

**PROPOSED**



**2017-2018**

# **OPERATING**

**BUDGET**

**OFFICE  
OF THE  
CITY MANAGER**

**PROPOSED**

**2017-2018**



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# **OPERATING BUDGET**

Mayor

Sam Liccardo

City Council

D1 - Chappie Jones

D2 - Sergio Jimenez

D3 - Raul Peralez

D4 - Lan Diep

D5 - Magdalena Carrasco

D6 - Dev Davis

D7 - Tam Nguyen

D8 - Sylvia Arenas

D9 - Donald Rocha

D10 - Johnny Khamis

SUBMITTED BY

NORBERTO DUEÑAS  
CITY MANAGER



**PROPOSED**

**2017-2018**

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**OPERATING BUDGET**

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**OFFICE OF THE CITY MANAGER**

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INFORMATION TECHNOLOGY



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For the Fiscal Year Beginning

**July 1, 2016**

Executive Director





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*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 23, 2017**



# *California Society of Municipal Finance Officers*

*Certificate of Award*

## ***Operating Budget Excellence Award Fiscal Year 2016-2017***

*Presented to the*

***City of San Jose***

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

*January 31, 2017*



A handwritten signature in black ink, appearing to read "John Adams".


*John Adams*  
*CSMFO President*

A handwritten signature in blue ink, appearing to read "Craig Boyer".

*Craig Boyer, Chair*  
*Professional Standards and*  
*Recognition Committee*

***Dedicated Excellence in Municipal Financial Reporting***





**2017-2018**

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**OPERATING BUDGET**

**CITY MANAGER'S  
2017-2018  
BUDGET MESSAGE**

**CITY MANAGER'S  
2017-2018 BUDGET MESSAGE**



May 4, 2017

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 2017-2018 on March 28, 2017, 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.

The General Fund 2018-2022 Five-Year Forecast is used as the starting point in the development of the 2017-2018 Proposed Budget. For the General Fund, a shortfall of \$10.0 million is projected for 2017-2018, followed by four years of additional incremental shortfalls, ranging from \$11.5 million to \$34.8 million annually. Given this challenging fiscal outlook for the City’s budget and the potential risk of lower than forecasted economic growth rates, the City Council direction to focus on targeted, strategic spending as well as savings to address future shortfalls will help ensure the highest priority needs of the community are met in a fiscally responsible manner.

This budget takes a multi-year approach with both ongoing and one-time funding set aside in 2017-2018 to address a portion of the projected General Fund shortfall in 2018-2019. 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, and avoids service cuts. The City will also continue 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.

For the City’s many other dedicated funds (e.g., Airport Funds, Housing Funds, Sanitary Sewer Funds, Water Utility Funds), recommended budget actions address various service delivery and infrastructure needs balanced within the available resources for each fund. Any associated impacts on rate payers are also taken into consideration when developing the Proposed Budget.



**Community Budget Meetings**

**May 8 – 22 (4 meetings)**

**Budget Decision Milestones**

**May 10-15**  
City Council Study Sessions on 2017-2018 Proposed Budgets

**May 16/June 12**  
Public Hearings on the 2017-2018 Proposed Budgets and Fees and Charges

**June 2**  
2017-2018 Mayor’s June Budget Message Released

**June 13**  
City Council Review and Approval of the 2017-2018 Mayor’s June Budget Message

**June 20**  
Adoption of the 2017-2018 Capital and Operating Budgets, 2017-2021 Capital Improvement Program, and the 2017-2018 Fees and Charges

# 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

## Total Proposed Budget

In the 2017-2018 Proposed Budget, the total net funding is \$3.2 billion for all City funds (General, Special, and Capital). This is \$57.9 million (1.8%) below the 2016-2017 Adopted Budget (Table 1 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 2017-2018 Adopted Budget will exceed the 2016-2017 Adopted Budget.

<b>2017-2018 Proposed Budget — All Funds (Table 1)</b>			
	<b>2016-2017 Adopted</b>	<b>2017-2018 Proposed</b>	<b>% Change</b>
General Fund	\$ 1,271,288,298	\$ 1,173,685,078	(7.7%)
Special Funds	1,735,677,755	1,843,497,276	6.2%
<Less: Operating Transfers>	(658,108,714)	(626,494,346)	4.8%
<b>Net Operating Funds</b>	<b>2,348,857,339</b>	<b>2,390,688,008</b>	<b>1.8%</b>
Capital Funds	878,413,605	776,544,532	(11.6%)
<Less: Capital Transfers>	(11,123,000)	(8,957,000)	19.5%
<b>Net Capital Funds</b>	<b>867,290,605</b>	<b>767,587,532</b>	<b>(11.5%)</b>
<b>Total</b>	<b>\$ 3,216,147,944</b>	<b>\$ 3,158,275,540</b>	<b>(1.8%)</b>

## Position Impacts

This Proposed Budget includes increases to staffing levels to support a variety of activities, such as the development fee programs, capital programs, continuation of one-time activities funded in 2016-2017, and limited enhancements to other critical services. Overall, the level of staffing will increase by a net 88 positions (a total of 45 positions are one-time funded), from 6,159 full-time equivalent positions in the 2016-2017 Adopted Budget to 6,247 positions in the 2017-2018 Proposed Budget, as shown in Table 2 below. This 1.4% increase still leaves City staffing well below its peak of almost 7,500 positions in 2001-2002.

<b>Changes in Position Count (All Funds) from 2016-2017 Adopted to 2017-2018 Proposed Budget (Table 2)</b>	
<b>2016-2017 Adopted Budget</b>	<b>6,159 positions</b>
2017-2018 Base Budget Changes	22 positions
2017-2018 Proposed Budget Changes – General Fund	(13 positions)
2017-2018 Proposed Budget Changes – General Fund (offset by revenues, reimbursements, or net-zero shifts)	37 positions
2017-2018 Proposed Budget Changes – Other Funds	42 positions
Total Net Position Changes	88 positions
<b>2017-2018 Proposed Budget</b>	<b>6,247 positions</b>

# 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

## **Program-Level Budgeting**

Complementing the City's performance-based core service-level budgeting, the 2017-2018 Proposed Budget introduces program-level budgeting that provides a lower level of detail under each of the City's core services. This move to program budgeting is in line with the direction provided in the Mayor's March Budget Message for Fiscal Year 2015-2016, as approved by the City Council, to incorporate this change with the implementation of the new budget system. Program budgeting is designed to provide more transparency, enhance decision making, and serve as a more effective tool for department staff to manage their budgets.

Following are specific goals and outcomes associated with program-level budgeting.

- ✓ Allows the City Council and the public to "lift the hood" and have a more in-depth knowledge of how City resources are used.
- ✓ Aligns the budget with how departments manage their resources.
- ✓ Provides program managers with tools to manage their budgets and understand the resources associated with particular programs.
- ✓ Allows decision makers to have a clearer understanding of the base level of services offered by the City and the resources allocated to delivering those programs. Currently, this information is provided only at the core service level.

To develop these programs, departments underwent an extensive analysis with the City Manager's Budget Office. Through a collaborative process, departments developed departmental program maps, evaluated existing core services, and restructured the financial management system to align the account codes to the new programs. It is anticipated that these programs will be refined over the next few budget cycles.

The programs for each department are summarized in the Department Budget Summary, Dollars by Program in the City Departments section of this document. A complete mapping of the programs to core services, city service areas, and departments can be found in the Budget Guide section of this document.

## **General Fund Budget**

Over the next five years, relatively small General Fund shortfalls are projected each year as shown in Table 3 below. These variances represent 0.5% - 1.5% 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.

# 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

## General Fund Budget

<b>2018-2022 General Fund Forecast Incremental Surplus/(Shortfall) (\$ in millions)<sup>1</sup> (Table 3)</b>					
	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
Incremental Surplus/(Shortfall)	(\$10.0 M) <sup>2</sup>	(\$34.8 M)	(\$11.5 M)	(\$17.4 M)	(\$12.8 M)
% of Annual Budget (Revenues and Expenditures)	(0.6%)	(1.5%)	(0.5%)	(0.7%)	(0.5%)

<sup>1</sup> Does not include 1) costs associated with services that were funded on a one-time basis in 2016-2017; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs. It should also be noted that no net impacts associated with the Development Fee Programs are included due to the cost-recovery nature of these programs.

<sup>2</sup> This figure was revised from the \$12.4 million shortfall presented in the February 2017 Forecast as a result of continued analysis of projected revenues and expenditures.

## Balancing the General Fund Budget

As displayed in Table 4 on the following page, the 2017-2018 Proposed General Fund Budget Balancing Plan includes recommendations that address a \$10.0 million shortfall. 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 2017-2018 that was approved by the City Council on March 28, 2017. Proposed Budget actions that respond to City Auditor recommendations requiring additional funding are described in Attachment C.

As discussed previously, in preparing the 2017-2018 Proposed Operating Budget, the Administration followed the direction provided in the Mayor’s March Budget Message for Fiscal Year 2017-2018 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 2017-2018 that were adopted by the City Council as part of the approval of the Mayor’s March Budget Message for Fiscal Year 2017-2018. 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.

2017-2018 PROPOSED OPERATING BUDGET MESSAGE

**Balancing the General Fund Budget**

<b>2017-2018 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's) (Table 4)</b>		
	<b>2017-2018</b>	<b>Ongoing</b>
<b>2017-2018 General Fund Shortfall</b>	<b>\$ (10,002)</b>	<b>\$ (10,002)</b>
<b>Balancing Strategy</b>		
<b>Source of Funds</b>		
Beginning Fund Balance:		
Homeless Rapid Rehousing/Tiny Homes Rebudget	\$ 2,300	\$ 0
Cultural Facilities Capital Maintenance Reserve	1,975	0
Police Department Vacancy Savings	1,600	0
2017-2018 Future Deficit Reserve	1,419	0
Fire Station 37 Construction Rebudget	960	0
Other Revenue/Expenditure Savings/Rebudgets/Reserve Liquidations	2,401	0
Grants/Reimbursements/Fees		
Development Fee Programs	9,647	9,796
PRNS Fees (e.g. HHPZ, Lake Cunningham Bike Park)	1,291	1,338
Senior Nutrition Program	1,597	0
Other Non-Development Licenses and Permits	1,315	1,299
Other Fee Programs/Reimbursements/Grants	1,349	315
Other Revenue		
PERS Levy Litigation Settlement	12,900	0
Overhead Reimbursements/Transfers from Other Funds	2,544	1,116
<b>Subtotal Source of Funds</b>	<b>\$ 41,298</b>	<b>\$ 13,864</b>
<b>Use of Funds</b>		
2018-2019 Future Deficit Reserve	\$ 15,000	\$ 0
Development Fee Programs	9,430	9,203
Service Level Enhancements	6,845	1,561
2016-2017 One-Time Funded Services	6,523	535
Other Fee Programs/Grants/Reimbursements	4,978	2,458
Unmet/Deferred Technology, Infrastructure, and Maintenance	4,455	225
Earmarked Reserves (e.g. Essential Services, Air Service, etc.)	3,826	450
New Infrastructure/Equipment Operations and Maintenance	402	454
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(12,083)	(6,067)
Use of Reserves (e.g. Cultural Facilities, Committed Add., Deferred Maint.)	(8,080)	(9,942)
<b>Subtotal Use of Funds</b>	<b>\$31,296</b>	<b>\$ (1,123)</b>
<b>Total Balancing Strategy</b>	<b>\$ 10,002</b>	<b>\$ 14,987</b>
<b>Remaining Balance</b>	<b>\$ 0</b>	<b>\$ 4,985</b>

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.

## 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 \$1.2 billion General Fund budget and a \$2.4 billion total 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 and services in these CSAs are briefly described here:

***Community and Economic Development CSA.*** 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 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.
- Promote San José as the premier destination for scaling companies, highlighting advantages in cost, lifestyle, and business climate.
- Increase jobs in the City of San José through widespread recruitment efforts.
- Manage and implement economic development branding to communicate the advantages of living and working in San José.
- 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 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.



## Key City Service Area Priorities

- Identify strategies to fund affordable and permanent supportive housing, transportation, and Urban Village infrastructure needs.
- Identify strategies to increase production of moderate-income housing.
- Ensure that residents have a diverse range of housing options by increasing housing opportunities for people of all income levels, ages, abilities, and household types.
- Increase housing and services opportunities for the City's homeless residents, including those living in encampments.

***Environmental and Utility Services CSA.*** This CSA 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 and services in this CSA include:

- 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 to reduce the number and mitigate the impacts of sanitary sewer overflows.
- Continue to invest in capacity and condition assessments for the sanitary sewer collection system to reduce sanitary sewer overflows 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 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 2017; this addresses the remaining single-family homes in the City.



## Key City Service Area Priorities

- Increase awareness of proper disposal of bulky items through the expanded and unlimited large item collections included in residential garbage service rates.
- Implement a multi-departmental outreach and education effort to enhance neighborhood engagement as part of the City's efforts to combat illegal dumping, graffiti, litter, and other forms of neighborhood blight.
- Develop and implement the San José Environmental Sustainability Plan focused on energy, water, and mobility.
- Implement reliability improvement projects to ensure optimum operation of existing South Bay Water Recycling Program infrastructure.

***Neighborhood Services CSA.*** 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 and services in this CSA include:

*Cultivating healthy and resilient 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, quality neighborhoods and business districts for the residents of San José.
- 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 engaged and informed residents:*

- 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.



## Key City Service Area Priorities

### *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 the Parks, Recreation, and Neighborhood Serviced Department by balancing fees and access.
- Provide infrastructure assets that are sustainable, both environmentally and financially.

**Public Safety CSA.** 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.
- Continue to provide civilian oversight of the Police misconduct complaint process to ensure its fairness, thoroughness, and objectivity.

## Key City Service Area Priorities

- Continue dialogue with the County of Santa Clara on delivery of Emergency Medical Service (EMS); conduct both a medical emergency transportation and Regional Fire and EMS Communications Center feasibility study and, if viable, develop implementation plans.
- Manage all-hazards response and recovery efforts through a multi-agency coordination system that includes the City's Emergency Operations Center.
- 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.
- Complete all State mandated and high risk building inspections.
- Implement the Fire Department Strategic Plan (Vision 2023 Plan).

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

## Key City Service Area Priorities

- Deliver a wide range of financial services including: providing compensation and payments to City employees and vendors in a timely and accurate manner; producing legally required, compliance, and regulatory information and financial reports; managing multi-billion dollar debt and investment portfolios; managing accounts receivable and accounts payable for the City; ensuring a high degree of tax and revenue collection compliance through audits and reviews; and procuring goods and services pursuant to City Policies and Initiatives to support City operations in an open and competitive process.
- Attract and retain well-qualified City employees through effective and competitive recruitment and selection processes.
- Provide workers' compensation and employee safety services.
- Manage the City's benefits program.
- 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. Re-platform the City on current technologies that will sustain operations and innovation efforts, while also achieving better cost-to-performance citywide.
- Address growing risks of cybercrime and cyberdisasters and build ability to resume critical enterprise systems quickly should a disaster occur.
- Move Information Technology initiatives forward: achieve the San José Smart City Vision and Innovation and Technology Strategic Plan; provide a foundation for data enabled civic innovations through Open Data Communities Architecture and focus on business process automations to automate and accelerate decision-making citywide; and build capacities to successfully execute IT initiatives and provide project management processes and training.
- Provide exceptional desktside and mobile support services to City employees. Be the primary point of contact for residents, City utilities customers, businesses, and employees through the Customer Contact Center.
- 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 and maximize the functionality of the City's assets.
- "Greening" the City facilities and the City fleet.



## 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 2017-2018, as approved by the City Council, major actions recommended in the Proposed Operating Budget, across all funds, will focus on the following investment priorities:

- ✓ Public Safety and Disaster Preparedness
- ✓ Flood Recovery
- ✓ Investments that Produce Long-Term Savings, Revenues, and Efficiencies
- ✓ Investments that Leverage External Sources of Funding
- ✓ Investments Leveraging Community Energy and Volunteerism: #Beautify SJ
- ✓ Saving and Improving Fiscal Resiliency

Following is a listing of some of the most significant budget actions in the Proposed Operating Budget organized by these priority themes.

### *Public Safety and Disaster Preparedness*

Public safety remains a top priority of the City with approximately one-half of the General Fund dedicated to these services. Investments in this area continue to make progress in various public safety initiatives and police recruiting and hiring. Given the City's recent experience with the floods in February 2017, the 2017-2018 Proposed Budget targets investments to better prepare the City moving forward.

- *Terminal and Safety Management Staffing (\$193,000)/ Airport Department*
- *Disaster Cost Recovery Manual Update (\$100,000)/ Finance Department*
- *Office of Emergency Services Disaster Preparedness (\$265,000)/ Fire Department*
- *Water Rescue (\$179,000)/ Fire Department, Public Safety Capital Program*
- *Fire Non-Development Fee Program (Fire Prevention Inspection) (281,000)/ Fire Department*
- *Emergency Medical Services Service Delivery Model Analytical Support (\$150,000)/ Fire Department*
- *Community Emergency Response Team Training Program (\$130,000)/ Fire Department*
- *Emergency Medical Services Response Time Improvement Technology Staffing (\$109,000)/ Fire Department*
- *Office of Emergency Services Analytical Staffing (\$83,000)/ Fire Department*
- *Cybersecurity Office (\$478,000)/ Information Technology Department*
- *Building Code Compliance Staffing (\$137,000)/ Planning, Building, and Code Enforcement Department*
- *Massage Parlor Permit Enforcement Staffing (\$120,000)/ Planning, Building, and Code Enforcement Department*
- *Silicon Valley Regional Communication System Dispatch Consoles (\$4.0 million)/ Public Works Department, Communications Capital Program*

## 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

### **Focused Approach to Address Priority Community and Organizational Needs**

- *Downtown Police Foot Patrol Program (\$500,000)/Police Department*
- *Police Department Recruiting Program (\$325,000 and net-zero shift of \$100,000)/Police Department*
- *Project Hope Pilot Program Reserve (\$108,000)/Police Department Earmarked Reserves*
- *Medical Marijuana Transport Tracking Devices (\$69,000, offset by fees)/Police Department*
- *Automated External Defibrillators (50 Patrol Cars) (\$40,000)/Police Department*
- *Police Department Backgrounding Temporary Staffing (\$0, net-zero shift of \$900,000)/Police Department*
- *Suspend Temporary Street Closure Permit Fees (Fourth of July-No Fireworks) (reduce fees \$10,000)/Police Department, General Fund Revenue Estimates*
- *Walk n' Roll Staffing (\$271,000)/Transportation Department*
- *Pedestrian Safety and Neighborhood Traffic Calming Staffing (\$142,000)/Transportation Department*
- *Copper Wire Theft Staffing (\$83,000)/Transportation Department*

### **Flood Recovery**

Several City Departments were instrumental in providing flood response assistance to our community, from the first responders who ensured that all residents were safely evacuated, to the staff that provided assistance in the weeks following the flood to provide shelter, remove debris, and assess damage, to those that are addressing long-term needs and issues. The 2017-2018 Proposed Budget includes investments in this area and staff will continue to address the many community, policy, and coordination issues that have arisen in the aftermath of the flood.

