

2019-2020 Proposed City Budget

Community Budget Meeting

May 2019



Office of
Mayor Sam Liccardo



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Agenda

- Budget process and timeline
- Budget Overview for 2019-2020
- Services Restored
- Priority Areas for Investment
- Questions & Answers





Annual Budget Process

- | | |
|--------------------------|--|
| February 28, 2019 | 2020-2024 Five-Year Forecast Released |
| March 8, 2019 | Mayor's 2019-2020 March Budget Message Released |
| March 19, 2019 | Public Hearing & Council Review/Approval of Mayor's March Budget Message |
| May 8-13, 2019 | City Council Budget Study Sessions |
| May 9-28, 2019 | Community Budget Meetings |
| May 14, 2019 | Initial Public Budget Hearing |
| May 31, 2019 | Mayor's June Budget Message Released |
| June 10, 2019 | Final Public Budget Hearing |
| June 11, 2019 | Council Review/Approval of Mayor's June Budget Message and Budget |
| June 18, 2019 | Adoption of the 2019-2020 Budget and Fees and Charges |



Proposed 2019-2020 Budget

Overview



Proposed 2019-2020 Budget Overview

Expenditures

City Budget for 2019-20:

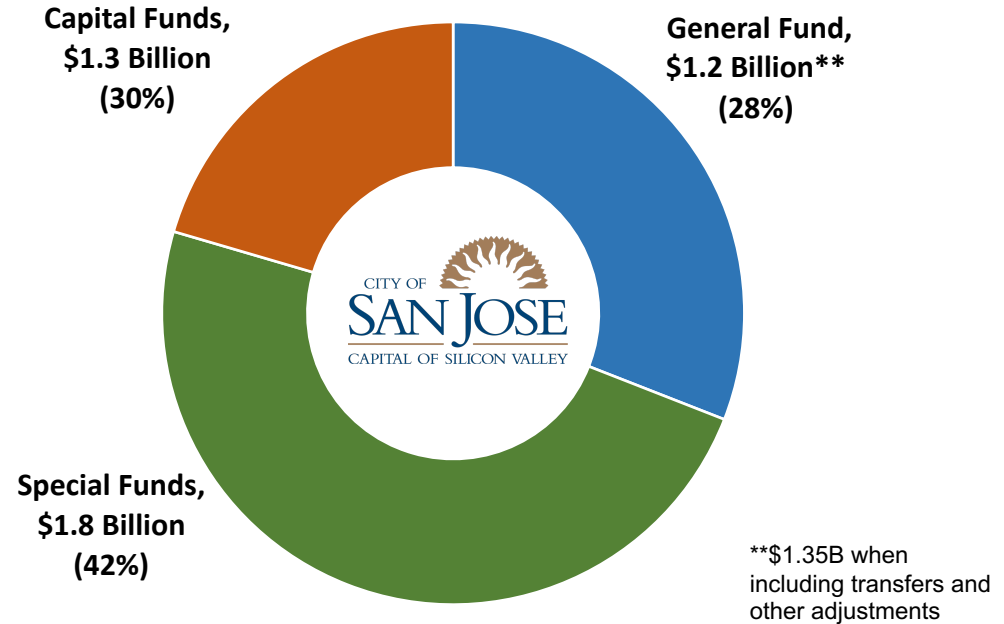
\$4.3 billion

Total Number of Funds:

123

Total Number of Positions (FTE):

