BENEFIT FUNDS - LIFE INSURANCE FUND (156)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve	0	1,567	1,567	1,567	2,008
Unrestricted	151,977	41,395	55,160	55,160	77,721
Total Beginning Fund Balance	151,977	42,962	56,727	56,727	79,729
Revenues					
Interest	1,885	0	0	2,800	3,000
Participant Contributions	624,393	685,000	685,000	639,000	699,000
Total Revenues	626,278	685,000	685,000	641,800	702,000
Transfers					
Administration Fee	45,000	68,000	68,000	104,000	135,000
Reimbursement from City Funds	450,315	567,000	567,000	603,000	633,000
Total Transfers	495,315	635,000	635,000	707,000	768,000
TOTAL SOURCE OF FUNDS	1,273,570	1,362,962	1,376,727	1,405,527	1,549,729
USE OF FUNDS					
Expenditures					
HR Non-Pers/Equip	2	2,140	2,140	2,140	2,140
HR Personal Services	62,753	67,627	67,721	59,000	74,096
Insurance Premiums	1,118,614	1,141,000	1,141,000	1,242,000	1,332,000
Overhead	23,307	17,205	17,205	17,205	18,010
Total Expenditures	1,204,676	1,227,972	1,228,066	1,320,345	1,426,246
Transfers					
City Hall Debt Service Fund	12,167	5,453	5,453	5,453	5,391
Total Transfers	12,167	5,453	5,453	5,453	5,391
Ending Fund Balance					
Retiree Healthcare Solutions Reserve	1,567	1,567	2,008	2,008	2,008
Unrestricted	55,160	127,970	141,200	77,721	116,084
Total Ending Fund Balance	56,727	129,537	143,208	79,729	118,092
TOTAL USE OF FUNDS	1,273,570	1,362,962	1,376,727	1,405,527	1,549,729

BENEFIT FUNDS - UNEMPLOYMENT INSURANCE FUND (157)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Retiree Healthcare Solutions Reserve	0	3,401	3,401	3,401	4,605
Unrestricted	2,975,846	2,041,306	2,216,165	2,216,165	1,461,429
Total Beginning Fund Balance	4,475,846	3,544,707	3,719,566	3,719,566	2,966,034
Revenues					
Interest	16,799	26,000	26,000	22,000	20,000
Total Revenues	16,799	26,000	26,000	22,000	20,000
TOTAL SOURCE OF FUNDS	4,492,645	3,570,707	3,745,566	3,741,566	2,986,034
USE OF FUNDS					
Expenditures					
HR Non-Pers/Equip	7,315	12,276	12,276	8,000	12,504
HR Personal Services	107,296	122,592	121,388	111,000	139,376
Overhead	50,172	36,608	36,608	36,608	36,879
Payment of Claims	586,331	750,000	750,000	610,000	750,000
Total Expenditures	751,114	921,476	920,272	765,608	938,759
Transfers					
City Hall Debt Service Fund	21,965	9,924	9,924	9,924	9,727
Total Transfers	21,965	9,924	9,924	9,924	9,727
Ending Fund Balance					
Claims Reserve	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Retiree Healthcare Solutions Reserve	3,401	3,401	4,605	4,605	4,605
Unrestricted	2,216,165	1,135,906	1,310,765	1,461,429	532,943
Total Ending Fund Balance	3,719,566	2,639,307	2,815,370	2,966,034	2,037,548
TOTAL USE OF FUNDS	4,492,645	3,570,707	3,745,566	3,741,566	2,986,034

BUSINESS IMPROVEMENT DISTRICT FUND (351)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	5	5	5	5	5
Unrestricted - Downtown	147,918	48,590	2,155	2,155	2,155
Unrestricted - Hotel	1,208,875	398,194	183,637	183,637	33,637
Unrestricted - Japantown	5,822	5,810	1,019	1,019	1,019
Unrestricted - Willow Glen CBID	107,056	34,819	18,939	18,939	3,939
Total Beginning Fund Balance	1,469,676	487,418	205,755	205,755	40,755
Revenues					
Downtown Assessment	796,026	930,300	930,300	930,300	730,000
Hotel Assessment	3,040,997	4,242,000	4,242,000	4,242,000	2,759,095
Interest	3,042	0	0	0	0
Japantown Assessment	29,826	38,850	38,850	38,850	38,850
Willow Glen CBID Assessment	216,825	315,000	315,000	315,000	325,000
Total Revenues	4,086,716	5,526,150	5,526,150	5,526,150	3,852,945
Transfers					
General Fund	10,000	10,000	10,000	10,000	10,000
Total Transfers	10,000	10,000	10,000	10,000	10,000
TOTAL SOURCE OF FUNDS	5,566,392	6,023,568	5,741,905	5,741,905	3,903,700
USE OF FUNDS					
Expenditures					
DPW Administration Svcs	5,000	5,000	5,000	5,000	5,000
Downtown Business Imp District	942,374	930,300	930,300	930,300	730,000
Hotel Business Imp District	4,068,322	4,242,000	4,392,000	4,392,000	2,759,095
Japantown Business Imp District	34,645	38,850	38,850	38,850	38,850
Willow Glen Community Benefit Improvement District	310,296	320,000	335,000	335,000	330,000
Total Expenditures	5,360,637	5,536,150	5,701,150	5,701,150	3,862,945
Ending Fund Balance					
Reserve for Encumbrances	5	5	5	5	5
Unrestricted - Downtown	2,155	48,590	2,155	2,155	2,155
Unrestricted - Hotel	183,637	398,194	33,637	33,637	33,637
Unrestricted - Japantown	1,019	5,810	1,019	1,019	1,019
Unrestricted - Willow Glen CBID	18,939	34,819	3,939	3,939	3,939
Total Ending Fund Balance	205,755	487,418	40,755	40,755	40,755
TOTAL USE OF FUNDS	5,566,392	6,023,568	5,741,905	5,741,905	3,903,700

CASH RESERVE FUND (002)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	5,587	5,609	5,610	5,610	5,652
Total Beginning Fund Balance	<u>5,587</u>	<u>5,609</u>	<u>5,610</u>	<u>5,610</u>	<u>5,652</u>
Revenues					
Interest	23	42	42	42	53
Total Revenues	<u>23</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>53</u>
TOTAL SOURCE OF FUNDS	<u>5,610</u>	<u>5,651</u>	<u>5,652</u>	<u>5,652</u>	<u>5,705</u>
USE OF FUNDS					
Ending Fund Balance					
Unrestricted	5,610	5,651	5,652	5,652	5,705
Total Ending Fund Balance	<u>5,610</u>	<u>5,651</u>	<u>5,652</u>	<u>5,652</u>	<u>5,705</u>
TOTAL USE OF FUNDS	<u>5,610</u>	<u>5,651</u>	<u>5,652</u>	<u>5,652</u>	<u>5,705</u>

CITY HALL DEBT SERVICE FUND (210)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	3,250	3,250	3,250	3,250	3,250
Unrestricted	111,335	9,130	85,072	85,072	75,942
Total Beginning Fund Balance	<u>114,585</u>	<u>12,380</u>	<u>88,322</u>	<u>88,322</u>	<u>79,192</u>
Revenues					
Interest	62,019	40,000	40,000	40,000	40,000
Total Revenues	<u>62,019</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Transfers					
Capital Funds	1,775,000	2,113,000	2,113,000	2,113,000	2,290,000
General Fund	17,741,359	18,186,173	18,186,173	18,186,173	19,051,597
Special Funds	4,218,437	3,948,697	3,948,697	3,948,697	3,841,461
Total Transfers	<u>23,734,796</u>	<u>24,247,870</u>	<u>24,247,870</u>	<u>24,247,870</u>	<u>25,183,058</u>
TOTAL SOURCE OF FUNDS	<u>23,911,400</u>	<u>24,300,250</u>	<u>24,376,192</u>	<u>24,376,192</u>	<u>25,302,250</u>
USE OF FUNDS					
Expenditures					
City Hall Debt Service	21,828,302	22,291,000	22,291,000	22,291,000	23,293,000
City Hall Garage Debt Service	1,994,776	2,006,000	2,006,000	2,006,000	2,006,000
Total Expenditures	<u>23,823,078</u>	<u>24,297,000</u>	<u>24,297,000</u>	<u>24,297,000</u>	<u>25,299,000</u>
Ending Fund Balance					
Reserve for Encumbrances	3,250	3,250	3,250	3,250	3,250
Unrestricted	85,072	0	75,942	75,942	0
Total Ending Fund Balance	<u>88,322</u>	<u>3,250</u>	<u>79,192</u>	<u>79,192</u>	<u>3,250</u>
TOTAL USE OF FUNDS	<u>23,911,400</u>	<u>24,300,250</u>	<u>24,376,192</u>	<u>24,376,192</u>	<u>25,302,250</u>

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (441)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Projects Reserve	0	842,301	842,301	842,301	0
Land Aquisition Reserve	0	0	0	0	655,387
Reserve for Encumbrances	584,703	584,703	313,510	313,510	313,510
Retirement Pre-Payment Reserve	0	0	0	0	0
Section 108 Debt Svc Reserve	4,345,521	4,500,000	4,500,000	4,500,000	2,000,000
Unrestricted	4,579,916	3,554,768	4,937,737	4,937,737	1,209,933
Total Beginning Fund Balance	<u>9,510,140</u>	<u>9,481,772</u>	<u>10,593,548</u>	<u>10,593,548</u>	<u>4,178,830</u>
Revenues					
CDBG Grant Entitlement	8,141,778	8,259,253	8,259,253	8,259,253	8,389,991
Developer Payments	0	250,000	250,000	0	0
Housing Rehab Loan Repayments	272,624	350,000	350,000	350,000	350,000
Miscellaneous Revenue	57,889	0	0	165,500	50,000
Other Loan Repayments	109,714	100,000	100,000	100,000	100,000
Total Revenues	<u>8,582,005</u>	<u>8,959,253</u>	<u>8,959,253</u>	<u>8,874,753</u>	<u>8,889,991</u>
TOTAL SOURCE OF FUNDS	<u>18,092,145</u>	<u>18,441,025</u>	<u>19,552,801</u>	<u>19,468,301</u>	<u>13,068,821</u>
USE OF FUNDS					
Expenditures					
CDI - Capital Projects	1,066,540	2,960,900	4,575,935	3,750,000	1,150,000
CDI - Code Enforcement Operations	930,443	1,451,538	1,451,538	1,451,538	1,800,000
CDI - Economic Development	599,530	775,000	775,000	775,000	500,000
CDI - Emergency Repair Program	500,000	775,000	775,000	775,000	1,000,000
CDI - Housing Rehab Loans	0	0	1,800,000	1,800,000	1,800,000
CDI - Neighborhood Clean-Up	0	0	51,000	51,000	0
Contractual Community Services	1,263,324	1,310,097	1,310,097	1,310,097	1,251,300
Environmental Services Department	6,259	0	43,741	43,741	0
Neighborhood Infrastructure Improvements					
Fair Housing	385,000	310,000	310,000	310,000	300,000
Hsg Program Development and Monitoring	990,339	1,451,850	1,457,803	1,457,803	1,560,070
Legal Services	3,653	20,555	5,555	5,555	16,840
Planning Studies	100,374	10,000	10,000	0	5,000
Property Acquisition	0	660,000	1,400,000	1,400,000	0
Section 108 Debt Service	1,653,135	2,159,737	2,159,737	2,159,737	2,269,585
Total Expenditures	<u>7,498,597</u>	<u>11,884,677</u>	<u>16,125,406</u>	<u>15,289,471</u>	<u>11,652,795</u>
Ending Fund Balance					
Capital Projects Reserve	842,301	0	0	0	0
Land Acquisition Reserve	0	2,295,387	655,387	655,387	0
Reserve for Encumbrances	313,510	584,703	313,510	313,510	313,510
Section 108 Debt Svc Reserve	4,500,000	2,000,000	2,000,000	2,000,000	0
Unrestricted	4,937,737	1,676,258	458,498	1,209,933	1,102,516

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (441)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015</u> <u>Actual</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2015-2016</u> <u>Modified</u>	<u>2015-2016</u> <u>Estimate</u>	<u>2016-2017</u> <u>Proposed</u>
USE OF FUNDS (CONT'D.)					
Ending Fund Balance					
Total Ending Fund Balance	<u>10,593,548</u>	<u>6,556,348</u>	<u>3,427,395</u>	<u>4,178,830</u>	<u>1,416,026</u>
TOTAL USE OF FUNDS	<u><u>18,092,145</u></u>	<u><u>18,441,025</u></u>	<u><u>19,552,801</u></u>	<u><u>19,468,301</u></u>	<u><u>13,068,821</u></u>

* A detailed listing of projects funded by the Community Development Block Grant (CDBG) Fund in 2016-2017 can be found in the Appendices section of this document.

**COMMUNITY FACILITIES DISTRICT NO. 1 (CAPITOL AUTO MALL) FUND
(371)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	66,926	66,926	39,918	39,918	39,918
Unrestricted	508,002	485,644	533,177	533,177	464,496
Total Beginning Fund Balance	<u>574,928</u>	<u>552,570</u>	<u>573,095</u>	<u>573,095</u>	<u>504,414</u>
Revenues					
Interest	2,179	1,200	1,200	3,000	3,400
Special Assessments	137,244	150,000	150,000	150,000	163,300
Total Revenues	<u>139,423</u>	<u>151,200</u>	<u>151,200</u>	<u>153,000</u>	<u>166,700</u>
TOTAL SOURCE OF FUNDS	<u>714,351</u>	<u>703,770</u>	<u>724,295</u>	<u>726,095</u>	<u>671,114</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	85,589	177,245	177,245	177,245	308,918
DOT Personal Services	45,983	49,863	49,863	33,600	51,328
Overhead	9,684	10,836	10,836	10,836	12,276
Total Expenditures	<u>141,256</u>	<u>237,944</u>	<u>237,944</u>	<u>221,681</u>	<u>372,522</u>
Ending Fund Balance					
Reserve for Encumbrances	39,918	66,926	39,918	39,918	39,918
Unrestricted	533,177	398,900	446,433	464,496	258,674
Total Ending Fund Balance	<u>573,095</u>	<u>465,826</u>	<u>486,351</u>	<u>504,414</u>	<u>298,592</u>
TOTAL USE OF FUNDS	<u>714,351</u>	<u>703,770</u>	<u>724,295</u>	<u>726,095</u>	<u>671,114</u>

**COMMUNITY FACILITIES DISTRICT NO. 2 (ABORN-MURILLO) AND
COMMUNITY FACILITIES DISTRICT NO. 3 (SILVERLAND-CAPRIANA)
FUND (369)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	1,288	1,288	294	294	294
Retiree Healthcare Solutions Reserve	0	4,852	4,852	4,852	6,213
Unrestricted	2,195,149	1,999,547	2,184,329	2,184,329	2,023,867
Total Beginning Fund Balance	<u>2,196,437</u>	<u>2,005,687</u>	<u>2,189,475</u>	<u>2,189,475</u>	<u>2,030,374</u>
Revenues					
Interest	7,774	5,300	5,300	10,100	19,300
Special Assessments	1,448,589	1,447,500	1,447,500	1,447,500	1,527,700
Total Revenues	<u>1,456,363</u>	<u>1,452,800</u>	<u>1,452,800</u>	<u>1,457,600</u>	<u>1,547,000</u>
TOTAL SOURCE OF FUNDS	<u>3,652,800</u>	<u>3,458,487</u>	<u>3,642,275</u>	<u>3,647,075</u>	<u>3,577,374</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	1,179,731	1,419,964	1,419,964	1,300,000	1,097,817
DOT Personal Services	230,366	242,321	240,960	240,900	283,352
Overhead	53,228	75,801	75,801	75,801	96,875
Total Expenditures	<u>1,463,325</u>	<u>1,738,086</u>	<u>1,736,725</u>	<u>1,616,701</u>	<u>1,478,044</u>
Ending Fund Balance					
Reserve for Encumbrances	294	1,288	294	294	294
Retiree Healthcare Solutions Reserve	4,852	4,852	6,213	6,213	6,213
Unrestricted	2,184,329	1,714,261	1,899,043	2,023,867	2,092,823
Total Ending Fund Balance	<u>2,189,475</u>	<u>1,720,401</u>	<u>1,905,550</u>	<u>2,030,374</u>	<u>2,099,330</u>
TOTAL USE OF FUNDS	<u>3,652,800</u>	<u>3,458,487</u>	<u>3,642,275</u>	<u>3,647,075</u>	<u>3,577,374</u>

**COMMUNITY FACILITIES DISTRICT NO. 8 (COMMUNICATIONS HILL)
FUND (373)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	8,302	8,302	0	0	0
Retiree Healthcare Solutions Reserve	0	2,911	2,911	2,911	4,118
Unrestricted	3,506,424	3,251,356	3,424,296	3,424,296	3,119,924
Total Beginning Fund Balance	<u>3,514,726</u>	<u>3,262,569</u>	<u>3,427,207</u>	<u>3,427,207</u>	<u>3,124,042</u>
Revenues					
Interest	13,980	10,500	10,500	18,500	28,300
Special Assessments	431,380	430,100	430,100	430,100	430,100
Total Revenues	<u>445,360</u>	<u>440,600</u>	<u>440,600</u>	<u>448,600</u>	<u>458,400</u>
TOTAL SOURCE OF FUNDS	<u>3,960,086</u>	<u>3,703,169</u>	<u>3,867,807</u>	<u>3,875,807</u>	<u>3,582,442</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	343,686	705,286	705,286	540,000	384,891
DOT Personal Services	157,986	162,745	161,538	158,200	208,230
Overhead	31,207	53,565	53,565	53,565	73,442
Total Expenditures	<u>532,879</u>	<u>921,596</u>	<u>920,389</u>	<u>751,765</u>	<u>666,563</u>
Ending Fund Balance					
Reserve for Encumbrances	0	8,302	0	0	0
Retiree Healthcare Solutions Reserve	2,911	2,911	4,118	4,118	4,118
Unrestricted	3,424,296	2,770,360	2,943,300	3,119,924	2,911,761
Total Ending Fund Balance	<u>3,427,207</u>	<u>2,781,573</u>	<u>2,947,418</u>	<u>3,124,042</u>	<u>2,915,879</u>
TOTAL USE OF FUNDS	<u>3,960,086</u>	<u>3,703,169</u>	<u>3,867,807</u>	<u>3,875,807</u>	<u>3,582,442</u>

**COMMUNITY FACILITIES DISTRICT NO. 11 (ADELINE-MARY HELEN)
FUND (374)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	274,661	258,094	282,082	282,082	270,192
Total Beginning Fund Balance	<u>274,661</u>	<u>258,094</u>	<u>282,082</u>	<u>282,082</u>	<u>270,192</u>
Revenues					
Interest	1,146	700	700	1,600	2,500
Special Assessments	54,894	45,600	45,600	45,600	67,300
Total Revenues	<u>56,040</u>	<u>46,300</u>	<u>46,300</u>	<u>47,200</u>	<u>69,800</u>
TOTAL SOURCE OF FUNDS	<u>330,701</u>	<u>304,394</u>	<u>328,382</u>	<u>329,282</u>	<u>339,992</u>
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	5,500	24,182	24,182	12,000	24,182
DOT Personal Services	28,197	31,125	31,125	31,100	31,125
Overhead	14,922	15,990	15,990	15,990	17,835
Total Expenditures	<u>48,619</u>	<u>71,297</u>	<u>71,297</u>	<u>59,090</u>	<u>73,142</u>
Ending Fund Balance					
Unrestricted	282,082	233,097	257,085	270,192	266,850
Total Ending Fund Balance	<u>282,082</u>	<u>233,097</u>	<u>257,085</u>	<u>270,192</u>	<u>266,850</u>
TOTAL USE OF FUNDS	<u>330,701</u>	<u>304,394</u>	<u>328,382</u>	<u>329,282</u>	<u>339,992</u>

COMMUNITY FACILITIES DISTRICT NO. 12 (BASKING RIDGE) FUND (376)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	70,195	70,195	22,418	22,418	22,418
Retiree Helathcare Solutions Reserve	0	1,288	1,288	1,288	1,535
Unrestricted	1,334,553	1,328,064	1,397,355	1,397,355	1,339,847
Total Beginning Fund Balance	<u>1,404,748</u>	<u>1,399,547</u>	<u>1,421,061</u>	<u>1,421,061</u>	<u>1,363,800</u>
Revenues					
Interest	5,633	3,600	3,600	7,900	13,500
Special Assessments	190,272	159,700	159,700	159,700	424,900
Total Revenues	<u>195,905</u>	<u>163,300</u>	<u>163,300</u>	<u>167,600</u>	<u>438,400</u>
TOTAL SOURCE OF FUNDS	<u>1,600,653</u>	<u>1,562,847</u>	<u>1,584,361</u>	<u>1,588,661</u>	<u>1,802,200</u>
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	120,463	187,443	187,443	166,000	147,305
DOT Personal Services	46,149	50,248	50,001	44,100	55,470
Overhead	12,980	14,761	14,761	14,761	18,067
Total Expenditures	<u>179,592</u>	<u>252,452</u>	<u>252,205</u>	<u>224,861</u>	<u>220,842</u>
Ending Fund Balance					
Reserve for Encumbrances	22,418	70,195	22,418	22,418	22,418
Retiree Healthcare Solutions Reserve	1,288	1,288	1,535	1,535	1,535
Unrestricted	1,397,355	1,238,912	1,308,203	1,339,847	1,557,405
Total Ending Fund Balance	<u>1,421,061</u>	<u>1,310,395</u>	<u>1,332,156</u>	<u>1,363,800</u>	<u>1,581,358</u>
TOTAL USE OF FUNDS	<u>1,600,653</u>	<u>1,562,847</u>	<u>1,584,361</u>	<u>1,588,661</u>	<u>1,802,200</u>

**COMMUNITY FACILITIES DISTRICT NO. 13 (GUADALUPE MINES) FUND
(310)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	181,589	197,099	225,918	225,918	240,868
Total Beginning Fund Balance	<u>181,589</u>	<u>197,099</u>	<u>225,918</u>	<u>225,918</u>	<u>240,868</u>
Revenues					
Interest	823	200	200	1,200	2,200
Special Assessments	56,269	56,400	56,400	56,400	60,200
Total Revenues	<u>57,092</u>	<u>56,600</u>	<u>56,600</u>	<u>57,600</u>	<u>62,400</u>
Transfers					
Storm Sewer Operating Fund	10,121	10,121	10,121	10,121	10,121
Total Transfers	<u>10,121</u>	<u>10,121</u>	<u>10,121</u>	<u>10,121</u>	<u>10,121</u>
TOTAL SOURCE OF FUNDS	<u>248,802</u>	<u>263,820</u>	<u>292,639</u>	<u>293,639</u>	<u>313,389</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	3,066	52,000	52,000	32,000	56,018
DOT Personal Services	15,507	16,971	16,971	16,000	25,816
Overhead	4,311	4,771	4,771	4,771	8,830
Total Expenditures	<u>22,884</u>	<u>73,742</u>	<u>73,742</u>	<u>52,771</u>	<u>90,664</u>
Ending Fund Balance					
Unrestricted	225,918	190,078	218,897	240,868	222,725
Total Ending Fund Balance	<u>225,918</u>	<u>190,078</u>	<u>218,897</u>	<u>240,868</u>	<u>222,725</u>
TOTAL USE OF FUNDS	<u>248,802</u>	<u>263,820</u>	<u>292,639</u>	<u>293,639</u>	<u>313,389</u>

**COMMUNITY FACILITIES DISTRICT NO. 14 (RALEIGH - CHARLOTTE)
FUND (379)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	7,284	7,284	0	0	0
Unrestricted	449,685	460,938	523,316	523,316	577,129
Total Beginning Fund Balance	<u>456,969</u>	<u>468,222</u>	<u>523,316</u>	<u>523,316</u>	<u>577,129</u>
Revenues					
Interest	1,848	600	600	2,700	5,200
Special Assessments	507,869	524,200	524,200	524,200	541,489
Total Revenues	<u>509,717</u>	<u>524,800</u>	<u>524,800</u>	<u>526,900</u>	<u>546,689</u>
TOTAL SOURCE OF FUNDS	<u>966,686</u>	<u>993,022</u>	<u>1,048,116</u>	<u>1,050,216</u>	<u>1,123,818</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	98,402	152,617	152,617	65,000	139,518
DOT Personal Services	31,776	34,147	34,147	32,300	44,001
Overhead	15,701	17,491	17,491	17,491	23,461
PRNS Non-Pers/Equip	268,779	329,396	329,396	329,396	339,396
PRNS Personal Services	28,712	30,015	30,015	28,900	31,459
Total Expenditures	<u>443,370</u>	<u>563,666</u>	<u>563,666</u>	<u>473,087</u>	<u>577,835</u>
Ending Fund Balance					
Reserve for Encumbrances	0	7,284	0	0	0
Unrestricted	523,316	422,072	484,450	577,129	545,983
Total Ending Fund Balance	<u>523,316</u>	<u>429,356</u>	<u>484,450</u>	<u>577,129</u>	<u>545,983</u>
TOTAL USE OF FUNDS	<u>966,686</u>	<u>993,022</u>	<u>1,048,116</u>	<u>1,050,216</u>	<u>1,123,818</u>

COMMUNITY FACILITIES DISTRICT NO.15 (BERRYESSA-SIERRA) (370)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	0	113,529	110,740	110,740	129,260
Total Beginning Fund Balance	<u>0</u>	<u>113,529</u>	<u>110,740</u>	<u>110,740</u>	<u>129,260</u>
Revenues					
Interest	162	0	0	800	1,300
Special Assessments	86,583	90,800	90,800	90,800	93,800
Total Revenues	<u>86,745</u>	<u>90,800</u>	<u>90,800</u>	<u>91,600</u>	<u>95,100</u>
Transfers					
Storm Sewer Operating Fund	26,920	26,920	26,920	26,920	26,920
Total Transfers	<u>26,920</u>	<u>26,920</u>	<u>26,920</u>	<u>26,920</u>	<u>26,920</u>
TOTAL SOURCE OF FUNDS	<u>113,665</u>	<u>231,249</u>	<u>228,460</u>	<u>229,260</u>	<u>251,280</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	0	100,000	100,000	100,000	100,000
DOT Personal Services	0	0	0	0	8,030
Overhead	2,925	0	0	0	3,363
Total Expenditures	<u>2,925</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>111,393</u>
Ending Fund Balance					
Unrestricted	110,740	131,249	128,460	129,260	139,887
Total Ending Fund Balance	<u>110,740</u>	<u>131,249</u>	<u>128,460</u>	<u>129,260</u>	<u>139,887</u>
TOTAL USE OF FUNDS	<u>113,665</u>	<u>231,249</u>	<u>228,460</u>	<u>229,260</u>	<u>251,280</u>