- *City Damages and Costs (Capital funding addresses some of the most immediate needs)/Various Capital Programs*
- *Unfair Business Practices Legal Staffing (\$200,000)/Office of the City Attorney*
- *2017 Flood-Building Permit and Inspection Fee Waivers (\$200,000)/City-Wide Expenses*
- *Flood-Related Parks Capital Projects Manager (\$133,000)/Parks, Recreation and Neighborhood Services Department*

### **Investments that Produce Long-Term Savings, Revenues and Efficiencies**

Using almost any metric, the City is a lean organization with departments delivering services with less resources than other large cities of similar size as well as our neighboring communities. In this challenging fiscal landscape, the City will continue to evaluate operations to pursue better ways to deliver services to meet community needs as well as target investments that can generate long-term savings or potential revenues. This includes investing in our infrastructure given the escalation of costs as maintenance is deferred. The following actions are included in the 2017-2018 Proposed Budget:

- *Remote Gate Shuttle Service (\$1.1 million)/Airport Department*
- *Airport Business Development Division Staffing (\$131,000)/Airport Department*

## 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

### Focused Approach to Address Priority Community and Organizational Needs

- *Planning Division Legal Transactions Staffing (\$106,000)/ Office of the City Attorney*
- *Worker's Compensation Legal Analyst Staffing (\$104,000)/ Office of the City Attorney*
- *Planning and Environmental Services Legal Staffing (\$90,000)/ Office of the City Attorney*
- *Business Development and Economic Strategy Activities (\$200,000)/ City Manager-Office of Economic Development*
- *City Manager's Budget Office Information Systems Staffing and Hyperion Budget System Phase II Implementation (\$476,000)/ Office of the City Manager*
- *San José Regional Transportation Hub Project (\$1.2 million)/ City-Wide Expenses, Planning, Building and Code Enforcement Department, Public Works Department, Transportation Department*
- *Storefront Activation Grant Program (\$250,000)/ City-Wide Expenses*
- *Talent Recruitment Initiative (\$200,000)/ City-Wide Expenses*
- *Single Family Dwelling Waste Materials Processing -Phase IV (\$4.7 million)/ Environmental Services Department*
- *South Bay Water Recycling System Infrastructure Improvements (\$2.4 million)/ Environmental Services Department*
- *Finance Department Information Systems Staffing (\$103,000)/ Finance Department*
- *Request for Proposal Software (\$60,000)/ Finance Department*
- *Development Fee Programs (Building, Fire, Planning, and Public Works) (\$1.6 million)/ Fire Department, Planning, Building and Code Enforcement Department, and Public Works Department*
- *Workers' Compensation Program Temporary Staffing (\$331,000)/ Human Resources Department*
- *Human Resources Department Information Systems Staffing (\$103,000)/ Human Resources Department*
- *Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure (\$1.1 million)/ Information Technology Department*
- *Portfolio and Project Management Office (net savings \$223,000)/ Information Technology Department*
- *Library Technical Services Unit Materials Processing (\$108,000)/ Library Department*
- *Leisure and Recreation of City Kids (ROCK) Programs (\$512,000, offset by fees)/ Parks, Recreation and Neighborhood Services Department*
- *Happy Hollow Park and Zoo Corporate Rentals and Animal Staffing (\$494,000, offset by fees)/ Parks, Recreation and Neighborhood Services Department*
- *Business Permit Process Improvement Bootcamp (\$200,000)/ Planning, Building and Code Enforcement Department*
- *Policy and Ordinance Support Staffing (\$150,000)/ Planning, Building and Code Enforcement Department*
- *City Facilities Infrastructure and Deferred Maintenance (\$1.7 million)/ Public Works Department, Municipal Improvement Capital Program*

## 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

### Focused Approach to Address Priority Community and Organizational Needs

- *Cultural Facilities Capital Maintenance (\$1.5 million)/Public Works Department, Municipal Improvement Capital Program*
- *Street Pavement Maintenance (\$71.1 million funded in 2017-2018)/Transportation Department Traffic Capital Program*
- *Special Assessment District Landscape and Infrastructure Projects (\$2.0 million)/Transportation Department*
- *Residential Parking Pilot Program (\$119,000)/Transportation Department*

### **Investments that Leverage External Sources of Funding**

Oftentimes, partnerships with other agencies and organizations can help stretch a dollar to expand the impact of limited funds. In the public sector, this is particularly important, as not only can more get done with less, but such relationships build the community. Several actions in the 2017-2018 Proposed Budget aim to leverage such external assistance to provide more to the City, including:

- *Office of Immigrant Affairs (\$250,000)/Office of the City Manager*
- *Homeless Rapid Rehousing Rebudget/Tiny Homes Project (\$2.3 million)/City-Wide Expenses*
- *San Jose Works: Youth Job Initiative (\$1.5 million)/City-Wide Expenses*
- *San José Learns (\$1.0 million)/City-Wide Expenses*
- *San Jose Sports Authority (\$375,000)/City-Wide Expenses*
- *SJ Promise (\$150,000)/City-Wide Expenses*
- *Cinequest Film and Virtual Reality Festival (\$100,000)/City-Wide Expenses and Earmarked Reserves*
- *Silicon Valley Talent Partnership (\$50,000)/City-Wide Expenses*
- *Homeless Rapid Rehousing Funding Shift (-\$4.0 million)/City-Wide Expenses*
- *San Jose Environmental Sustainability Plan Implementation Staffing (\$282,000)/Environmental Services Department*
- *Clean-Slate Tattoo Removal Program (San Jose BEST Rebudget) (\$100,000)/City-Wide Expenses*
- *Japantown Creative Center for the Arts Transportation Improvements (\$400,000)/City-Wide Expenses*
- *Senior Nutrition Program (\$1.6 million, County funded)/Parks, Recreation and Neighborhood Services Department*
- *Placemaking and Parks Activation (\$494,000, partially revenue offset)/Parks, Recreation and Neighborhood Services Department*
- *Downtown Ice Rink Improvements (\$100,000)/Public Works Department, Municipal Improvements Capital Program*

## Focused Approach to Address Priority Community and Organizational Needs

### *Investments that Leverage Community Energy and Volunteerism: #Beautify SJ*

One of the more noticeable results of partnering with external organizations is the positive societal effect it creates, particularly as it relates to building momentum in communities. One such visible activity is beautifying our neighborhoods, especially in those areas that require it the most. #BeautifySJ will assist residents in this endeavor and allow our public spaces to become free of blight and improve the quality of life for all residents. Some investments that will leverage community energy and volunteerism include:

- *Beautify SJ Grants (\$200,000)/City-Wide Expenses*
- *Beautify SJ – Single-Family Dwelling Junk Pick-Up (\$450,000)/Environmental Services Department*
- *Beautify SJ Days (\$180,000)/Environmental Services Department*
- *Illegal Dumping Rapid Response Team Staffing (\$276,000)/Environmental Services Department*
- *Customer Relationship Management Maintenance and Feature Additions (Neighborhood Dashboard) (\$80,000)/Information Technology Department*
- *Partners in Reading Adult Literacy Program (\$91,000)/Library Department*
- *Library Promotional Materials Translation Services (\$50,000)/Library Department*
- *Early Education Summer Bridge Program for Developing and Struggling Readers (\$32,000)/Library Department*
- *Neighborhood Parks Maintenance (\$610,000)/Parks, Recreation and Neighborhood Services Department*
- *Beautify SJ – Volunteer Activation and “Service Credits” (reduce fees \$5,000)/Parks, Recreation Neighborhood Services, General Fund Revenue Estimates*

### *Saving and Improving Fiscal Resiliency*

While future years may see deficits, the City’s path forward will be improved with a strategic focus on setting aside funds for those times when it is needed. The 2017-2018 Proposed Budget includes actions that will help the City remain resilient in tough times that may be ahead:

- *2018-2019 Future Deficit Reserve (\$15.0 million)/Earmarked Reserves*
- *Essential Services Reserve (\$2.0 million)/Earmarked Reserves*
- *Police Staffing/Operations Reserve Elimination (\$0 in 2017-2018; \$2.0 million in 2018-2019)/Earmarked Reserves*
- *Cultural Facilities Capital Maintenance Reserve (\$450,000)/Earmarked Reserves*



## Focused Approach to Address Priority Community and Organizational Needs

### *Other Budget Actions*

The 2017-2018 Proposed Budget also contains the following notable actions:

- *Rental Rights and Referrals Program – Tenant Protection Ordinance and Ellis Act Ordinance Legal Staffing (\$139,000, offset by fees)/Office of the City Attorney*
- *Housing Production Program – Homeless Projects (\$155,000)/Housing Department*
- *Rental Rights and Referrals Program – Tenant Protection Ordinance and Ellis Act Ordinance Housing Staffing (\$2,000, offset by fees)/Housing Department*
- *Greenhouse Gas Reduction Strategy (\$375,000, offset by fees)/Planning, Building and Code Enforcement Department*

### *Fees and Charges Adjustments*

The 2017-2018 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 fee increase of 7.0% 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 Recycle Plus rates, a 4.5% increase is recommended for single-family dwellings and a 2.5% increase is recommended for multi-family dwellings. Currently, Municipal Water System rates are programmed to increase 9.0% to cover increased operating costs.

In the four Development Fee Programs (Building, Fire, Planning, and Public Works), fee adjustments are recommended to align program revenues with costs, maintain works-in-progress earmarked reserves, and enhance service levels, where appropriate. In December 2016, the City Council accepted the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report* which served as a basis for the recommended fee changes. Other upward and downward adjustments to various other departmental fee programs are also proposed to at least maintain, or improve, City Council-approved cost recovery rates. All fee changes are described in the 2017-2018 Proposed Fees and Charges document that is released under separate cover.

### **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 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 2017-2018, as approved by the City Council.

# 2017-2018 PROPOSED OPERATING BUDGET MESSAGE

## Conclusion

Our continuing commitment to 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.

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,

A handwritten signature in black ink, appearing to read "Norberto Dueñas", written in a cursive style.

Norberto Dueñas  
City Manager

# 2017-2018 Proposed Operating Budget

## 2017-2018 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 maximize service delivery within existing resources, 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. Evaluate vacant positions to determine if any position changes should be brought forward to better meet departmental needs, with the goal of filling existing vacant positions before adding new net positions to the organization.
4. Focus on business process redesign to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).
5. Explore alternative service delivery models (e.g., partnerships with non-profit, public, or private sector for out- or insourcing services) to ensure no service overlap, reduce and/or share costs, and use City 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.
6. 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.
7. Explore redirecting and/or expanding existing revenue sources and/or adding new revenue sources.
8. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers, and explore opportunities to establish new fees and charges for services, where appropriate.
9. Identify City policy changes that would enable/facilitate service delivery changes or other budget balancing strategies.
10. If ongoing resources are available, focus investments in the following areas: services included in the 2016-2017 budget on a one-time basis, as appropriate; and additions that address significant organizational or community risks.
11. If one-time resources are available, focus on investments that address the City's unmet or deferred infrastructure needs and/or leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions.
12. In addition to considering service restoration priorities 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.
13. Engage employees in department budget proposal idea development.
14. 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.
15. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

Source: 2017-2018 City Manager's Budget Request & 2018-2022 Five-Year Forecast, as approved by the Mayor's March Budget Message for Fiscal Year 2017-2018.

# 2017-2018 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

Approved by the City Council on March 20, 2012

# 2017-2018 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.

# 2017-2018 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.



**2017-2018**

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**OPERATING BUDGET**

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

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### INTRODUCTION

This attachment is intended to provide a more detailed summary of the key actions taken to balance the 2017-2018 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 Proposed Budget, are described.

In February 2017, the Administration prepared formal projections for the 2017-2018 General Fund Budget as part of the *2017-2018 City Manager's Budget Request & 2018-2022 Five-Year Forecast and Revenue Projections* document that was released to the City Council. The 2017-2018 February Base Budget Forecast projections in that document estimated a 2017-2018 General Fund shortfall of approximately \$12.4 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 shortfall represented the difference between projected 2017-2018 General Fund resources and the expected cost of approved 2017-2018 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 2017-2021 Capital Improvement Program or for projects approved by the City Council during 2016-2017).

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 overall General Fund sources and a reduction in uses. These changes resulted in a decrease of \$2.4 million to the estimated General Fund shortfall, resulting in a \$10.0 million shortfall. 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 \$41.3 million), and uses (by \$31.3 million) from the Revised Base Budget Forecast, bringing the overall General Fund into balance for 2017-2018. The increase in sources of \$41.3 million includes several major components: a higher Beginning Fund Balance of \$10.7 million, \$3.8 million reflects the liquidation of various earmarked reserves for specific services; the receipt of \$12.9 million of PERS levy settlement proceeds from the County of Santa Clara; increases to the development fee program and other miscellaneous fees and permits (\$12.4 million); grants from other government agencies (\$2.5 million); and other revenue changes of \$2.8 million.

The increase in uses of \$31.3 million in 2017-2018 includes additional funding for the following: service level enhancements (\$6.2 million); a number of critical unmet/deferred infrastructure and maintenance needs (\$8.5 million); continuation of 2016-2017 one-time funded services (\$6.5 million); earmarked reserves (\$3.8 million); development fee program as well as other fee, grants and reimbursements (\$14.4 million); funding for the 2018-2019 Future Deficit Reserve (\$15.0 million); and other increases (\$400,000).



## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### INTRODUCTION

These increases are partially offset by savings realized from the use of reserves that had been established for specific purposes (\$8.1 million) that were included in the February Forecast and miscellaneous cost reductions/service delivery efficiencies/funding shifts to other funds (\$15.4 million). The result of these actions is a balanced 2017-2018 General Fund Proposed Budget of \$1.2 billion.

Table I below displays the overall projections for the 2017-2018 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**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**Forecast To Proposed Budget Reconciliation (in \$000s)**

	Total Sources	Total Uses	(Shortfall)/ Surplus
<b>February Base Budget Forecast</b>	<b>\$ 1,131,095</b>	<b>\$ 1,143,507</b>	<b>(\$ 12,412)</b>
Forecast Revisions	1,292	(1,118)	2,410
<b>Revised Base Budget Forecast (no fee impact)</b>	<b>1,132,387</b>	<b>1,142,389</b>	<b>(10,002)</b>
Proposed Revisions	41,298	31,296	10,002
<b>2017-2018 Proposed Budget</b>	<b>1,173,685</b>	<b>1,173,685</b>	<b>\$ 0</b>

## General Fund Balancing Strategy Detail

### 2017-2018 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 shortfall estimate of \$10.0 million, a decrease of \$2.4 million from the \$12.4 million shortfall in the February Base Budget Forecast. Changes are detailed in Table II below.

**Table II**  
**2017-2018 REVISED BASE BUDGET FORECAST**  
**Summary of Changes (in \$000s)**

<b>Sources</b>	<b>Revision</b>
Licenses and Permits	\$ 850
Fines, Forfeitures, and Penalties	515
Revenue from the State	425
Use of Money/Property	400
Transfers and Reimbursements	502
Business Taxes	300
Franchise Fees	50
Other Revenue	40
Fees, Rates, and Charges	(210)
Property Tax	(725)
Beginning Fund Balance	(855)
<b>Net Change in Sources</b>	<b>\$ 1,292</b>

<b>Uses</b>	<b>Revision</b>
Personal Services – Health Premiums Expenses	\$ (633)
Non-Personal/Equipment and City-Wide Expenses	(295)
Position and Fund Realignments/Corrections	(190)
<b>Net Change in Uses</b>	<b>\$ (1,118)</b>

<b>Total Change (Shortfall)/Surplus</b>	<b>\$ 2,410</b>
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## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### REVISED BASE BUDGET FORECAST

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

##### *Licenses and Permits*

- An increase of \$789,000 to the Fire Permits revenue estimate, including an increase to the Fire Development fees (\$589,000) and the Non-Development fees (\$200,000) based on current collection trends experienced in 2016-2017.
- An increase of \$61,000 to Other Licenses and Permits based on current collection trends experienced in 2016-2017.

##### *Fines, Forfeitures, and Penalties*

- An increase to several fines and forfeitures revenues, including \$200,000 to Parking Fines (\$11.0 million to \$11.2 million), \$75,000 to Citation Fines (\$175,000 to \$250,000), and \$30,000 to Animal Services Field Citations (\$90,000 to \$120,000), based on current collection trends experienced in 2016-2017.
- An increase of \$200,000 to Business Tax Penalties (\$1.0 million to \$1.2 million) and \$10,000 to Fire Safety Delinquency Penalties (\$120,000 to \$130,000), based on current collection trends experienced in 2016-2017.

##### *Revenue from the State*

- An increase of \$425,000 to reflect Other State Revenue funding that was unaccounted for in the 2017-2018 Forecast due to a calculation error.

##### *Use of Money/Property*

- An increase of \$200,000 to the interest earnings estimate (\$2.0 million to \$2.2 million) based on current collection trends experienced in 2016-2017, coupled with higher interest rate assumptions in 2017-2018.
- An increase of \$200,000 to the Subrogation Recovery estimate (\$300,000 to \$500,000) based on 2016-2017 collection trends as well as historical performance in this category.

##### *Transfers and Reimbursements*

- A net increase of \$185,000 to reflect updated overhead reimbursements from capital funds and operating funds based on the final 2017-2018 base budget and final 2017-2018 overhead rates as approved by the Finance Department.

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### REVISED BASE BUDGET FORECAST

##### Source of Funds

##### Transfers and Reimbursements (Cont'd)

- A net increase of \$312,000 to the Transfers category to reflect an increase in the reimbursement from Airport funds for services provided by the Police and Fire Department and an increase of \$5,000 to the reimbursement from the Maintenance Assessment District Funds.

##### Business Taxes

- An increase of \$300,000 to the estimate for the Marijuana Tax (\$9.05 million to \$9.35 million) based on 2016-2017 collection trends.

##### Franchise Fees

- An increase of \$50,000 adjusts the City Generated Tow revenue (from \$950,000 to \$1.0 million) based on 2016-2017 collection trends.

##### Other Revenue

- An increase of \$140,000 to reflect an increase in projected incentive payments from the City's banking services vendor (\$100,000), procurement credit card (P-card) vendor (\$25,000) and office supplies vendor (\$15,000).
- A decrease of \$100,000 eliminates the revenue estimate from the sale of surplus vehicles due to City Council direction to donate these vehicles to Coyote Creek Flood victims.

##### Fees, Rates, and Charges

- A decrease of \$155,000 to the Parks, Recreation, and Neighborhood Services Departmental Charges estimate (from \$20.62 million to \$20.46 million) aligns revenues with estimated base activity levels. This reflects a revised reconciliation of the Happy Hollow Park and Zoo.
- A decrease of \$55,000 to the Library Departmental Charges to reflect the anticipated 2017-2018 collection and activity levels.

##### Property Tax

- A decrease of \$725,000 to the Unsecured Property Tax estimate (\$14.5 million to \$13.8 million) to reflect lower than anticipated collections in 2016-2017. This resulted in a lower base starting point for 2017-2018 anticipated growth of 3%.

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### REVISED BASE BUDGET FORECAST

##### Source of Funds

##### Beginning Fund Balance

- A decrease of \$854,000 to Beginning Fund Balance estimate reflects a lower carryover amount of the Development Fee Program Reserves (Fire: reduction of \$530,000; Public Works: reduction of \$187,000; Planning: reduction of \$135,000; Building: reduction of \$2,000) necessary to bridge the gap between 2017-2018 base revenues and expenditures. The Development Fee Programs are assumed to be 100% cost recovery.

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

- A net decrease of \$229,000 reflects non-personal/equipment, Transfers, and City-Wide Expenses adjustments: decreases to various departments for a reduction in costs for vehicle maintenance and operations (\$319,000); non-personal/equipment budget to offset increased expenditures from position changes (\$28,000), deferred compensation expenditures (\$1,000), and a net reduction in City-Wide Expenses (\$3,000) for Storm Fees and Property Leases. These decreases are offset by increases to Information Technology Department's non-personal/equipment for a software maintenance agreement for the Business License Tax System (\$22,000), to the Office of Economic Development to reflect a funding shift for property leases from City-Wide Expenses to the departmental budget (\$18,000), increased costs for Police services at the Airport (\$2,000), and an increase to the Transfer to the City Hall Debt Service Fund for the General Fund's share of debt service payments (\$80,000).
- A net decrease of \$190,000 reflects further refinement of personnel data imported into the budgeting software used to forecast salaries and benefits, position and funding realignments to better align with work currently performed, and various other funding corrections/adjustments based on updated information
- A net decrease of \$67,000 to the Salaries and Benefits Reserve reflects an increase of \$775,000 for adjustments to salaries for employee competitiveness that was inadvertently left out of the February Forecast, offset by the following reductions: \$633,000 to reflect the revised assumed rate for health premium increases, \$200,000 to recognize estimated savings from the reduced workweek/furlough program, and \$8,000 to reflect revised amounts for management pay for performance and cost of living adjustment increases.

As summarized in Table III, the Administration's budget balancing strategy resolved a \$10.0 million (with the Development Fee Program Impact) General Fund shortfall and resulted in a balanced 2017-2018 General Fund Proposed Budget totaling \$1.2 billion.