6,622

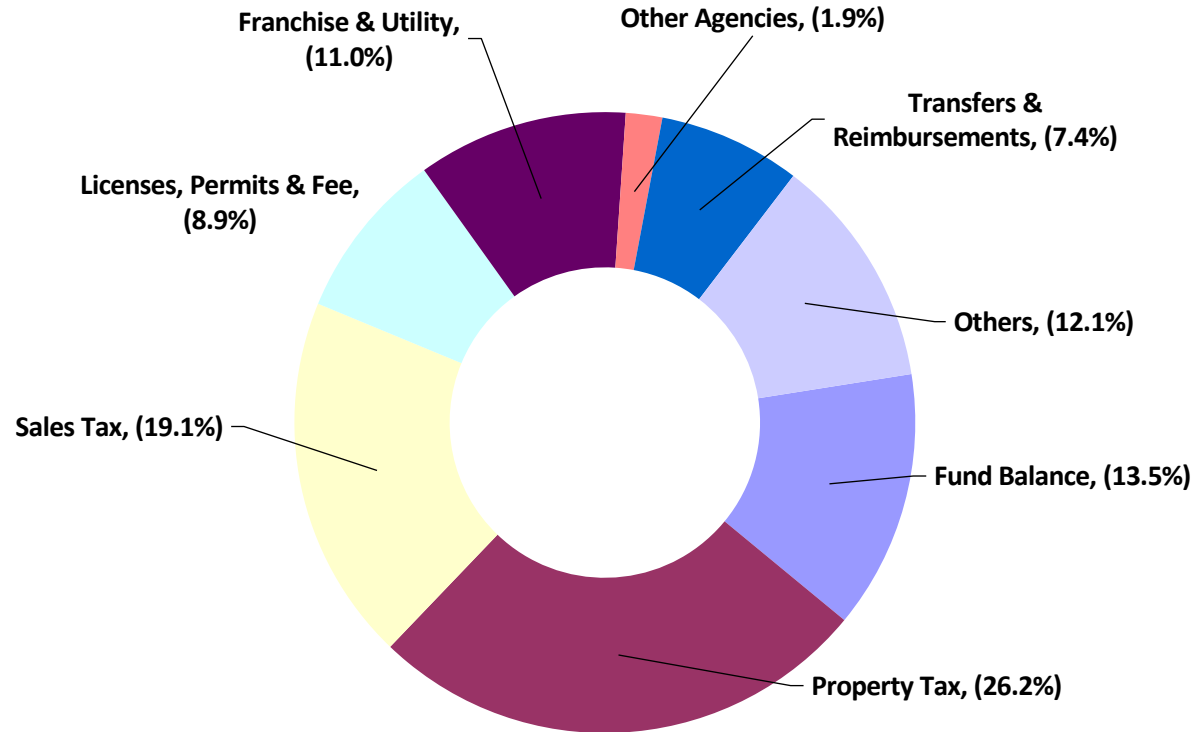




Proposed 2019-2020 Budget Overview

Revenue Sources

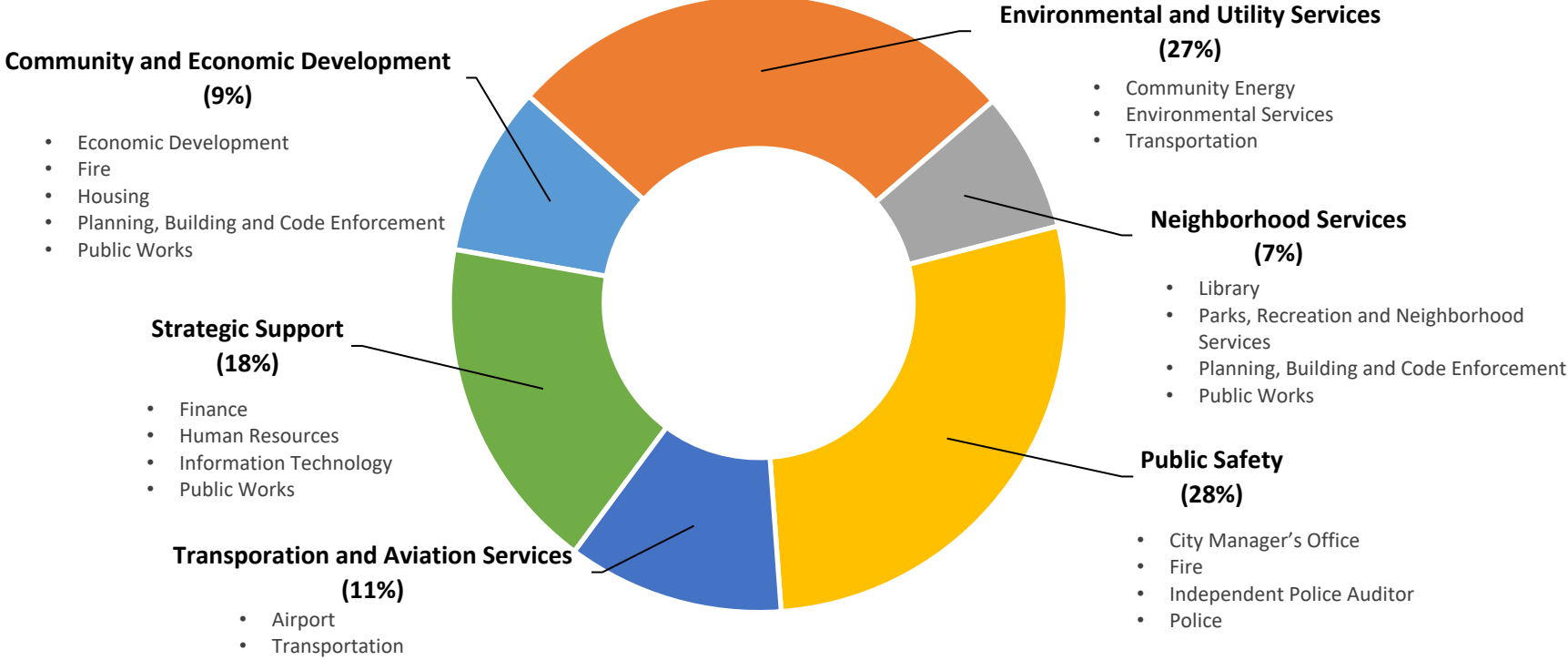
Total General Fund:
\$1,352,457,998





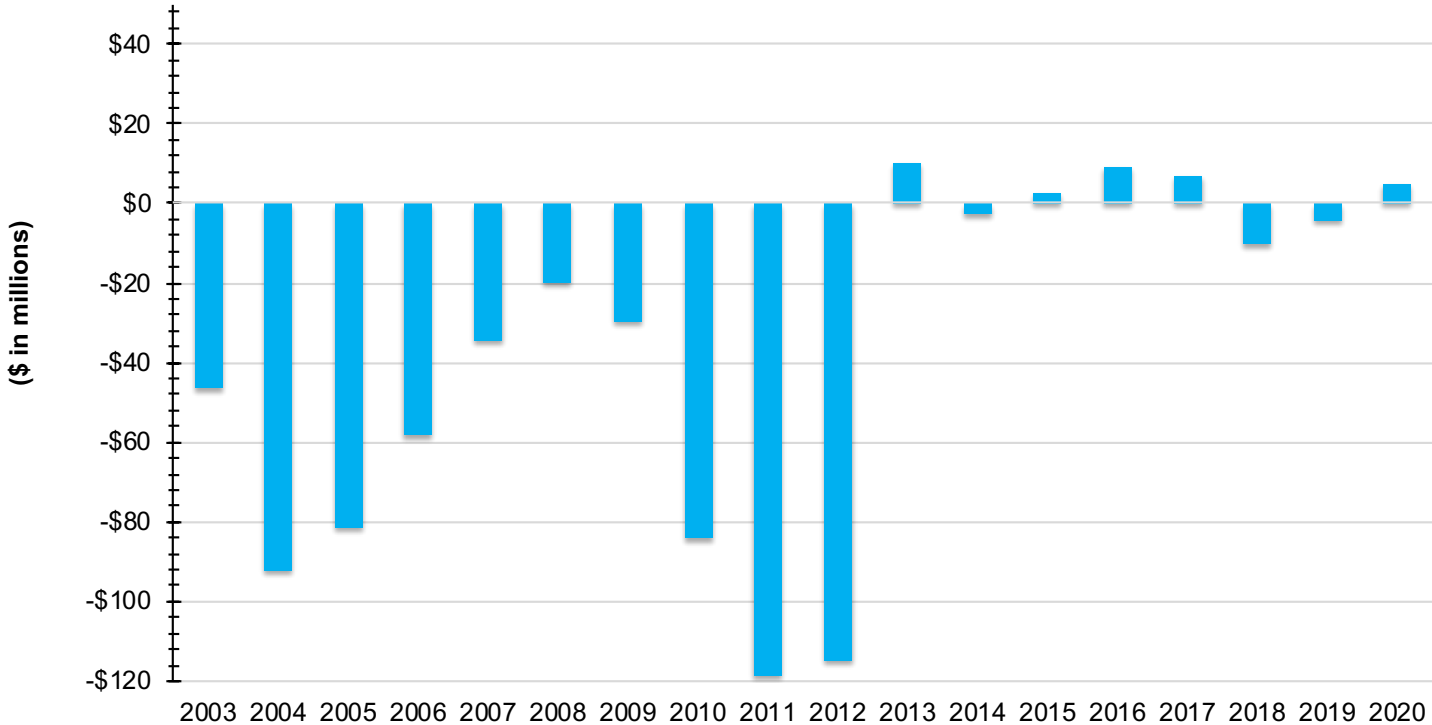
Proposed 2019-2020 Budget Overview

Budget by City Service Areas





Looking Back: Balancing \$663M of Shortfalls





2020-2024 Five-Year General Fund Forecast

General Fund Operating Margins (Base, Optimistic, Pessimistic, and Recession Scenarios)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five-Year Surplus/ (Shortfall)
Base Case*	\$5.1 M	(\$10.9 M)	(\$13.7 M)	\$11.4 M	(\$ 1.7 M)	(\$9.8 M)
Optimistic Case	\$6.5 M	(\$12.1 M)	(\$2.1 M)	\$22.1 M	\$17.1 M	\$31.5 M
Pessimistic Case	(\$3.6 M)	(\$27.9 M)	(\$28.1 M)	(\$1.5 M)	(\$ 11.5 M)	(\$72.5 M)
Recession Scenario	(\$3.6 M)	(\$38.9 M)	(\$76.6 M)	(\$25.2 M)	(\$8.8 M)	(\$153.1 M)

Source: 2019-2020 City Manager’s Budget Request & 2020-2024 Five-Year Forecast and Revenue Projections (February 2019, p.14)