COMMUNITY FACILITIES REVENUE FUND (422)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	5,958	5,958	6,045	6,045	6,045
Unrestricted	2,808,162	1,915,748	3,265,354	3,265,354	1,232,930
Total Beginning Fund Balance	2,814,120	1,921,706	3,271,399	3,271,399	1,238,975
Revenues					
Hayes Ctr - Capital Impvt	784,596	705,000	705,000	682,000	702,000
Hayes Ctr - City Expenses	271,456	282,691	282,691	279,569	290,877
Hayes Ctr - Debt Expenses	4,475,250	4,333,000	4,333,000	3,988,750	4,327,000
Interest	22,044	22,000	22,000	22,000	22,000
Total Revenues	5,553,346	5,342,691	5,342,691	4,972,319	5,341,877
Transfers					
General Fund	3,100,000	3,700,000	3,700,000	3,700,000	3,400,000
Total Transfers	3,100,000	3,700,000	3,700,000	3,700,000	3,400,000
TOTAL SOURCE OF FUNDS	11,467,466	10,964,397	12,314,090	11,943,718	9,980,852
USE OF FUNDS					
Expenditures					
Hayes Consultant Costs	115,913	120,983	130,983	130,761	136,729
Hayes Ctr - Operating/Debt Subsidy	3,900,000	4,100,000	4,100,000	4,000,000	4,120,000
Hayes Ctr - Ph I Dbt Srvc	930,447	927,000	927,000	927,000	933,000
Hayes Ctr - Ph III Dbt Srvc	2,855,168	3,406,000	3,406,000	3,406,000	3,394,000
Hayes Repair and Impvt	241,506	1,822,274	2,079,274	2,079,274	702,000
Total Expenditures	8,043,034	10,376,257	10,643,257	10,543,035	9,285,729
Transfers					
General Fund	153,033	161,708	161,708	161,708	154,148
Total Transfers	153,033	161,708	161,708	161,708	154,148
Ending Fund Balance					
Reserve for Encumbrances	6,045	5,958	6,045	6,045	6,045
Unrestricted	3,265,354	420,474	1,503,080	1,232,930	534,930
Total Ending Fund Balance	3,271,399	426,432	1,509,125	1,238,975	540,975
TOTAL USE OF FUNDS	11,467,466	10,964,397	12,314,090	11,943,718	9,980,852

CONVENTION & CULTURAL AFFAIRS FUND (536)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Reserve	1,220,000	2,400,000	2,400,000	2,400,000	2,100,000
Maintenance Reserve	250,000	0	0	0	0
Reserve for Encumbrances	17,313	17,313	36,485	36,485	36,485
Revenue Stabilization Reserve	769,000	922,000	922,000	922,000	1,000,000
Unrestricted	3,753,739	2,534,236	3,594,723	3,594,723	5,438,877
Total Beginning Fund Balance	6,010,052	5,873,549	6,953,208	6,953,208	8,575,362
Revenues					
Broadway San José	273,682	60,000	171,533	171,533	75,000
Interest	7,056	8,000	8,000	27,000	28,000
Total Revenues	280,738	68,000	179,533	198,533	103,000
Transfers					
Transient Occupancy Tax	9,554,780	12,699,865	13,141,766	13,141,766	14,719,865
Total Transfers	9,554,780	12,699,865	13,141,766	13,141,766	14,719,865
TOTAL SOURCE OF FUNDS	15,845,570	18,641,414	20,274,507	20,293,507	23,398,227
USE OF FUNDS					
Expenditures					
CA and CPA Marketing/Capital Improvements	46,928	0	379,150	379,150	0
CVB Marketing Services	500,000	500,000	500,000	500,000	750,000
Center for Performing Arts Elevator Rehabilitation	0	0	250,000	250,000	0
Civic Auditorium HVAC Rehabilitation	37,157	2,500,000	2,663,000	250,000	4,439,000
Civic Auditorium Temp Cooling	268,306	275,000	275,000	275,000	300,000
Convention Center Ballroom A Carpet Replacement	0	0	0	0	450,000
Convention Center Boiler Protection	0	1,100,000	0	0	0
Convention Center City Free-Use	179,569	275,000	275,000	275,000	275,000
Convention Center Elevator Upgrades	0	460,000	0	0	0
Convention Center Escalator Upgrades	0	1,200,000	0	0	0
Convention Center Exhibit Hall Lighting and Ceiling Upgrades	0	300,000	0	0	0
Convention Center Expansion/Renovation	4,607	0	0	0	0
Convention Center Lighting Controls Replacement	0	300,000	0	0	0
Convention Facilities Industry Advisor	7,250	100,000	120,000	120,000	100,000
Convention Facilities Operations (TSJ)*	2,275,387	4,296,000	4,296,000	3,825,000	3,381,000
Downtown Wayfinding Signage	0	0	20,000	20,000	300,000
Insurance Expenses	236,082	245,000	245,000	245,000	245,000
Misc. Capital Improvements	31,367	0	0	0	0
Miscellaneous Capital Improvements	52,768	0	0	0	0
PW Non-Personal/Equipment	0	5,000	5,000	5,000	5,000

CONVENTION & CULTURAL AFFAIRS FUND (536)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
USE OF FUNDS (CONT'D.)					
Expenditures					
Rehab/Repair - Electrical	726,191	220,000	1,163,000	1,163,000	260,000
Rehab/Repair - Mechanical	315,887	0	490,000	490,000	250,000
Rehab/Repair - Miscellaneous	650,103	100,000	150,500	150,500	195,000
Rehab/Repair - Structures	849,084	100,000	1,513,000	1,513,000	450,000
Rehab/Repair - Unanticipated	148,004	100,000	178,000	178,000	100,000
Team San José Incentive Fee	350,000	200,000	200,000	200,000	200,000
Team San José Management Fee	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Workers' Compensation Claims	100,389	125,000	125,000	100,000	125,000
Total Expenditures	7,779,079	13,401,000	13,847,650	10,938,650	12,825,000
Transfers					
General Fund: Broadway San José	273,682	60,000	171,533	171,533	75,000
General Fund: Contract Oversight	273,174	237,653	237,653	237,653	226,790
General Fund: Cultural Facilities	69,500	69,500	69,500	69,500	69,500
Capital Maint. Cost Sharing					
General Fund: Overhead	496,927	300,809	300,809	300,809	329,012
Total Transfers	1,113,283	667,962	779,495	779,495	700,302
Ending Fund Balance					
Capital Reserve	2,400,000	2,100,000	2,100,000	2,100,000	3,000,000
Center for Performing Arts	0	0	0	0	2,000,000
Rehabilitation Reserve					
Reserve for Encumbrances	36,485	17,313	36,485	36,485	36,485
Revenue Stabilization Reserve	922,000	1,000,000	1,000,000	1,000,000	3,000,000
Unrestricted	3,594,723	1,455,139	2,510,877	5,438,877	1,836,440
Total Ending Fund Balance	6,953,208	4,572,452	5,647,362	8,575,362	9,872,925
TOTAL USE OF FUNDS	15,845,570	18,641,414	20,274,507	20,293,507	23,398,227

CONVENTION CENTER FACILITIES DISTRICT REVENUE FUND (791)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve	10,502,550	10,502,550	10,502,550	10,502,550	10,502,550
Revenue Stabilization Reserve	10,258,950	10,258,950	10,258,950	10,258,950	10,258,950
Unrestricted	4,128,196	5,904,508	7,049,966	7,049,966	6,705,966
Total Beginning Fund Balance	24,889,696	26,666,008	27,811,466	27,811,466	27,467,466
Revenues					
Convention Center Facilities District Special Tax	14,498,672	13,767,000	16,027,000	16,027,000	16,668,000
Interest	54,149	56,000	56,000	83,000	84,000
Miscellaneous Revenue	137,540	0	0	0	0
Total Revenues	14,690,361	13,823,000	16,083,000	16,110,000	16,752,000
TOTAL SOURCE OF FUNDS	39,580,057	40,489,008	43,894,466	43,921,466	44,219,466
USE OF FUNDS					
Expenditures					
Concourse Column Covers	0	0	0	0	800,000
Convention Center Boiler Protection	0	0	1,850,000	1,850,000	0
Convention Center Elevator Upgrades	0	0	920,000	920,000	0
Convention Center Escalator Upgrades	0	0	1,200,000	1,200,000	0
Convention Center Exhibit Hall Lighting and Ceiling Upgrades	0	0	300,000	300,000	6,000,000
Debt Service: Commercial Paper	1,757,172	1,734,000	1,734,000	1,734,000	1,501,000
Debt Service: Lease Revenue Bonds	1,647,731	2,090,000	2,090,000	2,090,000	2,242,000
Debt Service: Special Tax Bonds	8,213,688	8,210,000	8,210,000	8,210,000	8,210,000
Restrooms Refurbishment	0	0	0	0	600,000
Total Expenditures	11,618,591	12,034,000	16,304,000	16,304,000	19,353,000
Transfers					
General Fund: Administration	150,000	150,000	150,000	150,000	150,000
Total Transfers	150,000	150,000	150,000	150,000	150,000
Ending Fund Balance					
Debt Service Reserve	10,502,550	10,502,550	10,502,550	10,502,550	10,502,550
Non-Annexed Hotel Revenue Reserve	0	0	0	0	3,038,000
Revenue Stabilization Reserve	10,258,950	10,258,950	10,258,950	10,258,950	10,258,950
Unrestricted	7,049,966	7,543,508	6,678,966	6,705,966	916,966
Total Ending Fund Balance	27,811,466	28,305,008	27,440,466	27,467,466	24,716,466
TOTAL USE OF FUNDS	39,580,057	40,489,008	43,894,466	43,921,466	44,219,466

**DOWNTOWN PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
FUND (302)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	105,068	105,068	8,383	8,383	8,383
Unrestricted	1,040,931	1,134,883	1,220,350	1,220,350	1,361,994
Total Beginning Fund Balance	<u>1,145,999</u>	<u>1,239,951</u>	<u>1,228,733</u>	<u>1,228,733</u>	<u>1,370,377</u>
Revenues					
Downtown PBID Assessments	1,917,664	2,044,813	2,044,813	2,126,580	2,232,909
Interest	3,783	3,500	3,500	3,500	4,000
Total Revenues	<u>1,921,447</u>	<u>2,048,313</u>	<u>2,048,313</u>	<u>2,130,080</u>	<u>2,236,909</u>
Transfers					
General Fund	695,415	705,327	709,769	709,769	727,007
General Purpose Parking Fund	77,447	77,447	77,447	77,447	77,447
Total Transfers	<u>772,862</u>	<u>782,774</u>	<u>787,216</u>	<u>787,216</u>	<u>804,454</u>
TOTAL SOURCE OF FUNDS	<u><u>3,840,308</u></u>	<u><u>4,071,038</u></u>	<u><u>4,064,262</u></u>	<u><u>4,146,029</u></u>	<u><u>4,411,740</u></u>
USE OF FUNDS					
Expenditures					
Downtown PBID	2,205,440	2,326,117	2,346,559	2,366,952	2,487,627
Downtown Transit Mall	365,000	365,000	365,000	365,000	365,000
Public Works Support	9,935	12,500	12,500	12,500	10,000
Total Expenditures	<u>2,580,375</u>	<u>2,703,617</u>	<u>2,724,059</u>	<u>2,744,452</u>	<u>2,862,627</u>
Transfers					
General Purpose Parking Fund	31,200	0	0	31,200	0
Total Transfers	<u>31,200</u>	<u>0</u>	<u>0</u>	<u>31,200</u>	<u>0</u>
Ending Fund Balance					
Reserve for Encumbrances	8,383	105,068	8,383	8,383	8,383
Unrestricted	1,220,350	1,262,353	1,331,820	1,361,994	1,540,730
Total Ending Fund Balance	<u>1,228,733</u>	<u>1,367,421</u>	<u>1,340,203</u>	<u>1,370,377</u>	<u>1,549,113</u>
TOTAL USE OF FUNDS	<u><u>3,840,308</u></u>	<u><u>4,071,038</u></u>	<u><u>4,064,262</u></u>	<u><u>4,146,029</u></u>	<u><u>4,411,740</u></u>

ECONOMIC DEVELOPMENT ADMINISTRATION LOAN FUND (444)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	75,693	6,793	5,742	5,742	7,292
Total Beginning Fund Balance	<u>75,693</u>	<u>6,793</u>	<u>5,742</u>	<u>5,742</u>	<u>7,292</u>
Revenues					
Interest	513	200	200	500	500
Loan Repayment - Interest	77	775	775	50	50
Loan Repayment - Principal	4,459	6,000	6,000	1,000	1,000
Total Revenues	<u>5,049</u>	<u>6,975</u>	<u>6,975</u>	<u>1,550</u>	<u>1,550</u>
Transfers					
General Fund	165,000	0	0	0	0
Total Transfers	<u>165,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>245,742</u>	<u>13,768</u>	<u>12,717</u>	<u>7,292</u>	<u>8,842</u>
USE OF FUNDS					
Expenditures					
Small Business Loans	240,000	1,000	1,000	0	0
Total Expenditures	<u>240,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>0</u>
Ending Fund Balance					
Unrestricted	5,742	12,768	11,717	7,292	8,842
Total Ending Fund Balance	<u>5,742</u>	<u>12,768</u>	<u>11,717</u>	<u>7,292</u>	<u>8,842</u>
TOTAL USE OF FUNDS	<u>245,742</u>	<u>13,768</u>	<u>12,717</u>	<u>7,292</u>	<u>8,842</u>

ECONOMIC DEVELOPMENT ENHANCEMENT FUND (439)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	126	0	0	0	0
Total Beginning Fund Balance	<u>126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
USE OF FUNDS					
Transfers					
General Fund	126	0	0	0	0
Total Transfers	<u>126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL USE OF FUNDS	<u>126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT TRUST FUND
(474)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	0	0	52,441	52,441	52,441
Unrestricted	221,596	160,763	165,178	165,178	0
Total Beginning Fund Balance	<u>221,596</u>	<u>160,763</u>	<u>217,619</u>	<u>217,619</u>	<u>52,441</u>
Revenues					
Federal Revenue	290,714	0	204,183	204,183	0
Interest	1,681	0	353	353	0
Total Revenues	<u>292,395</u>	<u>0</u>	<u>204,536</u>	<u>204,536</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>513,991</u>	<u>160,763</u>	<u>422,155</u>	<u>422,155</u>	<u>52,441</u>
USE OF FUNDS					
Expenditures					
2011 JAG	9,602	0	0	0	0
2012 JAG	95,249	11,058	19,176	19,176	0
2013 JAG	79,794	22,513	19,090	19,090	0
2014 JAG	111,727	127,192	127,265	127,265	0
2015 JAG	0	0	204,183	204,183	0
Total Expenditures	<u>296,372</u>	<u>160,763</u>	<u>369,714</u>	<u>369,714</u>	<u>0</u>
Ending Fund Balance					
Reserve for Encumbrances	52,441	0	52,441	52,441	52,441
Unrestricted	165,178	0	0	0	0
Total Ending Fund Balance	<u>217,619</u>	<u>0</u>	<u>52,441</u>	<u>52,441</u>	<u>52,441</u>
TOTAL USE OF FUNDS	<u>513,991</u>	<u>160,763</u>	<u>422,155</u>	<u>422,155</u>	<u>52,441</u>

EMERGENCY RESERVE FUND (406)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Restricted - Emergency Reserve	3,381,532	3,381,532	3,381,532	3,381,532	3,381,532
Total Beginning Fund Balance	3,381,532	3,381,532	3,381,532	3,381,532	3,381,532
Revenues					
Interest	13,869	13,500	17,500	17,500	17,500
Total Revenues	13,869	13,500	17,500	17,500	17,500
TOTAL SOURCE OF FUNDS	3,395,401	3,395,032	3,399,032	3,399,032	3,399,032
USE OF FUNDS					
Transfers					
Construction Excise Tax Fund	0	0	0	0	110,256
Council District 1 C&C Tax Fund	0	0	0	0	7,285
Council District 3 C&C Tax Fund	0	0	0	0	8,762
Council District 4 C&C Tax Fund	0	0	0	0	1,145
Council District 6 C&C Tax Fund	0	0	0	0	3,990
Council District 7 C&C Tax Fund	0	0	0	0	2,291
Fire C&C Tax Fund	0	0	0	0	21,658
General Fund - Interest Earnings	13,869	13,500	17,500	17,500	17,500
Library C&C Tax Fund	0	0	0	0	185
Maintenance District No. 1	0	0	0	0	131
Maintenance District No. 11	0	0	0	0	130
Maintenance District No. 13	0	0	0	0	130
Maintenance District No. 19	0	0	0	0	131
Maintenance District No. 2	0	0	0	0	131
Maintenance District No. 20	0	0	0	0	130
Maintenance District No. 21	0	0	0	0	131
Maintenance District No. 22	0	0	0	0	130
Maintenance District No. 5	0	0	0	0	131
Maintenance District No. 8	0	0	0	0	131
Maintenance District No. 9	0	0	0	0	131
Parks City-Wide C&C Tax Fund	0	0	0	0	1,605,302
Vehicle Maint & Operation Fund	0	0	0	0	1,577
Water Utility Fund	0	0	0	0	150
Total Transfers	13,869	13,500	17,500	17,500	1,781,538
Ending Fund Balance					
Restricted - Emergency Reserve	3,381,532	3,381,532	3,381,532	3,381,532	1,617,494
Total Ending Fund Balance	3,381,532	3,381,532	3,381,532	3,381,532	1,617,494
TOTAL USE OF FUNDS	3,395,401	3,395,032	3,399,032	3,399,032	3,399,032

FEDERAL DRUG FORFEITURE FUND (419)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Bomb Disposal Facility Reserve	0	750,000	750,000	750,000	0
Reserve for Encumbrance	0	0	28,697	28,697	28,697
Unrestricted	3,386,188	2,603,362	2,552,756	2,552,756	2,160,582
Total Beginning Fund Balance	3,386,188	3,353,362	3,331,453	3,331,453	2,189,279
Revenues					
Federal Revenue	8,801	20,000	20,000	200,000	200,000
Interest	13,834	13,000	13,000	15,000	20,000
Total Revenues	22,635	33,000	33,000	215,000	220,000
TOTAL SOURCE OF FUNDS	3,408,823	3,386,362	3,364,453	3,546,453	2,409,279
USE OF FUNDS					
Expenditures					
Body Worn Cameras	0	0	1,200,000	1,200,000	0
Police Non-Pers/Equip	71,944	124,000	124,000	124,000	0
Police Personal Services	5,426	33,174	33,174	33,174	0
Total Expenditures	77,370	157,174	1,357,174	1,357,174	0
Ending Fund Balance					
Bomb Disposal Facility Reserve	750,000	0	0	0	0
Reserve for Encumbrance	28,697	0	28,697	28,697	28,697
Unrestricted	2,552,756	3,229,188	1,978,582	2,160,582	2,380,582
Total Ending Fund Balance	3,331,453	3,229,188	2,007,279	2,189,279	2,409,279
TOTAL USE OF FUNDS	3,408,823	3,386,362	3,364,453	3,546,453	2,409,279

FEDERATED RETIREE HEALTH CARE TRUST FUND (124)*

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	84,828,000	126,047,494	121,159,000	121,159,000	157,176,707
Total Beginning Fund Balance	84,828,000	126,047,494	121,159,000	121,159,000	157,176,707
Revenues					
Investment Income	(5,097,000)	12,620,107	(5,073,502)	(5,073,502)	2,061,456
Participant Income	18,645,000	21,232,492	17,764,721	17,764,721	18,308,902
Total Revenues	13,548,000	33,852,599	12,691,219	12,691,219	20,370,358
Transfers					
City Contributions	22,825,000	32,277,000	23,381,488	23,381,488	30,715,000
Total Transfers	22,825,000	32,277,000	23,381,488	23,381,488	30,715,000
TOTAL SOURCE OF FUNDS	121,201,000	192,177,093	157,231,707	157,231,707	208,262,065
USE OF FUNDS					
Expenditures					
Professional Fees	42,000	55,000	55,000	55,000	55,000
Total Expenditures	42,000	55,000	55,000	55,000	55,000
Ending Fund Balance					
Claims Reserve	121,159,000	192,122,093	157,176,707	157,176,707	208,207,065
Total Ending Fund Balance	121,159,000	192,122,093	157,176,707	157,176,707	208,207,065
TOTAL USE OF FUNDS	121,201,000	192,177,093	157,231,707	157,231,707	208,262,065

* This Statement of Source and Use is for display purposes only. The Federated City Employees' Retirement System Board of Administration approved the annual administrative budget on March 17, 2016.

FEDERATED RETIREMENT FUND (134)*

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	2,097,452,000	2,055,262,372	2,014,376,000	2,014,376,000	1,883,058,925
Total Beginning Fund Balance	2,097,452,000	2,055,262,372	2,014,376,000	2,014,376,000	1,883,058,925
Revenues					
Investment Income	(17,467,000)	152,155,934	(63,710,849)	(63,710,849)	20,119,408
Participant Income	13,621,000	14,595,082	14,934,429	14,934,429	16,353,544
Total Revenues	(3,846,000)	166,751,016	(48,776,420)	(48,776,420)	36,472,952
Transfers					
1980 COLA	3,278	2,580	1,605	1,605	2,500
1990 COLA	41,321	42,720	36,834	36,834	37,000
City Contributions	118,885,000	131,198,000	122,550,310	122,550,310	142,856,000
Total Transfers	118,929,599	131,243,300	122,588,749	122,588,749	142,895,500
TOTAL SOURCE OF FUNDS	2,212,535,599	2,353,256,688	2,088,188,329	2,088,188,329	2,062,427,377
USE OF FUNDS					
Expenditures					
1980 COLA	3,278	2,580	1,605	1,605	2,500
1990 COLA	41,321	42,720	36,834	36,834	37,000
Benefits	164,562,000	176,603,416	169,995,272	169,995,272	186,994,799
HR Staffing Support	73,455	78,079	78,079	78,079	0
Health Insurance	29,443,000	29,393,278	29,421,229	29,421,229	31,593,575
Professional Fees	631,035	1,266,000	1,255,450	1,255,450	1,266,000
Retirement Non-Pers/Equip	722,381	1,212,000	1,235,700	1,235,700	1,212,000
Retirement Pers Svcs	2,683,129	3,159,529	3,105,235	3,105,235	3,278,598
Total Expenditures	198,159,599	211,757,602	205,129,404	205,129,404	224,384,472
Ending Fund Balance					
Claims Reserve	2,014,376,000	2,141,499,086	1,883,058,925	1,883,058,925	1,838,042,905
Total Ending Fund Balance	2,014,376,000	2,141,499,086	1,883,058,925	1,883,058,925	1,838,042,905
TOTAL USE OF FUNDS	2,212,535,599	2,353,256,688	2,088,188,329	2,088,188,329	2,062,427,377

* This Statement of Source and Use is for display purposes only. The Federated City Employees' Retirement System Board of Administration approved the annual administrative budget on March 17, 2016. It should be noted that the personal services costs reflected in this statement can vary from the budget presented to the Board due to revised retirement and benefit costs when compared to those that were projected in March.

FIRE RETIREE HEALTH CARE TRUST FUND (126)*

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	11,963,000	18,971,913	19,420,000	19,420,000	26,660,421
Total Beginning Fund Balance	11,963,000	18,971,913	19,420,000	19,420,000	26,660,421
Revenues					
Investment Income	(363,000)	1,886,162	(723,051)	(723,051)	348,414
Total Revenues	(363,000)	1,886,162	(723,051)	(723,051)	348,414
Transfers					
City Contributions	7,837,000	8,000,000	7,982,172	7,982,172	8,201,000
Total Transfers	7,837,000	8,000,000	7,982,172	7,982,172	8,201,000
TOTAL SOURCE OF FUNDS	19,437,000	28,858,075	26,679,121	26,679,121	35,209,835
USE OF FUNDS					
Expenditures					
Professional Fees	17,000	20,000	18,700	18,700	20,000
Total Expenditures	17,000	20,000	18,700	18,700	20,000
Ending Fund Balance					
Claims Reserve	19,420,000	28,838,075	26,660,421	26,660,421	35,189,835
Total Ending Fund Balance	19,420,000	28,838,075	26,660,421	26,660,421	35,189,835
TOTAL USE OF FUNDS	19,437,000	28,858,075	26,679,121	26,679,121	35,209,835

* This Statement of Source and Use is for display purposes only. The Police and Fire Department Retirement Plan Board of Administration approved the annual administrative budget on March 3, 2016.

GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1943 (409)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	0	0	0	0	0
Total Beginning Fund Balance	0	0	0	0	0
Revenues					
Gas Tax	7,806,584	7,100,000	7,100,000	7,400,000	7,660,000
Total Revenues	7,806,584	7,100,000	7,100,000	7,400,000	7,660,000
TOTAL SOURCE OF FUNDS	7,806,584	7,100,000	7,100,000	7,400,000	7,660,000
USE OF FUNDS					
Transfers					
General Fund	7,806,584	7,100,000	7,100,000	7,400,000	7,660,000
Total Transfers	7,806,584	7,100,000	7,100,000	7,400,000	7,660,000
Ending Fund Balance					
Unrestricted	0	0	0	0	0
Total Ending Fund Balance	0	0	0	0	0
TOTAL USE OF FUNDS	7,806,584	7,100,000	7,100,000	7,400,000	7,660,000

GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1964 (410)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	0	0	0	0	0
Total Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues					
Gas Tax	3,991,258	4,000,000	4,000,000	3,700,000	3,835,000
Total Revenues	<u>3,991,258</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,700,000</u>	<u>3,835,000</u>
TOTAL SOURCE OF FUNDS	<u>3,991,258</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,700,000</u>	<u>3,835,000</u>
USE OF FUNDS					
Transfers					
General Fund	3,991,258	4,000,000	4,000,000	3,700,000	3,835,000
Total Transfers	<u>3,991,258</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,700,000</u>	<u>3,835,000</u>
Ending Fund Balance					
Unrestricted	0	0	0	0	0
Total Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL USE OF FUNDS	<u>3,991,258</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,700,000</u>	<u>3,835,000</u>

GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1990 (411)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	0	0	0	0	0
Total Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues					
Gas Tax	6,040,106	5,800,000	5,800,000	5,800,000	6,005,000
Total Revenues	<u>6,040,106</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>6,005,000</u>
TOTAL SOURCE OF FUNDS	<u>6,040,106</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>6,005,000</u>
USE OF FUNDS					
Transfers					
General Fund	6,040,106	5,800,000	5,800,000	5,800,000	6,005,000
Total Transfers	<u>6,040,106</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>6,005,000</u>
Ending Fund Balance					
Unrestricted	0	0	0	0	0
Total Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL USE OF FUNDS	<u>6,040,106</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>6,005,000</u>

GENERAL PURPOSE PARKING FUND (533)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
4th/San Fernando Reserve	2,317,861	2,317,861	2,317,861	2,317,861	2,317,861
Debt Service Payments Reserve	8,221,114	8,399,151	8,399,151	8,399,151	3,363,000
Downtown Parking Investment Reserve	0	350,000	350,000	350,000	60,000
Emergency Repairs Reserve	700,000	700,000	700,000	700,000	700,000
Reserve for Encumbrances	1,162,710	1,162,710	793,927	793,927	793,927
Retiree Healthcare Solutions Reserve	35,000	53,956	53,956	53,956	63,314
SAP Center Area Parking Reserve	0	350,000	350,000	350,000	410,000
Unrestricted	2,849,215	2,485,607	4,768,599	4,768,599	9,425,180
Total Beginning Fund Balance	15,285,900	15,819,285	17,733,494	17,733,494	17,133,282
Revenues					
Interest	73,403	65,000	65,000	74,900	65,000
Miscellaneous	147,947	244,800	244,800	243,600	244,800
Parking Lots and Garages	11,520,490	11,203,600	11,203,600	11,843,000	12,207,200
Parking Meters	4,042,094	3,926,400	3,926,400	4,000,000	4,000,000
Successor Agency to Redevelopment Agency Reimbursement	1,576,733	0	0	0	0
Total Revenues	17,360,667	15,439,800	15,439,800	16,161,500	16,517,000
Transfers					
Housing Trust Fund (Downtown Public Restrooms)	31,200	0	0	31,200	0
PBID Fund (Downtown Public Restrooms)	31,200	0	0	31,200	0
Total Transfers	62,400	0	0	62,400	0
TOTAL SOURCE OF FUNDS	32,708,967	31,259,085	33,173,294	33,957,394	33,650,282
USE OF FUNDS					
Expenditures					
Capital Program	656,172	6,296,000	6,851,000	2,054,000	12,347,000
DOT Non-Pers/Equip	4,885,947	5,835,922	6,260,922	6,260,922	6,429,529
DOT Personal Services	1,907,939	2,119,603	2,110,497	2,069,000	2,268,589
Debt Service - 4th/San Fernando	1,681,713	3,363,000	3,363,000	1,681,500	0
Downtown Public Restrooms	156,000	0	0	156,000	0
IT Non-Pers/Equip	8,970	13,100	13,100	13,100	13,100
IT Personal Services	0	4,864	4,812	4,812	4,926
Overhead	729,873	790,196	790,196	790,196	1,068,033
Police Garage Security Svcs	174,543	200,000	200,000	200,000	200,000
Public Works Non-Pers/Equip	26,833	27,000	27,000	27,000	29,022
Public Works Personal Services	278	54,330	54,130	54,130	59,536
Successor Agency to Redevelopment Agency (Parking Lot Revenue)	313,656	0	0	0	0
Workers' Comp Claims	0	7,210	7,210	7,210	7,500
Total Expenditures	10,541,924	18,711,225	19,681,867	13,317,870	22,427,235

GENERAL PURPOSE PARKING FUND (533)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015</u> <u>Actual</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2015-2016</u> <u>Modified</u>	<u>2015-2016</u> <u>Estimate</u>	<u>2016-2017</u> <u>Proposed</u>
USE OF FUNDS (CONT'D.)					
Transfers					
Benefit Fund	0	5,000	5,000	2,500	5,000
City Hall Debt Service Fund	129,340	121,371	121,371	121,371	120,326
Downtown PBID Fund	77,447	77,447	77,447	77,447	77,447
General Fund	707,000	807,000	807,000	807,000	847,000
General Fund - Human Resources/Payroll/Budget Systems Upgrade	5,762	11,924	11,924	11,924	1,380
San José Arena Capital Reserve Fund	3,514,000	2,486,000	2,486,000	2,486,000	0
Total Transfers	<u>4,433,549</u>	<u>3,508,742</u>	<u>3,508,742</u>	<u>3,506,242</u>	<u>1,051,153</u>
Ending Fund Balance					
4th/San Fernando Reserve	2,317,861	2,317,861	2,317,861	2,317,861	2,317,861
Debt Service Payments Reserve	8,399,151	3,363,000	3,363,000	3,363,000	3,363,000
Downtown Parking Investment Reserve	350,000	60,000	60,000	60,000	350,000
Emergency Repairs Reserve	700,000	700,000	700,000	700,000	700,000
Reserve for Encumbrances	793,927	1,162,710	793,927	793,927	793,927
Retiree Healthcare Solutions Reserve	53,956	53,956	63,314	63,314	63,314
SAP Center Area Parking Reserve	350,000	410,000	410,000	410,000	700,000
Unrestricted	4,768,599	971,591	2,274,583	9,425,180	1,883,792
Total Ending Fund Balance	<u>17,733,494</u>	<u>9,039,118</u>	<u>9,982,685</u>	<u>17,133,282</u>	<u>10,171,894</u>
TOTAL USE OF FUNDS	<u><u>32,708,967</u></u>	<u><u>31,259,085</u></u>	<u><u>33,173,294</u></u>	<u><u>33,957,394</u></u>	<u><u>33,650,282</u></u>

GIFT TRUST FUND (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Gifts Reserve	3,939,053	3,773,915	4,072,586	4,072,586	3,645,081
Reserve for Encumbrances	13,064	13,064	66,109	66,109	66,109
Total Beginning Fund Balance	3,952,117	3,786,979	4,138,695	4,138,695	3,711,190
Revenues					
Clerk Purposes	96	0	0	86	0
DOT Purposes	82	0	71,000	71,074	0
Library Purposes	220,203	0	68,494	139,622	0
OED Purposes	952	0	0	818	0
Other Purposes	1,045	0	0	939	0
PRNS Purposes	139,825	0	11,480	96,447	0
PW Purposes	258,428	0	0	187,637	0
Public Safety Purposes	29,331	0	0	2,541	0
Total Revenues	649,962	0	150,974	499,164	0
TOTAL SOURCE OF FUNDS	4,602,079	3,786,979	4,289,669	4,637,859	3,711,190
USE OF FUNDS					
Expenditures					
Airport-Art Work	0	8,912	8,927	0	8,958
Airport-Heliport System Plan Study	0	28,797	28,845	0	28,945
Airport-Kidport	0	311	311	0	312
CMO-Berryessa Center Art Project	0	2,447	2,451	0	2,459
Clerk-Annual Dist I Festival in the Park	0	1,592	1,595	0	1,600
Clerk-CommUnity Resource Fair	0	17,350	17,482	0	17,754
Clerk-Go Girl Go BAWSI	0	648	655	0	671
Clerk-Mayor's College Motivation Prgm	0	20,474	20,508	0	20,578
DOT-Coleman/Guadalupe Traffic Study and Mitigation	0	15,108	15,134	0	15,187
DOT-Our City Forest	0	1	2	0	2
DOT-Pedestrian Enhancements - International Cir and Hosp Pkwy	0	5,992	6,002	0	6,023
DOT-Safety Pedestrian Imprvmt	0	0	71,000	71,000	0
Fire-Hazardous Material Training	0	2,084	2,088	0	2,098
Fire-Public Education Program	355	31,027	35,774	16,862	20,322
IPA's Teen Leadership Council	20,268	0	2,128	0	2,135
Library-Books for Little Hands	0	6,160	4,385	0	4,400
Library-Calabazas Branch	0	1,774	2,320	0	2,323
Library-Garbage Stickers	1,539	45,537	47,562	0	52,455
Library-General Gifts	149,582	345,153	509,871	150,351	425,575
Library-Literacy Project	6,026	43,843	46,649	0	46,809
OED-Albino, Erminia and Alba Joyce Martini Memorial Fund	0	101,774	101,944	0	102,295
OED-Art + Technology Program	13,274	112,747	110,102	50,570	59,998
OED-Arts and Education Week	0	5,688	5,825	0	6,108

GIFT TRUST FUND (139)

STATEMENT OF SOURCE AND USE OF FUNDS

USE OF FUNDS	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
(CONT'D.)					
Expenditures					
OED-Cultural Performance	0	14	17	0	22
OED-Incubation Office Project	0	1,477	1,593	0	1,835
OED-Miscellaneous Gifts	0	3	3	0	5
OED-Sponsorship Gifts	0	175	175	0	176
PD-Anti-Theft Car Campaign	0	61	61	61	1
PD-CADPE-Drug Education	0	1,524	1,526	1,526	5
PD-Canine Unit	0	2,332	2,336	2,336	8
PD-Child Safety Seats	0	15,370	15,395	15,395	54
PD-Children's Interview Center	0	43,758	43,831	43,831	151
PD-Communications Fac Fitness Ctr	0	2,566	2,570	2,570	9
PD-Community Services Program	0	2,950	2,955	2,955	10
PD-Crime Prevention Committee	0	854	855	855	3
PD-Cybercadet Program	0	5,596	5,606	5,606	19
PD-G.E.A.R. Program	0	280	280	280	2
PD-Internet Crimes Against Children	0	12,373	12,394	12,394	42
PD-Investigative Enhancement	0	57,141	57,236	57,236	181
PD-Major Awards Banquet	0	20,450	20,484	19,705	850
PD-Mayor's Safe Families	0	6,734	6,745	6,745	23
PD-Miscellaneous Gifts	0	1,008	1,010	1,010	3
PD-Police & School Partnership Prgm	0	10,890	10,908	10,908	37
PD-Police Educational Robot	0	2,577	2,581	2,581	9
PD-Police Mounted Unit	0	17,222	17,251	17,251	60
PD-Police Reserves Unit	11,101	32,333	56,062	33,591	22,667
PD-Robbery Secret Witness	0	18,677	18,708	18,708	64
PD-S.A.V.E. Program	0	35,371	35,429	35,429	123
PD-Scholastic Crime Stoppers	0	5,750	5,759	5,759	20
PD-School Safety Gifts	0	4,269	4,276	4,276	15
PD-Trauma Kits	0	2,179	2,183	2,183	7
PD-Volunteer Program	0	789	790	790	3
PRNS-Adopt-A-Park	0	0	6,480	0	0
PRNS-Almaden Lake Park	0	0	1,752	0	2,759
PRNS-Almaden Lake Park Rangers	977	681	682	0	684
PRNS-Almaden Winery Imprvts	0	31,106	31,158	0	31,265
PRNS-Alum Rock Park	0	3,384	3,390	0	3,402
PRNS-Alviso Community Center	0	21,831	21,868	0	21,943
PRNS-Alviso Rec & Teen Program	0	1,817	1,820	0	1,826
PRNS-Animal Adoption	600	10,815	10,833	0	10,870
PRNS-Calabazas BMX Park	2,037	3,424	3,931	30	3,914
PRNS-Castro School Landscaping	0	7,059	7,071	0	7,095
PRNS-Combined Gifts	0	6,738	6,749	0	6,773
PRNS-Commodore Park Maintenance	3,345	498,907	496,393	65,000	433,035
PRNS-Community Cultural Council	0	3,784	3,790	0	3,803
PRNS-Emma Prusch Farm Park	1,539	21,421	22,699	682	22,638
PRNS-Family Camp Camperships	1,875	6,083	6,093	2,592	3,522
PRNS-Friends of Paul Moore Park	0	4,073	4,080	0	4,094
PRNS-Grace Community Center	0	24,815	29,984	1,184	37,542

GIFT TRUST FUND (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015</u> Actual	<u>2015-2016</u> Adopted	<u>2015-2016</u> Modified	<u>2015-2016</u> Estimate	<u>2016-2017</u> Proposed
USE OF FUNDS					
(CONT'D.)					
Expenditures					
PRNS-Gullo Park Turf Irrigation	0	21,633	21,669	51	21,692
PRNS-J. Ward Memorial Scholarship	5,703	13,494	10,360	3,194	0
PRNS-Japanese Friendship Garden	606	12,690	13,896	0	15,948
PRNS-Lake Cunningham Skate Prk	0	6,800	6,811	0	6,835
PRNS-Leland HS Tennis	0	2,464	2,468	0	2,477
PRNS-Mayor's Gang Prevention Task Force Clean Slate Program	0	23,468	26,011	0	29,102
PRNS-McClaren Circles Design of History	294	0	0	0	0
PRNS-Miscellaneous Gifts under \$1,000	538	24,129	27,163	108	27,398
PRNS-Mise and Starbird Gift	6,760	61,026	62,679	0	62,895
PRNS-Newhall Park Maintenance	14,578	364,243	362,070	13,371	349,930
PRNS-Nicholas Prusch Swim	0	355,153	355,745	0	356,968
PRNS-O'Donnell's Gardens Park	0	36,032	36,092	0	36,216
PRNS-Overfelt Gardens	1,488	4,413	4,922	1,742	3,875
PRNS-RP & CS Gen Gifts	16,052	49,316	48,604	19,258	29,497
PRNS-River Oaks Park Maintenance	69,621	577,476	571,807	66,948	506,772
PRNS-Rose Garden Fountain	21	0	0	0	0
PRNS-SJ Vietnam War Memorial	0	12,096	12,116	0	12,157
PRNS-Safe Summer Initiative	0	22,666	22,704	0	22,782
PRNS-Southside Comm Center	203	0	0	0	0
PRNS-Southside Comm Ctr Gazebo	1,121	0	0	0	0
PRNS-St. James Park Landscaping	0	7,081	7,093	0	7,118
PRNS-Summer Lunch Program	428	1	0	0	0
PRNS-Vista Montana Pk Maint	3,969	215,913	278,554	46,178	308,573
PRNS-Willow Glen Founders Day	0	4,101	4,108	0	4,122
PRNS-Youth Commission	2,523	15,046	18,880	5,235	12,386
PRNS-Youth Sports Fair	719	0	0	0	0
PW-Animal Service Donations	119,944	147,457	231,179	93,332	323,639
PW-Kinjo Gardens	0	5,530	5,539	0	5,558
PW-Spay/Neuter Program	6,298	43,607	63,738	15,000	50,565
Total Expenditures	<u>463,384</u>	<u>3,773,915</u>	<u>4,223,560</u>	<u>926,669</u>	<u>3,645,081</u>
Ending Fund Balance					
Gifts Reserve	4,072,586	0	0	3,645,081	0
Reserve for Encumbrances	66,109	13,064	66,109	66,109	66,109
Total Ending Fund Balance	<u>4,138,695</u>	<u>13,064</u>	<u>66,109</u>	<u>3,711,190</u>	<u>66,109</u>
TOTAL USE OF FUNDS	<u><u>4,602,079</u></u>	<u><u>3,786,979</u></u>	<u><u>4,289,669</u></u>	<u><u>4,637,859</u></u>	<u><u>3,711,190</u></u>

HOME INVESTMENT PARTNERSHIP PROGRAM TRUST FUND (445)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	895,029	895,029	1,535,366	1,535,366	1,535,366
Retiree Healthcare Solutions Reserve	0	15,312	15,312	15,312	15,312
Unrestricted	1,540,936	3,946,836	1,676,248	1,676,248	1,235,675
Total Beginning Fund Balance	2,435,965	4,857,177	3,226,926	3,226,926	2,786,353
Revenues					
Grant Revenue	2,404,499	2,381,725	3,470,348	5,060,000	2,560,066
Interest	11,129	30,000	30,000	10,000	10,000
Loan Repayments	5,192,019	3,304,150	11,219,150	4,551,983	8,944,934
Teacher HP Loan Repayments	651,895	0	0	0	0
Total Revenues	8,259,542	5,715,875	14,719,498	9,621,983	11,515,000
TOTAL SOURCE OF FUNDS	10,695,507	10,573,052	17,946,424	12,848,909	14,301,353
USE OF FUNDS					
Expenditures					
City Attorney Personal Svcs	24,061	59,420	19,420	19,420	66,555
Habitat Acquisition Rehab Assistance	177,093	533,000	533,000	0	0
Housing Loans and Grants	6,294,590	5,122,310	12,037,310	9,305,000	8,100,000
Housing Non-Personal/Equip	11,850	46,714	46,714	46,714	46,714
Housing Personal Services	381,961	241,817	241,817	241,817	162,441
Overhead	120,788	49,605	49,605	49,605	27,530
Tenant Based Rental Assistance	458,238	1,750,000	1,750,000	400,000	200,000
Total Expenditures	7,468,581	7,802,866	14,677,866	10,062,556	8,603,240
Ending Fund Balance					
Reserve for Encumbrances	1,535,366	895,029	1,535,366	1,535,366	1,535,366
Retiree Healthcare Solutions Reserve	15,312	15,312	15,312	15,312	15,312
Unrestricted	1,676,248	1,859,845	1,717,880	1,235,675	4,147,435
Total Ending Fund Balance	3,226,926	2,770,186	3,268,558	2,786,353	5,698,113
TOTAL USE OF FUNDS	10,695,507	10,573,052	17,946,424	12,848,909	14,301,353

HOUSING TRUST FUND (440)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	597,675	597,675	458,301	458,301	458,301
Retiree Healthcare Solutions Reserve	0	16,709	16,709	16,709	0
Unrestricted	1,872,100	5,846,581	3,515,479	3,515,479	1,327,741
Total Beginning Fund Balance	2,469,775	6,460,965	3,990,489	3,990,489	1,786,042
Revenues					
Bond Administration Fees	1,361,437	1,000,000	1,000,000	1,200,000	1,100,000
Interest	10,574	7,000	7,000	30,000	20,000
Miscellaneous	0	2,000	2,000	0	0
Total Revenues	1,372,011	1,009,000	1,009,000	1,230,000	1,120,000
Transfers					
Multi-Source Housing Fund	1,700,000	0	2,600,000	2,600,000	0
Total Transfers	1,700,000	0	2,600,000	2,600,000	0
TOTAL SOURCE OF FUNDS	5,541,786	7,469,965	7,599,489	7,820,489	2,906,042
USE OF FUNDS					
Expenditures					
City Attorney Personal Svcs	0	31,572	6,572	6,572	35,029
Destination: Home	565,850	1,076,000	1,076,000	1,076,000	100,000
Emergency Assistance	8,680	50,000	50,000	15,000	50,000
Homeless Case Management & Homeless Management Info Sys.	0	0	0	0	870,000
Housing & Homeless Projects	420,046	4,430,000	4,430,000	4,430,000	100,000
Housing Non-Pers/Equip	39,606	62,500	62,500	50,000	50,000
Housing Personal Services	341,199	366,930	366,930	300,000	380,335
Overhead	96,782	83,356	83,356	83,356	74,999
Total Expenditures	1,472,163	6,100,358	6,075,358	5,960,928	1,660,363
Transfers					
City Hall Debt Service	47,934	42,319	42,319	42,319	39,165
General Purpose Parking Fund	31,200	0	0	31,200	0
Total Transfers	79,134	42,319	42,319	73,519	39,165
Ending Fund Balance					
Reserve for Encumbrances	458,301	597,675	458,301	458,301	458,301
Retiree Healthcare Solutions Reserve	16,709	0	0	0	0
Unrestricted	3,515,479	729,613	1,023,511	1,327,741	748,213
Total Ending Fund Balance	3,990,489	1,327,288	1,481,812	1,786,042	1,206,514
TOTAL USE OF FUNDS	5,541,786	7,469,965	7,599,489	7,820,489	2,906,042

ICE CENTRE REVENUE FUND (432)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Previously Approved Repairs Reserve	448,138	2,276,466	2,276,466	2,276,466	2,294,760
Reserve for Encumbrances	0	0	111	111	111
Unrestricted	4,490,088	4,757,088	5,783,286	5,783,286	3,282,507
Total Beginning Fund Balance	4,938,226	7,033,554	8,059,863	8,059,863	5,577,378
Revenues					
Ice Centre - Additional Rent	55,879	56,800	56,800	56,800	57,215
Ice Centre - Base Rent	3,120,000	1,033,721	1,033,721	1,033,721	1,825,000
Interest	29,818	25,000	25,000	50,000	40,000
Total Revenues	3,205,697	1,115,521	1,115,521	1,140,521	1,922,215
Transfers					
General Fund - SERAF Former Redevelopment Agency Loan Repayment	2,029,673	0	0	0	0
Total Transfers	2,029,673	0	0	0	0
TOTAL SOURCE OF FUNDS	10,173,596	8,149,075	9,175,384	9,200,384	7,499,593
USE OF FUNDS					
Expenditures					
Ice Ctr - Debt Service Payment	1,574,344	1,849,000	1,849,000	1,849,000	1,875,000
Ice Ctr - Oversight Expenses	43,514	44,384	44,384	44,384	45,700
North/Center Ice Plant Replacement	0	0	68,084	68,084	0
Repairs - Electrical	133,170	105,000	285,003	285,003	0
Repairs - Mechanical	169,911	30,000	384,764	384,764	0
Repairs - Miscellaneous	105,628	53,500	154,362	154,362	0
Repairs - Structures	37,991	647,000	737,474	737,474	0
Repairs - Unanticipated/Emergency	37,972	50,000	87,519	87,519	0
Total Expenditures	2,102,530	2,778,884	3,610,590	3,610,590	1,920,700
Transfers					
General Fund - Insurance Expenses	11,203	12,416	12,416	12,416	11,515
Total Transfers	11,203	12,416	12,416	12,416	11,515
Ending Fund Balance					
Previously Approved Repairs Reserve	2,276,466	2,276,466	2,294,760	2,294,760	2,294,760
Reserve for Encumbrances	111	0	111	111	111
Unrestricted	5,783,286	3,081,309	3,257,507	3,282,507	3,272,507
Total Ending Fund Balance	8,059,863	5,357,775	5,552,378	5,577,378	5,567,378
TOTAL USE OF FUNDS	10,173,596	8,149,075	9,175,384	9,200,384	7,499,593

INTEGRATED WASTE MANAGEMENT FUND (423)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Integrated Billing System Reserve	2,000,000	400,000	400,000	400,000	0
Operations and Maintenance Reserve	7,849,057	10,500,000	10,500,000	10,500,000	11,500,000
Reserve for Encumbrances	2,013,611	2,013,611	4,594,685	4,594,685	4,594,685
Retiree Healthcare Solutions Reserve	210,000	324,187	324,187	324,187	374,448
Unrestricted	3,207,509	4,807,664	2,407,472	2,407,472	11,225,156
Total Beginning Fund Balance	15,280,177	18,045,462	18,226,344	18,226,344	27,694,289
Revenues					
AB 939 Fees	1,781,542	3,408,001	3,408,001	3,470,000	3,479,000
CDDD Ineligible Refunds	998,032	740,000	740,000	815,000	740,000
CalRecycle Grant	40,205	0	0	0	0
California Energy Commission Grant	1,081,828	0	0	0	0
EDA Grant	0	1,500,000	1,100,000	1,100,000	0
Franchise Applications	780	500	500	785	535
HHW Revenue from County	183,345	0	0	349,000	0
Hauler Payments	2,650,001	2,650,000	2,650,000	2,650,000	2,650,000
Interest	120,282	51,767	51,767	109,000	232,000
Las Plumas Tenant	313,022	510,000	510,000	510,000	510,000
Lien-Related Charges	6,668,813	317,500	4,517,500	4,480,000	442,500
Miscellaneous Revenue	0	21,800	21,800	20,000	1,800
Miscellaneous Solid Waste	251,693	216,000	216,000	166,000	191,000
NMTC Developer Fee	250,000	0	0	0	0
NMTC Leverage Loan Interest	98,048	98,048	98,048	98,048	98,048
NMTC Proceeds/Reimbursement	1,862,817	0	0	0	0
Recycle Plus Collection Charges	109,304,985	114,678,291	118,078,291	118,078,291	118,691,703
SB 332 Revenue	3,515	250,000	250,000	252,631	250,000
Total Revenues	125,608,908	124,441,907	131,641,907	132,098,755	127,286,586
TOTAL SOURCE OF FUNDS	140,889,085	142,487,369	149,868,251	150,325,099	154,980,875
USE OF FUNDS					
Expenditures					
CEC Grant: Biomass to Energy Tech Project	1,081,873	0	0	0	0
Cap Prog and PW Dept Support Costs	85	18,000	18,000	18,000	7,000
City Attorney Personal Svcs	43,736	45,969	46,515	46,515	47,163
City Auditor Personal Svcs	124,809	16,108	16,048	16,048	0
City Facilities Recycle Plus (Late Fees)	628,515	0	0	0	0
County Revenue Collection Fee	0	893,188	893,188	893,188	935,695
Customer Information System Transition	712,703	327,500	334,500	334,500	130,050
DOT Non-Pers/Equip	200	0	0	0	0
DOT Personal Services	182,316	0	0	0	0
Delinquent Lien Releases	358,000	35,000	244,000	244,000	35,000
EIC AB939/CDDD/Late Fees	313,336	255,000	206,000	206,000	0

INTEGRATED WASTE MANAGEMENT FUND (423)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015</u> Actual	<u>2015-2016</u> Adopted	<u>2015-2016</u> Modified	<u>2015-2016</u> Estimate	<u>2016-2017</u> Proposed
USE OF FUNDS (CONT'D.)					
Expenditures					
EIC Public Art	14,700	0	0	0	0
EIC QALICB Master Lease Payment	407,000	410,000	417,000	417,000	424,000
ESD MFD Recycle Plus	18,617,450	18,952,938	18,952,938	19,352,000	20,107,292
ESD Non-Pers/Equip	2,384,287	2,437,975	2,437,975	1,400,000	3,294,272
ESD Personal Services	6,775,160	7,587,348	7,552,958	6,825,000	7,858,002
ESD SFD Processing	2,461,127	4,881,360	4,881,360	4,750,000	9,376,279
ESD SFD Recycle Plus	49,773,332	51,076,574	51,076,574	50,676,000	53,250,211
ESD Single-Family Large Item Collection Pilot	0	850,000	850,000	411,000	0
ESD Yard Trimming Collection/Processing	22,799,236	22,455,131	22,455,131	22,317,000	23,116,452
Finance Non-Pers/Equip	96,080	112,500	112,500	90,000	112,500
Finance Personal Services	1,115,044	1,149,038	1,153,200	1,153,200	1,112,526
HHW Las Plumas Facility	1,205	2,800,000	985,225	985,225	0
HR Personal Services	13,879	23,867	23,765	23,765	24,870
IDC Disposal Agreement	8,196,221	7,005,248	7,005,248	6,970,000	5,745,353
IDC Disposal Contract (Late Fees)	68,177	0	0	0	0
IT Non-Pers/Equip	209,104	174,617	174,617	174,617	174,617
IT Personal Services	2,282,274	1,618,938	1,676,781	1,676,781	1,426,653
OED Personal Services	72,618	80,595	82,247	82,247	0
Overhead	2,052,440	1,842,163	1,842,163	1,842,163	2,149,443
PBCE Neighborhood Clean-Up Supplies	34,522	57,450	57,450	42,000	64,800
PBCE Non-Pers/Equip	8,052	9,640	9,640	2,000	49,297
PBCE Personal Services	170,198	147,602	166,784	166,784	992,962
PRNS Non-Pers/Equip	16,846	0	0	0	0
PRNS Personal Services	46,780	0	0	0	0
Police Dept Pers Svcs (Creek Encampments) (Late Fees)	104,000	104,000	104,000	0	0
Public Works Non-Pers/Equip	4,849	6,618	6,618	5,400	6,618
Public Works Personal Services	85,960	110,669	109,899	90,000	114,424
Workers' Comp Claims	35,528	40,000	90,000	90,000	40,000
Total Expenditures	121,291,642	125,525,036	123,982,324	121,300,433	130,595,479
Transfers					
City Hall Debt Service Fund	1,055,536	985,058	985,058	985,058	778,787
General Fund - CDDD	300,000	300,000	300,000	300,000	300,000
General Fund - Human Resources/Payroll/Budget Systems Upgrade	15,563	45,319	45,319	45,319	6,895
Total Transfers	1,371,099	1,330,377	1,330,377	1,330,377	1,085,682
Ending Fund Balance					
Billing Transition Reserve	400,000	0	0	0	0
Operations and Maintenance Reserve	10,500,000	11,800,000	11,500,000	11,500,000	10,973,000
Reserve for Encumbrances	4,594,685	2,013,611	4,594,685	4,594,685	4,594,685
Retiree Healthcare Solutions Reserve	324,187	324,187	374,448	374,448	374,448

INTEGRATED WASTE MANAGEMENT FUND (423)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
USE OF FUNDS (CONT'D.)					
Ending Fund Balance					
Unrestricted	2,407,472	1,494,158	8,086,417	11,225,156	7,357,581
Total Ending Fund Balance	<u>18,226,344</u>	<u>15,631,956</u>	<u>24,555,550</u>	<u>27,694,289</u>	<u>23,299,714</u>
TOTAL USE OF FUNDS	<u><u>140,889,085</u></u>	<u><u>142,487,369</u></u>	<u><u>149,868,251</u></u>	<u><u>150,325,099</u></u>	<u><u>154,980,875</u></u>

* The 2016-2017 proposed Recycle Plus Collection Charges revenue assumes a two and one-half percent rate increase to multi-family dwellings in 2016-2017 in order to offset base cost increases, large item collection enhancements, and neighborhood clean-up funding realignment, while no rate change is assumed for single-family dwellings.