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### PROPOSED BUDGET BALANCING STRATEGY

**Table III**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**General Fund Balancing Strategy (in \$000s)**

	2017-2018	Ongoing
<b>2017-2018 General Fund Shortfall</b>	<b>\$ (10,002)</b>	<b>\$ (10,002)</b>
<b>Balance Strategy</b>		
<b>Source of Funds</b>		
Beginning Fund Balance:		
Homeless Rapid Rehousing/Tiny Homes Rebudget	\$ 2,300	\$ 0
Cultural Facilities Capital Maintenance Reserve	1,975	0
Police Department Vacancy Savings	1,600	0
2017-2018 Future Deficit Reserve	1,419	0
Fire Station 37 Construction Rebudget	960	0
Other Rev./Expenditure Savings/Rebudgets/Reserve Liquidations	2,401	0
Grants/Reimbursements/Fees		
Development Fee Programs	9,647	9,796
PRNS Fees (e.g., HHPZ, Lake Cunningham Bike Park)	1,291	1,338
Senior Nutrition Program	1,597	0
Other Non-Development Licenses and Permits	1,315	1,299
Other Fee Programs/Reimbursements/Grants	1,349	315
Other Revenue		
PERS Levy Litigation Settlement	12,900	
Overhead Reimbursements/Transfers from Other Funds	2,544	1,116
<b>Subtotal Source of Funds</b>	<b>\$ 41,298</b>	<b>\$ 13,864</b>
<b>Use of Funds</b>		
2018-2019 Future Deficit Reserve	\$ 15,000	\$ 0
Development Fee Programs	9,430	9,203
Service Level Enhancements	6,845	1,561
2016-2017 One-Time Funded Services	6,523	535
Other Fee Programs/Grants/Reimbursements	4,978	2,458
Unmet/Deferred Technology, Infrastructure, and Maintenance	4,455	225
Earmarked Reserves (e.g., Essential Services, Air Service, etc.)	3,826	450
New Infrastructure/Equipment Operations and Maintenance	402	454
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(12,083)	(6,067)
Use of Reserves (e.g., Cultural Facilities, Committed Add., Def. Maint.)	(8,080)	(9,942)
<b>Subtotal Use of Funds</b>	<b>\$ 31,296</b>	<b>\$ (1,123)</b>
<b>Total Balancing Strategy</b>	<b>\$ 10,002</b>	<b>\$ 14,987</b>
<b>Remaining Balance</b>	<b>\$ 0</b>	<b>\$ 4,985</b>

## General Fund Balancing Strategy Detail

### 2017-2018 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 2017-2018, 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 \$1.132 billion, a net increase of \$41.3 million to the General Fund revenue estimates is recommended, bringing the 2017-2018 Proposed Budget revenue estimate to \$1.174 billion. The components of this increase include an increase to the estimate for 2016-2017 Ending Fund Balance/2017-2018 Beginning Fund Balance (\$10.7 million) and an increase to various revenue categories (\$30.6 million).

#### Beginning Fund Balance

- An increase of \$10.7 million from the Revised Forecast is included, bringing the estimated 2017-2018 Beginning Fund Balance from \$68.6 million to \$79.2 million to reflect the following:
  - Liquidation of various reserves totaling \$3.8 million, including the Cultural Facilities Capital Maintenance Reserve (\$1.975 million), 2017-2018 Future Deficit Reserve (\$1.4 million), and General Plan Update Reserve (\$375,000).
  - Additional anticipated fund balance of \$1.6 million generated from personal services savings that are projected in the Police Department due to vacancy savings.
  - Rebudget of funds for expenditure-related items in the amount of \$5.3 million that are not anticipated to occur until 2017-2018, including Homeless Rapid Rehousing/Tiny Homes (\$2.3 million), Fire Station 37 Reserve (\$960,000), Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure (\$610,000), Urban Area Security Initiative Grant – Police 2016/Dispatch Consoles (\$570,000), San José Environmental Sustainability Plan Implementation Staffing (\$306,030), Silicon Valley Talent Partnership (\$200,000), Historic Preservation (\$100,000), Mayor's Gang Prevention Task Force Clean Slate Program (\$100,000), Human Resources Non-Personal/Equipment – Workers' Compensation Claims contract (\$90,000), and Aquatics Program (\$50,000).

## General Fund Balancing Strategy Detail 2017-2018 Proposed Operating Budget

### PROPOSED BUDGET BALANCING STRATEGY

#### Source of Funds

##### Other Revenue

- A one-time increase of \$12.9 million due to the Successor Agency to the Redevelopment Agency prevailing in litigation against Santa Clara County (County) regarding the withholding of the PERS and Water District levies by the County. As a result, the litigation should allow for some repayment of City funds advanced to pay for certain Successor Agency enforceable obligations. The Proposed Budget includes the full funding of \$12.9 million as revenue to the General Fund, however, \$6.3 million is eligible to be returned to the General Purpose Parking Fund.
- A one-time increase of \$10,000 to reflect funding from the Youth Connections Foundation to support Viva CalleSJ, Viva Parks!, and Plaza de Cesar Chavez placemaking events.

##### Licenses and Permits

- An increase of \$4.0 million to the Building Development Fee Program fees (from \$28.5 million to \$32.5 million) to bring ongoing revenues and expenditures into closer alignment with less reliance on the Building Development Fee Program Reserve.
- An increase of \$1.1 million in the Fire Development Fee Program (from \$7.5 million to \$8.6 million) reflects fee changes included in the Proposed Budget to bring ongoing revenues and expenditures into closer alignment with less reliance on the Fire Development Fee Program Reserve.
- An increase of \$541,000 to adjust various Police Department permits to maintain cost recovery levels.
- An increase of \$364,000 in Fire non-development permits to support the addition of 1.0 Fire Prevention Inspector and maintain 100% cost recovery level.
- A net increase of \$410,000 for other changes to licenses and permits, including building code enforcement and other Code Enforcement Fee programs (\$420,000) and temporary street closures (-\$10,000).

##### Fees, Rates, and Charges

- An increase of \$4.5 million in the Planning Development Fee Program (\$3.2 million) and Public Works Development Fee Program (\$1.3 million) to bring ongoing revenues and expenditures into closer alignment with less reliance on the Development Fee Program Reserves.



## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### PROPOSED BUDGET BALANCING STRATEGY

##### Source of Funds

##### Fees, Rates, and Charges (Cont'd.)

- An increase of \$1.3 million to the Parks, Recreation and Neighborhood Services (PRNS) Departmental Charges aligns revenues with estimated activity levels. The increase primarily reflects a net increase of \$512,000 in the Fee Activity program revenues. Additional adjustments include: a \$571,000 increase in Happy Hollow Park and Zoo revenues due primarily to corporate rentals; a \$117,000 increase in Lake Cunningham Skate Park revenue, \$91,000 in field reservations revenue; and -\$5,000 for PRNS special events permits (as directed in the Mayor's March Budget Message for Fiscal Year 2017-2018).
- An increase of \$123,000 to the Transportation Department fees and charges to reflect various fee revisions.
- An increase of \$64,000 to the Police Department fees and charges to reflect various fee revisions and maintain cost recovery levels.

##### Transfers and Reimbursements

- A one-time transfer of \$350,000 from the Council District 4 Construction and Conveyance (C&C) Tax Fund (Fund 381) to pay the remaining debt owed for the Berryessa Community Center. In past years, the debt service payment was made directly from the C&C Tax Fund. However, the remaining debt of \$350,000 is now expected to be paid off from proceeds from the sale of the Hayes Mansion. This action will reimburse the General Fund for that payment.
- As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, the Proposed Budget includes one-time transfers totaling \$668,513 from the General Purpose Parking Fund for the Residential Parking Pilot Program (\$118,513), Business Permit Process Improvement Bootcamp (\$200,000), Storefront Activation (\$250,000), and Downtown Ice Rink Improvements (\$100,000).
- Elimination of a transfer from the Community Facilities Revenue Fund that was included in the 2017-2018 Forecast to reimburse the General Fund for finance staffing and insurance costs to support the Hayes Mansion (\$160,715). With the expected sale of the Hayes Mansion, this transfer will no longer be necessary.
- A net increase of \$1.7 million (\$1.3 million ongoing) in anticipated overhead reimbursements to reflect the impact of various budget actions in the 2017-2018 Budget that change the staffing levels funded by special funds and capital funds.

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### PROPOSED BUDGET BALANCING STRATEGY

##### Source of Funds

##### Revenue from Local Agencies

- A one-time increase of \$1.6 million to reflect the County's portion of the Senior Nutrition Program costs. This funding from the County of Santa Clara Department of Aging and Adult Services covers two-thirds of the total cost of the program and will be used to reimburse the City's vendor for the cost of the meals for seniors at all 13 senior nutrition sites from July 2017 to June 2018.
- A one-time increase of \$175,000 to reflect grant revenue from the Metropolitan Transportation Commission for urban village planning (\$150,000) and funding from Santa Clara County to support Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking events (\$25,000).

##### Revenue from State of California

- A one-time increase of \$528,000 to reflect grant funding from the Metropolitan Transportation Commission for urban village planning. The concept of urban villages was established in the Envision San José 2040 General Plan that was adopted in 2011. The policy intends to create a framework that directs sustainable job and housing growth within walkable and bike-friendly areas that have good access to transit and other infrastructure and facilities.
- A one-time increase of \$221,500 to reflect funding from the State of California to support Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking events.

##### Franchise Fees

- An increase of \$143,000 reflects an increase in the Commercial Solid Waste (CSW) fees by 1.26% based on the 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.

##### Fines, Forfeitures, and Penalties

- An increase of \$79,000 related to expansion of the Massage Parlor Permit and Regulation Program. As a result of increased regulation, additional fine revenue is anticipated in 2017-2018.

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### PROPOSED BUDGET BALANCING STRATEGY

##### Use of Funds

From the Revised Base Budget Forecast of \$1.14 billion, a net increase of \$31.3 million to the General Fund expenditures are recommended, bringing the 2017-2018 Proposed Budget Use of Funds estimate to \$1.17 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 \$6.8 million is included in the Proposed Budget for service level enhancements. The largest investments include funding for the Tiny Homes Project (\$2.3 million), Neighborhood Parks Maintenance (\$610,000), Placemaking and Parks Activation (\$494,000), Cybersecurity Office (\$478,000); Japantown Creative Center for the Arts Transportation Improvements (\$400,000), and Greenhouse Gas Reduction Strategy Update (\$375,000). San José Regional Transportation Hub Project (\$375,000), Storefront Activation Grant Program (\$250,000), and 2017 Flood – Building Permit and Inspection Fee Waivers (\$200,000). 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 \$4.5 million is included in the Proposed Budget for the City's most urgent repair needs, including the following larger expenditures: Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure (\$1.1 million); City Hall Network Operations Center Switch Board Replacement (\$500,000); improvements to Hammer Theatre Center (\$475,000); Police Administration Building Chiller and Boiler Replacement (\$400,000); Mexican Heritage Plaza HVAC (\$400,000); City Hall Audio/Visual Upgrade (\$375,000); and repairs and replacements at the African American Community Center (\$350,000).

##### ***2016-2017 One-Time Funded Services***

Funding was included to continue services that were funded on a one-time basis in the 2016-2017 Adopted Budget. This includes funding for San José Works : Youth Jobs Initiative (\$1.5 million), San José Learns (\$1.0 million), the Police Department Downtown Foot Patrol Program (\$500,000); Police Department recruitment efforts (\$325,000), Sports Authority (\$375,000), Workers' Compensation Program Temporary Staffing (\$331,000) Office of Emergency Services Disaster Preparedness (\$265,000), the Office of Immigrant Affairs (\$250,000), Talent Recruitment Initiative (\$200,000), BeautifySJ Grants (\$180,000), and other programs (\$1.1 million).

## General Fund Balancing Strategy Detail 2017-2018 Proposed Operating Budget

### PROPOSED BUDGET BALANCING STRATEGY

#### Use of Funds

##### *Earmarked Reserves*

One-time Earmarked Reserves, totaling \$3.8 million, is included in the Proposed Budget. This includes funding for the following: Essential Services Reserve (\$2.0 million); Air Service Incentive Program Reserve (\$1.2 million); Cultural Facilities Capital Reserve (\$450,000); Project Hope Pilot Program Reserve (\$108,000); and Cinequest Film and Virtual Reality Festival Reserve (\$50,000).

##### *2018-2019 Future Deficit Reserve*

This action establishes the 2018-2019 Future Deficit Reserve of \$15.0 million. The 2018-2022 General Fund Forecast projected an ongoing \$34.8 million shortfall for 2018-2019. This reserve is recommended to be set aside to help address a portion of this shortfall.

##### *Development Fee Programs*

The Proposed Budget includes approximately 10 positions and \$9.4 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 total \$5.0 million are offset by revenue from fees and include services provided by Parks, Recreation and Neighborhood Services (\$1.1 million), code enforcement provided by the Planning, Building, Code Enforcement and Neighborhood Services Department (\$370,000), and fire prevention services provided by the Fire Department (\$281,000). Programs offset by grants and other reimbursements include the Senior Nutrition Program (\$1.6 million), the Urban Area Security Initiative Grant – Police 2016 (\$565,000), Urban Village Staffing (\$475,000), and San José Environmental Sustainability Plan Implementation Staffing (\$306,000).

##### *New Infrastructure/Equipment Operations and Maintenance*

The Proposed Budget includes \$402,000 to operate and maintain new parks and recreation facilities (\$347,000) and new transportation infrastructure (\$59,000).

## General Fund Balancing Strategy Detail

### 2017-2018 Proposed Operating Budget

#### PROPOSED BUDGET BALANCING STRATEGY


##### Use of Funds

##### Use of Reserves

The Proposed Budget includes the elimination of the Cultural Facilities Capital Maintenance Reserve (\$6,847,000) as a source of ongoing funding for a variety of City services. Other reserves established in the February Forecast include a reserve to cover additional costs to operate and maintain new technology or facilities that are scheduled to become operational in 2017-2018 (\$433,000), and a reserve to fund critical capital maintenance or address urgent technology (\$800,000).

##### Cost Reductions/Service Delivery Efficiencies/Fund Shifts

Savings in this category (\$12.1 million) primarily include shifting Homeless Rapid Rehousing funding from the General Fund to the Multi-Source Housing Fund (\$4.0 million); postponing the addition of 41.0 sworn police officers to June 2019 (\$3.8 million); the elimination of the transfers to the Community Facilities Revenue Fund (\$3.5 million) and a reduction in the transfer to the Municipal Golf Course Fund (\$2.1 million); the elimination of one fire fighter recruit academy (\$1.1 million); a transfer from the General Fund to the Communications Construction and Conveyance Tax Fund to acquire dispatch consoles needed for the Silicon Valley Regional Communications System (\$1.9 million), and a reallocation of an earmarked reserve from the General Fund to the Fire Construction and Conveyance Tax Fund for the future construction of Fire Station 37 (\$960,000).



**2017-2018**

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**OPERATING BUDGET**

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

## Status of Mayor and City Council Referrals

### 2017-2018 Proposed Operating Budget

The Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council on March 28, 2017, contains policy direction and a framework of priorities for the City Manager to use in the development of the Proposed Operating and Capital Budgets. The complete Message can be found in the Appendix section of this document. The table below provides a summary of the central framework provided to the City Manager as direction to prepare proposals for the City Council's budget deliberations in May and to formulate the 2017-2018 Proposed Budget.

<b>Referral</b>	<b>Resolution</b>
Submit a balanced budget for Fiscal Year 2017-2018 that is guided by the policy direction and framework of priorities outlined in the Mayor's March Budget Message.	The 2017-2018 Proposed Operating Budget incorporates this direction.
Rock Springs Flood Protection – Further analyze the “Coyote Creek at Rock Springs Flood Protection Project - Problem Definition and Conceptual Alternatives Report” and coordinate with the Santa Clara Valley Water District (SCVWD) and with potential partners, such as the San José Conservation Corps for flood protection improvements at Rock Springs.	At the joint meeting with the SCVWD Board on April 28 <sup>th</sup> , the City Council adopted a resolution to develop a joint Severe Storm Emergency Action Plan and conduct joint tabletop exercises prior to a subsequent joint meeting in December 2017. SCVWD will analyze potential short-term Coyote Creek flood risk reduction actions by summer 2017 and coordinate with the City to implement prior to winter 2017-2018 storms.
Improved Flood Warning – Work with the Mayor's Office to launch an “Unleash Your Geek” challenge, or alternatively, to explore an effort with the Silicon Valley Talent Partnership, to enable better predictive tools that will trigger warnings for our residents.	The Administration will work with the Mayor's Office to either launch an “Unleash Your Geek challenge or explore an effort with the Silicon Valley Talent Partnership to enable better predictive tools that will trigger warnings for our residents. The 2017-2018 Proposed Operating Budget does include one-time funding of \$50,000 to support Silicon Valley Talent Partnership projects. More detail on this action is provided in the City-Wide Expenses section for the Strategic Support City Service Area (CSA).
Emergency Preparedness Training – Offer Community Emergency Response Team (CERT) training to residents. Analyze and coordinate with San José Fire Fighters, Local 230 the feasibility of San José fire fighters offering CERT instruction, and include modest one-time expenses in the budget. In addition, develop a Manager's Budget Addendum outlining current efforts,	In coordination with Local 230, the Administration will analyze the feasibility of San José fire fighters offering CERT training. The 2017-2018 Proposed Operating Budget includes one-time funding of \$130,000 to expand CERT training. More detail on this action is provided in the City Departments/Council Appointees section for the Fire Department. A Manager's Budget Addendum will be released later in the

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

including recommendations for expansion of the Community Emergency Response Team, and seek grant funding for these efforts in collaboration with the Mayor's Office of Strategic Partnerships.

Emergency Communication and Mass Warning – Prioritize the purchase of any Office of Emergency Services one-time necessary investments for emergency communication and warning. Update the Council on the progress of prior direction regarding the purchase and deployment of a portable mass siren/speaker system, and assess the feasibility of connecting every fire station to high-speed fiber internet.

Emergency First-Responder Notification – Update the City's emergency call-back procedures, including communications and deployment.

Emergency Preparedness and First Responders – Increase rescue boat capability and additional training for more fire fighters in flood-prone areas, and seek funding opportunities from external partners, including FEMA, the County, and SCVWD.

### Resolution

budget process to respond to the remaining direction.

The 2017-2018 Proposed Operating Budget includes one-time funding of \$265,000 to support Office of Emergency Services and Emergency Operations Center disaster preparedness efforts and planning, including a Crisis Communications Plan. More detail on this action is provided in the City Departments/Council Appointees section for the Fire Department. An informational memorandum was issued on May 2, 2017 to update the City Council on the feasibility of connecting fire stations to high-speed internet and creating public wireless access; providing medical supplies at all fire stations; cost for emergency medical supplies; and grant opportunities to pay for such supplies. Another informational memorandum will be issued regarding the status of the purchase and deployment of a portable mass siren/speaker system.

The Fire Department will update the City's emergency call-back procedures, including communications and deployment

The 2018-2022 Proposed Capital Improvement Program includes one-time funding of \$179,000 for six rescue boats and water rescue equipment. More detail on this action is provided in the Public Safety Capital Improvement Program section. The Fire Department's ongoing Base Budget overtime allocation will be used to provide additional rescue training for firefighters in flood-prone areas. Additional funding opportunities will also be pursued.



## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

Equipping Patrol Cars – Allocate \$40,000 in one-time funding to equip 50 San José Police Department patrol cars to match similar commitments from the County of Santa Clara and the Health Trust, and to further seek additional matching funds to expand Automated External Defibrillator (AED) access.

Emergency Medical Services Resources – Explore one-time funding for more resources and analytical staff to best enable the San José Fire Department to identify and advocate for the most promising emergency medical services delivery model.

Helping Residents Get Back on Their Feet – Immediately deploy City personnel and culturally-competent non-profit partners – with Vietnamese and Spanish-speaking staff – to inform families who experienced flood damage of the availability of very low interest loans for the replacement of personal belongings and structural repairs, and to help them apply for these loans.

Rebuilding our Community – Partner with the Mayor's Office of Strategic Partnerships to seek external funding to help low income home owners with free repairs and report back to Council in fall 2017.

Community Resiliency – Work with partners, such as FEMA, ABAG, the County, and private partners to identify resources, in partnership with the Mayor's Office of Strategic Partnerships, to develop a San Jose Community Resiliency Plan. Report to the Public Safety, Finance, and Strategic Support Committee in fall 2017 with a status update.

### Resolution

The 2017-2018 Proposed Operating Budget adds one-time funding of \$40,000 to equip 50 patrol cars. More detail on this action is provided in the City Departments/Council Appointees section for the Police Department. Additional matching fund opportunities will also be pursued.

The 2017-2018 Proposed Operating Budget adds one-time non-personal/equipment funding of \$150,000 for Emergency Medical Services (EMS) analytical support. More detail on this action is provided in the City Departments/Council Appointees section for the Fire Department.

Within the 60 day-window after the Governor formally issued a disaster declaration for San José, the Administration and non-profit partners notified affected residents of the availability of the very low interest loans through a variety of communication mechanisms, including in-person, phone calls, community meetings, and the media. City office space was also provided to the Small Business Administration and English, Spanish, and Vietnamese speakers were available.

The Administration will collaborate with the Mayor's Office of Strategic Partnerships and report to the City Council in fall 2017 on progress toward identifying external funding sources to assist low income home owners with free repairs.

A status update on development of the Community Resiliency Plan will be provided to the Public Safety, Finance, and Strategic Support Committee in fall 2017.

## Status of Mayor and City Council Referrals

### 2017-2018 Proposed Operating Budget

#### **Referral**

City Damages and Costs – Prioritize the use of Capital Funds, to the extent possible, in the reconstruction efforts of bridges, parks, public buildings, and streets damaged by flooding.

Street Pavement Maintenance – Allocate the portion of the Construction Excise Tax that exceeded revenue targets this year to street maintenance and explore accelerating future one-time Federal allocations through the One Bay Area Grant program for pavement maintenance to Fiscal Year 2018-2019, allowing the City to sustain the \$50 million funding level for a second year.

Residential Parking Pilot Program – Continue the addition of one Associate Transportation Specialist position funded by the General Purpose Parking Fund in the Department of Transportation for 2017-2018.