*Represents an updated forecast as of May 2019

Services Restored

Overview



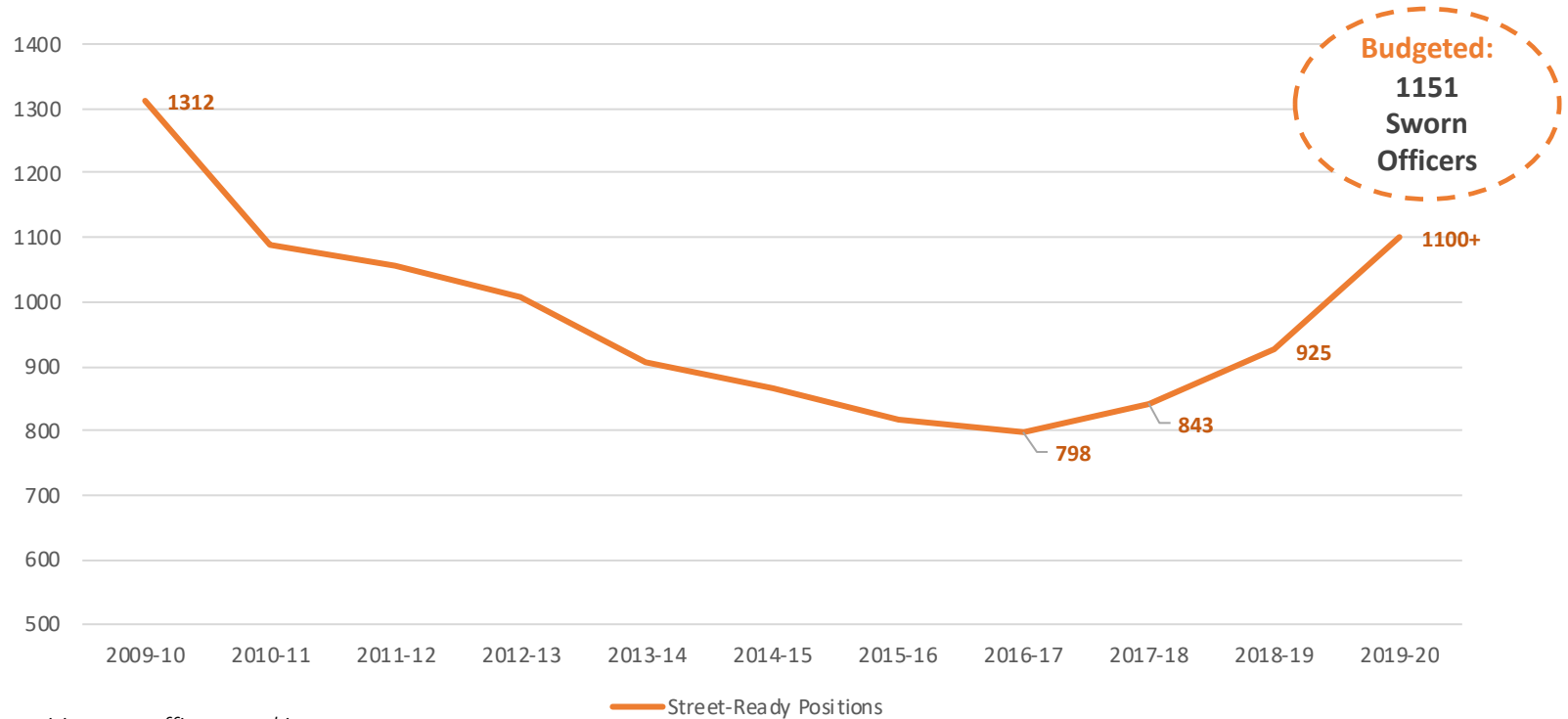


Services Restored (Since 2015)

- Police
 - Added 240+ new (net) Police Officers
 - Doubled Community Service Officers
 - Crime prevention and analysis
 - Gang prevention: Project Hope, SJWorks, etc.
- Fire/Emergency Medical Response
 - Eliminated “Brown Outs”
 - Restored emergency medical response standards (13+ months)