LIBRARY PARCEL TAX FUND (418)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Online Circ Sys Replacement Reserve	1,000,000	1,000,000	1,000,000	1,000,000	0
Reserve for Encumbrances	161,681	161,681	211,973	211,973	211,973
Retiree Healthcare Solutions Reserve	50,000	76,141	76,141	76,141	102,837
Six Day Expansion Model Reserve	0	0	0	0	3,000,000
Unrestricted	8,762,834	8,760,404	10,293,652	10,293,652	8,476,091
Total Beginning Fund Balance	9,974,515	9,998,226	11,581,766	11,581,766	11,790,901
Revenues					
Interest	40,440	35,000	35,000	70,000	75,000
Parcel Tax	8,159,333	8,288,000	8,288,000	8,400,000	8,656,236
Total Revenues	8,199,773	8,323,000	8,323,000	8,470,000	8,731,236
TOTAL SOURCE OF FUNDS	18,174,288	18,321,226	19,904,766	20,051,766	20,522,137
USE OF FUNDS					
Expenditures					
Acquisition of Materials	1,570,230	1,726,000	1,936,000	1,936,000	2,000,000
Annual Audit	0	13,000	13,000	13,000	13,000
Automation Proj and Syst Mtnce	886,659	500,000	500,000	500,000	400,000
HR Non-Pers/Equip	0	28,200	28,200	28,200	7,000
HR Personal Services	33,130	44,598	44,321	44,321	52,866
Library Non-Pers/Equip	621,918	1,325,500	1,325,500	650,000	1,305,500
Library Personal Services	3,425,446	6,102,177	6,075,758	5,006,964	6,277,290
Total Expenditures	6,537,383	9,739,475	9,922,779	8,178,485	10,055,656
Transfers					
City Hall Debt Service Fund	45,553	39,365	39,365	39,365	51,564
General Fund - Human Resources/Payroll/Budget Systems Upgrade	9,586	43,015	43,015	43,015	6,365
Total Transfers	55,139	82,380	82,380	82,380	57,929
Ending Fund Balance					
Online Circ Sys Replacement Reserve	1,000,000	0	0	0	0
Reserve for Encumbrances	211,973	161,681	211,973	211,973	211,973
Retiree Healthcare Solutions Reserve	76,141	76,141	102,837	102,837	102,837
Six Day Expansion Model Reserve	0	3,000,000	3,000,000	3,000,000	3,000,000
Unrestricted	10,293,652	5,261,549	6,584,797	8,476,091	7,093,742
Total Ending Fund Balance	11,581,766	8,499,371	9,899,607	11,790,901	10,408,552
TOTAL USE OF FUNDS	18,174,288	18,321,226	19,904,766	20,051,766	20,522,137

LOW AND MODERATE INCOME HOUSING ASSET FUND (346)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve	0	14,126,000	14,126,000	14,126,000	52,248,009
Reserve for Encumbrances	1,218,127	1,218,127	1,963,598	1,963,598	1,963,598
Retiree Healthcare Solutions Reserve	80,000	215,769	215,769	215,769	246,180
Revenue Stabilization Reserve	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Unrestricted	24,249,136	16,816,875	32,638,963	32,638,963	10,089,421
Total Beginning Fund Balance	31,047,263	37,876,771	54,444,330	54,444,330	70,047,208
Revenues					
Interest	156,140	75,000	575,000	575,000	650,000
Loan Repayments	32,130,261	6,900,000	41,507,330	41,507,330	15,400,000
Miscellaneous Revenue	3,561	0	0	150,000	0
Total Revenues	32,289,962	6,975,000	42,082,330	42,232,330	16,050,000
Transfers					
Multi-Source Housing Fund	1,826,000	0	0	0	0
Total Transfers	1,826,000	0	0	0	0
TOTAL SOURCE OF FUNDS	65,163,225	44,851,771	96,526,660	96,676,660	86,097,208
USE OF FUNDS					
Expenditures					
City Attorney Non-Pers/Equip	7,482	16,724	16,724	16,724	16,724
City Attorney Personal Svcs	709,787	637,804	887,600	887,600	661,053
City Manager Non-Pers/Equip	18,000	18,375	18,375	18,375	18,375
City Manager Personal Svcs	27,724	31,596	31,457	31,457	32,718
Finance Personal Services	48,191	102,241	101,613	101,613	107,913
HR Personal Services	22,283	24,135	23,999	15,000	25,734
Hazard Mitigation Grant Match	83,605	0	0	0	0
Homeless Services	90,132	250,000	250,000	250,000	250,000
Homeowner Education Program	13,543	30,000	30,000	30,000	30,000
Housing Loans and Grants	3,281,993	1,300,000	20,445,500	16,000,000	9,575,000
Housing Non-Pers/Equip	447,647	1,246,734	1,456,734	1,456,734	842,734
Housing Personal Services	4,551,418	5,489,238	5,450,093	5,450,093	6,007,810
Housing Predevelopment Activity	13,499	200,000	635,000	635,000	160,000
Loan Management	12,133	225,000	225,000	150,000	225,000
Overhead	774,748	909,993	909,993	909,993	826,093
PW Non-Pers/Equip	9,571	4,766	4,766	4,766	20,766
PW Personal Services	114,277	99,021	97,965	97,965	98,796
Successor Agency to Redevelopment Agency	13,407	70,000	70,000	70,000	70,000
Workers' Compensation Claims	9,140	100,000	100,000	100,000	100,000
Total Expenditures	10,248,580	10,755,627	30,754,819	26,225,320	19,068,716

LOW AND MODERATE INCOME HOUSING ASSET FUND (346)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
USE OF FUNDS (CONT'D.)					
Transfers					
City Hall Debt Service Fund	464,105	379,491	379,491	379,491	459,630
General Fund - Human Resources/Payroll/Budget Systems Upgrade	6,210	24,641	24,641	24,641	3,625
Total Transfers	<u>470,315</u>	<u>404,132</u>	<u>404,132</u>	<u>404,132</u>	<u>463,255</u>
Ending Fund Balance					
Housing Projects Reserve	14,126,000	24,000,000	52,248,009	52,248,009	56,000,000
Reserve for Encumbrances	1,963,598	1,218,127	1,963,598	1,963,598	1,963,598
Retiree Healthcare Solutions Reserve	215,769	215,769	246,180	246,180	246,180
Revenue Stabilization Reserve	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Unrestricted	32,638,963	2,758,116	5,409,922	10,089,421	2,855,459
Total Ending Fund Balance	<u>54,444,330</u>	<u>33,692,012</u>	<u>65,367,709</u>	<u>70,047,208</u>	<u>66,565,237</u>
TOTAL USE OF FUNDS	<u>65,163,225</u>	<u>44,851,771</u>	<u>96,526,660</u>	<u>96,676,660</u>	<u>86,097,208</u>

MAINTENANCE DISTRICT NO. 1 (LOS PASEOS) FUND (352)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	45,273	45,273	31,205	31,205	31,205
Retiree Healthcare Solutions Reserve	0	3,271	3,271	3,271	4,314
Unrestricted	726,062	459,827	548,822	548,822	483,238
Total Beginning Fund Balance	771,335	508,371	583,298	583,298	518,757
Revenues					
Interest	2,571	2,400	2,400	2,500	2,500
Special Assessments	273,201	217,400	217,400	257,400	258,700
Total Revenues	275,772	219,800	219,800	259,900	261,200
Transfers					
Emergency Reserve Fund	0	0	0	0	131
Maintenance District No. 18	0	0	0	30,000	16,200
Total Transfers	0	0	0	30,000	16,331
TOTAL SOURCE OF FUNDS	1,047,107	728,171	803,098	873,198	796,288
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	270,744	414,133	414,133	140,000	453,514
DOT Personal Services	156,693	161,557	160,514	160,500	190,273
Overhead	36,372	53,941	53,941	53,941	69,269
Total Expenditures	463,809	629,631	628,588	354,441	713,056
Ending Fund Balance					
Reserve for Encumbrances	31,205	45,273	31,205	31,205	31,205
Retiree Healthcare Solutions Reserve	3,271	3,271	4,314	4,314	4,314
Unrestricted	548,822	49,996	138,991	483,238	47,713
Total Ending Fund Balance	583,298	98,540	174,510	518,757	83,232
TOTAL USE OF FUNDS	1,047,107	728,171	803,098	873,198	796,288

**MAINTENANCE DISTRICT NO. 2 (TRADE ZONE BLVD.- LUNDY AVE.)
FUND (354)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	97,164	46,685	65,746	65,746	85,988
Total Beginning Fund Balance	<u>97,164</u>	<u>46,685</u>	<u>65,746</u>	<u>65,746</u>	<u>85,988</u>
Revenues					
Interest	329	200	200	300	800
Special Assessments	72,618	75,400	75,400	75,400	77,400
Total Revenues	<u>72,947</u>	<u>75,600</u>	<u>75,600</u>	<u>75,700</u>	<u>78,200</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	131
General Fund	2,408	2,408	2,408	2,408	2,408
Total Transfers	<u>2,408</u>	<u>2,408</u>	<u>2,408</u>	<u>2,408</u>	<u>2,539</u>
TOTAL SOURCE OF FUNDS	<u>172,519</u>	<u>124,693</u>	<u>143,754</u>	<u>143,854</u>	<u>166,727</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	97,429	60,593	60,593	47,990	60,593
DOT Personal Services	7,418	7,814	7,814	7,800	8,372
Overhead	1,926	2,076	2,076	2,076	2,438
Total Expenditures	<u>106,773</u>	<u>70,483</u>	<u>70,483</u>	<u>57,866</u>	<u>71,403</u>
Ending Fund Balance					
Unrestricted	65,746	54,210	73,271	85,988	95,324
Total Ending Fund Balance	<u>65,746</u>	<u>54,210</u>	<u>73,271</u>	<u>85,988</u>	<u>95,324</u>
TOTAL USE OF FUNDS	<u>172,519</u>	<u>124,693</u>	<u>143,754</u>	<u>143,854</u>	<u>166,727</u>

**MAINTENANCE DISTRICT NO. 5 (ORCHARD PARKWAY-PLUMERIA
DRIVE) FUND (357)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	365,381	288,493	347,638	347,638	273,132
Total Beginning Fund Balance	<u>365,381</u>	<u>288,493</u>	<u>347,638</u>	<u>347,638</u>	<u>273,132</u>
Revenues					
Interest	1,460	1,000	1,000	1,800	2,500
Special Assessments	58,337	69,300	69,300	69,300	72,400
Total Revenues	<u>59,797</u>	<u>70,300</u>	<u>70,300</u>	<u>71,100</u>	<u>74,900</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	131
Total Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>131</u>
TOTAL SOURCE OF FUNDS	<u>425,178</u>	<u>358,793</u>	<u>417,938</u>	<u>418,738</u>	<u>348,163</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	62,963	123,334	123,334	123,334	53,334
DOT Personal Services	11,360	20,320	20,320	15,500	20,885
Overhead	3,217	6,772	6,772	6,772	8,067
Total Expenditures	<u>77,540</u>	<u>150,426</u>	<u>150,426</u>	<u>145,606</u>	<u>82,286</u>
Ending Fund Balance					
Unrestricted	347,638	208,367	267,512	273,132	265,877
Total Ending Fund Balance	<u>347,638</u>	<u>208,367</u>	<u>267,512</u>	<u>273,132</u>	<u>265,877</u>
TOTAL USE OF FUNDS	<u>425,178</u>	<u>358,793</u>	<u>417,938</u>	<u>418,738</u>	<u>348,163</u>

MAINTENANCE DISTRICT NO. 8 (ZANKER-MONTAGUE) FUND (361)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	19,304	19,304	45,170	45,170	45,170
Unrestricted	329,473	169,162	298,736	298,736	197,308
Total Beginning Fund Balance	<u>348,777</u>	<u>188,466</u>	<u>343,906</u>	<u>343,906</u>	<u>242,478</u>
Revenues					
Interest	1,343	800	800	1,800	1,100
Special Assessments	76,867	87,400	87,400	87,400	92,900
Total Revenues	<u>78,210</u>	<u>88,200</u>	<u>88,200</u>	<u>89,200</u>	<u>94,000</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	131
General Fund	2,353	2,353	2,353	2,353	2,353
Total Transfers	<u>2,353</u>	<u>2,353</u>	<u>2,353</u>	<u>2,353</u>	<u>2,484</u>
TOTAL SOURCE OF FUNDS	<u><u>429,340</u></u>	<u><u>279,019</u></u>	<u><u>434,459</u></u>	<u><u>435,459</u></u>	<u><u>338,962</u></u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	44,885	150,435	150,435	150,435	65,435
DOT Personal Services	32,301	34,308	34,308	33,300	36,306
Overhead	8,248	9,246	9,246	9,246	10,711
Total Expenditures	<u>85,434</u>	<u>193,989</u>	<u>193,989</u>	<u>192,981</u>	<u>112,452</u>
Ending Fund Balance					
Reserve for Encumbrances	45,170	19,304	45,170	45,170	45,170
Unrestricted	298,736	65,726	195,300	197,308	181,340
Total Ending Fund Balance	<u>343,906</u>	<u>85,030</u>	<u>240,470</u>	<u>242,478</u>	<u>226,510</u>
TOTAL USE OF FUNDS	<u><u>429,340</u></u>	<u><u>279,019</u></u>	<u><u>434,459</u></u>	<u><u>435,459</u></u>	<u><u>338,962</u></u>

**MAINTENANCE DISTRICT NO. 9 (SANTA TERESA-GREAT OAKS) FUND
(362)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve	0	1,005	1,005	1,005	1,249
Unrestricted	332,676	275,668	325,728	325,728	272,098
Total Beginning Fund Balance	<u>332,676</u>	<u>276,673</u>	<u>326,733</u>	<u>326,733</u>	<u>273,347</u>
Revenues					
Interest	1,336	1,100	1,100	1,500	2,600
Special Assessments	119,533	143,800	143,800	136,000	145,800
Total Revenues	<u>120,869</u>	<u>144,900</u>	<u>144,900</u>	<u>137,500</u>	<u>148,400</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	131
General Fund	23,480	23,480	23,480	23,480	23,480
Total Transfers	<u>23,480</u>	<u>23,480</u>	<u>23,480</u>	<u>23,480</u>	<u>23,611</u>
TOTAL SOURCE OF FUNDS	<u>477,025</u>	<u>445,053</u>	<u>495,113</u>	<u>487,713</u>	<u>445,358</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	101,346	117,487	162,487	162,487	114,232
DOT Personal Services	37,006	39,442	39,198	37,900	40,951
Overhead	11,940	13,979	13,979	13,979	16,123
Total Expenditures	<u>150,292</u>	<u>170,908</u>	<u>215,664</u>	<u>214,366</u>	<u>171,306</u>
Ending Fund Balance					
Retiree Healthcare Solutions Reserve	1,005	1,005	1,249	1,249	1,249
Unrestricted	325,728	273,140	278,200	272,098	272,803
Total Ending Fund Balance	<u>326,733</u>	<u>274,145</u>	<u>279,449</u>	<u>273,347</u>	<u>274,052</u>
TOTAL USE OF FUNDS	<u>477,025</u>	<u>445,053</u>	<u>495,113</u>	<u>487,713</u>	<u>445,358</u>

**MAINTENANCE DISTRICT NO. 11 (BROKAW RD. FROM JUNCTION AVE.
TO OLD OAKLAND RD.) FUND (364)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	253,597	260,656	269,269	269,269	238,446
Total Beginning Fund Balance	<u>253,597</u>	<u>260,656</u>	<u>269,269</u>	<u>269,269</u>	<u>238,446</u>
Revenues					
Interest	1,051	600	600	1,400	2,100
Special Assessments	63,684	63,800	63,800	63,800	65,800
Total Revenues	<u>64,735</u>	<u>64,400</u>	<u>64,400</u>	<u>65,200</u>	<u>67,900</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	130
General Fund	6,354	6,354	6,354	6,354	6,354
Total Transfers	<u>6,354</u>	<u>6,354</u>	<u>6,354</u>	<u>6,354</u>	<u>6,484</u>
TOTAL SOURCE OF FUNDS	<u>324,686</u>	<u>331,410</u>	<u>340,023</u>	<u>340,823</u>	<u>312,830</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	46,073	53,708	83,708	83,708	83,708
DOT Personal Services	7,418	16,316	16,316	13,500	17,196
Overhead	1,926	5,169	5,169	5,169	6,430
Total Expenditures	<u>55,417</u>	<u>75,193</u>	<u>105,193</u>	<u>102,377</u>	<u>107,334</u>
Ending Fund Balance					
Unrestricted	269,269	256,217	234,830	238,446	205,496
Total Ending Fund Balance	<u>269,269</u>	<u>256,217</u>	<u>234,830</u>	<u>238,446</u>	<u>205,496</u>
TOTAL USE OF FUNDS	<u>324,686</u>	<u>331,410</u>	<u>340,023</u>	<u>340,823</u>	<u>312,830</u>

MAINTENANCE DISTRICT NO. 13 (KARINA-O'NEL) FUND (366)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	92,102	95,254	102,625	102,625	111,633
Total Beginning Fund Balance	<u>92,102</u>	<u>95,254</u>	<u>102,625</u>	<u>102,625</u>	<u>111,633</u>
Revenues					
Interest	371	200	200	500	1,000
Special Assessments	46,511	46,900	46,900	46,900	49,500
Total Revenues	<u>46,882</u>	<u>47,100</u>	<u>47,100</u>	<u>47,400</u>	<u>50,500</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	130
Total Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>130</u>
TOTAL SOURCE OF FUNDS	<u>138,984</u>	<u>142,354</u>	<u>149,725</u>	<u>150,025</u>	<u>162,263</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	27,626	39,661	39,661	29,000	39,661
DOT Personal Services	6,975	7,527	7,527	7,400	8,065
Overhead	1,758	1,992	1,992	1,992	2,340
Total Expenditures	<u>36,359</u>	<u>49,180</u>	<u>49,180</u>	<u>38,392</u>	<u>50,066</u>
Ending Fund Balance					
Unrestricted	102,625	93,174	100,545	111,633	112,197
Total Ending Fund Balance	<u>102,625</u>	<u>93,174</u>	<u>100,545</u>	<u>111,633</u>	<u>112,197</u>
TOTAL USE OF FUNDS	<u>138,984</u>	<u>142,354</u>	<u>149,725</u>	<u>150,025</u>	<u>162,263</u>

MAINTENANCE DISTRICT NO. 15 (SILVER CREEK VALLEY) FUND (368)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	145,671	145,671	160,829	160,829	160,829
Retiree Healthcare Solutions Reserve	0	7,683	7,683	7,683	10,246
Retirement Pre-Payment Reserve	0	0	0	0	0
Unrestricted	4,964,481	4,255,068	4,522,375	4,522,375	3,747,304
Total Beginning Fund Balance	<u>5,110,152</u>	<u>4,408,422</u>	<u>4,690,887</u>	<u>4,690,887</u>	<u>3,918,379</u>
Revenues					
Interest	20,038	14,400	14,400	24,100	29,400
Special Assessments	906,974	835,700	835,700	835,700	800,200
Total Revenues	<u>927,012</u>	<u>850,100</u>	<u>850,100</u>	<u>859,800</u>	<u>829,600</u>
Transfers					
General Fund	16,636	16,636	16,636	16,636	16,636
Storm Sewer Operating Fund	22,118	22,118	22,118	22,118	22,118
Total Transfers	<u>38,754</u>	<u>38,754</u>	<u>38,754</u>	<u>38,754</u>	<u>38,754</u>
TOTAL SOURCE OF FUNDS	<u>6,075,918</u>	<u>5,297,276</u>	<u>5,579,741</u>	<u>5,589,441</u>	<u>4,786,733</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	962,740	1,347,343	1,347,343	1,207,343	1,515,312
DOT Personal Services	344,799	348,089	345,526	345,000	415,882
Overhead	77,171	118,719	118,719	118,719	152,632
Workers' Comp Claims	321	0	0	0	0
Total Expenditures	<u>1,385,031</u>	<u>1,814,151</u>	<u>1,811,588</u>	<u>1,671,062</u>	<u>2,083,826</u>
Ending Fund Balance					
Reserve for Encumbrances	160,829	145,671	160,829	160,829	160,829
Retirement Healthcare Solutions Reserve	7,683	7,683	10,246	10,246	10,246
Unrestricted	4,522,375	3,329,771	3,597,078	3,747,304	2,531,832
Total Ending Fund Balance	<u>4,690,887</u>	<u>3,483,125</u>	<u>3,768,153</u>	<u>3,918,379</u>	<u>2,702,907</u>
TOTAL USE OF FUNDS	<u>6,075,918</u>	<u>5,297,276</u>	<u>5,579,741</u>	<u>5,589,441</u>	<u>4,786,733</u>

MAINTENANCE DISTRICT NO. 18 (THE MEADOWLANDS) FUND (372)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	67,662	47,333	91,783	91,783	51,517
Total Beginning Fund Balance	<u>67,662</u>	<u>47,333</u>	<u>91,783</u>	<u>91,783</u>	<u>51,517</u>
Revenues					
Interest	280	200	200	400	300
Special Assessments	91,007	91,900	91,900	91,900	91,900
Total Revenues	<u>91,287</u>	<u>92,100</u>	<u>92,100</u>	<u>92,300</u>	<u>92,200</u>
TOTAL SOURCE OF FUNDS	<u>158,949</u>	<u>139,433</u>	<u>183,883</u>	<u>184,083</u>	<u>143,717</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	32,259	77,096	77,096	65,000	77,096
DOT Personal Services	27,876	30,107	30,107	29,600	35,904
Overhead	7,031	7,966	7,966	7,966	10,857
Total Expenditures	<u>67,166</u>	<u>115,169</u>	<u>115,169</u>	<u>102,566</u>	<u>123,857</u>
Transfers					
Maintenance District No. 1	0	0	0	30,000	16,200
Total Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>16,200</u>
Ending Fund Balance					
Unrestricted	91,783	24,264	68,714	51,517	3,660
Total Ending Fund Balance	<u>91,783</u>	<u>24,264</u>	<u>68,714</u>	<u>51,517</u>	<u>3,660</u>
TOTAL USE OF FUNDS	<u>158,949</u>	<u>139,433</u>	<u>183,883</u>	<u>184,083</u>	<u>143,717</u>

**MAINTENANCE DISTRICT NO. 19 (RIVER OAKS AREA LANDSCAPING)
FUND (359)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	4,064	4,064	0	0	0
Unrestricted	277,810	164,723	302,633	302,633	264,443
Total Beginning Fund Balance	<u>281,874</u>	<u>168,787</u>	<u>302,633</u>	<u>302,633</u>	<u>264,443</u>
Revenues					
Interest	1,141	800	800	1,600	2,600
Special Assessments	117,543	124,200	124,200	124,200	133,100
Total Revenues	<u>118,684</u>	<u>125,000</u>	<u>125,000</u>	<u>125,800</u>	<u>135,700</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	131
General Fund	6,195	6,195	6,195	6,195	6,195
Total Transfers	<u>6,195</u>	<u>6,195</u>	<u>6,195</u>	<u>6,195</u>	<u>6,326</u>
TOTAL SOURCE OF FUNDS	<u>406,753</u>	<u>299,982</u>	<u>433,828</u>	<u>434,628</u>	<u>406,469</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	56,436	116,335	151,335	140,000	66,335
DOT Personal Services	34,580	26,248	26,248	22,300	34,707
Overhead	13,104	7,885	7,885	7,885	12,474
Total Expenditures	<u>104,120</u>	<u>150,468</u>	<u>185,468</u>	<u>170,185</u>	<u>113,516</u>
Ending Fund Balance					
Reserve for Encumbrances	0	4,064	0	0	0
Unrestricted	302,633	145,450	248,360	264,443	292,953
Total Ending Fund Balance	<u>302,633</u>	<u>149,514</u>	<u>248,360</u>	<u>264,443</u>	<u>292,953</u>
TOTAL USE OF FUNDS	<u>406,753</u>	<u>299,982</u>	<u>433,828</u>	<u>434,628</u>	<u>406,469</u>

**MAINTENANCE DISTRICT NO. 20 (RENAISSANCE-N. FIRST
LANDSCAPING) FUND (365)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	381,206	366,053	385,854	385,854	335,339
Total Beginning Fund Balance	<u>381,206</u>	<u>366,053</u>	<u>385,854</u>	<u>385,854</u>	<u>335,339</u>
Revenues					
Interest	1,603	900	900	2,100	3,000
Special Assessments	39,694	40,000	40,000	40,000	47,300
Total Revenues	<u>41,297</u>	<u>40,900</u>	<u>40,900</u>	<u>42,100</u>	<u>50,300</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	130
General Fund	21,461	21,461	21,461	21,461	21,461
Total Transfers	<u>21,461</u>	<u>21,461</u>	<u>21,461</u>	<u>21,461</u>	<u>21,591</u>
TOTAL SOURCE OF FUNDS	<u>443,964</u>	<u>428,414</u>	<u>448,215</u>	<u>449,415</u>	<u>407,230</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	48,753	134,194	134,194	105,000	87,527
DOT Personal Services	7,431	7,814	7,814	7,000	12,013
Overhead	1,926	2,076	2,076	2,076	3,934
Total Expenditures	<u>58,110</u>	<u>144,084</u>	<u>144,084</u>	<u>114,076</u>	<u>103,474</u>
Ending Fund Balance					
Unrestricted	385,854	284,330	304,131	335,339	303,756
Total Ending Fund Balance	<u>385,854</u>	<u>284,330</u>	<u>304,131</u>	<u>335,339</u>	<u>303,756</u>
TOTAL USE OF FUNDS	<u>443,964</u>	<u>428,414</u>	<u>448,215</u>	<u>449,415</u>	<u>407,230</u>

**MAINTENANCE DISTRICT NO. 21 (GATEWAY PLACE-AIRPORT PARKWAY)
FUND (356)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	988	988	0	0	0
Unrestricted	318,325	173,681	270,101	270,101	248,794
Total Beginning Fund Balance	<u>319,313</u>	<u>174,669</u>	<u>270,101</u>	<u>270,101</u>	<u>248,794</u>
Revenues					
Interest	1,284	800	800	1,400	1,800
Special Assessments	86,372	78,700	78,700	78,700	84,000
Total Revenues	<u>87,656</u>	<u>79,500</u>	<u>79,500</u>	<u>80,100</u>	<u>85,800</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	131
General Fund	8,996	8,996	8,996	8,996	8,996
Total Transfers	<u>8,996</u>	<u>8,996</u>	<u>8,996</u>	<u>8,996</u>	<u>9,127</u>
TOTAL SOURCE OF FUNDS	<u>415,965</u>	<u>263,165</u>	<u>358,597</u>	<u>359,197</u>	<u>343,721</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	122,802	79,054	79,054	79,054	179,054
DOT Personal Services	17,455	26,700	26,700	21,800	27,437
Overhead	5,607	9,549	9,549	9,549	11,249
Total Expenditures	<u>145,864</u>	<u>115,303</u>	<u>115,303</u>	<u>110,403</u>	<u>217,740</u>
Ending Fund Balance					
Reserve for Encumbrances	0	988	0	0	0
Unrestricted	270,101	146,874	243,294	248,794	125,981
Total Ending Fund Balance	<u>270,101</u>	<u>147,862</u>	<u>243,294</u>	<u>248,794</u>	<u>125,981</u>
TOTAL USE OF FUNDS	<u>415,965</u>	<u>263,165</u>	<u>358,597</u>	<u>359,197</u>	<u>343,721</u>