#### **Resolution**

The 2018-2022 Proposed Capital Improvement Program incorporates this prioritization of repair projects in response to damage caused by flooding during winter 2016-2017. The 2017-2018 Proposed Operating Budget also includes one-time funding to add 1.0 Program Manager I to coordinate flood-related parks capital projects. In addition, a Manager’s Budget Addendum will be released later in the budget process to address funding strategies for four larger scale flood-related parks capital projects.

The 2018-2022 Proposed Capital Improvement Program includes additional Construction Excise Tax funding of \$22 million that was above previous forecasted amounts for both 2016-2017 and 2017-2018 and has allocated that funding to the pavement maintenance budget for 2017-2018, bringing the total to \$71.1 million for pavement maintenance in 2017-2018 (this total includes several other funding sources). Additional Construction Excise Tax funding of \$4 million above the previous forecast levels combined with the one-time Federal pavement maintenance allocation through the One Bay Area Grant program, has been also budgeted in 2018-2019, bringing total pavement maintenance funding for that year to \$71.5 million. The remaining forecast years include pavement maintenance funding at \$51.3 million in 2019-2020, \$50.2 million in 2020-2021, and \$50.2 million in 2021-2022. More detail on pavement maintenance is provided in the Traffic Capital Improvement Program section.

The 2017-2018 Proposed Operating Budget includes one-time funding from the General Purpose Parking Fund to continue 1.0 Associate Transportation Specialist through June 2018. More detail on this action is provided in the City Departments/Council Appointees section for the Department of Transportation.

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

Refinancing – Prioritize refinancing of outstanding lease revenue bonds and General Obligation bonds, which will create additional General Fund savings.

Filling Vacancies Within Our Budget – If significant progress is not made toward the Talent Recruitment Initiative goal of hiring 300 employees by April 2017, immediately bring forward any policy and structural changes to remedy the problem of filling vacant positions. In addition, prioritize the hiring of vacant positions before recommending new General Fund funded positions in the 2017-2018 Proposed Budget.

Business Permit Process Improvement Bootcamp – Allocate \$200,000 from the General Purpose Parking Fund to develop a process-improvement bootcamp that provides immediate and continuous process improvements utilizing best practices from Denver’s PEAK Academy and other design-thinking approaches. In addition, update the Smart Cities and Service Improvements Committee in May 2017 during the “Development Services Process Improvements” item, with specific targets for quantifiable process improvements, with a particular focus on reducing delay. Prioritize filling Planning, Building and Code Enforcement vacancies in those positions that serve small business customers for such needs as tenant improvements and permits.

### Resolution

The Administration will continue to actively pursue and prioritize refinancing opportunities that provide additional revenue or create additional savings to the General Fund.

The Talent Recruitment Initiative Pilot Program is underway. If significant progress is not made toward filling vacant positions, policy and/or structural changes will be brought forward as appropriate. All departmental vacancies were analyzed prior to consideration of requests for new positions. In addition, positions that are recommended to be added in the 2017-2018 Proposed Budget contain various effective dates based on current planned recruitments for existing vacant positions.

The 2017-2018 Proposed Operating Budget includes one-time funding of \$200,000 from the General Purpose Parking Fund to develop a process-improvement bootcamp. More detail on this action is provided in the City Departments/Council Appointees section for the Planning, Building and Code Enforcement Department. Targets for the process improvements will be provided to the Smart Cities and Service Improvements Committee in May 2017 during the “Development Services Process Improvements” item. Vacant positions in the Planning, Building and Code Enforcement that serve small business customers will be prioritized for filling.

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

Storefront Activation – Allocate \$250,000 one-time funding from the General Purpose Parking Fund to the SJ Storefronts Initiative. Given the source of funding, the City Manager should prioritize those businesses operating in business districts that generate parking fund revenues, but eligibility should remain open to businesses citywide.

SJ Promise – Allocate \$150,000 in one-time funding to SJ Promise.

Office of Immigrant Affairs – Make the previously one-time allocation of \$250,000 annual funding ongoing for the Office of Immigrant Affairs.

City's Sustainability Plan – Utilize funding from the “Step Up, and Power Down” award to fund initial staffing and implementation costs. Aggressively pursue other funding sources to minimize General Fund obligations for San José Environmental Sustainability Plan (ESP) implementation.

Preventing Family Homelessness – Rebudget \$750,000 of Homeless Rapid Rehousing unspent funds to work with Destination: Home and the County Office of Supportive Housing on a pilot program to expand families’ ability to become quickly connected to homeless prevention services, streamline service delivery, and measure the collective impact of homelessness prevention.

### Resolution

The 2017-2018 Proposed Operating Budget includes one-time funding of \$250,000 from the General Purpose Parking Fund to launch a new Storefront Activation Grant Program. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA.

The 2017-2018 Proposed Operating Budget includes one-time funding of \$150,000 for San José Promise. More detail on this action is provided in the City-Wide Expenses section for the Neighborhood Services CSA.

The 2017-2018 Proposed Operating Budget includes ongoing funding of \$250,000 for the Office of Immigrant Affairs. More detail on this action is provided in the City Departments/Council Appointees section for the Office of the City Manager.

The 2017-2018 Proposed Operating Budget includes ongoing funding of \$306,000 to add additional staff and resources to develop and implement the San José Environmental Sustainability Plan (ESP). More detail on this action is provided in the City Departments/Council Appointees section for the Environmental Services Department.

During its April 11, 2017 meeting, the City Council approved a Grant Agreement with Destination: Home that includes Homeless Rapid Rehousing funding of \$750,000 for a 27-month pilot program with the goals of implementing a countywide homelessness prevention system and preventing all instances of family homelessness.

## Status of Mayor and City Council Referrals

### 2017-2018 Proposed Operating Budget

#### Referral

Ending Veteran Homelessness – Allocate one-time funding for Destination: Home as the coordinator for the “All the Way Home” campaign for a second year.

AB 2176 Implementation - Tiny Homes – Accelerate work with Council Offices and the Neighborhoods Commission on site identification and community outreach meetings, and with the private sector in the visioning, design, and construction of these unique structures, allocating savings from the 2016-2017 Housing Department budget for the design and implementation of the project.

City Housing Authority Judgement Directed to Rapid Rehousing to Close Gap – For both 2017-2018 and 2018-2019, allocate \$4 million each year from the City Housing Authority fund to the City, thereby alleviating the General Fund of this expenditure.

Gang Intervention and Clean Slate – Allocate \$100,000 from the 2016-2017 San Jose BEST Reserve for the Clean Slate Tattoo Removal Program, which will leverage another \$100,000 from the County and another \$100,000 from the Valley Medical Foundation for the purchase of new laser tattoo-removing equipment.

Cinequest – Allocate \$100,000 from the Transient Occupancy Tax Cultural Facilities Reserve towards a grant over a two-year period (\$50,000 in 2017-2018 and \$50,000 in 2018-2019). Return to Council before June 2017 with an analysis of the necessary rehabilitation of the aging, City-owned

#### Resolution

During its April 11, 2017 meeting, the City Council approved a Grant Agreement with Destination: Home that includes funding of \$300,000 to support a Director of Employment Strategies over a two-year period and general operating support for Destination: Home.

The 2017-2018 Proposed Operating Budget rebudgets \$2.3 million in savings from the Homeless Rapid Rehousing appropriation for design and implementation of the Tiny Homes project. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA.

The 2017-2018 Proposed Operating Budget shifts Homeless Rapid Rehousing funding of \$4.0 million from the General Fund to the Multi-Source Housing Fund for two years. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA.

The 2017-2018 Proposed Operating Budget rebudgets \$100,000 from the Mayor’s Gang Prevention Task Force (MGPTF) Reserve in the San José BEST appropriation to the Clean Slate/Tattoo Removal Program for tattoo removal equipment. More detail on this action is provided in the City-Wide Expenses section for the Neighborhood Services CSA.

The 2017-2018 Proposed Operating Budget provides one-time funding of \$50,000 in 2017-2018 and establishes an earmarked reserve of \$50,000 for use in 2018-2019 from the Transient Occupancy Tax Cultural Facilities Reserve to support the Cinequest Film and Virtual Reality Festival (CQFF). More detail on this action is

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

Camera 3 facility, and to prepare an estimated cost and schedule, utilizing funds in the Transient Occupancy Tax Cultural Facilities Reserve. In addition, implement capital improvements in Camera 3 to make that facility commercially viable and attractive within this calendar year.

Japantown Creative Center for the Arts – Allocate one-time funding from the Transient Occupancy Tax Cultural Facilities Reserve to fund nearby street improvements, and to enable SV Creates to be able to truthfully tell prospective philanthropic investors that their dollars will not be diverted to needs beyond the Creative Center for the Arts' construction.

Downtown Ice Rink Improvements – Allocate \$100,000 in one-time funding from the General Purpose Parking Fund for repairs and upgrades of the Downtown Ice Rink.

Easy Urbanism – Seek external funding to eliminate or ease permit requirements, and report to the Community and Economic Development Committee in fall 2017 with a status update and initial recommendations for public space activation citywide.

### Resolution

provided in the City-Wide Expenses section for the Community and Economic Development CSA. The Public Works Department will provide an analysis of the rehabilitation of the aging, City-owned Camera 3 facility and prepare an estimated cost and schedule for the project as part of a Manager's Budget Addendum that will be released later in the budget process.

The 2017-2018 Proposed Operating Budget includes one-time funding of \$400,000 from the Transient Occupancy Tax Cultural Facilities Reserve to reimburse the developer for transportation improvements required for the Japantown Creative Center for the Arts. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA.

The 2017-2018 Proposed Operating Budget includes one-time funding of \$100,000 from the General Purpose Parking Fund to address capital repairs and upgrades to the Downtown Ice Rink to keep the event viable and attractive. More detail on this action is provided in the General Fund Capital, Transfers, Reserves section.

The Administration has formed an inter-departmental Easy Urbanism and Placemaking Committee aimed at fostering the activation of public spaces by the City and its partners. Among the strategies is to reduce barriers to activation, which include some permit regulations and City costs. The Administration will report to the Community and Economic Development Committee in May 2017 and fall 2017 on its efforts.

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

Unlimited Free Junk Pick-Up – Commence an unlimited free junk pick-up service by the fall of 2017 as part of efforts to continue to reduce illegal dumping, and include a simplified scheduling and request process in English, Spanish, and Vietnamese.

Trash Cans – Negotiate amendments to the City’s hauler contracts to add 500 more routinely-serviced trash cans along public streets, especially along heavily traveled pedestrian corridors, parks, and litter “hot spots.” Further, explore options for requiring additional trash cans for businesses with a high volume of “take-out” service when those establishments submit permits for expanded or new locations in the City.

Smartphone Reporting App – Incorporate user-experience testing into the “My San José” app to ensure that the app interface is user-friendly on iOS, MSDN, and Android platforms.

Volunteers & Anti-Litter Program – Prioritize hiring the volunteer coordinator for Volunteer San José in Parks Recreation Neighborhood Services, funded but never filled in last year’s 2016-2017 budget, to boost the City’s clean-up efforts.

### Resolution

The 2017-2018 Proposed Operating Budget provides ongoing funding of \$450,000 (\$900,000 ongoing) to allow unlimited three-item junk pick-up collections for Single-Family Dwellings, beginning January 1, 2018. The scheduling and request process will be simplified and available in English, Spanish, and Vietnamese. More detail on this action is provided in City Departments/Council Appointees section for the Environmental Services Department.

In March 2017, City Council directed staff to negotiate new agreements with the residential haulers and report back in September 2017. This effort will include exploring augmenting public litter can service. A Request for Bids for new litter cans was issued by Finance/Purchasing at the end of April 2017 for 2017-2018 with four one-year optional renewals. Planning, Building, and Code Enforcement is researching options to incorporate recommendations related to additional litter cans on private property as part of the permitting process and will return with recommendations to the Transportation and Environment Committee in September 2017.

The Information Technology Department is incorporating user experience testing into application development.

The Parks, Recreation and Neighborhood Services Department is actively recruiting for the Volunteer Coordinator position.

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### Referral

Volunteer Activation and “Service Credits” – Develop a “service credit” program where neighborhood and school groups can volunteer in parks, community centers, and litter pick-up events, in exchange for a “service credit” that allows groups free or reduced fees for community-building events at parks, community centers and street closure permits for block parties.

Freeway Clean-up – Report back to the Transportation & Environment Committee and the full Council regarding the status of recent funding changes for litter clean-up and other agency partnerships, with clear metrics to assess progress toward a cleaner San José.

Tree-Planting in Median Islands, Park Strips, and Gateways – Allocate one-time funding of \$200,000 to Our City Forest to support BeautifySJ, over a two-year period.

BeautifySJ Days – Continue funding for neighborhood-led Beautification Days – “BeautifySJ Days” – at current levels.

Beautify SJ Grants – Streamline the application process for Community Action and Pride (CAP) grants, recast the program as the “Beautify SJ” grant program, modify grant guidelines so that neighborhoods can utilize the funds on beautification projects on the public right of way, and in public locations, such as parks, and increase the per-neighborhood allotment from \$1,500 to \$5,000. In addition, allocate \$200,000 in one-time funding, in addition to the ongoing allocation of \$100,000 already included in the

### Resolution

The 2017-2018 Proposed Operating Budget reduces estimated revenue from Special Event Permit Fees by \$5,000 for the “Service Credit” Program. More detail on this action is provided in City Departments/Council Appointees section for the Parks, Recreation, and Neighborhood Services Department.

The Administration will report to the Transportation & Environment Committee in the fall of 2017 regarding the status of recent funding changes, agency partnerships, and proposed metrics.

The liquidation of a General Fund Earmarked Reserve for Urban Forestry Services in the amount of \$200,000 will be brought forward in 2016-2017 for Our City Forest to support BeautifySJ.

The 2017-2018 Proposed Operating Budget continues funding of \$180,000 for neighborhood-led BeautifySJ Days for each of the City’s ten Council Districts. More detail on this action is provided in City Departments/Council Appointees section for the Environmental Services Department.

The 2017-2018 Proposed Operating Budget includes one-time funding of \$200,000 to provide additional beatification and community-building efforts in neighborhoods, and increases the per-neighborhood allotment from \$1,500 to \$5,000 per grant. More detail on this action is provided in the City-Wide Expenses section for the Neighborhood Services CSA.



## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

Referral	Resolution
base budget for yearly programming for CAP grants.	
Leveraging the Energy of Volunteers – Schedule a status update on efforts to streamline volunteer management for the April 2017 Neighborhood Services and Education Committee meeting, and cross reference to City Council.	A status update on the response to the City Auditor’s report on “The City’s Use and Coordination of Volunteers: Volunteer Programs Provide Significant Benefits to the Residents of San José” was provided to the Neighborhood Services and Education Committee during its April 13, 2017 meeting.
Future Deficit Reserve – Establish a 2018-2019 Future Deficit Reserve and allocate one-time funding to help fill the \$34.8 million deficit forecast for 2018-2019 in the Proposed Budget or through a Manager's Budget Addendum.	The 2017-2018 Proposed Operating Budget establishes a 2018-2019 Future Deficit Reserve of \$15.0 million with one-time funding.
Police Staffing Operations Reserve – Eliminate the Police Staffing Operations Reserve.	The 2017-2018 Proposed Operating Budget eliminates the Police Department Staffing/Operations Reserve of \$2.0 million beginning in 2018-2019.
Manufacturing Job Initiative – Should Council approve San José Clean Energy (Community Choice Aggregation), develop policy options for Council consideration to spur economic development.	The Administration is currently evaluating the viability of a potential community choice aggregation program for the City of San Jose, currently referred to as San Jose Clean Energy (SJCE). A draft business plan for SJCE was published on February 2017 and is available for review. The Administration is scheduled to return to the City Council with recommendations on this item in May 2017.
Convention Center Facilities District – Develop a strategy to expand the existing Convention Center Facilities District to include new hotels, and if legally feasible, development agreements with Convention Center Facilities District-supporting clauses should precede the issuance of permits for any additional hotels.	In partnership with Team San Jose, the Administration will develop a strategy to expand the existing Convention Center Facilities District (CCFD) to include new hotels and, if feasible, development agreements with CCFD-supporting clauses in advance of permit issuance. Team San Jose is underway in engaging existing hotels and the Administration will develop a strategy for new hotels by fall 2017.

## Status of Mayor and City Council Referrals 2017-2018 Proposed Operating Budget

### **Referral**


Essential Services Reserve – 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— as well as Participatory Budgeting Pilot Programs—may be funded with the use of these one-time funds.

Budget Balancing Strategy Guidelines – Use the 2017-2018 Budget Balancing Strategy Guidelines as detailed in Appendix C of the Mayor’s March Budget Message to develop a balanced budget for the next fiscal year.

### **Resolution**

The 2017-2018 Proposed Operating Budget establishes an Essential Services Reserve totaling \$2.0 million.

The 2017-2018 Proposed Operating Budget incorporates this direction.



**2017-2018**

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**OPERATING BUDGET**

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

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

There are audit recommendations that are incorporated into actions included in the 2017-2018 Proposed Budget. The table below provides a summary of those audit recommendations. While this report focuses on audit recommendations with budget actions in 2017-2018, there are numerous outstanding audit recommendations with financial implications that are not being implemented as part of the 2017-2018 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
Environmental Services	Environmental Services: A Department at a Critical Juncture – The Administration should consider recommending that the City Council amend the public art ordinance to eliminate the public art requirement for certain ratepayer-funded capital projects, including those related to underground utilities or the wastewater treatment process. (Issued 8/08/2012, #21)	The 2018-2022 Proposed Capital Improvement Program assumes the exemption of capital improvement projects at the Regional Wastewater Facility (RWF) from the one percent (1%) public art assessment of the capital improvement budget for construction projects. Action on this proposed exemption is anticipated as part of the May 9, 2017 City Council meeting. More detail on this action can be found in the Water Pollution Control Capital Program section of 2017-2018 Proposed Capital Improvement Program.