 - New Fire Stations
- Community Centers
- Libraries: Open 6 days/ wk
- Homeless Rehousing
- Streets: Measure B, SB1, Measure T
- Park Maintenance
- School Crossing Guards
- Bridges, LED Street Lights, Flood Pumps



Increasing Police Staffing Levels



Street-ready positions are officers working

Emergency Response

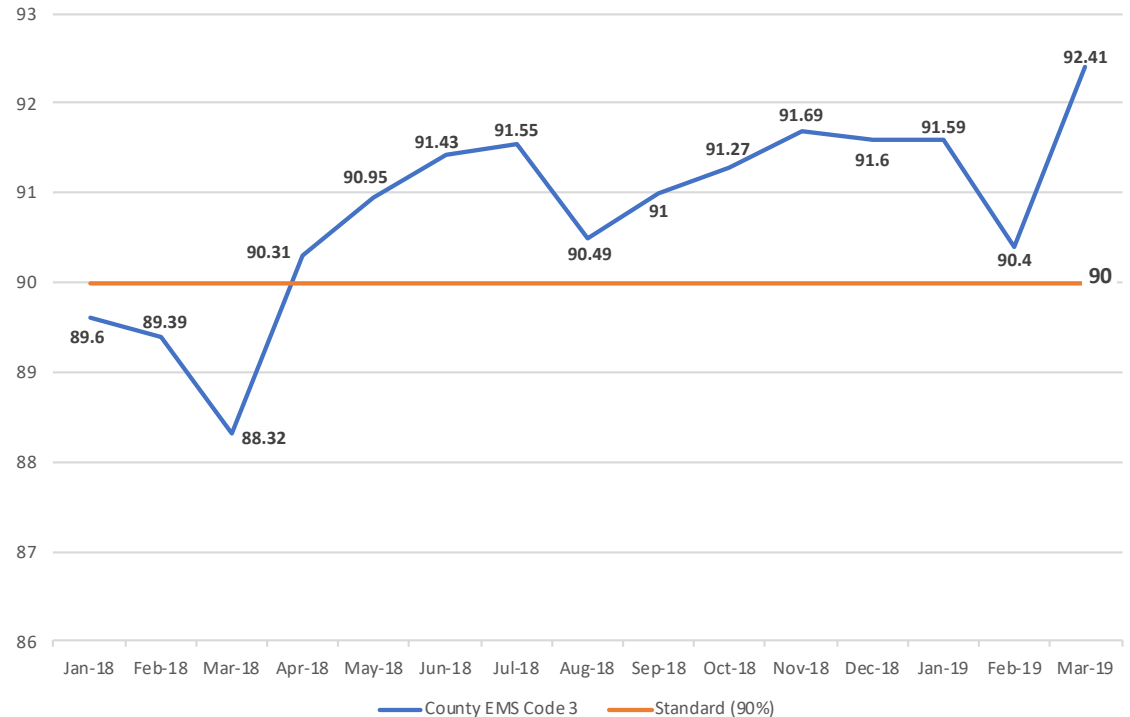
County standard (EMS 3):