**MAINTENANCE DISTRICT NO. 22 (HELLYER AVE.-SILVER CREEK
VALLEY RD.) FUND (367)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	239,119	200,155	241,252	241,252	163,828
Total Beginning Fund Balance	<u>239,119</u>	<u>200,155</u>	<u>241,252</u>	<u>241,252</u>	<u>163,828</u>
Revenues					
Interest	1,061	800	800	1,300	1,400
Special Assessments	49,499	53,600	53,600	53,600	57,300
Total Revenues	<u>50,560</u>	<u>54,400</u>	<u>54,400</u>	<u>54,900</u>	<u>58,700</u>
Transfers					
Emergency Reserve Fund	0	0	0	0	130
General Fund	35,223	35,223	35,223	35,223	35,223
Total Transfers	<u>35,223</u>	<u>35,223</u>	<u>35,223</u>	<u>35,223</u>	<u>35,353</u>
TOTAL SOURCE OF FUNDS	<u>324,902</u>	<u>289,778</u>	<u>330,875</u>	<u>331,375</u>	<u>257,881</u>
USE OF FUNDS					
Expenditures					
DOT Non-Pers/Equip	74,219	162,971	162,971	162,971	102,971
DOT Personal Services	7,505	7,814	7,814	2,500	12,013
Overhead	1,926	2,076	2,076	2,076	3,934
Total Expenditures	<u>83,650</u>	<u>172,861</u>	<u>172,861</u>	<u>167,547</u>	<u>118,918</u>
Ending Fund Balance					
Unrestricted	241,252	116,917	158,014	163,828	138,963
Total Ending Fund Balance	<u>241,252</u>	<u>116,917</u>	<u>158,014</u>	<u>163,828</u>	<u>138,963</u>
TOTAL USE OF FUNDS	<u>324,902</u>	<u>289,778</u>	<u>330,875</u>	<u>331,375</u>	<u>257,881</u>

MULTI-SOURCE HOUSING FUND (448)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Committed Projects Reserve	0	9,474,000	9,474,000	9,474,000	3,695,000
Reserve for Encumbrances	937,471	937,471	1,610,265	1,610,265	1,610,265
Retiree Healthcare Solutions Reserve	30,000	41,649	41,649	41,649	46,068
Unrestricted	27,686,587	10,580,051	14,496,718	14,496,718	10,011,464
Total Beginning Fund Balance	28,654,058	21,033,171	25,622,632	25,622,632	15,362,797
Revenues					
Development Agreement	4,600,000	0	0	0	0
Grant Revenue	2,573,673	3,927,094	4,169,688	1,500,000	1,620,451
Housing Impact Fees & Charges	0	205,200	205,200	100,000	100,000
In-Lieu Fee Revenue	0	0	0	0	1,400,000
Inclusionary Fees & Charges	0	56,000	56,000	0	0
Interest	123,151	100,000	100,000	150,000	100,000
Loan Repayments	3,288,035	1,500,000	1,500,000	5,000,000	1,750,000
Medical Respite Facility	345,838	0	0	0	0
Miscellaneous Revenue	2,551,990	0	68,000	200,000	75,000
Multi-Family Housing Fees & Charges	0	722,500	722,500	722,500	722,500
Recovery Act - Neighborhood Stabilization Program 2	342,971	0	0	126,000	0
Rental Rights and Referrals	799,362	940,727	940,727	940,727	1,110,250
Total Revenues	14,625,020	7,451,521	7,762,115	8,739,227	6,878,201
TOTAL SOURCE OF FUNDS	43,279,078	28,484,692	33,384,747	34,361,859	22,240,998
USE OF FUNDS					
Expenditures					
CalHome Prgm (BEGIN)	545,668	500,000	1,200,000	685,000	2,055,000
CalHome Prgm (Hmbyr - Pers. Svcs)	33,700	4,045	4,045	4,045	90
CalHome Prgm (Homebuyer)	0	0	720,000	10,000	10,000
CalHome Prgm (Rehab - Pers. Svcs)	22,925	147,814	147,814	147,814	179,699
CalHome Prgm (Rehab)	318,252	500,000	500,000	100,000	100,000
Capital Grant Program	0	4,450,495	4,450,495	4,450,495	0
City Attorney Personal Svcs	0	124,665	4,177	4,177	135,708
Emergency Shelter Grants	577,245	725,731	968,325	968,325	725,576
Emergency Shelter Grants (Pers. Svcs)	50,322	12,410	12,410	12,410	17,922
HOPWA Grants	646,325	853,803	853,803	853,803	865,206
HOPWA Grants (Pers. Svcs)	20,280	10,874	10,874	10,874	11,747
HOPWA SHAPPS Grants	387,865	427,206	427,206	427,206	427,206
HOPWA SHAPPS Grants (Pers. Svcs)	11,738	0	0	0	0
Hazard Mitigation Grant Program	262,410	0	0	0	0
Hazard Mtgtn Grant Prgm (Pers. Svcs)	193,612	56,740	56,740	56,740	813
Housing Loans and Grants	9,244,719	3,250,000	10,135,000	7,100,000	3,250,000
Housing Non-Pers/Equip	226,591	413,642	676,642	263,642	263,642
Housing Personal Services	559,562	601,832	597,901	597,901	778,842
Inclusionary Projects	0	0	0	0	0

MULTI-SOURCE HOUSING FUND (448)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
USE OF FUNDS (CONT'D.)					
Expenditures					
Medical Respite Facility	317,838	0	0	0	0
Neighborhood Stabilization Program	6,195	0	0	0	0
Neighborhood Stabilization Program (Pers. Svcs)	0	11,526	11,526	11,526	0
Overhead	265,869	158,615	158,615	158,615	149,696
Rcvry Act - Neigh. Stblztn Prgm 2	352,051	521,000	521,000	521,000	0
Rcvry Act - Neigh. Stblztn Prgm 2 (Pers. Svcs)	85,814	11,526	11,526	11,526	12,382
Total Expenditures	14,128,981	12,781,924	21,468,099	16,395,099	8,983,529
Transfers					
General Fund - Human Resources/Payroll/Budget Systems Upgrade	1,465	3,963	3,963	3,963	589
Housing Trust Fund	1,700,000	0	2,600,000	2,600,000	0
Low and Moderate Income Housing Asset Fund	1,826,000	0	0	0	0
Total Transfers	3,527,465	3,963	2,603,963	2,603,963	589
Ending Fund Balance					
Committed Projects Reserve	9,474,000	12,000,000	3,695,000	3,695,000	8,695,000
Reserve for Encumbrances	1,610,265	937,471	1,610,265	1,610,265	1,610,265
Retiree Healthcare Solutions Reserve	41,649	41,649	46,068	46,068	46,068
Unrestricted	14,496,718	2,719,685	3,961,352	10,011,464	2,905,547
Total Ending Fund Balance	25,622,632	15,698,805	9,312,685	15,362,797	13,256,880
TOTAL USE OF FUNDS	43,279,078	28,484,692	33,384,747	34,361,859	22,240,998

MUNICIPAL GOLF COURSE FUND (518)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	542,442	393,942	422,474	422,474	587,474
Total Beginning Fund Balance	542,442	393,942	422,474	422,474	587,474
Revenues					
Interest	3,129	3,500	3,500	5,000	5,000
Miscellaneous Revenue	19,705	35,000	35,000	5,000	20,000
San José Municipal Golf Course	441,377	430,000	430,000	450,000	450,000
Total Revenues	464,211	468,500	468,500	460,000	475,000
Transfers					
General Fund	2,200,000	2,600,000	2,600,000	2,600,000	2,200,000
Total Transfers	2,200,000	2,600,000	2,600,000	2,600,000	2,200,000
TOTAL SOURCE OF FUNDS	3,206,653	3,462,442	3,490,974	3,482,474	3,262,474
USE OF FUNDS					
Expenditures					
Coyote Creek Environmental Mitigation	0	1,000	1,000	1,000	1,000
Los Lagos Debt Service	1,508,403	1,530,000	1,530,000	1,530,000	1,543,000
Los Lagos Golf Course	472,202	550,000	550,000	550,000	550,000
Rancho del Pueblo Debt Service	457,415	454,000	454,000	454,000	459,000
Rancho del Pueblo Golf Course	346,159	400,000	400,000	360,000	400,000
Total Expenditures	2,784,179	2,935,000	2,935,000	2,895,000	2,953,000
Ending Fund Balance					
Unrestricted	422,474	527,442	555,974	587,474	309,474
Total Ending Fund Balance	422,474	527,442	555,974	587,474	309,474
TOTAL USE OF FUNDS	3,206,653	3,462,442	3,490,974	3,482,474	3,262,474

POLICE AND FIRE RETIREMENT FUND (135)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	3,227,283,000	3,228,843,797	3,161,406,000	3,161,406,000	3,052,037,246
Total Beginning Fund Balance	<u>3,227,283,000</u>	<u>3,228,843,797</u>	<u>3,161,406,000</u>	<u>3,161,406,000</u>	<u>3,052,037,246</u>
Revenues					
Investment Income	(28,189,000)	226,679,406	(67,980,238)	(67,980,238)	30,513,214
Participant Income	37,764,000	40,599,219	40,967,865	40,967,865	38,934,030
Total Revenues	<u>9,575,000</u>	<u>267,278,625</u>	<u>(27,012,373)</u>	<u>(27,012,373)</u>	<u>69,447,244</u>
Transfers					
1970 COLA	585	720	534	534	1,000
1980 COLA	13,189	13,560	12,619	12,619	14,000
1990 COLA	5,123	5,856	5,125	5,125	5,500
City Contributions	129,279,000	133,379,000	131,171,109	131,171,109	137,477,000
Total Transfers	<u>129,297,897</u>	<u>133,399,136</u>	<u>131,189,387</u>	<u>131,189,387</u>	<u>137,497,500</u>
TOTAL SOURCE OF FUNDS	<u>3,366,155,897</u>	<u>3,629,521,558</u>	<u>3,265,583,014</u>	<u>3,265,583,014</u>	<u>3,258,981,990</u>
USE OF FUNDS					
Expenditures					
1970 COLA	585	720	534	534	1,000
1980 COLA	13,189	13,560	12,619	12,619	14,000
1990 COLA	5,123	5,856	5,125	5,125	5,500
Benefits	176,253,000	188,829,353	183,136,752	183,136,752	201,450,427
HR Staffing Support	168,370	179,227	179,227	179,227	0
Health Insurance	24,205,000	24,323,543	24,620,338	24,620,338	24,323,543
Professional Fees	635,815	1,331,950	1,255,450	1,255,450	1,331,950
Retirement Non-Pers/Equip	785,686	1,220,200	1,235,700	1,235,700	1,220,200
Retirement Pers Svcs	2,683,129	3,155,050	3,100,023	3,100,023	3,273,386
Total Expenditures	<u>204,749,897</u>	<u>219,059,459</u>	<u>213,545,768</u>	<u>213,545,768</u>	<u>231,620,006</u>
Ending Fund Balance					
Claims Reserve	3,161,406,000	3,410,462,099	3,052,037,246	3,052,037,246	3,027,361,984
Total Ending Fund Balance	<u>3,161,406,000</u>	<u>3,410,462,099</u>	<u>3,052,037,246</u>	<u>3,052,037,246</u>	<u>3,027,361,984</u>
TOTAL USE OF FUNDS	<u>3,366,155,897</u>	<u>3,629,521,558</u>	<u>3,265,583,014</u>	<u>3,265,583,014</u>	<u>3,258,981,990</u>

* This Statement of Source and Use is for display purposes only. The Police and Fire Department Retirement Plan Board of Administration approved the annual administrative budget on March 3, 2016. It should be noted that the personal services costs reflected in this statement can vary from the budget presented to the Board due to revised retirement and benefit costs when compared to those that were projected in March.

POLICE RETIREE HEALTH CARE TRUST FUND (125)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Claims Reserve	26,569,000	38,860,179	38,865,000	38,865,000	49,458,118
Total Beginning Fund Balance	<u>26,569,000</u>	<u>38,860,179</u>	<u>38,865,000</u>	<u>38,865,000</u>	<u>49,458,118</u>
Revenues					
Investment Income	(753,000)	3,658,276	(1,040,489)	(1,040,489)	619,621
Total Revenues	<u>(753,000)</u>	<u>3,658,276</u>	<u>(1,040,489)</u>	<u>(1,040,489)</u>	<u>619,621</u>
Transfers					
City Contributions	13,073,000	13,382,000	11,660,007	11,660,007	12,477,000
Total Transfers	<u>13,073,000</u>	<u>13,382,000</u>	<u>11,660,007</u>	<u>11,660,007</u>	<u>12,477,000</u>
TOTAL SOURCE OF FUNDS	<u><u>38,889,000</u></u>	<u><u>55,900,455</u></u>	<u><u>49,484,518</u></u>	<u><u>49,484,518</u></u>	<u><u>62,554,739</u></u>
USE OF FUNDS					
Expenditures					
Professional Fees	24,000	20,000	26,400	26,400	27,000
Total Expenditures	<u>24,000</u>	<u>20,000</u>	<u>26,400</u>	<u>26,400</u>	<u>27,000</u>
Ending Fund Balance					
Claims Reserve	38,865,000	55,880,455	49,458,118	49,458,118	62,527,739
Total Ending Fund Balance	<u>38,865,000</u>	<u>55,880,455</u>	<u>49,458,118</u>	<u>49,458,118</u>	<u>62,527,739</u>
TOTAL USE OF FUNDS	<u><u>38,889,000</u></u>	<u><u>55,900,455</u></u>	<u><u>49,484,518</u></u>	<u><u>49,484,518</u></u>	<u><u>62,554,739</u></u>

* This Statement of Source and Use is for display purposes only. The Police and Fire Department Retirement Plan Board of Administration approved the annual administrative budget on March 3, 2016.

PUBLIC WORKS PROGRAM SUPPORT FUND (150)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	56,112	56,112	34,451	34,451	34,451
Retiree Healthcare Solutions Reserve	85,000	133,879	133,879	133,879	157,861
Unrestricted	2,403,107	2,707,247	3,204,155	3,204,155	2,846,484
Total Beginning Fund Balance	<u>2,544,219</u>	<u>2,897,238</u>	<u>3,372,485</u>	<u>3,372,485</u>	<u>3,038,796</u>
Revenues					
Interest	19,317	16,000	16,000	26,000	25,000
Total Revenues	<u>19,317</u>	<u>16,000</u>	<u>16,000</u>	<u>26,000</u>	<u>25,000</u>
Transfers					
Capital Program Support	2,047,677	1,790,000	1,790,000	1,450,000	1,600,000
Compensated Absences	7,973,614	8,336,000	8,336,000	7,800,000	8,400,000
Public Works Program Support	4,364,007	4,344,000	4,344,000	4,000,000	5,240,000
Total Transfers	<u>14,385,298</u>	<u>14,470,000</u>	<u>14,470,000</u>	<u>13,250,000</u>	<u>15,240,000</u>
TOTAL SOURCE OF FUNDS	<u>16,948,834</u>	<u>17,383,238</u>	<u>17,858,485</u>	<u>16,648,485</u>	<u>18,303,796</u>
USE OF FUNDS					
Expenditures					
Compensated Absence Liability	130,874	0	0	0	0
Compensated Time Off	7,381,700	8,100,000	8,100,000	7,800,000	8,400,000
Finance Non-Personal/Equipment	20,000	20,000	20,000	20,000	20,000
Finance Personal Services	34,206	35,764	35,551	22,000	39,176
HR Personal Services	104,845	109,511	111,524	111,000	114,035
IT Personal Services	0	89,062	88,129	0	89,339
Overhead	978,311	768,720	768,720	768,720	714,299
PW Non-Personal/Equipment	639,010	668,287	668,287	668,287	663,787
PW Personal Services	4,281,691	4,896,282	4,874,097	4,200,000	5,148,335
Total Expenditures	<u>13,570,637</u>	<u>14,687,626</u>	<u>14,666,308</u>	<u>13,590,007</u>	<u>15,188,971</u>
Transfers					
General Fund - Human Resources/ Payroll/ Budget Systems Upgrade	5,712	19,682	19,682	19,682	2,540
Total Transfers	<u>5,712</u>	<u>19,682</u>	<u>19,682</u>	<u>19,682</u>	<u>2,540</u>
Ending Fund Balance					
Comp. Absence Liability Reserve	0	236,000	0	0	0
Reserve for Encumbrances	34,451	56,112	34,451	34,451	34,451
Retiree Healthcare Solutions Reserve	133,879	133,879	157,861	157,861	157,861
Unrestricted	3,204,155	2,249,939	2,980,183	2,846,484	2,919,973
Total Ending Fund Balance	<u>3,372,485</u>	<u>2,675,930</u>	<u>3,172,495</u>	<u>3,038,796</u>	<u>3,112,285</u>
TOTAL USE OF FUNDS	<u>16,948,834</u>	<u>17,383,238</u>	<u>17,858,485</u>	<u>16,648,485</u>	<u>18,303,796</u>

SAN JOSE ARENA CAPITAL RESERVE FUND (459)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Previously Approved Repairs Reserve	1,156	0	0	0	48,909
Unrestricted	791,697	3,522,921	4,723,305	4,723,305	4,040,305
Total Beginning Fund Balance	792,853	3,522,921	4,723,305	4,723,305	4,089,214
Revenues					
Interest	5,385	5,000	5,000	45,000	20,000
San José Arena Management	550,000	550,000	750,000	750,000	750,000
Total Revenues	555,385	555,000	755,000	795,000	770,000
Transfers					
General Fund (Arena Revenue)	250,000	750,000	750,000	750,000	750,000
General Purpose Parking Fund	3,514,000	2,486,000	2,486,000	2,486,000	0
Total Transfers	3,764,000	3,236,000	3,236,000	3,236,000	750,000
TOTAL SOURCE OF FUNDS	5,112,238	7,313,921	8,714,305	8,754,305	5,609,214
USE OF FUNDS					
Expenditures					
Electrical Repairs	27,494	764,000	1,462,874	1,462,874	0
Mechanical Repairs	94,918	0	353,598	353,598	0
Miscellaneous Repairs	10,976	0	0	0	0
Structures Repairs	200,382	2,750,000	2,750,000	2,750,000	0
Unanticipated/Emergency Repairs	55,163	0	98,619	98,619	0
Total Expenditures	388,933	3,514,000	4,665,091	4,665,091	0
Ending Fund Balance					
Previously Approved Repairs Reserve	0	0	48,909	48,909	48,909
Unrestricted	4,723,305	3,799,921	4,000,305	4,040,305	5,560,305
Total Ending Fund Balance	4,723,305	3,799,921	4,049,214	4,089,214	5,609,214
TOTAL USE OF FUNDS	5,112,238	7,313,921	8,714,305	8,754,305	5,609,214

SAN JOSE ARENA ENHANCEMENT FUND (301)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	27,587	92,587	50,388	50,388	0
Total Beginning Fund Balance	27,587	92,587	50,388	50,388	0
Revenues					
Interest	3,918	0	0	375	0
Total Revenues	3,918	0	0	375	0
Transfers					
General Fund	1,000,000	0	0	0	0
Total Transfers	1,000,000	0	0	0	0
TOTAL SOURCE OF FUNDS	1,031,505	92,587	50,388	50,763	0
USE OF FUNDS					
Expenditures					
HP Improvements - Debt Service	981,117	0	0	0	0
Total Expenditures	981,117	0	0	0	0
Transfers					
General Fund	0	0	50,388	50,763	0
Total Transfers	0	0	50,388	50,763	0
Ending Fund Balance					
Unrestricted	50,388	92,587	0	0	0
Total Ending Fund Balance	50,388	92,587	0	0	0
TOTAL USE OF FUNDS	1,031,505	92,587	50,388	50,763	0

SAN JOSE MUNICIPAL STADIUM CAPITAL FUND (476)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	0	0	0	0	3,190
Total Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,190</u>
Revenues					
Rent - Baseball Acquisition Company	31,299	32,000	32,000	34,489	32,000
Total Revenues	<u>31,299</u>	<u>32,000</u>	<u>32,000</u>	<u>34,489</u>	<u>32,000</u>
TOTAL SOURCE OF FUNDS	<u>31,299</u>	<u>32,000</u>	<u>32,000</u>	<u>34,489</u>	<u>35,190</u>
USE OF FUNDS					
Expenditures					
Capital Enhancements	31,299	32,000	32,000	31,299	35,190
Total Expenditures	<u>31,299</u>	<u>32,000</u>	<u>32,000</u>	<u>31,299</u>	<u>35,190</u>
Ending Fund Balance					
Unrestricted	0	0	0	3,190	0
Total Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,190</u>	<u>0</u>
TOTAL USE OF FUNDS	<u>31,299</u>	<u>32,000</u>	<u>32,000</u>	<u>34,489</u>	<u>35,190</u>

SAN JOSE/SANTA CLARA TREATMENT PLANT INCOME FUND (514)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	28,557	28,657	28,674	28,674	28,886
Total Beginning Fund Balance	<u>28,557</u>	<u>28,657</u>	<u>28,674</u>	<u>28,674</u>	<u>28,886</u>
Revenues					
Interest	117	212	212	212	272
Total Revenues	<u>117</u>	<u>212</u>	<u>212</u>	<u>212</u>	<u>272</u>
TOTAL SOURCE OF FUNDS	<u>28,674</u>	<u>28,869</u>	<u>28,886</u>	<u>28,886</u>	<u>29,158</u>
USE OF FUNDS					
Ending Fund Balance					
Unrestricted	28,674	28,869	28,886	28,886	29,158
Total Ending Fund Balance	<u>28,674</u>	<u>28,869</u>	<u>28,886</u>	<u>28,886</u>	<u>29,158</u>
TOTAL USE OF FUNDS	<u>28,674</u>	<u>28,869</u>	<u>28,886</u>	<u>28,886</u>	<u>29,158</u>

SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve	13,844,415	15,351,000	15,351,000	15,351,000	14,371,000
Reserve for Encumbrances	6,029,895	6,029,895	6,991,575	6,991,575	6,991,575
Retiree Healthcare Solutions Reserve	835,000	1,369,779	1,369,779	1,369,779	1,650,750
Unrestricted	14,197,476	9,984,732	13,239,731	13,239,731	10,806,744
Workers' Comp Claims Reserve	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Beginning Fund Balance	37,258,786	35,087,406	39,304,085	39,304,085	36,172,069
Revenues					
Contributions - Other Agencies	15,965,980	18,773,952	18,773,952	17,631,493	17,297,181
Contributions - Santa Clara	10,929,800	12,540,753	12,540,753	10,917,844	10,745,219
Interest	90,116	110,000	110,000	110,000	149,000
Miscellaneous	258,618	340,000	340,000	340,000	340,000
Recycled Water	6,788,467	8,200,000	8,200,000	7,700,000	8,000,000
SCVWD Cost-Sharing Reimb	0	25,000	25,000	25,000	25,000
South Bay Dischargers Authority	56,048	65,000	65,000	65,000	65,000
Total Revenues	34,089,029	40,054,705	40,054,705	36,789,337	36,621,400
Transfers					
Sewer Svc & Use Charge Fund	52,000,000	47,500,000	47,500,000	47,500,000	53,500,000
Total Transfers	52,000,000	47,500,000	47,500,000	47,500,000	53,500,000
TOTAL SOURCE OF FUNDS	123,347,815	122,642,111	126,858,790	123,593,422	126,293,469
USE OF FUNDS					
Expenditures					
City Attny Non-Pers/Equip	0	0	100,000	0	0
City Attny Personal Services	118,237	139,666	147,391	147,391	148,687
City Auditor Personal Services	0	95,181	94,827	94,827	0
City Mgr Non-Pers/Equip	18,120	18,375	18,375	18,375	18,375
City Mgr Personal Services	17,775	23,690	23,598	16,000	24,020
ESD Non-Pers/Equip	26,674,771	31,662,570	32,422,570	28,000,000	30,439,019
ESD Personal Services	46,334,186	52,228,998	51,828,932	48,600,000	54,770,465
Finance Non-Pers/Equip	1,013	5,118	5,118	3,000	2,958
Finance Personal Services	373,651	494,591	490,892	350,000	326,510
HR Non-Pers/Equip	1,006	1,500	1,500	1,500	1,500
HR Personal Services	261,696	264,548	284,946	284,946	272,284
IT Personal Services	84,746	90,882	92,133	92,133	96,852
Inventory	371,592	400,000	400,000	375,000	400,000
OED Personal Services	26,270	30,180	30,180	30,180	0
Overhead	8,000,022	7,478,317	7,478,317	7,478,317	8,903,376
PW Non-Pers/Equip	9,731	13,925	13,925	5,500	13,925
PW Personal Services	114,477	208,888	207,492	65,000	75,187
Workers' Comp Claims	479,588	645,000	645,000	500,000	645,000
Total Expenditures	82,886,881	93,801,429	94,285,196	86,062,169	96,138,158

SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
USE OF FUNDS (CONT'D.)					
Transfers					
City Hall Debt Service Fund	1,092,295	1,121,240	1,121,240	1,121,240	1,118,437
General Fund - Human Resources/Payroll/Budget Systems Upgrade	64,554	237,944	237,944	237,944	31,124
Total Transfers	<u>1,156,849</u>	<u>1,359,184</u>	<u>1,359,184</u>	<u>1,359,184</u>	<u>1,149,561</u>
Ending Fund Balance					
Operations and Maintenance Reserve	15,351,000	15,363,625	15,757,000	14,371,000	15,993,000
Reserve for Encumbrances	6,991,575	6,029,895	6,991,575	6,991,575	6,991,575
Retiree Healthcare Solutions Reserve	1,369,779	1,369,779	1,650,750	1,650,750	1,650,750
Unrestricted	13,239,731	2,366,199	4,463,085	10,806,744	2,018,425
Workers' Comp Claims Reserve	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Ending Fund Balance	<u>39,304,085</u>	<u>27,481,498</u>	<u>31,214,410</u>	<u>36,172,069</u>	<u>29,005,750</u>
TOTAL USE OF FUNDS	<u>123,347,815</u>	<u>122,642,111</u>	<u>126,858,790</u>	<u>123,593,422</u>	<u>126,293,469</u>

SEWAGE TREATMENT PLANT CONNECTION FEE FUND (539)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	14,012	14,012	0	0	0
Treatment Plant Expansion Reserve	9,487,797	14,067,107	14,143,072	14,143,072	12,876,072
Total Beginning Fund Balance	9,501,809	14,081,119	14,143,072	14,143,072	12,876,072
Revenues					
Connection Fees	2,876,612	3,500,000	3,500,000	1,700,000	1,700,000
Interest	53,457	90,119	90,119	80,000	121,000
Metcalf Energy Center Repayment	0	313,000	313,000	313,000	313,000
Total Revenues	2,930,069	3,903,119	3,903,119	2,093,000	2,134,000
Transfers					
General Fund - Former Redevelopment Agency SERAF Loan Repayment	5,074,182	0	0	0	0
Total Transfers	5,074,182	0	0	0	0
TOTAL SOURCE OF FUNDS	17,506,060	17,984,238	18,046,191	16,236,072	15,010,072
USE OF FUNDS					
Expenditures					
Collection Costs	272,988	294,840	294,840	270,000	291,600
Total Expenditures	272,988	294,840	294,840	270,000	291,600
Transfers					
SJ-SC Treatment Plant Capital Fund	3,090,000	3,090,000	3,090,000	3,090,000	3,090,000
Total Transfers	3,090,000	3,090,000	3,090,000	3,090,000	3,090,000
Ending Fund Balance					
Reserve for Encumbrances	0	14,012	0	0	0
Treatment Plant Expansion Reserve	14,143,072	14,585,386	14,661,351	12,876,072	11,628,472
Total Ending Fund Balance	14,143,072	14,599,398	14,661,351	12,876,072	11,628,472
TOTAL USE OF FUNDS	17,506,060	17,984,238	18,046,191	16,236,072	15,010,072