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Finance	<p>Consulting Agreements: Better Enforcement of Procurement Rules, Monitoring, and Transparency is Needed –</p> <ul style="list-style-type: none"> <li>- The City Manager’s Office should revisit the role of the Finance Department with respect to consultant procurements, evaluating whether its current level of involvement and resources are adequate.</li> <li>- To lessen the burden on City staff while fostering improved competition in consultant procurements, the Finance Department should include in its annual procurement training simplified procurement processes for smaller consulting contract procurements while encouraging full and open competition, and define when these simplified processes can be used.</li> </ul> <p>(Issued 6/12/2013, #5, #7)</p>	<p>The 2017-2018 Proposed Operating Budget adds ongoing funding to acquire and maintain Request for Proposal (RFP) software to guide City departments in creating successful RFPs and streamline current processes. More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Finance Department.</p>
Housing	<p>The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords -</p> <ul style="list-style-type: none"> <li>- To ensure enforcement of the Apartment Rent Ordinance, the Housing Department’s staffing plan should consider the need for dedicated staffing in the City Attorney’s Office.</li> </ul> <p>(Issued 11/30/2016, #2)</p>	<p>The 2017-2018 Proposed Operating Budget adds ongoing fee-supported funding for 1.0 Senior Deputy City Attorney position to provide staffing to assist on legal issues relating to rental rights, including issues relating to the new Tenant Protection, Ellis Act and Mobilehome ordinances. More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Office of the City Attorney.</p>

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Housing	<p>The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords -</p> <ul style="list-style-type: none"> <li>- To improve communication and outreach, the Housing Department should:               <ul style="list-style-type: none"> <li>a) Adopt a targeted approach to tenants and landlords,</li> <li>b) Improve language accessibility,</li> <li>c) Improve its lobby space,</li> <li>d) Improve websites, and,</li> <li>e) Expand its online offerings including an on-line look-up tool, and the ability to file petitions online.</li> </ul> </li> <li>- To fulfill increasing demand for services, the Housing Department's staffing plan should consider the additional staff required for coordinating hearings, referrals for dispute resolution and advice, investigation and enforcement activities, and improving outreach.</li> </ul> <p>(Issued 11/30/2016, #3, #4)</p>	<p>The 2017-2018 Proposed Operating Budget adds fee-supported funding for 1.0 Information Systems Analyst and realigns staffing to provide 1.0 Senior Analyst within the Rental Rights and Referral Program to administer the Modified Apartment Rent Ordinance. The Senior Analyst will develop communications materials in multiple languages and oversee daily interactions with owners and tenants. More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Housing Department.</p>

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Technology Deployments: Additional Resources Needed to Shorten Deployment Timelines – The Administration should establish a continuous replacement program for the City’s key technology systems by:</p> <p>a) Clearly defining a continuous replacement program that outlines the City’s key technology systems, the end of these systems’ support/useful life, the estimated cost for upgrade/replacement (if possible), etc. The program should give a clear picture of the risks the City faces by not upgrading these systems, and should be incorporated in the Status Report on Deferred Maintenance and Infrastructure Backlog;</p> <p>b) Identifying and prioritizing for budget consideration an annual base level of funding required to continuously replace existing technology systems (in addition to the current process for identifying one-time funding for new technology projects); and</p> <p>c) Given the City’s limited resources, the CIO should determine which enterprise technology projects in the program should be prioritized based on risk, and establish a cross-departmental committee to advise on additional cross-departmental technology needs with a focus on the efficient deployment of resources to deliver the Citywide technology vision.</p> <p>(Issued 03/10/2016, #1)</p>	<p>The 2017-2018 Proposed Operating Budget adds funding to replace a portion of the City’s server and storage infrastructure, including ongoing funding for replacements. This action partially implements audit recommendations a) and b) consistent with the outlined methodology in recommendation c). More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Information Technology Department.</p>

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Technology Deployments: Additional Resources Needed to Shorten Deployment Timelines –</p> <ul style="list-style-type: none"> <li>- The Administration should prepare written project concept and communications plans for each of its upcoming major technology deployments. This document should include: project purpose, approach, necessary resources, risks and impacts of the project, and estimated timelines for each stage of the project.</li> <li>- The Administration should ensure sufficient technical resources, allocate adequate technology staff from IT and individual departments, and include these resource commitments in project concept plans.</li> </ul> <p>(Issued 03/10/2016, #3, #7)</p>	<p>The 2017-2018 Proposed Operating Budget realigns Information Technology Department staffing to dedicate 2.0 Information Systems Analysts (Product-Project Managers) to create a Portfolio and Project Management Office (PPMO) to ensure that critical City technology projects are managed and implemented within required time, cost, scope, and customer satisfaction targets. This staffing realignment for professional project and product management allows the City to address project initiation rigor and resolve these audit recommendations. More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Information Technology Department.</p>



## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Technology Deployments: Additional Resources Needed to Shorten Deployment Timelines –</p> <ul style="list-style-type: none"> <li>- For major technology projects, require appointment of a qualified (preferably 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.</li> <li>- Given the continuous need to replace technology systems, the Administration should hire qualified, permanent project management staff and train departmental staff in project management skills to develop in-house knowledge.</li> </ul> <p>(Issued 03/10/2016, #4, #6)</p>	<p>The 2017-2018 Proposed Operating Budget realigns Information Technology Department staffing to dedicate 2.0 Information Systems Analysts (Product-Project Managers) to create a Portfolio and Project Management Office (PPMO) to ensure that critical City technology projects are managed and implemented within required time, cost, scope, and customer satisfaction targets. This staffing realignment allows the City to resolve these audit recommendations, though capacity will be limited to a small number of key projects. More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Information Technology Department.</p>

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Customer Call Handling: Resident Access to City Services Needs to be Modernized and Improved –</p> <ul style="list-style-type: none"> <li>- To improve access to City services and to reduce the City’s telephone call handling costs, the Administration should develop a coordinated strategy to               <ul style="list-style-type: none"> <li>a. Offer new self-service options for the City’s most frequently used services by phone, online, and/or by mobile app, and</li> <li>b. Establish utilization targets for new and existing self-service options, and advertise them accordingly.</li> </ul> </li> </ul> <p>(Issued 08/14/2014, #2)</p>	<p>The 2017-2018 Proposed Operating Budget adds one-time funding for the Customer Relationship Management (CRM) solution. Implementation of CRM this year, as well as the additional funding for support of the solution, will allow the ability to add new self-service options. If successful, the CRM solution will reveal where service demands outstrip the City’s ability to respond, allowing for review and resolution of utilization targets. More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Information Technology Department.</p>


## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Customer Call Handling: Resident Access to City Services Needs to be Modernized and Improved –</p> <ul style="list-style-type: none"> <li>- The Administration should coordinate development of an online knowledge base that enables call takers in various departments to provide accurate information to customers and minimize the number of times that a customer's call needs to be transferred.</li> <li>- The IT Department should work with other departments to set up automated data transfer between online service requests (web forms and mobile apps) and existing departmental work order systems. In addition, the Administration should review whether different service request systems could benefit from integration and CRM implementation.</li> </ul> <p>(Issued 08/14/2014, #11, #12)</p>	<p>The 2017-2018 Proposed Operating Budget adds one-time funding for the Customer Relationship Management (CRM) solution. Implementation of CRM addresses these audit recommendations for the City's top-five service priorities. CRM support and limited feature additions will allow further integration with departmental systems, and maintain and grow the knowledgebase for both staff and public uses. In addition, the 2017-2018 Proposed Operating Budget addresses staffing for professional in-house project and product management, providing specialties to develop the City's methodologies and practices to achieve a high project success rate. More detail on these actions can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Information Technology Department.</p>

## Status of City Auditor Recommendations With Funding Impact 2017-2018 Proposed Operating Budget

Department	Item	Remarks
Information Technology	<p>Graffiti Abatement: Implementing a Coordinated Approach –</p> <ul style="list-style-type: none"> <li>- We recommend that PRNS work to streamline service requests so that they are entered directly into the work order system (and thus bypass PRNS staff) by:               <ul style="list-style-type: none"> <li>a) Promoting the smartphone app and the contractor’s hotline as the primary ways to report graffiti for all of San José, including City Councilmembers;</li> <li>b) Implement the contractor’s online reporting form; and</li> <li>c) Allowing the contractor to reassume entering hotline calls directly into the work order system.</li> </ul> </li> </ul> <p>(Issued 06/13/2013, #15)</p>	<p>The 2017-2018 Proposed Operating Budget adds one-time funding for the Customer Relationship Management (CRM) solution. The implementation of CRM, development of interfaces, and funding for staff support in the Portfolio and Project Management Office will resolve audit recommendations a) and b). More detail on this action can be found in the City Departments/Council Appointees section of the 2017-2018 Proposed Operating Budget for the Information Technology Department.</p>

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**2017-2018**

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**OPERATING BUDGET**

COMMUNITY PROFILE

COMMUNITY  
PROFILE

# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

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### SAN JOSE AT A GLANCE

#### STRATEGIC LOCATION

Situated between the Diablo and Santa Cruz mountain ranges, San José encompasses approximately 181 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.<sup>1</sup> 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 temperature averages varying from 50 degrees in January to 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; 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.



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<sup>1</sup> State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2015 and 2016. (Released May 2016)

# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

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### 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, San José residents 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 associated with the technology industry, the city's business profile is diverse and healthy. San José is



# CITY OF SAN JOSE 2017-2018 PROPOSED OPERATING BUDGET

## SAN JOSE AT A GLANCE

### ECONOMIC DIVERSITY

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 60 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 11.2 million passengers annually, with 14 major passenger airlines operating service to 32 domestic and eight international destinations.
- The Santa Clara Valley Transportation Authority (VTA) carried a total of 42.9 million passenger trips in 2016 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 62,000. 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 late 2017 to Berryessa Station in San José.

# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

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### 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

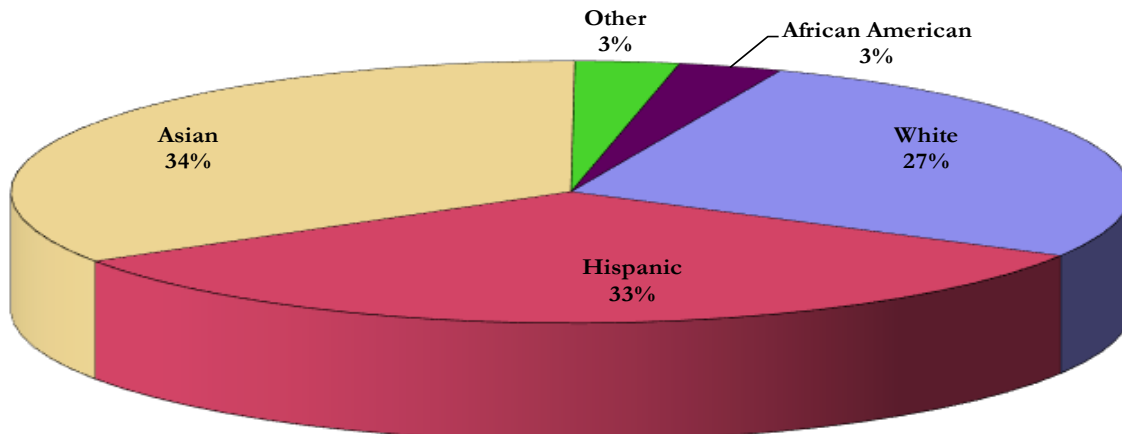
#### GENERAL DATA

Population <sup>2</sup>	1,042,094
Registered Voters	444,625
Median Household Income	\$91,451
Miles of Streets	2,434
Miles of Alleys	2
Area of City (square miles)	180.6
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)



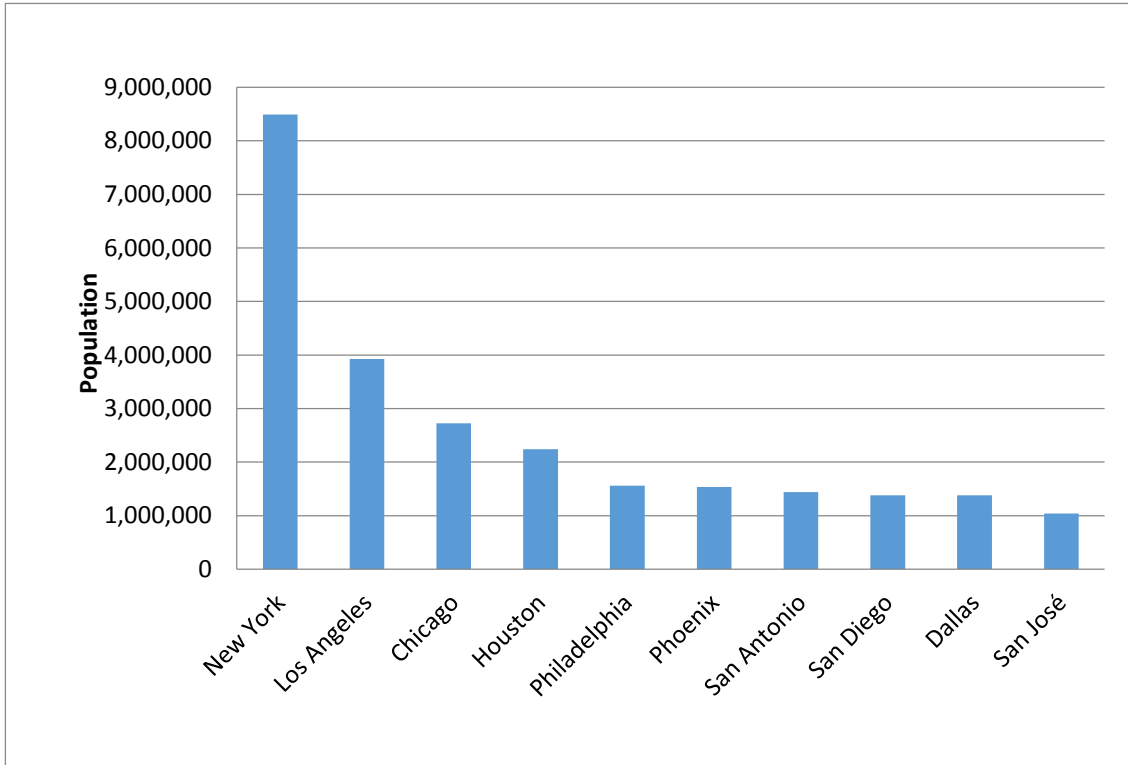
<sup>2</sup> State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2015 and 2016. (Released May 1, 2016).

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  


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**SAN JOSE AT A GLANCE**

**POPULATION OF 10 LARGEST U.S. CITIES**



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

**MAJOR EMPLOYERS**

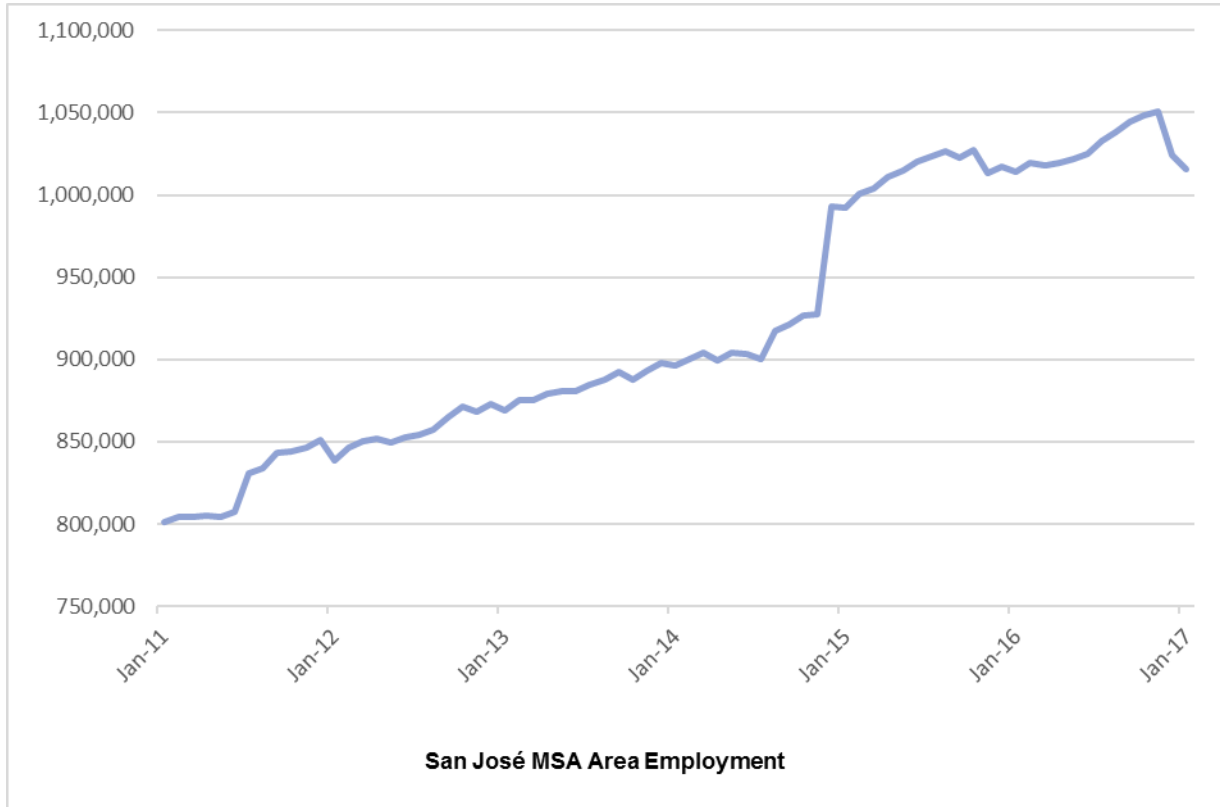
<u>Company</u>	<u>Number of Employees</u>
Santa Clara County	17,800
Cisco Systems	14,000
City of San José*	6,159
Paypal, Inc.	3,000
Western Digital/HGST	3,000
eBay	3,000
IBM Corporation	2,750
Kaiser Permanente	2,500
Adobe Systems Inc.	2,200
Insight Global	1,950
Good Samaritan Health System	1,950
Brocade Communication	1,750
Cadence Design Systems Inc.	1,700
Super Micro	1,700
Regional Medical Center	1,600

Source: City of San José, Office of Economic Development

\* 2016-2017 Adopted Operating Budget

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET  
SAN JOSE AT A GLANCE**

**CITY OF SAN JOSE EMPLOYMENT**



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

**ANNUAL UNEMPLOYMENT RATES\*\***

<b>Unemployment Rates***</b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
San José MSA	10.0%	8.6%	7.0%	5.3%	4.5%	3.4%	3.6%
State	11.7%	10.5%	8.9%	7.5%	6.7%	5.0%	5.2%
National	8.9%	8.1%	7.4%	6.2%	5.6%	4.5%	4.9%

\*\* Average annual rates based on monthly employment statistics; 2017 reflects February data

\*\*\* Unadjusted unemployment rates

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

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SAN JOSE AT A GLANCE**

**AIRPORT\***

Size	1,050	Approx. Acres
Terminals	2	
Runways	3	
Hours of Operation	24	
Flights in 2016-2017 (estimated):		
Commercial Airline Operations	104,377	
Cargo Commercial Airlines Operations	1,654	
General Aviation	34,105	
Military Flights	279	
Landings per Day in 2016-2017 (estimated):		
Commercial	143	
General Aviation	47	
Number of Passengers in 2016-2017 (estimated):	11.2	Million
Public Parking Spaces:		
Hourly Parking	2,130	
Daily Parking	1,360	
Economy Parking	1,670	
Services:		
Passenger Airlines	14	
All-Cargo Airlines	2	
General Aviation Based Aircraft	137	



**ENVIRONMENT AND UTILITIES\***

Miles of Municipal Sewer Mains		2,030
Number of Water Pollution Control Plants <sup>3</sup>		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 Million
Gallons of Wastewater Treated Per Day		101 Million
Number of Municipal Water Systems <sup>4</sup>		1
Water Services in Municipal Water Service Area		26,700
Miles of Water Mains		345
Gallons of Potable Municipal Water Delivered		5.2 Billion
Gallons of Recycled Municipal Water Delivered		1.3 Billion
2016-2017 Recycled Materials:		
Tons of Paper	53,691	
Tons of Glass	18,907	
Tons of Cardboard	12,031	
Tons of Metals	4,082	
Tons of Plastics	7,179	
Tons of Other Materials	<u>472</u>	
Total Tons of Recyclables	96,363	



\* Current Counts or 2016-2017 Year-End Estimates

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

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

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SAN JOSE AT A GLANCE**

**ENVIRONMENT AND UTILITIES\***

2016-2017 Recycled Materials:

Multi-Family Dwelling Tons Composted	59,880
Single-Family Dwelling Tons Composted	56,581
Tons of Yard Trimmings	129,136
Tons of Used Motor Oil	226
Tons of Used Oil Filters	22

**FIRE\***

Fire Stations	33
Companies	43
Squad Units	3
Equipment	
Engines:	
Front Line	33
Relief	12
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	55,000
Fire Safety Code Inspections	17,000
Fires	2,300



**LIBRARIES\***

Number of Outlets:	
Main Library	1
Branches	23
Items Checked Out (Circulation)	9,228,155
Electronic Resources Checked Out (Circulation)	627,183
Books (Inventory)	1,847,186
Audio Visual Materials (Inventory)	367,615



**PARKING\***

Parking Meters	2,413
Parking Lots (967 total spaces)	6
Parking Garages (6,162 total spaces)	8

\* Current Counts or 2016-2017 Year-End Estimates

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  


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**SAN JOSE AT A GLANCE**

**PARKS, RECREATION AND NEIGHBORHOOD SERVICES\***

Park Sites**	200
Basketball Hoops	156
Bocce Ball Courts	18
Exercise Courses	35
Handball Courts	7
Horseshoe Pits	29
Lawn Bowling Greens	13
Volleyball Courts	12
Skate Parks	7
Multi-Use Fields	100
Swimming Pools	6
Tennis Courts	94
Park Acreage**	3,503
Playgrounds**	267
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)	60
Total Participation in Recreation Programs at Community Centers	763,077
Total Participation in Recreation Programs at Re-Use Centers	16,000



**POLICE\***

Police Stations	1
Police Marked Vehicles	300
Motorcycles	52
Horses	3
Dogs	12
Aircraft:	
Helicopter	1
Fixed Wing	1
Number of Emergency Calls Received	565,000
Number of Non-Emergency Calls Received	382,000
Cases Assigned Per Year	23,000



\* Current Counts or 2016-2017 Year-End Estimates  
 \*\* Data represents City services (excludes school data)

# CITY OF SAN JOSE 2017-2018 PROPOSED OPERATING BUDGET

## ROSTER OF ELECTED OFFICIALS

CITY COUNCIL	DISTRICT	TELEPHONE	E-MAIL
<b>Sam Liccardo</b>	<b>Mayor</b>	<b>535-4800</b>	<b><a href="mailto:mayoremail@sanjoseca.gov">mayoremail@sanjoseca.gov</a></b>
Chappie Jones	1	535-4901	<a href="mailto:district1@sanjoseca.gov">district1@sanjoseca.gov</a>
Sergio Jimenez	2	535-4902	<a href="mailto:district2@sanjoseca.gov">district2@sanjoseca.gov</a>
Raul Peralez	3	535-4903	<a href="mailto:district3@sanjoseca.gov">district3@sanjoseca.gov</a>
Lan Diep	4	535-4904	<a href="mailto:district4@sanjoseca.gov">district4@sanjoseca.gov</a>
Magdalena Carrasco	5	535-4905	<a href="mailto:district5@sanjoseca.gov">district5@sanjoseca.gov</a>
Dev Davis	6	535-4906	<a href="mailto:district6@sanjoseca.gov">district6@sanjoseca.gov</a>
Tam Nguyen	7	535-4907	<a href="mailto:district7@sanjoseca.gov">district7@sanjoseca.gov</a>
Sylvia Arenas	8	535-4908	<a href="mailto:district8@sanjoseca.gov">district8@sanjoseca.gov</a>
Donald Rocha	9	535-4909	<a href="mailto:district9@sanjoseca.gov">district9@sanjoseca.gov</a>
Johnny Khamis	10	535-4910	<a href="mailto:district10@sanjoseca.gov">district10@sanjoseca.gov</a>



### CITY COUNCIL MEETINGS

- Every Tuesday at 1:30 p.m. in the Council Chambers.
- Evening meetings at 6:00 p.m. in addition to the afternoon meeting twice 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

## 2017-2018 PROPOSED OPERATING BUDGET

### STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

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

#### 2010s Initiatives

**Measure E**, Opportunity to Work, a citizen initiative measure, amended the San José Municipal Code to require employers to offer additional work hours to existing qualified part-time employees before hiring new employees, including sub-contractors and use of temporary staffing services. The requirement to offer additional work hours does not apply where the existing qualified part-time employees would be paid overtime or other premium rate under any law or collective bargaining agreement. Measure E was approved by the voters in November 2016.