- 8 minute response, 90% of the time

Over the past 9 months:

- Response times averaged 91.33%, or 1.33% above the County EMS Code 3

13 consecutive months of meeting 90% standard



Streets and Pavement Program

Funding:

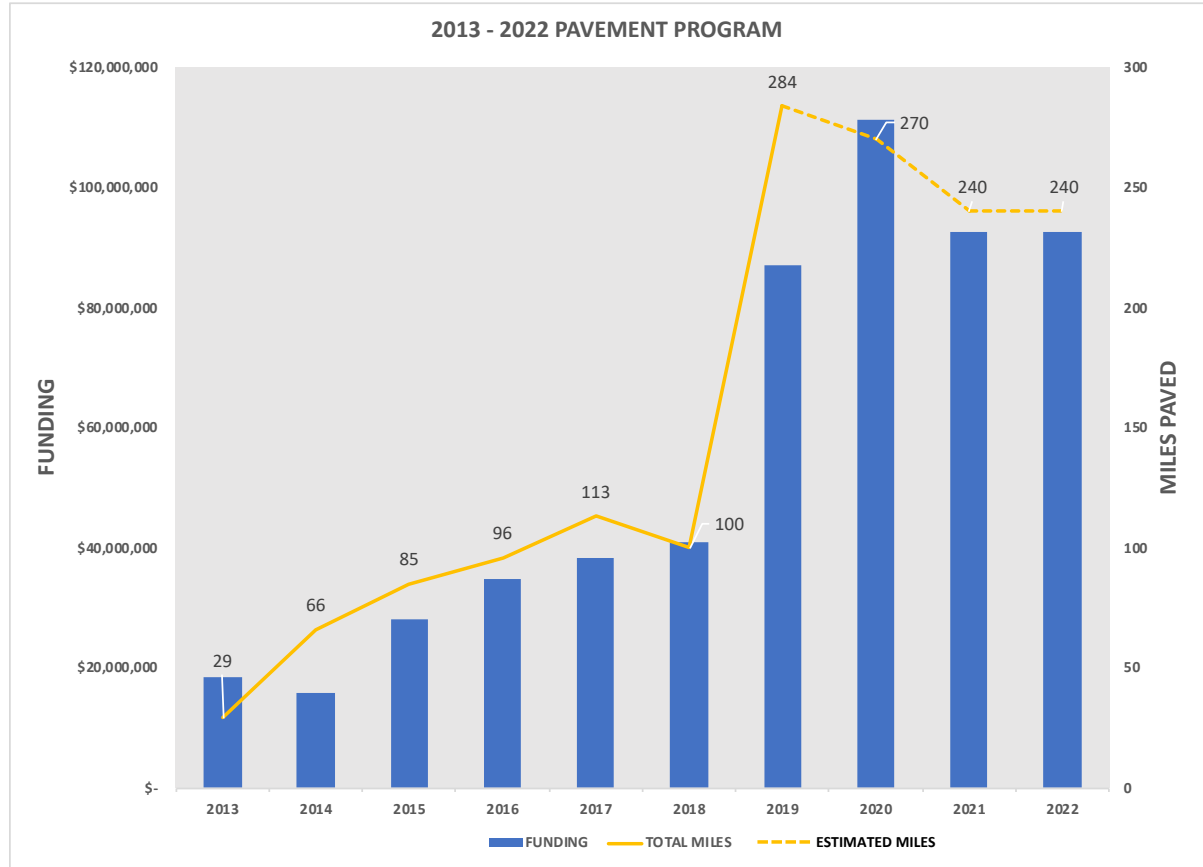
- Increase from \$18.4M (2013) to \$87M (2019)