SEWER SERVICE & USE CHARGE FUND (541)*

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Billing Transition Reserve	1,100,000	13,200	13,200	13,200	13,200
Capital Program/Financing Reserve	26,000,000	12,000,000	12,000,000	12,000,000	24,000,000
Debt Service Reserve	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Operations and Maintenance Reserve	4,716,299	5,300,000	5,300,000	5,300,000	4,483,000
Rate Stabilization Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances	1,600,260	1,600,260	2,519,657	2,519,657	2,519,657
Retiree Healthcare Solutions Reserve	260,000	412,097	412,097	412,097	498,649
Unrestricted	14,546,731	11,071,020	12,349,785	12,349,785	3,659,887
Workers' Comp Claims Reserve	760,000	760,000	760,000	760,000	760,000
Total Beginning Fund Balance	56,983,290	39,156,577	41,354,739	41,354,739	43,934,393
Revenues					
Commercial	23,301,019	24,504,299	24,504,299	23,800,000	25,109,000
Industrial	4,518,536	4,431,000	4,431,000	3,900,000	4,114,500
Interest	272,119	286,000	286,000	266,000	283,000
Miscellaneous	198,888	1,300	1,300	1,300	1,300
Penalties	0	5,000	5,000	0	5,000
Residential	106,236,059	112,027,121	112,027,121	112,000,000	118,160,000
Sewer Installation	70,416	40,000	40,000	105,000	40,000
Total Revenues	134,597,037	141,294,720	141,294,720	140,072,300	147,712,800
TOTAL SOURCE OF FUNDS	191,580,327	180,451,297	182,649,459	181,427,039	191,647,193
USE OF FUNDS					
Expenditures					
City Attny Personal Services	396,557	456,730	454,030	454,030	491,815
City Auditor Personal Services	0	11,715	11,671	11,671	0
City Mgr Non-Pers/Equip	5,620	6,125	6,125	6,125	6,125
City Mgr Personal Services	16,415	19,888	19,796	19,796	20,433
Clean Water Financing Audit	22,673	30,000	30,000	23,317	30,000
Collection Costs	376,754	423,884	423,884	397,491	436,601
Customer Information System Transition	412,585	305,000	328,000	328,000	0
DOT Non-Pers/Equip	6,294,049	4,850,407	5,150,407	5,150,407	4,831,407
DOT Personal Services	10,352,599	11,666,925	11,601,729	11,120,000	12,489,819
ESD Non-Pers/Equip	223,449	233,659	233,659	165,000	534,381
ESD Personal Services	621,766	811,746	807,780	775,000	807,268
Facilities Capital Repairs and Maintenance	0	40,000	40,000	0	40,000
Finance Non-Pers/Equip	3,621	16,750	16,750	10,000	16,750
Finance Personal Services	510,852	571,422	573,031	573,031	576,866
HR Personal Services	24,696	26,639	26,504	20,000	28,433
IDC Disposal Contract	109,811	145,000	145,000	94,000	147,900
IT Non-Pers/Equip	139,490	64,828	64,828	64,828	64,828
IT Personal Services	278,266	331,548	329,760	250,000	264,778

SEWER SERVICE & USE CHARGE FUND (541)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015</u> <u>Actual</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2015-2016</u> <u>Modified</u>	<u>2015-2016</u> <u>Estimate</u>	<u>2016-2017</u> <u>Proposed</u>
USE OF FUNDS (CONT'D.)					
Expenditures					
Major Litigation - Attorney	0	600,000	600,000	0	600,000
Neighborhood Cleanups - Pharmaceutical Collections	8,831	11,500	11,500	9,000	11,500
Overhead	5,006,850	5,286,829	5,286,829	5,286,829	5,589,058
PBCE Personal Services	49,922	63,831	86,822	86,822	85,801
PW Non-Pers/Equip	279,617	321,465	321,465	300,000	330,465
PW Personal Services	1,219,659	1,925,844	1,916,088	1,350,000	2,075,110
Sanitary Sewer Claims	135,196	250,000	250,000	150,000	250,000
Workers' Comp Claims	98,030	260,606	260,606	125,000	250,000
Total Expenditures	<u>26,587,308</u>	<u>28,732,341</u>	<u>28,996,264</u>	<u>26,770,347</u>	<u>29,979,338</u>
Transfers					
City Hall Debt Svc Fund	416,424	416,464	416,464	416,464	417,346
General Fund - Burrowing Owl Habitat Management	198,888	0	0	0	0
General Fund - Human Resources/Payroll/Budget Systems Upgrade	22,968	83,835	83,835	83,835	11,169
SJ-SC Treatment Plant Cap Fund	48,000,000	31,702,000	30,722,000	30,722,000	35,717,000
SJ-SC Treatment Plant Opr Fund	52,000,000	47,500,000	47,500,000	47,500,000	53,500,000
SSUC Capital Fund	23,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Total Transfers	<u>123,638,280</u>	<u>111,702,299</u>	<u>110,722,299</u>	<u>110,722,299</u>	<u>121,645,515</u>
Ending Fund Balance					
Billing Transition Reserve	13,200	13,200	13,200	13,200	0
Capital Program/Financing Reserve	12,000,000	24,000,000	24,000,000	24,000,000	22,500,000
Debt Service Reserve	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Operations and Maintenance Reserve	5,300,000	4,560,047	4,773,000	4,483,000	4,999,000
Rate Stabilization Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances	2,519,657	1,600,260	2,519,657	2,519,657	2,519,657
Retiree Healthcare Solutions Reserve	412,097	412,097	498,649	498,649	498,649
Unrestricted	12,349,785	671,053	2,366,390	3,659,887	745,034
Workers' Comp Claims Reserve	760,000	760,000	760,000	760,000	760,000
Total Ending Fund Balance	<u>41,354,739</u>	<u>40,016,657</u>	<u>42,930,896</u>	<u>43,934,393</u>	<u>40,022,340</u>
TOTAL USE OF FUNDS	<u><u>191,580,327</u></u>	<u><u>180,451,297</u></u>	<u><u>182,649,459</u></u>	<u><u>181,427,039</u></u>	<u><u>191,647,193</u></u>

* The 2016-2017 proposed Sewer Service and Use Charge Fund assumes a five and one-half percent overall fund increase in order to offset base cost increases, increased operating costs, and reserve contributions to support future financing of the Water Pollution Control Plant Capital Improvement Program. This fund increase equates to a five and one-half percent increase to residential customers and increases to commercial and industrial customers based upon their corresponding sewer flow characterization parameters.

STATE DRUG FORFEITURE FUND (417)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted	993,470	1,098,470	718,538	718,538	623,538
Total Beginning Fund Balance	993,470	1,098,470	718,538	718,538	623,538
Revenues					
Interest	3,728	5,000	5,000	5,000	5,000
State Revenue	(182,101)	200,000	200,000	200,000	100,000
Total Revenues	(178,373)	205,000	205,000	205,000	105,000
TOTAL SOURCE OF FUNDS	815,097	1,303,470	923,538	923,538	728,538
USE OF FUNDS					
Expenditures					
Body Worn Camera Infrastructure	0	0	300,000	300,000	0
Police Non-Pers/Equip	0	313,000	0	0	535,000
Police Personal Services	96,559	300,000	0	0	0
Total Expenditures	96,559	613,000	300,000	300,000	535,000
Ending Fund Balance					
Unrestricted	718,538	690,470	623,538	623,538	193,538
Total Ending Fund Balance	718,538	690,470	623,538	623,538	193,538
TOTAL USE OF FUNDS	815,097	1,303,470	923,538	923,538	728,538

STORM SEWER OPERATING FUND (446)*

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Billing Transition Reserve	1,000,000	9,350	9,350	9,350	9,350
Capital Program Reserve	0	0	0	0	4,000,000
Grant Match Reserve	500,000	1,000,000	1,000,000	1,000,000	500,000
Operations and Maintenance Reserve	6,964,527	6,426,528	6,426,528	6,426,528	4,087,000
Permit Implementation Reserve	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000
Reserve for Encumbrances	1,413,240	1,413,240	1,030,355	1,030,355	1,030,355
Retiree Healthcare Solutions Reserve	235,000	365,871	365,871	365,871	435,748
Unrestricted	7,896,963	5,623,910	7,278,202	7,278,202	4,773,633
Total Beginning Fund Balance	19,009,730	15,838,899	17,110,306	17,110,306	16,836,086
Revenues					
Assessments	32,601,302	32,570,505	32,570,505	32,570,505	32,570,505
Interest	34,036	115,000	115,000	80,000	118,000
Miscellaneous	58,105	0	0	0	0
Penalties	11,872	9,000	9,000	9,000	9,000
Total Revenues	32,705,315	32,694,505	32,694,505	32,659,505	32,697,505
TOTAL SOURCE OF FUNDS	51,715,045	48,533,404	49,804,811	49,769,811	49,533,591
USE OF FUNDS					
Expenditures					
City Auditor Personal Services	0	14,643	14,588	14,588	0
Collection Fees	94,830	97,712	97,712	95,338	98,000
Customer Information System Transition	292,248	387,500	450,500	450,500	0
DOT Non-Pers/Equip	2,448,875	2,128,503	2,616,503	2,616,503	2,164,723
DOT Personal Services	5,828,840	6,106,274	6,250,679	5,940,000	6,387,153
ESD Non-Pers/Equip	1,911,178	2,777,479	2,777,479	2,365,000	2,672,715
ESD Personal Services	5,393,224	6,341,809	6,308,123	5,935,000	6,274,826
ESD Yard Trimmings/Street Sweeping	1,984,849	2,038,000	2,038,000	1,948,000	2,014,302
Finance Personal Services	40,749	57,143	56,893	56,893	41,658
HR Personal Services	21,600	44,875	44,671	34,671	46,379
IDC Contract	94,152	148,000	148,000	148,000	150,960
IT Non-Pers/Equip	139,300	60,348	60,348	60,348	60,348
IT Personal Services	201,558	241,426	240,289	240,289	192,523
Overhead	2,470,356	2,434,086	2,434,086	2,434,086	2,950,601
PBCE Non-Pers/Equip	4,027	4,820	4,820	4,820	0
PBCE Personal Services	71,409	70,841	75,847	75,847	61,122
PRNS Non-Pers/Equip	52,697	0	0	0	0
PRNS Personal Services	140,341	0	0	0	0
PW Non-Pers/Equip	55,144	46,600	46,600	46,600	184,600
PW Personal Services	647,442	702,038	708,519	708,519	744,494
Workers' Comp Claims	138,518	86,000	86,000	86,000	86,000
Total Expenditures	22,031,337	23,788,097	24,459,657	23,261,002	24,130,404

STORM SEWER OPERATING FUND (446)*

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
USE OF FUNDS (CONT'D.)					
Transfers					
City Hall Debt Service Fund	565,781	547,873	547,873	547,873	559,009
Community Facilities District #13 (Guadalupe-Mines) Fund	10,121	10,121	10,121	10,121	10,121
Community Facilities District #15 (Berryessa-Sierra) Fund	26,920	26,920	26,920	26,920	26,920
General Fund - Human Resources/Payroll/Budget Systems Upgrade	18,462	65,691	65,691	65,691	8,453
Maintenance District No. 15 Fund	22,118	22,118	22,118	22,118	22,118
Storm Sewer Capital Fund	11,930,000	9,000,000	9,000,000	9,000,000	7,000,000
Total Transfers	<u>12,573,402</u>	<u>9,672,723</u>	<u>9,672,723</u>	<u>9,672,723</u>	<u>7,626,621</u>
Ending Fund Balance					
Billing Transition Reserve	9,350	9,350	9,350	9,350	0
Capital Program Reserve	0	4,000,000	4,000,000	4,000,000	7,000,000
Grant Match Reserve	1,000,000	500,000	500,000	500,000	500,000
Operations and Maintenance Reserve	6,426,528	3,945,962	4,087,000	4,087,000	4,126,000
Permit Implementation Reserve	1,000,000	2,000,000	2,000,000	2,000,000	3,000,000
Reserve for Encumbrances	1,030,355	1,413,240	1,030,355	1,030,355	1,030,355
Retiree Healthcare Solutions Reserve	365,871	365,871	435,748	435,748	435,748
Unrestricted	7,278,202	2,838,161	3,609,978	4,773,633	1,684,463
Total Ending Fund Balance	<u>17,110,306</u>	<u>15,072,584</u>	<u>15,672,431</u>	<u>16,836,086</u>	<u>17,776,566</u>
TOTAL USE OF FUNDS	<u><u>51,715,045</u></u>	<u><u>48,533,404</u></u>	<u><u>49,804,811</u></u>	<u><u>49,769,811</u></u>	<u><u>49,533,591</u></u>

* The 2016-2017 proposed assessments revenue assumes no change to the Storm Sewer Service Charge for 2016-2017.

SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (414)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	288,032	288,032	943,490	943,490	943,490
Unrestricted	1,065,931	1,262,826	1,122,053	1,122,053	0
Total Beginning Fund Balance	<u>1,353,963</u>	<u>1,550,858</u>	<u>2,065,543</u>	<u>2,065,543</u>	<u>943,490</u>
Revenues					
Interest	8,183	0	0	0	0
State Revenue	1,756,764	0	698,477	698,477	0
Total Revenues	<u>1,764,947</u>	<u>0</u>	<u>698,477</u>	<u>698,477</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>3,118,910</u>	<u>1,550,858</u>	<u>2,764,020</u>	<u>2,764,020</u>	<u>943,490</u>
USE OF FUNDS					
Expenditures					
SLES 2011-2013	188,486	0	503	503	0
SLES 2012-2014	113,562	0	543	543	0
SLES 2013-2015	747,099	148,013	8,123	8,123	0
SLES 2014-2016	4,220	1,114,813	1,811,361	1,811,361	0
Total Expenditures	<u>1,053,367</u>	<u>1,262,826</u>	<u>1,820,530</u>	<u>1,820,530</u>	<u>0</u>
Ending Fund Balance					
Reserve for Encumbrances	943,490	288,032	943,490	943,490	943,490
Unrestricted	1,122,053	0	0	0	0
Total Ending Fund Balance	<u>2,065,543</u>	<u>288,032</u>	<u>943,490</u>	<u>943,490</u>	<u>943,490</u>
TOTAL USE OF FUNDS	<u>3,118,910</u>	<u>1,550,858</u>	<u>2,764,020</u>	<u>2,764,020</u>	<u>943,490</u>

TRANSIENT OCCUPANCY TAX FUND (461)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Future Distribution Reserve	0	1,942,000	1,942,000	1,942,000	3,440,000
Reserve for Encumbrances	162,684	162,684	334,856	334,856	334,856
Retiree Healthcare Solutions Reserve	0	11,642	11,642	11,642	20,108
Unrestricted	5,547,055	3,351,443	6,829,985	6,829,715	1,494,110
Total Beginning Fund Balance	5,709,739	5,467,769	9,118,483	9,118,213	5,289,074
Revenues					
Interest	24,402	15,000	15,000	48,000	48,000
Miscellaneous Revenue	123,387	0	0	0	0
OCA Special Event Permits	26,499	23,000	23,000	23,000	20,000
TOT Compliance	45,288	0	0	0	0
Transient Occupancy Tax	22,200,126	22,050,000	25,490,000	25,490,000	26,510,000
Total Revenues	22,419,702	22,088,000	25,528,000	25,561,000	26,578,000
TOTAL SOURCE OF FUNDS	28,129,441	27,555,769	34,646,483	34,679,213	31,867,074
USE OF FUNDS					
Expenditures					
Cultural Grants	3,255,274	4,721,926	7,429,759	7,429,759	5,605,422
Cultural Grants Administration	1,397,918	1,967,960	1,959,494	1,959,494	2,091,464
SJ Conv/Visitors Bureau	4,803,256	6,543,250	6,859,120	6,859,120	7,553,249
Total Expenditures	9,456,448	13,233,136	16,248,373	16,248,373	15,250,135
Transfers					
Convention/Cultural Affairs Fund	9,554,780	12,699,865	13,141,766	13,141,766	14,719,865
Total Transfers	9,554,780	12,699,865	13,141,766	13,141,766	14,719,865
Ending Fund Balance					
Future Distribution Reserve	1,942,000	0	3,440,000	3,440,000	0
Reserve for Encumbrances	334,856	162,684	334,856	334,856	334,856
Retiree Healthcare Solutions Reserve	11,642	11,642	20,108	20,108	20,108
Unrestricted	6,829,715	1,448,442	1,461,380	1,494,110	1,542,110
Total Ending Fund Balance	9,118,213	1,622,768	5,256,344	5,289,074	1,897,074
TOTAL USE OF FUNDS	28,129,441	27,555,769	34,646,483	34,679,213	31,867,074

VEHICLE MAINTENANCE AND OPERATIONS FUND (552)

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	2,609,467	2,609,467	2,071,856	2,071,856	2,071,856
Retiree Healthcare Solutions Reserve	125,000	200,646	200,646	200,646	240,149
Unrestricted	1,694,060	1,089,634	1,348,632	1,348,632	1,345,777
Total Beginning Fund Balance	4,428,527	3,899,747	3,621,134	3,621,134	3,657,782
Revenues					
Interest	14,754	8,000	20,000	20,000	8,000
Miscellaneous	24,571	5,000	5,000	20,000	15,000
Total Revenues	39,325	13,000	25,000	40,000	23,000
Transfers					
Departmental Charges (M&O)	16,943,978	17,505,047	17,505,047	16,900,000	17,242,000
Emergency Reserve Fund	0	0	0	0	1,577
Replacement Chgs: General Fleet	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Replacement Chgs: Police	2,318,545	2,683,672	2,683,672	2,683,672	2,275,433
Total Transfers	20,262,523	21,188,719	21,188,719	20,583,672	20,519,010
TOTAL SOURCE OF FUNDS	24,730,375	25,101,466	24,834,853	24,244,806	24,199,792
USE OF FUNDS					
Expenditures					
Compensated Absence Liability	90,109	0	0	0	0
Diesel Retrofit Program	68,637	0	0	0	0
Electric Vehicle Lease Program	81,000	81,000	81,000	81,000	0
HR Personal Services	30,830	55,933	55,327	49,000	56,188
Inventory Purchases	7,153,114	7,179,000	7,179,000	6,117,000	6,674,000
Municipal Car Wash Upgrade	0	200,000	200,000	200,000	0
Overhead	566,049	477,517	477,517	477,517	537,177
PW Non-Pers/Equip	1,911,589	1,266,829	1,266,829	1,600,000	1,673,043
PW Personal Services	7,147,257	8,063,245	8,024,348	7,620,000	7,963,072
Vehicle Replacement-General Fleet	800,000	1,250,000	1,450,000	1,450,000	1,000,000
Vehicle Replacement-Police	3,058,937	2,683,672	2,683,672	2,683,672	2,275,433
Workers' Comp Claims	92,488	200,000	200,000	200,000	200,000
Total Expenditures	21,000,010	21,457,196	21,617,693	20,478,189	20,378,913
Transfers					
City Hall Debt Service Fund	94,731	88,835	88,835	88,835	90,724
General Fund - Interest Earnings	14,500	8,000	20,000	20,000	8,000
Total Transfers	109,231	96,835	108,835	108,835	98,724
Ending Fund Balance					
Compensated Absence Liability Reserve	0	121,000	0	0	0
Reserve for Encumbrances	2,071,856	2,609,467	2,071,856	2,071,856	2,071,856

VEHICLE MAINTENANCE AND OPERATIONS FUND (552)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2014-2015 Actual</u>	<u>2015-2016 Adopted</u>	<u>2015-2016 Modified</u>	<u>2015-2016 Estimate</u>	<u>2016-2017 Proposed</u>
USE OF FUNDS (CONT'D.)					
Ending Fund Balance					
Retiree Healthcare Solutions Reserve	200,646	200,646	240,149	240,149	240,149
Unrestricted	1,348,632	616,322	796,320	1,345,777	1,410,150
Total Ending Fund Balance	<u>3,621,134</u>	<u>3,547,435</u>	<u>3,108,325</u>	<u>3,657,782</u>	<u>3,722,155</u>
TOTAL USE OF FUNDS	<u><u>24,730,375</u></u>	<u><u>25,101,466</u></u>	<u><u>24,834,853</u></u>	<u><u>24,244,806</u></u>	<u><u>24,199,792</u></u>

WATER UTILITY FUND (515)*

STATEMENT OF SOURCE AND USE OF FUNDS

	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Billing Transition Reserve	750,000	9,900	9,900	9,900	0
Muni Water Recycled Water Expansion Reserve	0	0	0	0	350,000
Operations and Maintenance Reserve	5,344,871	6,261,000	6,261,000	6,261,000	6,287,000
Rate Stabilization Reserve	1,476,000	1,672,000	1,672,000	1,672,000	1,748,000
Reserve for Encumbrances	822,176	822,176	1,387,226	1,387,226	1,387,226
Retiree Healthcare Solutions Reserve	75,000	123,462	123,462	123,462	149,494
Unrestricted	3,301,297	2,589,505	5,004,899	5,004,899	3,101,461
Workers' Comp Claims Reserve	50,000	50,000	50,000	50,000	50,000
Total Beginning Fund Balance	11,819,344	11,528,043	14,508,487	14,508,487	13,073,181
Revenues					
Interest	46,356	85,000	85,000	85,000	100,000
Late Fees	253,396	275,000	50,000	0	250,000
Operating	36,533,178	41,693,220	39,939,470	38,491,250	42,570,000
Total Revenues	36,832,930	42,053,220	40,074,470	38,576,250	42,920,000
Transfers					
Emergency Reserve Fund	0	0	0	0	150
General Fund - Late Fee Reconciliation	0	0	21,604	21,604	0
Total Transfers	0	0	21,604	21,604	150
TOTAL SOURCE OF FUNDS	48,652,274	53,581,263	54,604,561	53,106,341	55,993,331
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	0	0	160,000	160,000	411,456
City Auditor Personal Services	0	8,786	8,754	8,754	0
Compensated Absence Liability	124,359	0	0	0	0
Customer Information System Transition	309,439	130,000	160,000	160,000	160,000
ESD Non-Pers/Equip	23,703,432	31,284,745	30,447,745	26,077,745	32,235,756
ESD Personal Services	4,402,340	4,715,641	4,926,777	4,926,777	5,273,327
Economic Development Non-Pers/Equip	0	0	41,250	41,250	0
Finance Personal Services	233,221	316,451	314,987	264,987	269,538
Human Resources Personal Services	7,291	13,219	13,163	13,163	13,742
Information Technology Non-Pers/Equip	17,418	11,922	11,922	11,922	11,922
Information Technology Personal Services	221,807	264,466	263,342	263,342	475,720
Overhead	1,168,204	1,240,767	1,240,767	1,240,767	1,461,773
Public Works Non-Pers/Equip	32,184	36,251	36,251	36,251	38,929
Workers' Comp Claims	19,501	44,000	44,000	29,000	44,000
Total Expenditures	30,239,196	38,066,248	37,668,958	33,233,958	40,396,163

WATER UTILITY FUND (515)*

STATEMENT OF SOURCE AND USE OF FUNDS


	<u>2014-2015</u> <u>Actual</u>	<u>2015-2016</u> <u>Adopted</u>	<u>2015-2016</u> <u>Modified</u>	<u>2015-2016</u> <u>Estimate</u>	<u>2016-2017</u> <u>Proposed</u>
USE OF FUNDS (CONT'D.)					
Transfers					
City Hall Debt Service Fund	122,923	124,854	124,854	124,854	126,135
General Fund (Late Fees)	275,000	275,000	50,000	0	250,000
General Fund - Human Resources/Payroll/Budget Systems Upgrade	6,668	24,348	24,348	24,348	3,309
Water Utility Capital Fund	3,500,000	5,150,000	6,650,000	6,650,000	4,450,000
Total Transfers	<u>3,904,591</u>	<u>5,574,202</u>	<u>6,849,202</u>	<u>6,799,202</u>	<u>4,829,444</u>
Ending Fund Balance					
Billing Transition Reserve	9,900	0	0	0	0
Muni Water Recycled Water Expansion Reserve	0	350,000	350,000	350,000	700,000
Operations and Maintenance Reserve	6,261,000	6,371,000	6,287,000	6,287,000	6,754,000
Rate Stabilization Reserve	1,672,000	1,748,000	1,748,000	1,748,000	1,200,000
Reserve for Encumbrances	1,387,226	822,176	1,387,226	1,387,226	1,387,226
Retiree Healthcare Solutions Reserve	123,462	123,462	149,494	149,494	149,494
Unrestricted	5,004,899	476,175	114,681	3,101,461	527,004
Workers' Comp Claims Reserve	50,000	50,000	50,000	50,000	50,000
Total Ending Fund Balance	<u>14,508,487</u>	<u>9,940,813</u>	<u>10,086,401</u>	<u>13,073,181</u>	<u>10,767,724</u>
TOTAL USE OF FUNDS	<u><u>48,652,274</u></u>	<u><u>53,581,263</u></u>	<u><u>54,604,561</u></u>	<u><u>53,106,341</u></u>	<u><u>55,993,331</u></u>

* The 2016-2017 proposed operating revenues for the Water Utility Fund assume a two percent increase to water utility rates for 2016-2017 in order to offset increased operating costs. It should be noted that staff anticipates returning to City Council no later than fall 2016 with additional recommendations related to water rates, due to the need to further track ongoing water conservation and its effects on changes in water usage as well as on the sources of wholesale water. Until that further analysis can be conducted and evaluated, the use of a portion of the Rate Stabilization Reserve will be recommended in the 2016-2017 Proposed Operating Budget as a temporary funding source for the program next fiscal year.

WORKFORCE DEVELOPMENT FUND (290)

STATEMENT OF SOURCE AND USE OF FUNDS

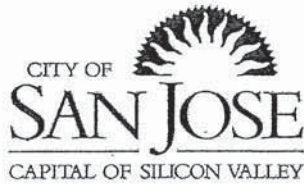
	2014-2015 Actual	2015-2016 Adopted	2015-2016 Modified	2015-2016 Estimate	2016-2017 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Program Allocation Reserve	812,599	756,069	769,921	769,921	140,009
Reserve for Encumbrances	17	17	309,039	309,039	309,039
Unrestricted	263,959	320,489	0	0	115,943
work2future Board Mandated Reserve	0	0	0	0	513,969
Total Beginning Fund Balance	1,076,575	1,076,575	1,078,960	1,078,960	1,078,960
Revenues					
Grants	10,575,948	9,962,796	14,322,181	13,250,071	9,519,259
Total Revenues	10,575,948	9,962,796	14,322,181	13,250,071	9,519,259
TOTAL SOURCE OF FUNDS	11,652,523	11,039,371	15,401,141	14,329,031	10,598,219
USE OF FUNDS					
Expenditures					
ALLIES Grant Project	7,365	0	0	0	0
Administration	607,781	745,154	739,213	739,213	635,117
Adult Workers Program	3,248,718	1,883,243	3,041,098	3,041,098	1,883,243
BusinessOwnerSpace.com Network	0	16,233	22,163	5,000	17,163
CA Workforce Association	0	5,000	5,000	0	5,000
City Attorney Administration	187,530	167,341	168,926	168,926	177,529
Dislocated Workers Program	2,902,376	2,218,495	3,066,750	3,066,750	2,218,495
Proposition 39 Pre-Apprenticeship	127,567	200,000	397,646	397,646	250,000
Rapid Response Grant	577,299	530,073	1,176,415	1,176,415	530,073
Ready to Work Partnership Initiative	5,216	417,007	549,007	549,007	12,727
Sector Partnership National Emergency Grant	0	0	400,000	400,000	600,000
Youth Summer Employment Program	252,264	708,226	718,685	718,685	0
Youth Workers Program	2,657,447	1,993,106	2,987,331	2,987,331	1,993,106
Total Expenditures	10,573,563	8,883,878	13,272,234	13,250,071	8,322,453
Ending Fund Balance					
Program Allocation Reserve	769,921	500,000	513,852	140,009	500,000
Reserve for Encumbrances	309,039	17	309,039	309,039	309,039
Unrestricted	0	436,507	87,047	115,943	247,758
work2future Board Mandated Reserve	0	1,218,969	1,218,969	513,969	1,218,969
Total Ending Fund Balance	1,078,960	2,155,493	2,128,907	1,078,960	2,275,766
TOTAL USE OF FUNDS	11,652,523	11,039,371	15,401,141	14,329,031	10,598,219



2016-2017

OPERATING BUDGET

**MAYOR'S MARCH
BUDGET MESSAGE**



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

**SUBJECT: MARCH BUDGET MESSAGE
FOR FISCAL YEAR 2016-2017**

DATE: March 18, 2016

Approved:

Date:

3-19-16

RECOMMENDATION

Direct the City Manager to submit a proposed budget for Fiscal Year 2016-2017 that is balanced and guided by the policy direction and framework of priorities outlined in this March Budget Message.