**Measure F**, Alternative Pension Reform Act, was placed on the ballot by the City Council. It amended the San José City Charter to change employee retirement contributions and benefits, and retiree healthcare benefits. This measure superseded the Measure B modifications approved by the voters in 2012 and included the following components: retirement benefits for Tier 2 members were improved to levels similar to other Bay Area agencies and the costs of the benefit will be shared 50/50 between the City and employees; the defined benefit retiree healthcare plan was closed to new members; Tier 1 employees who return after leaving the City will be Tier 1 employees; the pre-Measure B definition of disability was reinstated; an independent medical panel will be created to determine eligibility for disability retirements; the elimination of the Supplemental Retiree Benefit Reserve will continue and it will be replaced with a Guaranteed Purchasing Power benefit to protect retirees against inflation; both the City and employees will be required to make the full annual required plan contributions calculated by the applicable retirement board; voter approval is required for any future enhancements to defined

retirement benefits; and retroactive benefit enhancements are prohibited. Measure F was passed by the voters in November 2016.

**Measure G**, Business Tax Modernization, was placed on the ballot by the City Council. It enacted an ordinance to revise San José's 1986 Business Tax. Effective July 1, 2017, the revised ordinance 1) increases the minimum base tax from \$150 to \$195; 2) requires payment of the minimum base tax by all businesses; 3) sets graduated rates for businesses with more employees paying higher rates and residential and commercial landlords paying more per unit, lot, and square feet of leased space; 4) requires water companies to pay \$1 per San José meter connection; and 5) raises the annual caps on the maximum amount of tax payable to \$150,000. Where a business owes the tax based on both its number of employees and leased number of units, lots, or square feet, the business is required to pay the higher of the two calculations. The revised ordinance also provides for an annual adjustment for inflation based on a consumer price index beginning on July 1, 2018, subject to specified limits. Measure G was approved by the voters in November 2016.

**Measure B**, Local Sales Tax, enacted a ¼ percent sales tax in San José beginning October 1, 2016 for 15 years to fund essential City services such as: improving public safety (e.g., additional police officers to improve emergency response times, reduce violent and non-violent crimes, increase neighborhood patrols, and increase fire resources to improve fire and emergency medical response times); maintaining and repairing major streets (e.g., increase pavement maintenance funding for major streets to significantly slow the incidence of pothole formation and general pavement deterioration); and increasing neighborhood services (e.g., additional resources for reducing homelessness, increasing youth and senior services, and other high priority neighborhood services such as

# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

### STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

blight eradication and gang prevention). Measure B was passed by the voters in June 2016.

**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 follows two prior voter approved measures to support library services. 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 Cost of Living Adjustments 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, or 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 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

## 2017-2018 PROPOSED OPERATING BUDGET

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### STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

**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 State 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

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**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 5.0% 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 25<sup>th</sup> 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 State 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 and became effective in 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, police stations, and training facilities and creating state-of-the-art 9-1-1 communications facilities. Measure O was passed by the voters in 2002.

**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**STATE AND LOCAL LEGISLATIVE HIGHLIGHTS**

**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**

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**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 state-wide 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**

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**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**

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**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.

**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

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**STATE AND LOCAL LEGISLATIVE HIGHLIGHTS**

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**

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**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.

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**2017-2018**

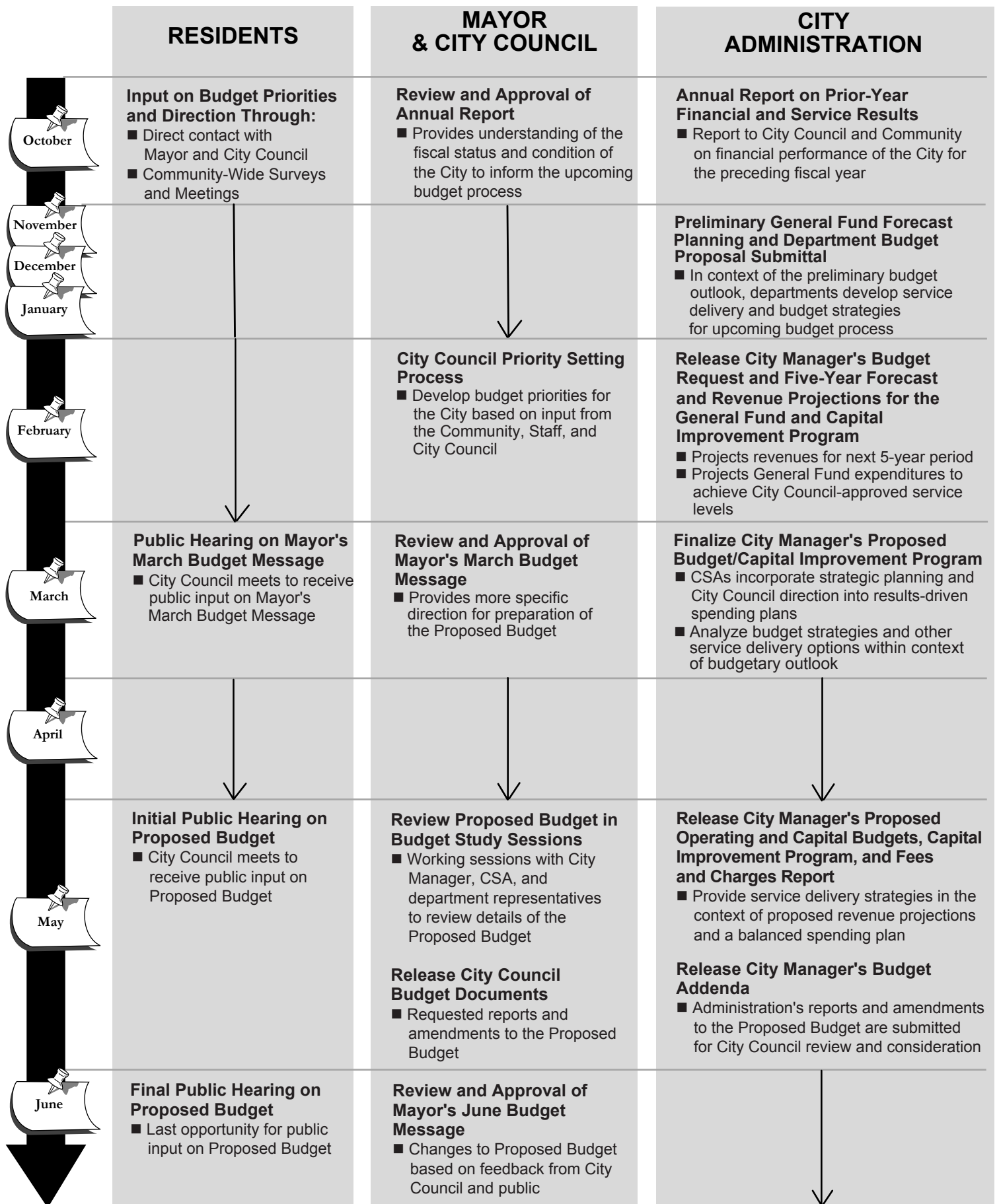
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**OPERATING BUDGET**

**BUDGET  
GUIDE**

**BUDGET GUIDE**

# CITY OF SAN JOSE ANNUAL BUDGET PROCESS



**Final City Council Budget Adoption**



**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**CITY ORGANIZATION BY CITY SERVICE AREA**

**Community and Economic Development**

**Economic Development**  
 Arts and Cultural Development  
 Business Development and Economic Strategy  
 Real Estate Services  
 Regional Workforce Development

**Fire**  
 Fire Safety Code Compliance

**Housing**  
 Affordable Housing Portfolio Management  
 Affordable Housing Production and Preservation  
 Homelessness Interventions and Solutions  
 Neighborhood Capital Investment and Housing Services  
 Rent Stabilization and Tenant Protection

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

**Public Works**  
 Regulate/Facilitate Private Development

**Environmental and Utility Services**

**Environmental Services**  
 Potable Water Delivery  
 Recycled Water Management  
 Recycling and Garbage Services  
 Stormwater Management  
 Sustainability and Environmental Health  
 Wastewater Management

**Transportation**  
 Sanitary Sewer Maintenance  
 Storm Sewer Maintenance

**Neighborhood Services**

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

**Parks, Recreation and Neighborhood Services**  
 Community Facilities Development  
 Parks Maintenance and Operations  
 Recreation and Community Services

**Planning, Building and Code Enforcement**  
 Code Enforcement

**Public Works**  
 Animal Care and Services

**Public Safety**

**Fire**  
 City-Wide Emergency Management  
 Fire Department 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 and Patrol Support

**Transportation and Aviation Services**

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

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

**Strategic Support**

<p><b>Finance</b>                  Disbursements                  Financial Reporting                  Purchasing and Risk Management                  Revenue Management                  Treasury Management</p> <p><b>Human Resources</b>                  Employee Benefits                  Employment Services                  Health and Safety                  Training and Development</p>	<p><b>Information Technology</b>                  Customer Contact Center                  Enterprise Technology Systems and Solutions                  Information Technology Infrastructure</p> <p><b>Public Works</b>                  Facilities Management                  Fleet and Equipment Services                  Plan, Design, and Construct Public Facilities and Infrastructure</p>
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**Mayor, City Council, and Appointees**

<p><b>Mayor and City Council</b>                  City Council                  Council General                  Office of the Mayor</p> <p><b>City Attorney</b>                  Legal Services</p> <p><b>City Auditor</b>                  Audit Services</p>	<p><b>City Clerk</b>                  City Clerk Services</p> <p><b>City Manager</b>                  Lead and Manage the Organization</p> <p><b>Retirement Services</b>                  Retirement Plan Administration</p>
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**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**CITY ORGANIZATION BY DEPARTMENT/  
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

<b>Airport</b>
<b>Transportation and Aviation Services CSA</b> <b>Airport Business Development</b> Airport Business Development <b>Airport Facilities</b> Airport Facilities Administration Airport Facilities Parking and Roadways Maintenance Airside Maintenance Airport Terminals Maintenance <b>Airport Operations</b> Airport Parking and Roadways Operations Airside Operations Operations Administration Terminals Operations <b>Airport Planning and Capital Development</b> Airport Planning and Capital Development <b>Strategic Support*</b>

<b>City Manager</b>
<b>Strategic Support CSA</b> <b>Lead and Manage the Organization</b> Agenda Services Budget Civic Innovation Communications Employee Relations Executive Leadership/City Management Intergovernmental Relations <b>Strategic Support*</b>

<b>City Attorney</b>
<b>Strategic Support CSA</b> <b>Legal Services</b> Legal Representation Legal Transactions <b>Strategic Support*</b>

<b>Economic Development</b>
<b>Community and Economic Development CSA</b> <b>Arts and Cultural Development</b> Arts and Cultural Development Administration Cultural Grants Cultural Facilities Operations and Maintenance Outdoor Events Public Art/Placemaking <b>Business Development and Economic Strategy</b> Business Outreach and Assistance Downtown Management Economic Policy Analysis/Communications <b>Real Estate Services</b> City Lease Administration City Property Acquisition and Sales <b>Regional Workforce Development</b> Workforce Board Support and Administration Workforce Development Services <b>Strategic Support*</b>

<b>City Auditor</b>
<b>Strategic Support CSA</b> <b>Audit Services</b> Performance Audits <b>Strategic Support*</b>

<b>City Clerk</b>
<b>Strategic Support CSA</b> <b>City Clerk Services</b> Facilitate the City's Legislative Process <b>Strategic Support*</b>

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**CITY ORGANIZATION BY DEPARTMENT/  
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

Environmental Services
<b>Environmental and Utility Services CSA</b>
<b>Potable Water Delivery</b>
Municipal Water System Operations and Maintenance
Municipal Water System Planning and Capital Project Delivery
<b>Recycled Water Management</b>
South Bay Water Recycling Operations and Maintenance
South Bay Water Recycling Planning and Capital Project Delivery
<b>Recycling and Garbage Services</b>
Civic/Other Solid Waste Collection Services
Commercial Solid Waste Collection Services
Recycling and Garbage Services Administration
Residential Solid Waste Collection Services
<b>Stormwater Management</b>
Stormwater Administration
Stormwater Enforcement
Stormwater Policy and Compliance
<b>Sustainability and Environmental Health</b>
Environmental Compliance and Safety
Policy, Legislative Advocacy and Education
<b>Wastewater Management</b>
Facility Land Use and Planning
Laboratory Services
Pretreatment
Regulatory Compliance and Safety
San José-Santa Clara Treatment Plant Capital Project Delivery
San José-Santa Clara Treatment Plant Operations and Maintenance
<b>Strategic Support*</b>

Finance
<b>Strategic Support CSA</b>
<b>Disbursements</b>
Accounts Payable
Payroll
<b>Financial Reporting</b>
General Accounting
Special Accounting
<b>Purchasing and Risk Management</b>
Purchasing
Risk Management
<b>Revenue Management</b>
Accounts Receivable
Business Tax
Revenue Audit and Compliance
Utility Billing System
<b>Treasury Management</b>
Banking Management
Cashiering and Payment Processing
Debt Management
Investment Management
<b>Strategic Support*</b>

Fire
<b>Public Safety CSA</b>
<b>City-Wide Emergency Management</b>
Emergency Preparedness and Planning
Emergency Response and Recovery
<b>Fire Department Emergency Response</b>
Fire and Emergency Medical Services Dispatch
Fire and Emergency Medical Services Response
Fire Stations/Apparatus Operations and Maintenance
Fire Sworn Training
Special Operations Airport Rescue & Fire Firefighting
Special Operations - Hazardous Incident Team
Special Operations - Urban Search and Rescue
<b>Fire Prevention</b>
Fire Cause Investigation
Fire Safety Education, Review, and Inspections
Strategic Support*
<b>Community and Economic Development CSA</b>
<b>Fire Safety Code Compliance</b>
Fire Development Services
<b>Strategic Support*</b>

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**CITY ORGANIZATION BY DEPARTMENT/  
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

**Housing**

**Community and Economic Development CSA**  
**Affordable Housing Portfolio Management**  
 Loan Collections  
 Loan Compliance  
 Property Maintenance and Inspection  
 Rent and Tenant Eligibility  
**Affordable Housing Production and Preservation**  
 Affordable Housing Development Loans  
 Affordable Housing Impact Fees  
 Homeownership Opportunities  
 Inclusionary Housing  
 Rehabilitation Loans and Grants  
**Homelessness Interventions and Solutions**  
 Homeless Outreach and Case Management  
 Interim Supportive Housing Development  
 Joint Encampment Response Team  
 Local and Regional Coordination/Policy Development to  
 End Homelessness  
 Tenant Based Rental Assistance and Rapid Rehousing  
**Neighborhood Capital Investment and Housing Services**  
 Community Development Block Grant -  
 Infrastructure Investments  
 Neighborhood Stabilization  
 Non-Profit Service Grants to Support Housing and  
 Community Development Needs  
 Place-Based Neighborhood Strategy  
**Rent Stabilization and Tenant Protection**  
 Apartment Rent Ordinance Administration  
 Housing Anti-Retaliation and Protection  
 Mobile Home Rent Ordinance Administration  
**Strategic Support\***

**Human Resources**

**Strategic Support CSA**  
**Employee Benefits**  
 Deferred Compensation  
 Dental Benefits  
 Medical Benefits  
 Other Benefits  
**Employment Services**  
 Classification Services  
 Recruiting/Hiring  
**Health and Safety**  
 Employee Health Services  
 Employee Safety  
 Workers' Compensation Administration  
**Training and Development**  
 Employee Training and Development  
**Strategic Support\***

**Independent Police Auditor**

**Strategic Support CSA**  
**Independent Police Oversight**  
 Oversight of Police Misconduct Complaints and Public  
 Outreach  
**Strategic Support\***

**Information Technology**

**Strategic Support CSA**  
**Customer Contact Center**  
 Customer Contact Center  
**Enterprise Technology Systems and Solutions**  
 Enterprise Business Applications Administration  
 Technical Business Analysis  
 Technology Applications Development  
 Technology Database Administration  
**Information Technology Infrastructure**  
 City-Wide Telecommunications Administration  
 Customer Care  
 Desktop/Virtual Desktop Infrastructure  
 Enterprise Servers and Storage Administration  
 Information Security  
 Open Data  
 Voice and Data Network Infrastructure  
**Strategic Support\***

**Library**

**Neighborhood Services CSA**  
**Access to Information, Library Materials, and Digital  
 Resources**  
 Access and Borrower Services  
 Electronic Resources Implementations and Maintenance  
 Library Facilities and Security  
 Main Library Operations  
 Materials Acquisitions and Processing  
**Literacy and Learning, Formal and Lifelong Self-  
 Directed**  
 Education  
 Early Education and Family Learning  
 Partners in Reading/Adult Literacy  
**Strategic Support\***

**Mayor and City Council**

**Strategic Support CSA**  
 City Council  
 Council General  
 Office of the Mayor

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**CITY ORGANIZATION BY DEPARTMENT/  
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

**Parks, Recreation and Neighborhood Services**

**Neighborhood Services CSA**

**Community Facilities Development**

- Major Capital Improvement Projects Management
- Minor Parks Capital Improvement Projects

**Parks Maintenance and Operations**

- Family Camp
- Happy Hollow Park & Zoo
- Municipal Golf Courses
- Neighborhood Parks and Regional Parks
- Park Rangers
- Parks Administration
- Sports Fields Maintenance & Reservations
- Volunteer, Adopt a Park, and Community Gardens

**Recreation and Community Services**

- Anti-Graffiti & Anti-Litter
- Aquatics
- Community Center Operations
- Park Activation/Placemaking
- PRNS Re-Use
- RCS Administration
- Senior Services
- Youth Gang Prevention and Intervention
- Youth Services

**Strategic Support\***

**Planning, Building and Code Enforcement**

**Community and Economic Development CSA**

**Development Plan Review and Building Construction**

- Building Development Services
- Development Services Administration
- Planning Development Services

**Long Range Land Use Planning**

- Long Range Planning
- Planning Administration
- Planning Environmental Review and Historic Preservation

**Strategic Support\***

**Neighborhood Services CSA**

**Code Enforcement**

- Code Enforcement Administration
- Community Code Enforcement
- Multiple Housing Code Enforcement
- Solid Waste Enforcement

**Strategic Support\***

**Police**

**Public Safety CSA**

**Crime Prevention and Community Education**

- Crime Prevention
- Police Athletic League
- School Liaison/Truancy Abatement
- School Safety

**Investigative Services**

- Assaults
- Court Liaison
- Crime Analysis
- Family Violence
- Financial Crimes/Burglary
- Gang Investigations
- Homicide/Crime Scene
- Internal Affairs
- Investigations Administration
- Juvenile/Missing Persons
- Robbery
- Sexual Assaults
- Special Investigations

**Regulatory Services**

- Gaming
- Medical Marijuana
- Permits

**Respond to Calls for Service and Patrol Support**

- 9-1-1 Call Taking & Police Dispatch
- Airport Division
- Air Support
- Downtown Services
- Field Operations Administration
- Field Patrol
- Metro
- Reserves/Volunteers
- Special Operations
- Traffic Enforcement
- Violent Crimes Enforcement

**Strategic Support\***

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**CITY ORGANIZATION BY DEPARTMENT/  
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