Miles Paved:

- Increased from 29 (2013) to 284 (2019)

2020 Plans:

- \$111M in funding
- 270 miles paved



Proposed 2019-2020 Budget

Priority Areas for Investment

A decorative graphic in the bottom right corner of the slide. It features a grey gear-like outer boundary with several flame-like or leaf-like shapes inside, all set against the blue background.



2019-2020 Mayor's March Message

- Investment priorities:
 - ✓ Saving
 - ✓ Public Safety
 - ✓ High Cost of Housing and Living
 - ✓ Homelessness
 - ✓ Combatting Blight
 - ✓ Environment



Saving

- Allocate **\$5 million surplus to reduce future deficits**
- **Boost reserves by \$30+ million**
- Protect against future deficits
- **Pay down \$5 million in debt** to provide ongoing savings



Public Safety

- Create “**Hire Ahead**” program to accelerate SJPD's hiring
- Identify site & build **police training facility**
- Enable **activation of the South Police Substation**
- Improve SJFD response by **triaging non-emergency calls**
- Right-size **crossing guards** to cover 121 intersections



High Cost of Housing and Living

- Allocate \$10 million for housing for “missing middle” workers
- Fund staff to **expedite housing development**
- Boost supply of **affordable childcare** by incentivizing construction of facilities and support care provider training



Homelessness

- Expand **Transitional Jobs program** to employ homeless individuals cleaning streets, creeks, and public spaces
- Identify site and build **“navigation center”**
- **Partner with local colleges** to help homeless students w/ emergency grants
- Invest \$4 million in **homelessness prevention**



Combating Blight

- Expand the **Removing and Preventing Illegal Dumping (RAPID)** team
- Boost **legal enforcement** on blighted properties
- Fill empty retail spaces with **Storefront Activation Grant** and **Retail Attraction Programs**
- Pilot “**Cash-for-Trash**” for homeless to keep encampments clean
- Invest in **BeautifySJ** through equipment and mini-grants for neighborhoods



#BeautifySJ

Environment

- Purchase land to preserve **Coyote Valley**
- Support implementation of **Climate Smart San Jose**
- Future **re-investment**
- Leverage **philanthropy**





Commitment to Equity & Opportunity

- Office of Immigrant Affairs
- SJ Learns
- SJ Works
- Coding 5K
- SJ College Promise
- Digital Inclusion Partnership
- Age Friendly Gen2Gen Initiative





Example Local Capital Projects

- **Alma Park Master Plan and Design** (\$500,000, estimated completion in 2019-2020)
- **Bellevue Park Playground** (\$1.1 million, estimated completion in 2021)
- **Branham and Snell Street Improvements** (\$2.1 million, estimated completion in 2020)
- **Coyote Creek Trail - Story Rd. to Selma Olinder Park** (\$500,000, estimated completion in 2020)
- **Danna Rock Park Youth Lot** (\$976,000, estimated completion in 2021)
- **McLaughlin Avenue Pedestrian/Bike Safety Enhancements** (\$5.3 million, estimated completion in 2020)
- **Ramac Park Turf Replacement** (\$2.0 million, estimated completion in 2021)
- **Route 101/Blossom Hill Road Interchange** (\$10.6 million, estimated completion in 2022)



Get Involved!

- Volunteer
- Be a mentor
- Teach a coding class
- Clean a creek
- Adopt a park or trail

Learn more and sign up at:
partners.sanjosemayor.org



Questions?