* * *

In accordance with Section 1204 of the San José City Charter, I present my Fiscal Year 2016-2017 March Budget Message for consideration by the City Council and residents of San José. With Council approval, this initial framework provides the City Manager direction to prepare proposals for the Council's budget deliberations in May, and to formulate the Fiscal Year 2016-2017 Proposed Budget.

SAVE, INVEST, AND INNOVATE

I propose a simple budgetary direction for this year: tap the brakes. Economic uncertainty abounds, and fiscal projections suggest looming deficits.

A prudent approach requires a focus on saving. We must commit our small surplus to future deficits. We must rebuild depleted reserves. We must secure voter approval to protect the \$3 billion in pension reform savings we negotiated months ago.

Given the economic and fiscal landscape, now is not the time for new programs requiring large, ongoing spending commitments. Any new initiatives—such as my own Smart City Vision—will require either external sources of funding, the delivery of savings through the initiative, or the reduction of other expenditures.

If our voters want to boost spending on City services, they will provide that mandate through the ballot box in June. Otherwise, we should continue to tighten our belts, and to fasten our belts, for an uncertain future.

This budget message does contain some targeted, one-time investments, focused primarily in public safety and issues such as homelessness, blight eradication, and gang prevention. Each of these limited investments shares two common characteristics. First, they involve only the use of “one-time” money for “one-time” expenditures, rather than the creation of new programs that will require ongoing spending. Second, they employ the power of “leverage”—leveraging other resources from the private or philanthropic sectors, or exploiting force-multiplying technology—to enable our scarce public dollars to have greater impact. For example, I propose modest, strategic improvements in technology that can substantially reduce emergency response times, boost gang enforcement and investigations, and enable more cost-effective delivery of basic services.

Through this Budget Message, I seek my colleagues’ support for a strategy of prudent saving, targeted investment, and bold innovation.

A Decade of Retrenchment

The City of San José has weathered a difficult decade characterized by a deep recession and budget shortfalls totaling \$670 million. To confront these chronic deficits, the City reached out to the community for ideas, and conducted extensive fiscal analysis of various options, creating first a General Fund Structural Budget Deficit Elimination Plan in 2008, and then a Fiscal Reform Plan in 2011. The 2011 Plan (“The Plan”) has formed the basis for the City’s strategy of belt-tightening and revenue-building since, targeting the restoration of basic City services back to a level last seen in January of 2011.

The Plan reflected first, a series of difficult actions that the City needed to take to reduce costs. Employees voluntarily agreed to take pay cuts, we negotiated an end to costly sick leave payouts, and, working with our employees, reduced workers’ compensation and health care insurance costs. Difficult negotiations over pension reform ensued, and ultimately stalemated, so we obtained voter approval for a pension reform measure. That measure has remained mired in litigation ever since. What could not be cost-reduced was cut: we eliminated 1,600 positions, laid off hundreds of employees, and enacted a multi-year hiring freeze.

These necessary but painful decisions left us with stark impacts upon our capacity to deliver services—having lost approximately one-third of our workforce through attrition, layoffs, hiring freezes, and retirement. According to our City Auditor, San José currently has 5.7 City employees for every 1,000 residents, the lowest ratio—by a wide margin—among any large City in California, and likely in the nation.

Boosting Revenues

For that reason, the 2011 Plan contemplated the need to stabilize or increase various revenue sources, and provided the impetus going to the voters for a telephone and utility tax, a marijuana business tax, a library parcel tax and (through the VTA) a vehicle registration tax to fund road repair.

Both before and since the 2011 Plan, the City repeatedly poll-tested options for a quarter-cent general sales tax, and an increase in the business license tax. Through over a half-decade of

polling, no variation of any specific tax (with one exception—several years ago) appeared viable through polling. Conversely, a general sales tax increase proved consistently well-supported by voters. The 2011 Fiscal Reform Plan explicitly called for both sales tax and business tax increases, and Mayor Chuck Reed and his fiscal-reform-minded majority strongly supported the Plan.

Turning the Page: Reaching a \$3 Billion Settlement

Last year brought a new Council, and new union leadership in several positions. We collaboratively negotiated with our employees an end to pension reform battles, saving City taxpayers \$2.97 billion over the next three decades.

These negotiations will produce actual savings greater in scope than those realized by the litigation-constrained Measure B, in large part because the parties have included retiree healthcare in the settlement. That is, by closing the defined benefit retiree healthcare plan to new employees, the settlement saved an additional half billion dollars, as displayed below:

Table 1 – Alternative Pension Settlement Saving

	Police & Fire	Federated
Tier 2 Savings	\$1,152 million	\$941 million
Retiree Healthcare	\$244 million	\$249.9 million
Eliminate “Bonus Checks”	\$270 million	\$120 million
TOTALS	\$1.66 billion	\$1.31 billion

Source: City Actuarial Reports, 2015

In November, our voters will consider a ballot measure that will secure these savings against potentially short-sighted decisions by future councils. Based on the language already approved by our public safety unions, that measure will prohibit any retroactive increase in benefits, require voter approval for increases of benefits, and mandate actuarial soundness in plan reporting and management. Voters will also be asked specifically to approve the basic elements of the new, lower-tier pension benefits—including accrual rates, COLAs, and retirement ages—in the event that any changes in state law mandate voter approval of such terms.

The Path to Restoring Services

Having secured a more stable fiscal position, we can now plot a path to rebuilding our basic services.

Last year, the City took important steps toward restoring services, adding firefighter staffing, restoring library hours to six days a week, and improving retention of police officers and other critical employees by boosting pay. We also enhanced several critical programs, such as the Homeless Rapid Rehousing Program, Homeless Encampment Response Team, San José BEST Program and Safe Summer Initiative, and the Illegal Dumping Team. These actions have demonstrated our commitment to our residents to improve services despite ongoing budgetary constraints.

Nonetheless, City service levels remain far below what residents reasonably expect or deserve. Without very substantial intervention, significant improvement in spending on services appears unlikely in future years, due to long-term fiscal strains, including under-maintained infrastructure, legacy retirement unfunded liabilities, and declining revenue streams. Even in the shorter term, our Budget Office projects almost a half-decade of deficits, albeit modest:

**Table 2 - 2017-2021 General Fund Forecast
Incremental General Fund Surplus / (Shortfall) \$ in Millions**

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
\$5.7 M	(\$11.1 M)	(\$15.8 M)	(\$4.2 M)	(\$4.8 M)

Source: 2017-2021 Five-Year Forecast and Revenue Projections for the GF and Capital Improvement Program.

To sharpen concerns, these projected deficits do not account for several fiscal challenges that loom ahead, such as \$1.08 billion in deferred infrastructure and maintenance needs. Moreover, while the Budget Office forecast anticipates an economic slowdown, a more significant—and seemingly inevitable—recession would reduce revenues far more sharply. A substantial recession would forge a much larger hole in the General Fund Forecast. The City’s revenues appear highly sensitive to larger economic forces, and the horizon reveals economic threats that have rattled equity markets, cooled venture capital investment in local tech companies, exposed weakness in China, and mired key global markets—from Europe to Brazil to Japan—in protracted slumps.

Saving, Investing, and Innovating

In light of these uncertainties, the best strategy for the coming fiscal year focuses on saving, investing and innovating. As described below, we need to save. That requires that we dedicate our modest FY 2016-2017 surplus and one-time revenues to offset future shortfalls, and bolster budgetary reserves. Spending those dollars today will only result in sharper reductions in the years ahead, perpetuating the feast-or-famine spending patterns that disrupt services to our residents, and undermine public confidence.

Second, we need to invest. After years of belt-tightening and cost-cutting, restoring services requires revenue growth. On March 8, 2016, the City Council voted 9-2 to place a 1/4 sales tax on the June 7, 2016 ballot. If passed, this measure would generate \$40 million annually to provide a boost to public safety, such as restoring “browned out” fire stations to improve emergency response, and new pavement for miles of crumbling roads.

Finally, we must innovate. The City’s fiscal outlook, combined with the growing demands from our residents for service improvements, requires a new approach. By leveraging technology—particularly through a robust digital strategy—the City can better target scarce dollars for better service delivery, and expand new services on digital and mobile platforms, at far less cost.

Last year, we laid the groundwork for a civic innovation agenda, making long-neglected investments in basic software and IT infrastructure that will enable greater efficiency and transparency across many core functions within City Hall, including customer response, budgeting, business permitting, and finance. The City Manager launched a small (but mighty)

data analytics team that has already demonstrated great value on a host of projects, such as by helping the Transportation Department and SJPD target high-injury-accident corridors for speed enforcement.

I created an Office of Strategic Partnerships and Innovation to secure philanthropic dollars and expertise from local universities, national foundations, and the private sector. We're grateful for the help of many of these partners, including Microsoft, Cisco, Google, Silver Spring Networks, the White House, Carnegie Mellon, San José State University, and Bloomberg Philanthropies. We created a Mayoral Innovation Fellowship Program, leveraging the ideas of bright mid-career and graduate students to work with the City Manager's Office analytics team on a host of projects, such as by identifying efficiencies to improve our parks maintenance program, and to target enforcement against illegal dumping.

This week, I released the City's first Smart City Vision, with the ambition of making San José the most innovative city in the country by 2020. The five strategic goals for this Smart City vision are:

1. **Safe City:** *Leverage technology to make San José the safest big city in America.*
2. **Inclusive City:** *Ensure all residents, businesses, and organizations can participate in and benefit from the prosperity and culture of innovation in Silicon Valley.*
3. **User-Friendly City:** *Create digital platforms to improve transparency, empower residents to actively engage in the governance of their city, and make City Hall more responsive to the complex and growing demands of our community.*
4. **Demonstration City:** *Reimagine the City as a laboratory and platform for the most impactful, transformative technologies that will shape how we live and work in the future.*
5. **Sustainable City:** *Utilize technology to address energy, water, and climate challenges to enable sustainable growth.*

To deliver on this vision, we can no longer view IT as merely a "support function" to our City, but integral to a digital strategy that becomes a core part of how we do business. It requires investment in technology infrastructure, to enable the use of data and benchmarking to spur continuous improvement, and an investment in people, to empower and train our workforce to do more.

Discerning Our Community's Spending Priorities

We do have some limited, "one-time" sources of revenue to address our community's highest priorities, and to make strategic investments in technology that can improve service delivery over the long run. By "one-time," I mean that we cannot depend upon these sources—such as supplemental ERAF funds and "Triple Flip" revenues from the state—in successive years, so we should not rely upon them to launch programs requiring ongoing spending.

In a world of scarce resources, we must prioritize, and our priorities should be strongly informed by the community we serve. We have long relied on surveys as a tool for discerning our community's budgetary priorities, and polling for our recent sales tax measure reveals that public safety remains our residents' highest priority (Table 3), although concerns about homelessness and street maintenance have risen in the public's consciousness.

Table 3 – Resident Spending Priorities

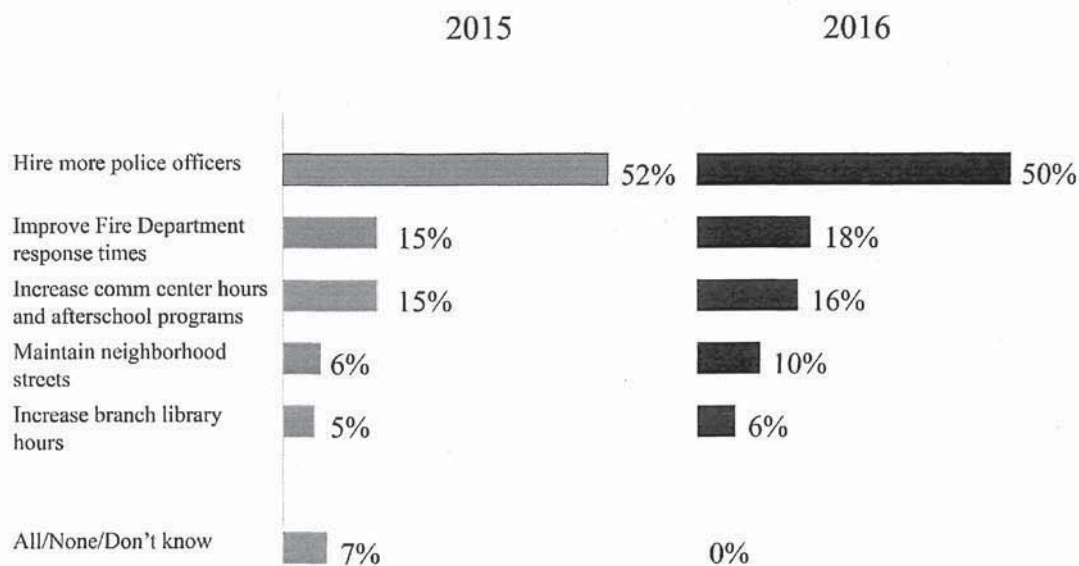
	Priority	Support
1	Improving police response to violent crimes and property crimes, such as burglary	80%
2	Improving emergency medical response	73%
3	Improving response times to fires	72%
4	Improving 9-1-1 response times	72%
	Equipping police with modern technology to help fight crime	67%
	Reducing homelessness	67%
5	Maintaining the long-term financial stability of the City	67%
6	Maintaining and repairing major streets	66%
7	Improve the City emergency preparedness	63%
8	Creating more jobs through economic development	62%
9	Expanding programs to reduce problems associated with homelessness	60%
10	Improving services to seniors	60%

Source: City of San José Finance Measure Survey, November 2015.

In the last year, I have sought to have City Hall engage with our community in new ways. In the FY 2015-2016 Adopted Budget, Council allocated \$100,000 to San José’s first participatory budgeting pilot program, “D3Decides.” Participatory budgeting enables the community to directly identify and spend public dollars for high-priority local projects. Thanks to Councilmember Raul Peralez and his team for rising to this challenge, and working with my Budget Office to design, plan and implement this promising pilot. Currently in the final stages, D3Decides has over 300 residents across District 3 participating and over 1,300 ideas submitted for consideration. Councilmember Peralez and my team will present a summary of the pilot program and its funded projects to the Council during our FY 2016-2017 budget study sessions.

On February 20, 2016, I also hosted the City’s Community Budget Priority Setting Session. Unlike years past, we opened this event to all San José residents. Residents participated in a “live results” exercise prioritizing the City’s core services, which produced results remarkably consistent with past City telephone surveys (Figure 1).

Figure 1 - City's Highest Priority Comparison



Source: 2016 Community Budget Survey Results

Conteneo’s team of trained facilitation experts and volunteers also worked with residents in the City’s first “zero-based” budgeting exercise. Teams were given a list of services totaling \$63 million in the FY 2015-2016 budget, which focused exclusively on the objectives of eradicating blight and improving neighborhood aesthetics.

This exercise differed from conventional “prioritization” exercises in one very important way: we instructed participants to build the budget from zero, assuming no program was entitled to the previous year’s base spending. This required residents to make difficult trade-offs, and to appreciate the impact of those decisions. We also gave residents the option of introducing other programs or services to address blight-related issues.

Those results remarkably showed that the approximate rank-order of resident-proposed spending tracked City spending remarkably well:

Table 4 – Neighborhood Services 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
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

Source: 2016-2017 Community Budget Priority Setting Session, February 20, 2016

I have taken note of those areas where residents proposed spending in excess of current budgetary levels, such as Illegal Dumping, Anti-Litter programs, Business District Beautification, Neighborhood-Led Clean Ups, Neighborhood Watch, and the “San Jose Gateways” blight eradication effort. This feedback has provided the basis for several of the recommendations for investment later in this document.

During this exercise, residents also proposed fourteen additional programs for spending, reflected in Appendix B. A strong focus on homelessness emerged from those additional proposals, along with parks (including park acquisition and community gardens) and safety.

As we plan for the next fiscal year, I have considered all of this input, along with feedback from my colleagues, staff, and the community to fashion the budgetary allocations recommended in this Budget. More generally, we can categorize these recommendations as:

1. Save
2. Invest & Innovate: Safety
3. Invest & Innovate: Economic Opportunity
4. Invest & Innovate: Our Future
5. Invest & Innovate: Our Community
6. Invest in Making San José America's Most Innovative City

INVESTMENT PRIORITIES

1. Save

- a. Future Deficit Reserve:** The City Manager's General Fund Five-Year Forecast identifies a modest \$5.7 million surplus for FY 2016-2017, while the remaining four years show deficits totaling \$36 million in the aggregate. Fiscal responsibility requires that we refrain from spending any of this surplus, and preserve it to reduce projected future deficits. To protect residents from the severe service cuts that have characterized the last two economic cycles, the City Manager is directed to establish a 2017-2018 Future Deficit Reserve, and to allocate the FY 2016-2017 ongoing surplus to that reserve, and allocate that one-time funding to eliminate the \$11.1 million deficit forecast for FY 2017-2018.
- b. Budget Stabilization Reserve:** Our Budget Office forecast reveals General Fund shortfalls for each of the four years beyond next year, including \$11.1 million for FY2017-2018. Over the next half-decade, we should also expect a jolt to City finances from a recession, and our residents will once again have to brace themselves for sharp service reductions. Budgetary reserves typically provide a buffer against severe cuts during tough times, protecting both our residents and our employees. Unfortunately, San José has suffered from inadequate budgetary reserves for decades; last year, the City Auditor issued a report entitled "Fund Balance and Reserves: San José Should Aim to Have Higher Safety Net Reserves Within the General Fund," finding that the City has reserves far below other that of other cities. These reserves (Budget Stabilization Reserve, Contingency Reserve, and the Workers' Compensation/General Liability Catastrophic Reserve) currently equate to approximately 5.5 percent of the General Fund. This falls well below the minimum level recommended by the Government Finance Officers Association (GFOA). In response to this audit, the City Council approved a modification to the City Council Policy 1-18 (Operating Budget and Capital Improvement Program Policy) that established a "safety net" reserve funding goal of ten percent of General Fund operating expenditures. Modest one-time revenues from state "Triple Flip" gas tax and ERAF sources will be available to the City's coffers in FY 2016-2017, but will not continue in future years. After addressing the priorities identified in this budget message, the City Manager is directed to allocate

a portion this one-time funding to the Budget Stabilization Reserve, to move San José toward a 10 percent reserve funding goal.

c. Securing \$3 Billion in Future Savings in Pension and Retiree Healthcare Costs:

The imperative to save requires, at the very least, that we stop spending our children's money for them. Recent decades have left the City with a package of promised retirement benefits that burden our children and their progeny with billions of dollars of unfunded liabilities. Those burgeoning debts also caused annual City contribution rates to quadruple over a decade, forcing hundreds of layoffs, hiring freezes, and sharp reductions in City services. Thanks to our hardworking employees and their union representatives, we negotiated a package of pension and retirement benefit reform that will save taxpayers \$2.97 billion over the next generation, and ensuring the financial solvency of those funds. To secure these savings, we must pass a November ballot measure that prohibits future councils from increasing defined retirement benefits without voter approval, and prohibits retroactive increases in those benefits. The ballot language approved by two of our eleven unions thus far—police and fire—implements those safeguards. It also ensures voter approval of the specific elements of new benefit formulas in case a statewide mandate emerges that requires voter sanction. The City Manager is directed to set aside funding for polling, and for the placement of this negotiated measure on the November ballot.

2. Invest & Innovate: Safety

a. Sales Tax Revenues: On March 8, 2016, the City Council voted 9-2 to place a 1/4 sales tax measure on the June 7, 2016 ballot. If passed, this measure would generate \$40 million annually (\$30 million in fiscal year 2016-17, because collections would commence October 1, 2016). Given the uncertainty of any measure's passage, however, we must not assume any of these dollars will become available for next year's budget. The Council has already given direction to the City Manager to develop draft spending priorities to guide decision-making for the \$40 million in future years. Even if enacted by the voters, only \$30 million would become available in FY 2016-2017. In the interest of transparency and planning, the City Manager is directed to prepare a provisional budget that would allocate the anticipated \$30 million in revenue in the event that the measure passes. These incremental additions should prioritize public safety services such as police, fire, and gang prevention, and include funding for other critical services, such as pothole repair, pavement maintenance, and rapid rehousing of the homeless.

b. Supporting Police Recruitment: Improving the retention and hiring of police officers remains critical. Last year the Council approved one-time funding for recruitment and backgrounding of future San José Police Officers. The approval of a new wage agreement between the City and San José Police Officers Association (POA), combined with a pending alternative pension settlement, will position San José much better in the marketplace to retain and attract officers. The City Manager is directed to continue aggressive recruitment efforts, utilizing carryover and one-time funds necessary to ensure that—upon announcement of an approved settlement between the City and the POA—we can bring as many high-quality officers in the door as quickly

possible. Per prior Council direction (as discussed in the Council-approved memorandum from December 1, 2015 from Vice Mayor Herrera and Councilmembers Jones, Peralez, M. Nguyen, and myself, regarding the “Police Department Hiring Audit”), the City Manager is also directed to return to Council as soon as possible with a comprehensive recruitment plan. The plan, to be compiled in partnership with the POA, should focus on lateral officers, new recruits, and qualified veterans.

- c. **San José Works:** Last year the City launched “San José Works,” a summer program that helped 700 teenagers living in gang-impacted neighborhoods land their first job. Participating members of Mayor’s Gang Prevention Task Force witnessed moments both poignant and powerful: one teen used his first paycheck to buy groceries for his family; another young woman began her work upon release from Juvenile Hall, and months later, demonstrated sufficient competence to secure a full-time position with the same employer. The City Manager is directed to allocate one-time funding of no more than \$1.5 million to continue the San José Works Initiative and help 1,000 kids build a resume rather than a rap sheet. The Mayor’s Office of Strategic Partnerships (OSP) has already secured commitments from Home Depot, Target, Jabil, Pipe Trades Training Center, Trades Orientation Program, Walmart and Microsoft. Additional private sector jobs and funding secured by OSP in the months ahead will reduce the amount of funding needed, and create a more sustainable model for future years.
- d. **Using Technology to Improve Emergency Response:** Cost-effective use of technology, such as an upgraded crew alerting system, can help improve emergency response times. The current system, implemented over a decade ago, uses outdated analog technology. Several agencies have moved to Internet Protocol (IP)-based alerting with text-to-speech broadcasts that have significantly reduced response times to emergencies—one similarly-sized fire department, saved an average of more than 30 seconds per call over its first year of implementation. The City Manager is directed to identify resources in the Public Safety Capital Budget to support the implementation of this improvement.
- e. **Civilian Leadership in the San José Police Department’s Bureau of Technical Services:** San José has been blessed with the nation’s finest officers, but our fiscal challenges have left the Department’s technological tools well behind state of the art. The Bureau of Technical Services (BTS) has the responsibility for such tasks as technology assessment, testing, procurement, maintenance, upgrading, and deployment. Those responsibilities often involve both complex and impactful technologies, ranging from body-worn cameras to data analytics to mobile data computers. Police departments throughout the U.S. have added non-sworn administrators to lead these efforts, bringing continuity, career experience, and expertise that becomes difficult to develop in a deputy chief who periodically rotates into and out of the role. It also allows the Department to focus its scarce sworn officers and command staff on what they do best: policing. The City Manager is directed to allocate ongoing funding from the Police Department to fund an executive position in the Bureau of Technical Services to manage that division.

- f. San José Police Department Intelligence Technology Enhancements:** Major city police departments have increasingly utilized social media as a source of intelligence, for example, to anticipate retribution by gang members after a peer has suffered attack, or to anticipate terrorist threats at major sporting or civic events. Analytic software has become increasingly developed to allow the Police Department to more effectively integrate social media into their intelligence-gathering. Months ago, SJPD initiated a 1-year pilot to test this software, and has immediately recognized its value. The City Manager is directed to allocate no more than \$25,000 for this intelligence technology enhancement.
- g. Improving Emergency Response with a Master Address Database:** Multiple staff from numerous departments dedicate hundreds of hours of effort to reach residents at identifiable addresses to provide emergency services, noticing, billing, or other tasks. They update address information in separate databases as they learn of changes or inaccurate addressing, consuming several FTE's in wasteful and duplicative work. Each City department's continued reliance on broken, inaccurate, and contradictory address databases undermines our ability to serve our residents. For example, creating an accurate and uniform Master Address Database tied to our Computer Aided Dispatch (CAD) system could improve police and fire response times. Moreover, fractured and conflicting address lists across departments hinder any analysis that draws on address data to provide insights that can improve services. Creating a Master Address Database, then, can (a) improve fire and police response times, (b) enable better use of data analytics to assess and improve service delivery, and (c) save money by substantially reducing wasteful city staff work. The City Manager is directed to allocate a modest amount of one-time funding for the oversight, planning, and implementation of a Master Address Database.
- h. Gang Investigations Technology Enhancements:** The San José Police Department Gang Investigations Unit (GIU) investigates gang-related crimes committed by members of criminal street gangs. Extraordinary time and cost savings could be provided with "bridge" software that connects SJPD's record management system with a statewide gang database. By flagging potential gang affiliations in every record of contact or arrest by SJPD, and by running that data against potential matches in the statewide database, the software expedites the identification of gang membership, automates information-sharing, and increases efficiencies within the unit. To improve GIU's capacity to investigate and prevent gang-related crimes, the City Manager is directed to allocate up to \$25,000 in one-time funding to GIU for this technology enhancement.
- i. Crime Prevention Support:** At the 2016-2017 Community Budget Priority Setting Session, residents ranked crime prevention as one of its highest priorities. Neighborhood Watch has become a critical component of the San José Police Department's Crime Prevention program. Many of our less affluent neighborhoods, however lack locations at which they can host Neighborhood Watch meetings, and residents cannot afford to rent a facility at a school or community center. To expand Neighborhood Watch programs in such neighborhoods, the City Manager is directed to allocate \$10,000 in one-time funding, to offset facility rental costs.