Public Works
<b>Neighborhood Services CSA</b>
<b>Animal Care and Services</b>
Animal Licensing and Customer Services
Animal Services Field Operations
<b>Strategic Support*</b>
<b>Community and Economic Development CSA</b>
<b>Regulate/Facilitate Private Development</b>
Public Works Development Services
<b>Strategic Support*</b>
<b>Strategic Support CSA</b>
<b>Facilities Management</b>
City Facilities Repairs and Minor Capital Improvements
Energy and Water Conservation
Facility Maintenance and Operations - City Hall
Facility Maintenance and Operations - Non City Hall
<b>Fleet and Equipment Services</b>
Fleet Maintenance and Operations
Fleet Replacement
Radio Communication
<b>Plan, Design, and Construct Public Facilities and Infrastructure</b>
City Facilities Architectural Services and Capital Project Administration
City Facilities Engineering and Inspection Services
Transportation and Storm Sewer Capital
<b>Strategic Support*</b>

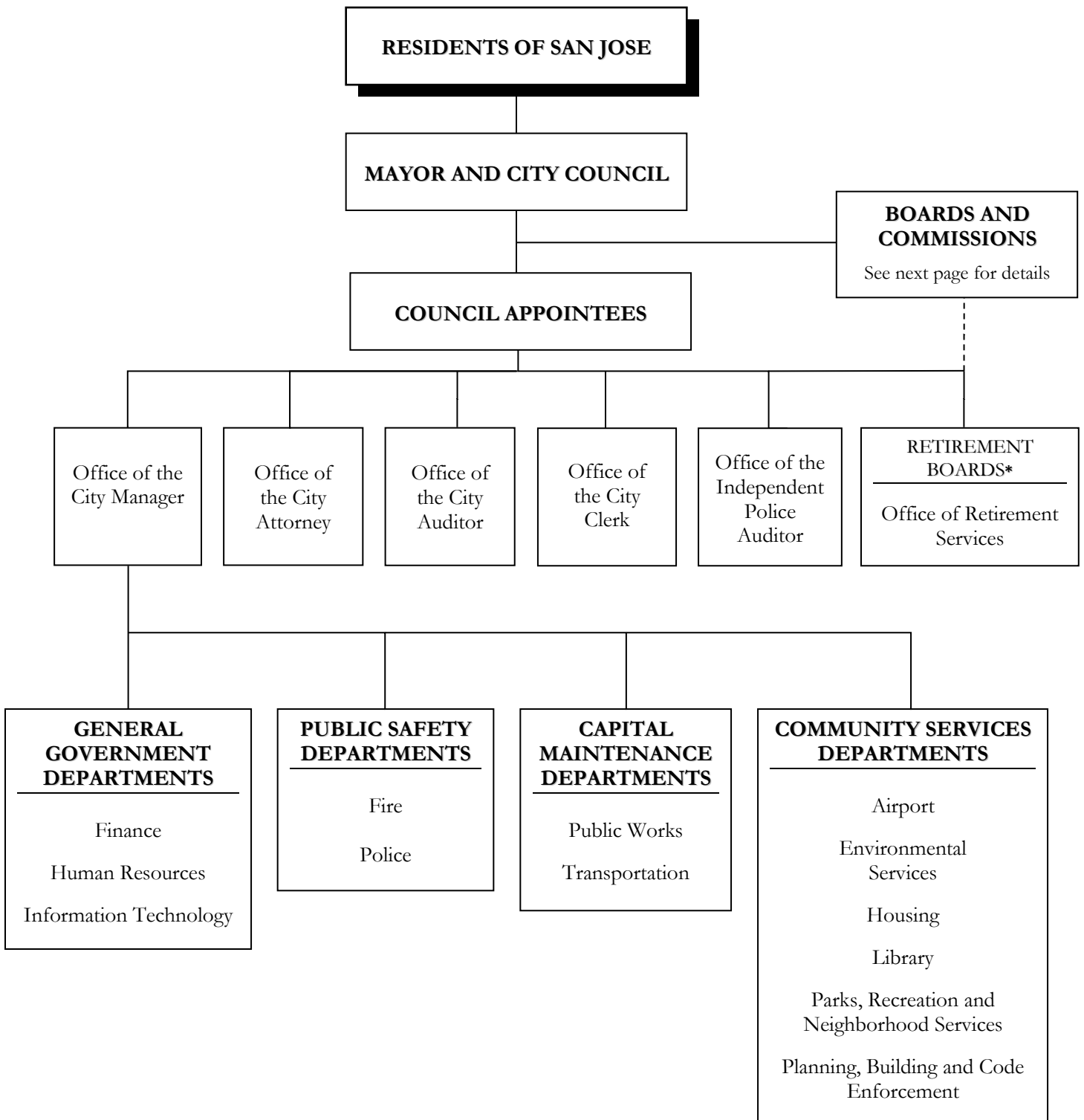
Retirement Services
<b>Strategic Support CSA</b>
<b>Retirement Plan Administration</b>
Benefits
Investments
<b>Strategic Support*</b>

Transportation
<b>Transportation and Aviation Services CSA</b>
<b>Parking Services</b>
Off-Street Parking
On-Street Downtown Operations
On-Street Parking
<b>Pavement Maintenance</b>
Corrective Pavement Repair
Pavement Maintenance Administration and Capital Project Delivery
<b>Street Landscape Maintenance</b>
Special District Landscape Services
Streetscape Services
<b>Traffic Maintenance</b>
Traffic Signal Maintenance
Traffic Signs and Markings Maintenance
Traffic Streetlights Maintenance
<b>Transportation Planning and Project Delivery</b>
Transportation Capital Project Delivery
Transportation Multi-Modal Alternatives
Transportation Planning and Policy
<b>Transportation Safety and Operations</b>
Neighborhood Traffic
Traffic Safety
Traffic Signals and Systems Management
<b>Strategic Support*</b>
<b>Environmental and Utility Services CSA</b>
<b>Sanitary Sewer Maintenance</b>
Sanitary Sewer System Maintenance
<b>Storm Sewer Maintenance</b>
Storm Sewer Operation and Maintenance
Street Sweeping
<b>Strategic Support*</b>

<i>Strategic Support*</i>
<b>General Categories:</b>
<b>Strategic Support</b>
Management and Administration
Financial Management
Information Technology
Human Resources
<b>Strategic Support – Other</b>
Capital
Gifts
Other Departmental – City-Wide
Other Departmental – Grants
Other Departmental – Administration
Workers' Compensation
Transfers
Debt/Financing Costs
<b>Strategic Support – Fund Balance &amp; Reserves</b>
Earmarked Reserves
Ending Fund Balance

**CITY OF SAN JOSE  
2017-2018 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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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  
Oversight Board for Successor Agency to the San José Redevelopment Agency (SARA)  
Parks and Recreation Commission  
Planning Commission  
Planning Director's Hearing  
Police and Fire Department Retirement Plan Board of Administration  
San José Arena Authority  
Senior Citizens Commission  
Treatment Plant Advisory Committee  
Work2Future Board  
Youth Commission



# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

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### 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, Function, and Department/Core Service/Program; this operating budget guide; fund descriptions; a glossary of terms; and an acronyms index. **Summary Information** of expected revenues, expenditures and staffing 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 2017-2018**

# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

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### OPERATING BUDGET GUIDE

#### CITY SERVICE AREAS (CSA)

**Service Delivery** and **2017-2018 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 **Programs**.

This framework is followed by a **Department Budget Summary**, which includes a summary description of expected 2017-2018 service delivery, impacts of 2017-2018 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: 2015-2016 Actual Expenditures, 2016-2017 Adopted Budget, 2017-2018 Forecast (Base Budget), and 2017-2018 Proposed Budget, follows. Starting in 2017-2018, the data included in this section has been expanded to include all operating costs managed by the department (e.g., City-Wide Expenses, debt service/financing costs) except Transfers, Reserves and Ending Fund Balances. Total Authorized Positions by Core Service are also provided. Please note with the transition to the new budget system, the realignment of Core Services and the introduction of Budget Programs, data for 2015-2016 Actuals, 2016-2017 Adopted Budget and 2017-2018 Forecast is only provided for the Dollars by Category (Personal Services and Non-Personal/Equipment). Additional data will be provided in future years. This section also includes a Dollars by Program that reflects the budget by Core Service and Budget Program.

Next, the **Budget Reconciliation** is presented, which reconciles the Personal Services and Non-Personal/Equipment budget from the 2016-2017 Adopted Budget to the 2017-2018 Proposed Budget. The significant Base Budget adjustments are described (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 2017-2018 is included.

# CITY OF SAN JOSE 2017-2018 PROPOSED OPERATING BUDGET

## OPERATING BUDGET GUIDE

### CITY DEPARTMENTS/COUNCIL APPOINTEES

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, core services and programs 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 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 **Expense Types** supported by these allocations, **Budget Summary**, **Budget Reconciliation**, **Budget Changes by Expense Type**, and **Detail of Costs Description** (a listing of all allocations for each Expense Type).

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**OPERATING BUDGET GUIDE**

**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.

**APPENDICES**

In the Proposed Budget, the appendices section includes the Mayor's March Budget Message and the Community Development Block Grant (CDBG) Fund 2017-2018 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 2017-2018 Cultural Grants/Programs and Services Funding Plan are included.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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, Self-Insured Medical 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 and the City Hall off-site parking garage. 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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**FUND DESCRIPTIONS**

**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.

**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**FUND DESCRIPTIONS**

**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.

**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**FUND DESCRIPTIONS**

**Gas Tax Maintenance and Construction Funds**

These Special Revenue Funds account 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.

**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.



**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**FUND DESCRIPTIONS**

**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.

**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**FUND DESCRIPTIONS**

**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.

**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**FUND DESCRIPTIONS**

**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 Operating 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.

**St. James Park Management District Fund**

This Special Revenue Fund accounts for the donations from developers collected in the Downtown Parks Management District for the activation, operations, and maintenance at Saint James Park.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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.

**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 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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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.

**Programs**

Grouping of activities to deliver the core services of the City; discrete service to identifiable users, or the “front-line” of service delivery.

**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

---

**ACRONYMS INDEX**

**A**

ACT	Acoustical Treatment Program
ACA	Affordable Care Act
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)

**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
CIS	Customer Information System
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 Financing Authority

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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 (San José)

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
PFC	Passenger Facility Charge
PG&E	Pacific Gas and Electric Company

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**ACRONYMS INDEX**

**P**

PIO	Park Impact Ordinance
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

**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
SJPD	San José Police Department
SJRA	San Jose Redevelopment Agency
SJSU	San José State University
SNI	Strong Neighborhood Initiative
SRTF	Sunshine Reform Task Force

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**ACRONYMS INDEX**

**S**

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**

VEBA	Voluntary Employee Beneficiary Association
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 (San José/Santa Clara)

**X**

**Y**

**Z**

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**2017-2018**

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**OPERATING BUDGET**

**SUMMARY  
INFORMATION**



**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2017-2018</u> <u>Proposed</u>
<b>GENERAL FUND</b>			
<b>Fund Balance</b>			
Encumbrance Reserve	\$ 40,777,371	\$ 44,394,930	\$ 39,757,863
Carryover	252,826,392	248,958,239	79,242,254
<b>Beginning Fund Balance</b>	<b>\$ 293,603,763</b>	<b>\$ 293,353,169</b>	<b>\$ 119,000,117</b>
<b>General Revenue</b>			
Property Tax	\$ 255,210,000	\$ 271,737,000	\$ 288,990,000
Sales Tax	190,260,000	224,695,553	228,000,000
Transient Occupancy Tax	14,700,000	16,952,000	18,720,000
Franchise Fees	47,582,232	48,916,811	50,813,083
Utility Tax	93,825,000	95,749,500	101,320,000
Telephone Line Tax	21,000,000	21,614,000	20,000,000
Business Taxes	44,425,000	48,800,000	63,300,000
Licenses and Permits	48,721,223	51,572,553	59,778,354
Fines, Forfeitures, and Penalties	15,356,042	14,910,600	15,336,284
Revenue from the Use of Money/Property	3,414,999	3,863,935	5,640,000
Revenue from Local Agencies	23,909,616	24,811,281	25,422,799
Revenue from the State of CA	11,370,763	11,328,516	11,584,500
Revenue from Federal Government	9,083,802	4,161,294	1,358,334
Fees, Rates, and Charges	40,923,558	41,731,974	48,498,645
Other Revenue	26,259,638	17,752,381	27,320,648
<b>Subtotal General Revenue</b>	<b>\$ 846,041,873</b>	<b>\$ 898,597,398</b>	<b>\$ 966,082,647</b>
<b>Transfers and Reimbursements</b>			
Overhead Reimbursements	\$ 37,798,583	\$ 40,084,477	\$ 46,609,849
Transfers	20,307,955	21,086,522	24,022,465
Reimbursements for Services	17,657,341	18,166,732	17,970,000
<b>Subtotal Transfers and Reimbursements</b>	<b>\$ 75,763,879</b>	<b>\$ 79,337,731</b>	<b>\$ 88,602,314</b>
<b>Total General Fund</b>	<b>\$ 1,215,409,515</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,173,685,078</b>
<b>Less Transfers, Loans, and Contributions</b>	<b>(158,093,324)</b>	<b>(176,610,233)</b>	<b>(122,862,404)</b>
<b>NET GENERAL FUND TOTAL</b>	<b>\$ 1,057,316,191</b>	<b>\$ 1,094,678,065</b>	<b>\$ 1,050,822,674</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2017-2018</u> <u>Proposed</u>
<b>SPECIAL FUNDS</b>			
Airport Customer Facility and Transportation Fee Fund	\$ 30,866,074	\$ 35,484,520	\$ 32,499,697
Airport Fiscal Agent Fund	176,522,022	176,461,678	178,892,420
Airport Maintenance and Operation Fund	117,447,021	119,043,190	130,013,701
Airport Revenue Fund	194,534,564	220,899,033	255,195,940
Airport Surplus Revenue Fund	24,230,451	25,263,302	34,217,994
Benefit Funds - Benefit Fund	59,148,707	61,848,975	64,872,407
Benefit Funds - Dental Insurance Fund	15,243,639	15,467,918	15,708,846
Benefit Funds - Life Insurance Fund	1,362,962	1,549,729	1,442,952
Benefit Funds - Self-Insured Medical Fund	0	0	17,625,500
Benefit Funds - Unemployment Insurance Fund	3,570,707	2,986,034	2,527,641
Business Improvement District Fund	6,023,568	3,903,700	3,784,942
Cash Reserve Fund	5,651	5,705	5,734
City Hall Debt Service Fund	24,300,250	25,302,250	26,225,000
Community Development Block Grant Fund	18,441,025	16,151,010	15,471,634
Community Facilities Revenue Fund	10,964,397	9,980,852	51,794
Convention and Cultural Affairs Fund	18,641,414	22,428,227	22,790,640
Convention Center Facilities District Revenue Fund	40,489,008	45,735,466	42,383,360
Downtown Property and Business Improvement District Fund	4,071,038	4,411,740	4,444,822
Economic Development Administration Loan Fund	13,768	8,842	7,538
Edward Byrne Memorial Justice Assistance Grant Trust Fund	160,763	248,423	126,121
Emergency Reserve Fund	3,395,032	3,399,032	1,634,494
Federal Drug Forfeiture Fund	3,386,362	3,388,279	2,775,398
Gas Tax Maintenance and Construction Fund - 1943	7,100,000	7,660,000	7,800,000
Gas Tax Maintenance and Construction Fund - 1964	4,000,000	3,835,000	3,700,000
Gas Tax Maintenance and Construction Fund - 1990	5,800,000	6,005,000	5,800,000
General Purpose Parking Fund	31,259,085	33,665,282	38,694,715
Gift Trust Fund	3,786,979	3,711,190	3,624,480
Home Investment Partnership Program Trust Fund	10,573,052	14,301,353	13,144,948
Housing Trust Fund	7,469,965	4,680,042	3,602,392
Ice Centre Revenue Fund	8,149,075	7,499,593	8,241,105
Integrated Waste Management Fund	142,487,369	155,100,825	158,873,875
Library Parcel Tax Fund	18,321,226	20,789,137	18,945,532
Low and Moderate Income Housing Asset Fund	44,851,771	104,133,950	95,406,885
Multi-Source Housing Fund	28,484,692	25,165,238	65,841,628
Municipal Golf Course Fund	3,462,442	3,262,474	1,358,861
Public Works Program Support Fund	17,383,238	18,303,796	19,658,112
San José Arena Capital Reserve Fund	7,313,921	5,609,214	2,785,186
San José Arena Enhancement Fund	92,587	0	0
San José Municipal Stadium Capital Fund	32,000	35,190	35,000
San José-Santa Clara Treatment Plant Income Fund	28,869	29,158	119,625

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2017-2018</u> <u>Proposed</u>
<b>SPECIAL FUNDS</b>			
San José-Santa Clara Treatment Plant Operating Fund	\$ 122,642,111	\$ 126,293,469	\$ 135,136,473
Sewage Treatment Plant Connection Fee Fund	17,984,238	15,010,072	14,550,630
Sewer Service and Use Charge Fund	180,451,297	192,087,193	196,648,742
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	703,770	671,114	573,442
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,458,487	3,577,374	3,377,946
Community Facilities District No. 8 (Communications Hill) Fund	3,703,169	3,582,442	3,104,686
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	304,394	339,992	331,656
Community Facilities District No. 12 (Basking Ridge) Fund	1,562,847	1,802,200	1,609,135
Community Facilities District No. 13 (Guadalupe Mines) Fund	263,820	313,389	320,803
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	993,022	1,123,818	1,354,725
Community Facilities District No. 15 (Berryessa - Sierra) Fund	231,249	251,280	444,701
Maint. District No. 1 (Los Paseos) Fund	728,171	796,288	789,245
Maint. District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	124,693	166,727	176,295
Maint. District No. 5 (Orchard Parkway - Plumeria Dr.) Fund	358,793	348,163	401,407
Maint. District No. 8 (Zanker - Montague) Fund	279,019	338,962	239,101
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	445,053	445,358	400,115
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	331,410	312,830	332,721
Maint. District No. 13 (Karina - O'Nel) Fund	142,354	162,263	188,825
Maint. District No. 15 (Silver Creek Valley) Fund	5,297,276	4,786,733	4,256,926
Maint. District No. 18 (The Meadowlands) Fund	139,433	143,717	189,917
Maint. District No. 19 (River Oaks Area Landscaping) Fund	299,982	406,469	425,789
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	428,414	407,230	371,937
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	263,165	343,721	227,151
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	289,778	257,881	285,959
St. James Park Management District Fund	0	0	1,720,745
State Drug Forfeiture Fund	1,303,470	728,538	569,343
Storm Sewer Operating Fund	48,533,404	49,993,591	48,132,446
Supplemental Law Enforcement Services Fund	1,550,858	2,081,332	2,293,687
Transient Occupancy Tax Fund	27,555,769	29,745,074	31,697,691
Vehicle Maintenance and Operations Fund	25,101,466	24,399,792	26,338,283
Water Utility Fund	53,581,263	56,058,331	57,364,767
Workforce Development Fund	11,039,371	10,948,065	9,311,068
<b>Total Special Funds</b>	<b>\$ 1,603,506,240</b>	<b>\$ 1,735,677,755</b>	<b>\$ 1,843,497,276</b>
<b>Less Transfers, Loans, and Contributions</b>	<b>(456,040,121)</b>	<b>(481,498,481)</b>	<b>(503,631,942)</b>
 <b>NET SPECIAL REVENUE FUNDS TOTAL</b>	 <b>\$ 1,147,466,119</b>	 <b>\$ 1,254,179,274</b>	 <b>\$ 1,339,865,334</b>
<b>CAPITAL IMPROVEMENT PROGRAM FUNDS</b>			
Beginning Fund Balance	\$ 589,567,294	\$ 470,936,731	\$ 287,950,348
Commercial Paper Proceeds/Sale of Bonds	42,755,000	1,200,000	99,230,000
Taxes, Fees, and Charges	69,300,000	67,100,000	102,745,000