- j. Saving for Fire Station 37:** Fire Station 37 remains the final station scheduled for construction as part of the Public Safety Bond Program (Measure O, 2002). Unexpectedly high construction costs during much of the Measure O program left the Fire Station 37 project, at a minimum, \$4.5 million short of funds for construction. In addition, the annual, additional ongoing cost of maintenance and operation of this additional station is estimated to cost another \$3.0 million. However, due to prior budget cuts, our priority for improving fire and emergency medical response focuses on roughly \$9-\$10 million in expenditures for restoring overtime to eliminate the “browning out” of stations and fire companies that were previously eliminated. We could identify the funding to expand service to Station 37 if both of the following occur: (1) in consultation with the County, we can devise and implement a more efficient and cost-recovery emergency medical response model, and (2) the voters approve a one-quarter cent general sales tax (Measure B, 2016) in June. Absent those two conditions, there appears little point in constructing Station 37 until the City can identify the revenues to sustainably operate the station after the other priority Fire services have been restored. Therefore, if Measure B prevails in June, and as an alternative EMS delivery model emerges that has improved cost-recovery, the City Manager is directed to return to Council with a multi-year funding strategy to fund the construction of Fire Station 37 by 2019.
- k. Community Service Officers:** The 2015-2016 Adopted Budget roughly doubled the size of the City’s Community Service Officer (CSO) program by adding 26 positions. CSOs have proven valuable in responding to resident concerns and performing a wide variety of non-sworn and administrative support services. In particular, their patrol-related support allows our sworn police officers to focus their scarce time on the City’s most urgent public safety needs. With an expanded program, it is important the Police Department assess best practices nationally. For the last year, Stanford University has studied CSO programs across the U.S., and it will soon issue its report to the City. The City Manager is directed to analyze this report and come forward in fall 2016 to the Public Safety, Finance and Strategic Support Committee with analysis and options for maximizing the current CSO program, including an assessment of how the CSO program can further assist making San José safer, and what possible changes and additional training will be needed, as we begin to fill and add police officer positions. The City Manager is further directed to engage the San José Police Officers’ Association (POA) and Municipal Employees’ Federation (MEF) during the development of this report.
- l. Neighborhood Clean-Ups:** Neighborhood clean-ups enable San José residents to dispose of unwanted items, but also have a broader impact. Through a “broken windows” approach to safety, these clean-ups can also provide an important tool to deter illegal dumping, reduce criminal activity associated with signs of disorder, and otherwise enhance the quality of life for many struggling neighborhoods. City-led neighborhood clean-ups typically occur every three years; however, dedicated community-minded residents have led their own self-managed clean-ups, with the financial assistance of Council Offices and the Mayor’s Office. As we have repeatedly heard—such as at the most recent Community Budget Priority Setting session—residents consistently express strong support for additional neighborhood clean-ups.

The City Manager is directed to allocate one-time funding to help expand clean-ups. The City Manager is further directed to make future funding for expanding clean-up programs a priority during upcoming negotiations with the City's garbage haulers, as residents have repeatedly expressed a willingness to pay for this important service.

- m. Fireworks: Enforcement, and Safer Alternatives:** Every July, we hear from neighborhoods throughout San José that fireworks displays have become more menacing and disruptive, particularly as their use has become more ubiquitous, and the explosive force of the devices have increased. I have advocated two proposed solutions. First, the City needs to more nimbly and effectively increase enforcement using administrative citations rather than criminal citations. This change enables non-sworn personnel, such as park rangers, code enforcement, and community service officers, to issue citations based on statements of witnesses, rather than requiring our police or fire sworn personnel to directly observe the violation. The Council directed staff to move forward with this initiative in 2015, and the City Manager is directed to ensure its implementation prior to the July 4th holiday this year. Second, we have seen anecdotal evidence that sanctioned community fireworks exhibitions encourage some individuals to abandon their own illegal displays. Last year, the City hosted two of its largest public Independence Day celebrations: the Rotary International Fourth of July Fireworks, and Independence Day Celebration at Almaden Lake. The City Manager is directed to use one-time funding from the TOT Cultural Facilities Reserve to continue the Independence Day Celebration Grant program. The City Manager is further directed to inform producers of both 4th of July events that they must conform to the Office of Cultural Affairs' grant application process if they expect to receive any future City support.

3. Invest & Innovate: Economic Opportunity

- a. Opportunity Court:** According to the Destination Home study "*Home Not Found*," the cost of County services for the homeless averages \$520 million a year. Just 10 percent of the homeless population—those most requiring attention from our criminal justice, emergency response, or health systems—accounts for 61 percent of those costs. Police response comprises a large portion of those costs, of particular concern at a time of sparse police staffing. In 2013, I worked with the Santa Clara County Superior Court, District Attorney's Office, Office of Probation, Public Defender, and our Housing Department to create the "Opportunity Court." Modeled after successful programs in San Diego, Santa Cruz, and Palo Alto, Opportunity Court streamlines court appearances and provides case management and intensive supervision for those homeless individuals in the Downtown who pose the most persistent need for police and emergency response. Opportunity Court began in 2014, focusing on 25 homeless individuals with the most citations and interaction with law enforcement from the greater Downtown San José area. These 25 individuals represented a case load of over 700 scheduled court appearances. Individuals were provided case managers, and developed an action plan with the presiding judge that included treatment and housing. To date, *only one of the 25 individuals has re-offended*, saving substantial public cost, and providing a path to stable housing for nearly every person. The City Manager is directed to allocate \$250,000 in one-time housing funding for an additional year of the

program, contingent on funding and/or staffing commitments from partners at the County and Superior Court. With the County's anticipated commitment of renewed funding, we can aim to reach another 25 chronically homeless individuals who consume a disproportionate share of public services. Additionally, the City Manager is directed to work with the offices of the Mayor and Councilmember Peralez to convene stakeholders to scale the program with other public and private sources.

- b. Inclusionary and Impact Fees:** Since I introduced an inclusionary housing proposal in 2007, we have fought legislative and judicial battles to make San José the largest U.S. city with a citywide inclusionary housing policy. With the recent denial of certiorari by the United States Supreme Court, the City Council can now move forward with the implementation of two fees, an Affordable Housing Impact Fee and an Inclusionary Fee, to provide annual support to construct affordable development on a scale of roughly \$20 million annually by 2020. Nonetheless, there appears concern about whether the Housing Department has the bandwidth to immediately implement the requirement, and any delay will result in foregone housing revenues. The City Manager is directed to allocate ongoing funding from the Multi-Source Fund to support immediate implementation and oversight of this new program.
- c. Teacher Housing on School District Land:** Several conversations with superintendents of local school districts have demonstrated interest in partnerships that would enable the creation of affordable workforce housing for teachers and staff on school district land. Partnerships with districts can enable us to leverage their land assets with City (and other public) dollars to expand affordable housing to a critical subpopulation essential to our community's future. These partnerships could also allow for exploration of modular and other innovative housing models. The City Manager is directed to prepare an estimate of inclusionary and impact fee revenue for the next two to three years, to enable Council and staff to assess whether this source might suffice to support a pilot project or two with participating districts.
- d. Business Improvement District Creation & Support:** A business improvement district (BID) provides a vehicle for small property and business owners to make collective contributions to the maintenance, development, and promotion of their commercial area. These partnerships can play a vital role in transforming areas wracked by crime and blight into dynamic neighborhoods. The City currently has five BIDs which invest \$3 million annually into our local economy, providing services such as street and sidewalk maintenance, graffiti removal, capital improvements, public art, landscaping, business development and marketing. Recently, various business associations and commercial areas have expressed interest in this program, such as along Alum Rock Avenue, yet the administrative process remains expensive and daunting. The City Manager is directed to set aside a modest amount of one-time funding to either provide grants, or waive administrative and engineering study fees, to support BID formation.
- e. Manufacturing Jobs Initiative:** To expand middle-income job opportunities for many residents lacking a college or advanced degree, the City Council allocated \$200,000 to launch a Manufacturing Initiative. The initiative incentivizes the re-use of vacant

industrial buildings by covering permit fees, accelerating tenant improvement permit approvals, reducing energy costs (in partnership with PG&E and Bloom Energy), and assisting with workforce training. The initiative helped spur the creation of over 500 jobs and the lease of an additional 300,000 square feet of manufacturing space. For example:

- BenteK, an industry leader in power distribution solutions expanded its manufacturing sites in San José with an additional 100,000 square feet of manufacturing space and has grown to 240 employees, with job growth expected to continue.
- Space Systems Loral, an advanced manufacturing company that produces commercial satellites, relocated from Palo Alto to the Monterey Corridor in South San José.
- Hansen Medical, a global leader in intravascular robots for medical procedures, will move to San José in the coming months.

To build on this momentum, the City Manager is directed to extend and fund the program for another year, and allow any industrial building being retrofitted for manufacturing purposes, regardless of age, to be eligible to receive this incentive.

- f. Airport Attraction Program:** Within a single year, we will have been able to announce the arrival of four—and perhaps even five—new international flights, making SJC the envy of every other U.S. airport. Supporting these flights and attracting new ones will expand the availability of jobs for many of our residents who do not have college or technical degrees, with such employers as our hotels, restaurants, and taxis. We have a very narrow window of opportunity to prove San José's viability as an international destination. Since our growth in air service has aided in the City's strong growth in hotel tax revenues, the TOT fund provides a logical source for marketing funding. The City Manager is directed to return to Council with a plan for marketing and sales, in consultation with Team San José, and to set aside one-time funding from the TOT Cultural Facilities Reserve. Upon Council review and approval of that plan, the City Manager may release the funds.
- g. Self-Certification for Inspection and Permits:** Cities such as Chicago, Phoenix and Sacramento have launched programs reducing permit and inspection time for small projects through self-certification. A self-certification program allows professionals who are registered by the City to take responsibility for and certify a project's compliance with building code standards and ordinances. Registered professionals must meet minimum qualifications and attend a Self-Certification training class. The City Manager is directed to assist the San José/Silicon Valley Chamber of Commerce and establish a task force to study self-certification programs, develop recommendations for implementing a similar program, and report to the Community and Economic Development Committee in fall 2016. The task force will be chaired by San José/Silicon Valley Chamber of Commerce CEO, Matt Mahood, and will be supported by the Mayor's Office.

- h. Combating Blight Citywide:** The City has partnered with Downtown Streets Team (DTS) on important projects in Downtown, Monterey Highway, and through the “San Jose Gateways” program, at key entrances to our City. This award-winning model helps restore dignity and respect to our homeless community while combatting litter and illegal dumping. More recently, DTS partnered with the Downtown Property Based Improvement District (PBID) to offer similar services. Since that time, homeless individuals have been hired full-time by Groundwerx. The City Manager is directed to explore partnering with Downtown Streets Team to develop a pilot program focused on expanding this innovative model citywide, specifically focused on blight in our neighborhoods and is directed to allocate one-time funding for one year. The City Manager is further directed to report to the Neighborhood Services and Education Committee in spring 2017 on the initial results of the program.
- i. San José Sports Authority (SJSA):** SJSA can take credit for contributing to the strong growth of the City’s Transient Occupancy Tax (TOT). With an expanded Convention Center and Avaya Stadium, the Sports Authority has acted as the lead for a number of high-profile events within the last two years. With the upcoming USA Gymnastic Olympics Trials, Major League Soccer All-Star game, and Copa America, the Sports Authority will continue to help drive additional opportunities to our economy, particularly in hospitality industries that support jobs for residents of modest incomes. The City cut Sports Authority funding severely in the past, but as their workload, performance, and impact has increased, annual commitments have not been restored. Considering the expanded portfolio of the Sports Authority, its ability to leverage private investment, and its fiscal impact to the City, the City Manager is directed to allocate one-time funding to the Authority’s base funding for FY 2016-2017, and engage the Authority in developing future years’ base budgets. The City Manager is also directed to allocate \$100,000 as a final payment in support of the USA Gymnastics Olympic Trials, held in Downtown San José starting July 8th this summer.
- j. Diridon Station Area Planning:** In 2014 the Council approved the Diridon Station Area Plan, establishing the area land use plan, with urban design guidelines, a framework for station expansion, transportation and parking strategies, housing strategies, and an art master plan. The City has worked with California High-Speed Rail Authority (CHSRA) to fund a project manager to develop a Financing Strategy, Governance Structure, Parking Strategy, and select a Master Developer for the Diridon Station Area. Leveraging funding from HSR, the City Manager is directed to allocate \$140,000 in one-time Parking Fund funds, and to leverage additional support from CHSRA and other agencies to support these efforts.

4. Invest & Innovate: Our Future

- a. Children’s Health:** Our children’s health demands our investment. The United States Center for Disease Control ranks fluoridation as one of the ten most impactful public health achievements in last century. Yet San José remains the largest U.S. city not completely served with fluoridated water, impacting the dental health of children in many vulnerable communities. Fortunately, the Health Trust has spearheaded a successful public-private fundraising effort, securing \$6 million in funding from Santa

Clara County, FIRST 5 Santa Clara County, and its own funds to advance fluoridation in East San José in cooperation with the water retailer. To assist the Health Trust in securing an additional \$4 million from the State of California for a successful launch, the City Manager is directed to allocate \$250,000 in one-time funding to the Health Trust.

- b. San José Sustainability Plan:** In response to last year's Green Vision Annual Report, the Council refocused our sustainability efforts on energy and water—specifically on reducing greenhouse gas (GHG) emissions and non-recycled water consumption. The Council also directed staff to formulate a GHG-reduction strategy to achieve the benchmark—limiting temperatures increases to no more than 2 degrees Celsius—that negotiators did not achieve at the United Nations Climate Change Conference in Paris. We must revise an outdated Green Vision with a sustainability strategy that identifies specific initiatives and rigorous measures for achieving San José's ambitious goals. The City Manager is directed to begin the procurement process to develop a sustainability action plan that focuses on energy, water, and transportation. Existing funding from the Silicon Valley Energy Watch can be used to support this effort, and if the City succeeds in securing the \$1 million in funding from the PG&E commercial energy efficiency utility challenge, these dollars should also support this effort.
- c. Community Choice Aggregation Technical Study:** In an effort to achieve our ambitious renewable energy goals, the City will explore Community Choice Aggregation (CCA). As part of this process, a technical study must be conducted to determine the feasibility for launching a CCA in San José. This critical analysis would analyze such issues as financial viability, energy loads, our customer base, rate competitiveness, governance models, renewable energy scenarios, and employment impacts. The City Manager is directed to allocate \$300,000 in one-time funding to conduct the technical study, and to return to Council with recommendations, modifying the March 1, 2016 Council direction on this item.
- d. Family College Success Center:** A 2013 study revealed that 62 percent of the students entering high school in one of San José's three largest high school districts failed to graduate meeting the minimum requirements for admission in a California State University, such as SJSU. We're leaving an entire generation of our kids behind, and they will face a future of daily economic struggle. A few weeks ago, the Hispanic Foundation of Silicon Valley opened the Family College Success Center (FCSC) aimed at boosting high school graduation rates and improving college readiness among low-income students. This promising model leverages the good work and expertise of the schools and many non-profits utilizing innovative tools to help provide low-income students and their parents with a clear path to college and beyond. Last year the City contributed \$100,000 to help launch FCSC. The City Manager is directed to allocate \$75,000 in one-time funding to the Hispanic Foundation of Silicon Valley for the expansion and success of this important program, with direction that future funding should be sought through CDBG, MGPTF, or other grant processes.

5. Invest & Innovate: Our Community

- a. **San José Decides (Participatory Budgeting):** Last year, I proposed the City's first participatory budgeting program. I would like to thank Councilmember Peralez for accepting this challenge, and for partnering with my Budget Office to develop and implement #D3Decides. As mentioned in this memorandum, the pilot program has proven wildly successful, with over 300 District 3 residents participating and over 1,300 proposals submitted via www.d3decides.com. My Budget Office has also begun working in partnership with the District 2 Office to expand this program to South San José. As I proposed in the 2015-2016 March Budget Message, any Councilmember wishing to lead the effort within their own district may request up to \$200,000 within the Essential Services Reserve created by this Budget Message. The Mayor's Budget Office will provide information, assistance, and facilitation in launching a community process to enable that district's residents to identify their highest-priority projects for city funding during the 2016-2017 Fiscal Year.
- b. **TOT Cultural Facilities Reserve Direction:** In 2014, the City Council approved "capping" the 4 percent of the Transient and Occupancy Tax (TOT) dedicated to the General Fund. New increment generated above that amount would flow to a new reserve needed for underfunded capital and maintenance of the City's cultural facilities. Since that time, TOT revenue has risen faster than projections. The fund appears sufficient to address the Public Works Department's five-year capital program for many of the City's cultural facilities, including sinking funds for each of the facilities. The City Manager is directed to continue fully funding the reserve to address capital needs—such as roof repair—before neglect causes them to become much more expensive burdens. The City Manager is further instructed to redirect those supplemental dollars for specific cultural priorities that TOT dollars would typically fund, but only where those dollars can be leveraged with substantial contributions from private or other public sources, as described in greater detail below: 1) securing a permanent, publicly-owned site for San José Stage Company, in light of the threatened loss of that site with a SARA-required sale; 2) seed funding for evaluation, planning, and development of an additional parking garage to serve the cultural facilities in the greater Downtown, with a priority given to the Diridon Station Area; 3) continuation of the momentum of Viva Calle and Viva Parks (as described below), and 4) a Community Center serving the Vietnamese-American community (also as described below).
- c. **Publicly-Owned Theater Site for the San José Stage Company:** The site formerly owned by the Redevelopment Agency faces the threat of sale, under the requirements of the SARA board and the California Department of Finance. San José Stage will soon launch its fundraising campaign, and we have begun serious discussions regarding a potential partnership that could help the City and San Jose Stage finance the acquisition and redevelopment the parcel. The City Manager is directed to set TOT funding aside for necessary appraisals, planning, and potential purchase.

- d. Community Center for the Vietnamese-American Community:** For over a decade, elected officials have promised our flourishing Vietnamese-American community a center to serve as a public gathering space for events, civic dialogue, and for provision of services and information in the Vietnamese language. Newly-elected Councilmembers Manh Nguyen and Tam Nguyen have led the effort with me to move forward to achieve this long-awaited goal. The City Manager is directed to allocate \$300,000 to assist with fundraising, planning, and preliminary design, and to specifically help launch private fundraising for the development of a community center. The City Manager is further directed to explore the use of an existing community center provisionally for this purpose, given the multi-year process required for construction of a permanent center.
- e. Viva Calle & Viva Parks:** Through a series of partnerships, our Parks, Recreation & Neighborhood Services Department (PRNS), has delivered a significant number of placemaking events for East San José and Downtown. This included drawing over 35,000 people to the inaugural Viva CalleSJ, holding over 26 Viva Parks events at neighborhood parks in Central and East San José, supporting efforts at Saint James Park during the summer, and activating Plaza de Cesar Chavez Park during Super Bowl week. Many of the parks that benefitted from this activation suffered from perceptions of high crime and poor safety, and activating the parks has created momentum for neighborhoods to reclaim them as community gathering spaces. PRNS has sought to expand the impact from events like this, seeking funding and sponsorships from such organizations as the Knight Foundation and the County Department of Health. . The City Manager is directed to allocate one-time funding from the TOT Cultural Facilities Reserve to continuing the Viva Parks program, contingent on the City leveraging non-City grants and philanthropy.
- f. Essential Services Reserve:** The City Manager is directed to set aside \$2 million in one-time funds that may be used for the purpose of supporting services that are of essential importance to our residents. Services deemed essential by the City Council may be funded with the use of these one-time funds, as well as the Participatory Budgeting Pilot Program.
- g. Budget Balancing Strategy Guidelines:** The City Manager is directed to use the 2015-2016 Budget Balancing Strategy Guidelines as detailed in Attachment A to develop a balanced budget for the next fiscal year.

6. Invest in Making San José America's Most Innovative City

- a. Leading Smart City Initiatives:** Fiscal limitations will become more constraining as our City's needs grow. To thrive, we must innovate. Much work is underway already – the Council already authorized investments in upgrading city software platforms, dozens of City staff have begun implementing new data tools, and the City Manager's Office has formed a Data Analytics Team. The City Manager is directed to establish an Office of Innovation and Digital Strategy in the City Manager's Office, aimed at implementation of the Smart City Vision, and allocate ongoing funding for this effort. The City Clerk is directed to establish a new City Council Standing Committee focused

on digital strategy, smart city, and continuous improvement initiatives. Lastly, the City Manager is also directed to develop a two-year workplan and report to the Smart City and Service Improvement Committee in fall 2016, after the establishment of the office.

- b. I.T. Position Assessment:** A recent report by the City Auditor found that “the City lacks dedicated staffing and project management to ensure timeliness and success of technology implementation.” The large number of vacancies in the City workforce, particularly the Information Technology Department (IT), impairs our ability to execute critical Smart City initiatives that could improve services to our residents, and reduce costs. The Council has taken many important steps to help, reaching agreements for wage increases in the fall, and adjusting classifications in the IT Department. Nonetheless, our success in implementing an innovation-focused strategy will depend on moving from a model that treats IT as a support function, to one that includes IT as a key part of the operational strategy of City Hall, where digital tools help improve services, reduce costs, and increase transparency. The City Manager is directed to assess how to fill current vacancies and to ensure staffing and training in the IT Department to meet current and future business needs.

COORDINATION

This memorandum has been coordinated with the City Manager and City Attorney.

For more information on this memorandum, please contact Lee Wilcox, Budget Director, at 408-535-4814.

ATTACHMENTS

Appendix A – 2016-2017 Budget Balancing Strategy Guidelines

Appendix B – Resident Proposals: Zero-Based Budgeting Exercise, 2016-2017 Community Budget Priority Setting Session

Appendix A

2016-2017 Budget Balancing Strategy Guidelines

1. Develop a budget that balances the City's delivery of the most essential services to the community with the resources available.
2. Balance ongoing expenditure needs with ongoing revenues to ensure no negative impact on future budgets and to maintain the City's high standards of fiscal integrity and financial management. To the extent possible, establish a Future Deficit Reserve in the General Fund to cover any projected budgetary shortfall in the following year as a stopgap measure.
3. Focus on business process redesign in order to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).
4. Explore alternative service delivery models (e.g., partnerships with the non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use our resources more efficiently and effectively. The City Council Policy on Service Delivery Evaluation provides a decision-making framework for evaluating a variety of alternative service delivery models.
5. Analyze non-personal/equipment/other costs, including contractual services, for cost savings opportunities. Contracts should be evaluated for their necessity to support City operations and to identify negotiation options to lower costs.
6. Explore redirecting and/or expanding existing revenue sources and/or adding new revenue sources.
7. Establish a fee structure to assure that operating costs are fully covered by fee revenue and explore opportunities to establish new fees for services, where appropriate.
8. Identify City policy changes that would enable/facilitate service delivery changes or other budget balancing strategies.
9. If ongoing revenues are available, focus investments in the following areas: services included in the 2015-2016 budget on a one-time basis, as appropriate; additions that address significant organizational or community risks; service restorations to the baseline January 1, 2011 service levels previously identified by the City Council in the areas of fire, police, community centers, and street maintenance; and/or additions consistent with the Police Staffing Restoration Strategy.
10. In addition to considering service restorations previously identified by the City Council, take a holistic approach regarding the restoration of services. As outlined in the Guiding Principles for Restoring City Service Levels as approved by the City Council on March 20, 2012, allocate additional resources with the following goals in mind: ensure the fiscal soundness of the City; choose investments that achieve significant outcomes; and improve efficiency and effectiveness of service delivery. Using a multi-pronged approach to restoring direct services, take into consideration the following factors: 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.
11. Engage employees in department budget proposal idea development.
12. Continue a community-based budget process where the City's residents and businesses are educated and engaged, as well as have the opportunity to provide feedback regarding the City's annual budget.
13. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.


Appendix B

Resident Proposals: Zero-Based Budgeting Exercise, 2016-2017 Community Budget Priority Setting Session

Resident Proposed Programs/Services	Number of Tables Recommending	Average Proposed Expenditure*
Temporary & Alternative Housing for Homeless	4	\$416,948
Public Access for Restrooms for Homeless	1	\$194,872
Solar Lamps Posts	1	\$141,026
Homeless Prevention	1	\$135,256
Fixing Pot Holes	1	\$128,205
Community Gardens	1	\$128,205
New Residential Street Light in Alum Rock	1	\$97,436
Beautification of Vacant Land	1	\$71,795
Partnership Ecosystem Accountability (Caltrans/City)	1	\$64,103
Pay Homeless to Pick Up Litter	1	\$60,256
Street Garbage Installation & Maintenance	1	\$51,282
General Fund Reserve	1	\$36,538
Parkland Acquisition	1	\$25,641
Sustainable City Trails Completion	1	\$19,230

Source: Source: 2016-2017 Community Budget Priority Setting Session, February 20, 2016

* Resident Spending Proposals Amounts Averaged Per Table (39)



2016-2017

OPERATING BUDGET

**COMMUNITY
DEVELOPMENT
BLOCK GRANT
(CDBG) FUND**

**2016-2017
FUNDING
ALLOCATION**

Community Development Block Grant Fund

2016-2017 Funding Allocation

The Community Development Block Grant (CDBG) Fund accounts for federal grant monies received from the U.S. Department of Housing and Urban Development (HUD). The national objectives of the program are to provide assistance to persons of low- and moderate- incomes, prevent or eliminate slums and blight, or meet an urgent community development need. CDBG allocations are contained within the “Draft 2016-2017 Consolidated Annual Action Plan”, which is scheduled for City Council approval on May 3, 2016. The chart below summarizes the funding priorities in the following categories: Contractual Community Services (CCS – up to 15% of funding); Community Development Improvements (CDI), Administration, Fair Housing and Planning (Admin – up to 20% of funding); and Federal Department of Housing and Urban Development (HUD) Section 108 Debt Service payment. Details of each allocation are contained in the “Draft 2016-2017 Consolidated Annual Action Plan” and can be found at <http://www.sanjoseca.gov/DocumentCenter/View/56060>.

Funding Category	CDBG Activities	Sub-Grantee	Funding
CCS	Senior Isolation to Inclusion	Catholic Charities	100,650
CCS	Meals on Wheels	The Health Trust	100,650
CCS	Neighborhood Engagement	Somos Mayfair Inc	150,000
CCS	Neighborhood Engagement	SJSU Research - CommUniverCity	50,000
CCS	Services for Homeless and Unhoused Populations	HomeFirst of Santa Clara County	750,000
CCS & Admin	Fair Housing	Law Foundation	100,000
Admin	Fair Housing	Law Foundation	300,000
CDI	Job Training for Unhoused Individuals	San Jose Street Team	500,000
CDI	Minor Home Repair	Rebuilding Together Silicon Valley	500,000
CDI	Minor Repair Services	New RFP - TBD	500,000
CDI	Place Based Street and Infrastructure Enhancements <ul style="list-style-type: none"> ▪ Story King Bike and Pedestrian Improvements ▪ Pedestrian Improvements at 22nd and Williams ▪ Pedestrian improvements in Five Wounds Neighborhood 	City - Transportation Department	1,150,000
CDI	Targeted Code Enforcement	City - Planning, Building, and Code Enforcement Department	1,800,000
CDI	Housing Rehab Loans <ul style="list-style-type: none"> ▪ Multi-family and Single-Family Rehab Program ▪ Plaza Hotel ▪ Bill Wilson Center Rehab 	City - Housing Department	1,800,000
Section 108*	Section 108 Debt Service	Successor Agency to the Redevelopment Agency of the City of San José	2,269,585
Administration			1,581,910
Total CDBG Expenditures			\$11,652,795

* Information regarding the HUD Section 108 Debt Service payment can be found in the Summary of the Successor Agency to the Redeveloped Agency Obligations and Risks to the City, located in the Summary section of this document.

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