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2017-2018</u> <u>Proposed</u>
<b>CAPITAL IMPROVEMENT PROGRAM FUNDS</b>			
Revenue from Other Agencies	\$ 82,255,000	\$ 92,692,000	\$ 144,626,484
Transfers, Loans, and Contributions	170,240,000	201,165,874	133,880,000
Interest Income	2,996,000	4,178,000	6,318,700
Miscellaneous Revenue	38,659,000	40,191,000	824,000
Development Contribution	950,000	950,000	970,000
<b>Total Capital Improvement Program Funds</b>	<b>\$ 996,722,294</b>	<b>\$ 878,413,605</b>	<b>\$ 776,544,532</b>
<b>Less Transfers, Loans, and Contributions</b>	<b>(11,317,000)</b>	<b>(11,123,000)</b>	<b>(8,957,000)</b>
<b>NET CAPITAL FUNDS TOTAL</b>	<b>\$ 985,405,294</b>	<b>\$ 867,290,605</b>	<b>\$ 767,587,532</b>
<b>NET CITY SOURCE OF FUNDS</b>	<b>\$ 3,190,187,604</b>	<b>\$ 3,216,147,944</b>	<b>\$ 3,158,275,540</b>
<b>GENERAL FUND EXPENDITURES</b>			
City Attorney	\$ 13,952,092	\$ 14,139,522	\$ 14,595,637
City Auditor	2,268,223	2,473,336	2,450,559
City Clerk	2,608,154	2,735,287	2,549,838
City Manager	12,753,823	14,220,924	15,350,688
Economic Development	5,033,432	5,794,764	5,534,954
Environmental Services	967,474	1,372,274	2,643,701
Finance	14,547,789	15,996,565	15,647,274
Fire	189,342,292	202,884,192	218,075,948
Housing	253,746	326,593	294,533
Human Resources	7,574,705	7,999,815	8,855,734
Independent Police Auditor	1,284,498	1,260,406	1,312,764
Information Technology	17,897,104	19,251,093	20,648,742
Library	29,587,910	30,678,634	32,236,246
Mayor and City Council	12,174,749	13,248,694	11,298,749
Parks, Recreation and Neighborhood Services	60,449,132	68,232,018	74,911,761
Planning, Building and Code Enforcement	47,296,761	50,498,489	53,075,597
Police	336,040,899	344,058,888	379,498,248
Public Works	39,972,563	42,039,215	43,801,297
Transportation	29,521,913	29,423,980	35,169,982
<b>Subtotal Departmental Charges</b>	<b>\$ 823,527,259</b>	<b>\$ 866,634,689</b>	<b>\$ 937,952,252</b>
City-Wide Expenses	\$ 122,802,918	\$ 127,784,827	\$ 90,737,462
Capital Contributions	56,279,000	70,218,000	8,250,000
Transfers	27,074,606	28,011,710	26,901,830
Earmarked Reserves	110,948,361	98,744,142	34,085,671
Contingency Reserve	34,000,000	35,500,000	36,000,000
Encumbrance Reserve	40,777,371	44,394,930	39,757,863
<b>Subtotal Non-Departmental Charges</b>	<b>\$ 391,882,256</b>	<b>\$ 404,653,609</b>	<b>\$ 235,732,826</b>
<b>Total General Fund Expenditures</b>	<b>\$ 1,215,409,515</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,173,685,078</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2017-2018</u> <u>Proposed</u>
<b>SPECIAL FUNDS</b>			
Airport Customer Facility and Transportation Fee Fund	\$ 30,866,074	\$ 35,484,520	\$ 32,499,697
Airport Fiscal Agent Fund	176,522,022	176,461,678	178,892,420
Airport Maintenance and Operation Fund	117,447,021	119,043,190	130,013,701
Airport Revenue Fund	194,534,564	220,899,033	255,195,940
Airport Surplus Revenue Fund	24,230,451	25,263,302	34,217,994
Benefit Funds - Benefit Fund	59,148,707	61,848,975	64,872,407
Benefit Funds - Dental Insurance Fund	15,243,639	15,467,918	15,708,846
Benefit Funds - Life Insurance Fund	1,362,962	1,549,729	1,442,952
Benefit Funds - Self-Insured Medical Fund	0	0	17,625,500
Benefit Funds - Unemployment Insurance Fund	3,570,707	2,986,034	2,527,641
Business Improvement District Fund	6,023,568	3,903,700	3,784,942
Cash Reserve Fund	5,651	5,705	5,734
City Hall Debt Service Fund	24,300,250	25,302,250	26,225,000
Community Development Block Grant Fund	18,441,025	16,151,010	15,471,634
Community Facilities Revenue Fund	10,964,397	9,980,852	51,794
Convention and Cultural Affairs Fund	18,641,414	22,428,227	22,790,640
Convention Center Facilities District Revenue Fund	40,489,008	45,735,466	42,383,360
Downtown Property and Business Improvement District Fund	4,071,038	4,411,740	4,444,822
Economic Development Administration Loan Fund	13,768	8,842	7,538
Edward Byrne Memorial Justice Assistance Grant Trust Fund	160,763	248,423	126,121
Emergency Reserve Fund	3,395,032	3,399,032	1,634,494
Federal Drug Forfeiture Fund	3,386,362	3,388,279	2,775,398
Gas Tax Maintenance and Construction Fund - 1943	7,100,000	7,660,000	7,800,000
Gas Tax Maintenance and Construction Fund - 1964	4,000,000	3,835,000	3,700,000
Gas Tax Maintenance and Construction Fund - 1990	5,800,000	6,005,000	5,800,000
General Purpose Parking Fund	31,259,085	33,665,282	38,694,715
Gift Trust Fund	3,786,979	3,711,190	3,624,480
Home Investment Partnership Program Trust Fund	10,573,052	14,301,353	13,144,948
Housing Trust Fund	7,469,965	4,680,042	3,602,392
Ice Centre Revenue Fund	8,149,075	7,499,593	8,241,105
Integrated Waste Management Fund	142,487,369	155,100,825	158,873,875
Library Parcel Tax Fund	18,321,226	20,789,137	18,945,532
Low and Moderate Income Housing Asset Fund	44,851,771	104,133,950	95,406,885
Multi-Source Housing Fund	28,484,692	25,165,238	65,841,628
Municipal Golf Course Fund	3,462,442	3,262,474	1,358,861
Public Works Program Support Fund	17,383,238	18,303,796	19,658,112
San José Arena Capital Reserve Fund	7,313,921	5,609,214	2,785,186
San José Arena Enhancement Fund	92,587	0	0
San José Municipal Stadium Capital Fund	32,000	35,190	35,000
San José-Santa Clara Treatment Plant Income Fund	28,869	29,158	119,625
San José-Santa Clara Treatment Plant Operating Fund	122,642,111	126,293,469	135,136,473
Sewage Treatment Plant Connection Fee Fund	17,984,238	15,010,072	14,550,630

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	2015-2016 Adopted	2016-2017 Adopted	2017-2018 Proposed
<b>SPECIAL FUNDS</b>			
Sewer Service and Use Charge Fund	\$ 180,451,297	\$ 192,087,193	\$ 196,648,742
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	703,770	671,114	573,442
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,458,487	3,577,374	3,377,946
Community Facilities District No. 8 (Communications Hill) Fund	3,703,169	3,582,442	3,104,686
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	304,394	339,992	331,656
Community Facilities District No. 12 (Basking Ridge) Fund	1,562,847	1,802,200	1,609,135
Community Facilities District No. 13 (Guadalupe Mines) Fund	263,820	313,389	320,803
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	993,022	1,123,818	1,354,725
Community Facilities District No. 15 (Berryessa - Sierra) Fund	231,249	251,280	444,701
Maint. District No. 1 (Los Paseos) Fund	728,171	796,288	789,245
Maint. District No. 2 (Trade Zone - Lundy Ave.) Fund	124,693	166,727	176,295
Maint. District No. 5 (Orchard Parkway - Plumeria Drive) Fund	358,793	348,163	401,407
Maint. District No. 8 (Zanker - Montague) Fund	279,019	338,962	239,101
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	445,053	445,358	400,115
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	331,410	312,830	332,721
Maint. District No. 13 (Karina - Onel) Fund	142,354	162,263	188,825
Maint. District No. 15 (Silver Creek Valley) Fund	5,297,276	4,786,733	4,256,926
Maint. District No. 18 (The Meadowlands) Fund	139,433	143,717	189,917
Maint. District No. 19 (River Oaks Area Landscaping) Fund	299,982	406,469	425,789
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	428,414	407,230	371,937
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	263,165	343,721	227,151
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	289,778	257,881	285,959
St. James Park Management District Fund	0	0	1,720,745
State Drug Forfeiture Fund	1,303,470	728,538	569,343
Storm Sewer Operating Fund	48,533,404	49,993,591	48,132,446
Supplemental Law Enforcement Services Fund	1,550,858	2,081,332	2,293,687
Transient Occupancy Tax Fund	27,555,769	29,745,074	31,697,691
Vehicle Maintenance and Operations Fund	25,101,466	24,399,792	26,338,283
Water Utility Fund	53,581,263	56,058,331	57,364,767
Workforce Development Fund	11,039,371	10,948,065	9,311,068
<b>Total Special Funds</b>	<b>\$ 1,603,506,240</b>	<b>\$ 1,735,677,755</b>	<b>\$ 1,843,497,276</b>
<b>CAPITAL IMPROVEMENT PROGRAM FUNDS</b>			
Airport Capital Improvement Fund	\$ 14,877,670	\$ 24,602,513	\$ 17,237,239
Airport Passenger Facility Charge Fund	39,588,424	36,872,371	35,571,893
Airport Renewal and Replacement Fund	16,228,992	17,027,812	13,388,405
Airport Revenue Bond Improvement Fund	57,646,594	28,526,447	234,226
Branch Libraries Bond Projects Fund	7,921,406	1,809,538	6,973,173
Building and Structure Construction Tax Fund	57,320,623	62,364,037	49,344,260
Construction and Conveyance Tax Funds:			
Communications C&C Tax Fund	2,819,419	2,369,213	4,344,140
District 1 Parks C&C Tax Fund	6,007,732	6,092,565	2,376,769
District 2 Parks C&C Tax Fund	2,298,957	2,458,737	1,830,501
District 3 Parks C&C Tax Fund	2,446,021	2,822,683	2,245,068

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**TOTAL CITY SOURCE AND USE OF FUNDS**

	<u>2015-2016</u> <u>Adopted</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2017-2018</u> <u>Proposed</u>
<b>CAPITAL IMPROVEMENT PROGRAM FUNDS</b>			
District 4 Parks C&C Tax Fund	\$ 5,702,598	\$ 5,517,112	\$ 4,196,101
District 5 Parks C&C Tax Fund	5,071,438	5,073,991	2,503,339
District 6 Parks C&C Tax Fund	4,354,905	3,410,303	2,527,912
District 7 Parks C&C Tax Fund	3,953,527	4,476,215	2,722,548
District 8 Parks C&C Tax Fund	5,158,900	4,621,782	2,876,570
District 9 Parks C&C Tax Fund	3,660,274	3,529,834	3,932,289
District 10 Parks C&C Tax Fund	2,884,288	3,281,462	3,597,727
Fire C&C Tax Fund	7,789,708	9,897,488	8,565,922
Library C&C Tax Fund	19,652,908	14,444,337	12,657,409
Park Yards C&C Tax Fund	3,915,093	4,271,537	3,381,133
Parks Central C&C Tax Fund	26,868,245	26,790,398	27,075,951
Parks City-Wide C&C Tax Fund	10,731,454	17,427,038	10,126,504
Service Yards C&C Tax Fund	22,497,135	23,445,183	6,018,618
Construction Excise Tax Fund	128,780,976	93,296,307	151,364,023
Contingent Lien District Fund	2,424,539	2,517,435	2,563,278
Convention and Cultural Affairs Fund	6,380,000	7,112,000	6,000,000
Convention Center Facilities District Project	245,707	0	0
Convention Center Facilities District Revenue	0	8,916,000	1,000,000
Emma Prusch Fund	505,800	475,353	321,820
General Fund Capital Improvement	56,279,000	70,218,000	8,250,000
General Purpose Parking Fund	6,296,000	12,362,000	15,994,000
Improvement District Fund	951,239	948,000	852,868
Lake Cunningham Fund	2,430,115	2,372,158	2,110,867
Library Parcel Tax Fund	2,226,000	2,667,000	2,600,000
Integrated Waste Management Fund	2,800,000	0	0
Major Collectors and Arterial Fund	910,350	1,107,743	1,429,277
Major Facilities Fund	4,409,331	4,587,858	5,141,616
Neighborhood Security Act Bond Fund	3,860,104	1,173,505	4,832,500
Park Trust Fund	68,847,135	69,259,391	46,423,459
Parks and Recreation Bond Projects Fund	19,173,106	17,272,560	15,020,689
Residential Construction Tax Contribution Fund	1,983,698	1,802,891	2,017,508
San José-Santa Clara Treatment Plant Capital Fund	208,011,357	139,847,493	197,981,723
Sanitary Sewer Connection Fee Fund	11,571,676	2,794,687	3,888,574
Sewer Service and Use Charge Capital Improvement Fund	92,353,592	84,239,714	46,450,684
Storm Drainage Fee Fund	450,175	529,926	882,494
Storm Sewer Capital Fund	30,582,491	29,454,793	24,416,334
Underground Utility Fund	3,058,144	5,517,760	5,716,637
Water Utility Capital Fund	12,795,448	8,808,435	7,558,485
<b>Total Capital Improvement Program Funds</b>	<b>\$ 996,722,294</b>	<b>\$ 878,413,605</b>	<b>\$ 776,544,532</b>
<b>GRAND TOTAL (Gross City Use of Funds)</b>	<b>\$ 3,815,638,049</b>	<b>\$ 3,885,379,658</b>	<b>\$ 3,793,726,886</b>
<b>Less Transfers, Loans, and Contributions</b>	<b>(625,450,445)</b>	<b>(669,231,714)</b>	<b>(635,451,346)</b>
<b>NET CITY USE OF FUNDS</b>	<b>\$ 3,190,187,604</b>	<b>\$ 3,216,147,944</b>	<b>\$ 3,158,275,540</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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. If a loan is reinstated, the loan terms need to be revised to conform to statutory criteria for interest calculations and repayment priorities.

Outlined below is a summary of 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 and which loans were subsequently reinstated by the Oversight Board pursuant to the Dissolution Law and approved by DOF.



**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

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

Lending Fund	Outstanding Obligation (March 31, 2017)	Loan Description and Terms	Funding Source Backup Obligation		
			General Fund	Other Funds	Total All Funds
<b>Supplemental Educational Revenue Augmentation Fund Loans</b>					
Low and Moderate Income Housing Fund (443)	\$15,080,355	<p>The Low and Moderate Income Housing Fund and other City funds loaned funds to the former San José Redevelopment Agency, (Agency) to enable the former Agency to make the State mandated payments of \$62.0 million and \$12.8 million to the Supplemental Educational Revenue Augmentation Fund (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 was required to repay</p> <p>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.            iii) \$12.8 million principal plus associated costs due to the Low and Moderate Income Housing Fund by June 30, 2016. Per Successor Agency Oversight Board action, which became effective on May 26, 2016, the loan for \$12.8 million was reinstated along with the approval of a repayment plan. Under the Dissolution Law, interest accrues at a rate of 3% from the origination of the loan, July 1, 2011</p> <p>Per Successor Agency Oversight Board action, which became effective on May 26, 2016, the loans for \$40.0 million principal plus associated costs due to the Low and Moderate Income Housing Fund by June 30, 2015 and \$12.0 million principal plus associated costs due to the Low and Moderate Income Housing Fund by June 30, 2015 (issuance of commercial paper) <u>were not reinstated</u>, and the outstanding obligations were removed from the City's financial statements as of June 30, 2016. It's important to note the debt issued for the \$40</p>	\$0	\$15,080,355	\$15,080,355

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

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

Lending Fund	Outstanding Obligation (March 31, 2017)	Loan Description and Terms	Funding Source Backup Obligation		
			General Fund	Other Funds	Total All Funds
		million and \$12 million has been identified as an enforceable obligation and is included on the Recognized Obligation Payment Schedule. As such, the annual debt service on the outstanding amount is being paid.			
General Fund (001)	\$11,993,151	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. Under the Dissolution Law, interest accrues at a rate of 3% from the origination of the loan, July 1, 2010. On May 26, 2016, this loan was reinstated and approved for repayment to the City upon terms set forth in the Dissolution Law.	\$11,993,151	\$0	\$11,993,151
<b>Subtotal</b>	<b>\$27,073,506</b>		<b>\$11,993,151</b>	<b>\$15,080,355</b>	<b>\$27,073,506</b>
<b>Parking Fund Loans</b>					
General Purpose Parking Fund (533)	\$8,755,047	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 4 <sup>th</sup> 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.  In February 2010, the loan was amended again. The principal payment date was extended to be due on or before June 30,	\$0	\$8,755,047	\$8,755,047

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

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

Lending Fund	Outstanding Obligation (March 31, 2017)	Loan Description and Terms	Funding Source Backup Obligation		
			General Fund	Other Funds	Total All Funds
		2015. If payment was 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 a rate of 3% from the origination of the loan, July 1, 2007. Per Successor Agency Oversight Board action, which became effective on March 28, 2017, the loan for \$6.8 million was reinstated along with the approval of a repayment plan.			
Parking Capital Development Fund (556)	\$8,662,723	In February 2010, the City Council approved an additional loan to the former Agency for debt service payments on the 4 <sup>th</sup> 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 called for a full repayment of this \$6.7 million loan to the Parking Capital Development Fund on or before June 30, 2015. If payment was made by this date, interest on the \$6.7 million would be waived. Payment was not made by that date; therefore, interest is due on the \$6.7 million. Under the Dissolution Law, interest accrues at a rate of 3% from the origination of the loan, July 1, 2007. Per Successor Agency Oversight Board action, which became effective on March 28, 2017, the loan for \$6.7 million was reinstated along with the approval of a repayment plan.	\$0	\$8,662,723	\$8,662,723
<b>Subtotal</b>	<b>\$17,417,770</b>		<b>\$0</b>	<b>\$17,417,770</b>	<b>\$17,417,770</b>
<b>Total</b>	<b>\$44,491,276</b>		<b>\$11,993,151</b>	<b>\$32,498,125</b>	<b>\$44,491,276</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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

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**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. Currently, the City is only contractually obligated to make payments for the following Successor Agency enforceable obligations: 4<sup>th</sup> and San Fernando Parking Garage Debt Service, Convention Center Debt Service, and Federal Department of Housing and Urban Development (HUD) Section 108 loan payments.

As part of determining the current financial state of the Successor Agency, the Administration continues to analyze projected future property tax increment revenues and the current level of funds needed to pay the Successor Agency's 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 immediate future. Since the Successor Agency prevailed in litigation against the County of Santa Clara (County) regarding the withholding of the PERS and Water District levies by the County, the ultimate resolution of that litigation should allow for some repayment of City funds advanced to pay for certain Successor Agency enforceable obligations, although there may not be sufficient funds to fully repay the City at this time.

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 2017-2018. Per the bond covenants for the 4<sup>th</sup> 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 2017-2018 that no payment will need to be made by the General Purpose Parking Fund.

**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," were eligible for either inter-year or intra-year reimbursements. Below are the obligations outlined in the Reimbursement Agreement:

- **City Supported Agency Obligations:** City of San José Financing Authority Revenue Bonds Series 2001A (4<sup>th</sup> and San Fernando Parking Garage) Debt Service and City of San José Financing Authority Lease Revenue Bonds Series 2001F (Convention Center) Debt Service payments.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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

- **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.

However, on September 22, 2015, California Senate Bill 107 was signed into law and amended the Dissolution Law, which now disallows the Successor Agency's ability to reimburse the City for cash advances on an intra-year basis. The outstanding portion of all advances made through 2016-2017 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. Under SB 107, the City is entitled to interest on the loans at a rate of 3% from the origination date of the loan. 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 2016-2017, the total enforceable obligation to be repaid by the Successor Agency is estimated to be \$30.3 million for the accrued outstanding portion of prior year subsidies, including estimated 2016-2017 Successor Agency direct administrative or City support costs as of March 31, 2017. 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 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 2017-2018 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 OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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

City Financial Support Description	2012-2013 ACTUALS	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 ESTIMATE
<u>General Fund</u>					
- Convention Center Debt Service	\$10,352,510	\$9,960,002	\$12,627,600	\$9,800,000	\$0
- Educational Revenue Augmentation Fund (ERAF) Loan	0	1,615,000	0	0	0
- General Fund Subsidy for direct Successor Agency Administrative Costs	1,649,605	1,229,762	931,690	593,757	810,000
- City Support Services: City Attorney's Office, City Clerk's Office, City Manager's Office, and Finance Department Staffing (and associated overhead costs)	1,048,033	1,506,789	1,267,224	743,680	1,086,988
- Unsecured Enforceable Obligations	341,360	310,236	140,710	151,634	150,000
- City Hall Rent - 13th/14th floor offices	100,000	100,000	100,000	16,112	16,112
<u>General Purpose Parking Fund</u>					
- 4th and San Fernando Parking Garage Debt Service	3,362,653	3,362,832	1,681,713	1,681,576	0
<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)	121,110	51,380	5,317	0	0
<b>Total City Financial Support</b>	<b>\$16,975,271</b>	<b>\$18,136,001</b>	<b>\$16,754,254</b>	<b>\$12,986,759</b>	<b>\$2,063,100</b>
SARA Reimbursement	(11,000,000)	(12,902,222)	(12,759,251)	0	0
<b>Outstanding City Subsidy</b>	<b>\$5,975,271</b>	<b>\$5,233,779</b>	<b>\$3,995,003</b>	<b>\$12,986,759</b>	<b>\$2,063,100</b>
<b>Total 5-Years</b>					<b>\$30,253,912</b>

**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 2017-2018 Proposed Operating Budget and City Support Services, as approved by the Successor Agency Oversight Board for the ROPS 2017-2018, are detailed below. It should be 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 2017-2018 due to the DOF ruling as discussed earlier in this section.

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

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

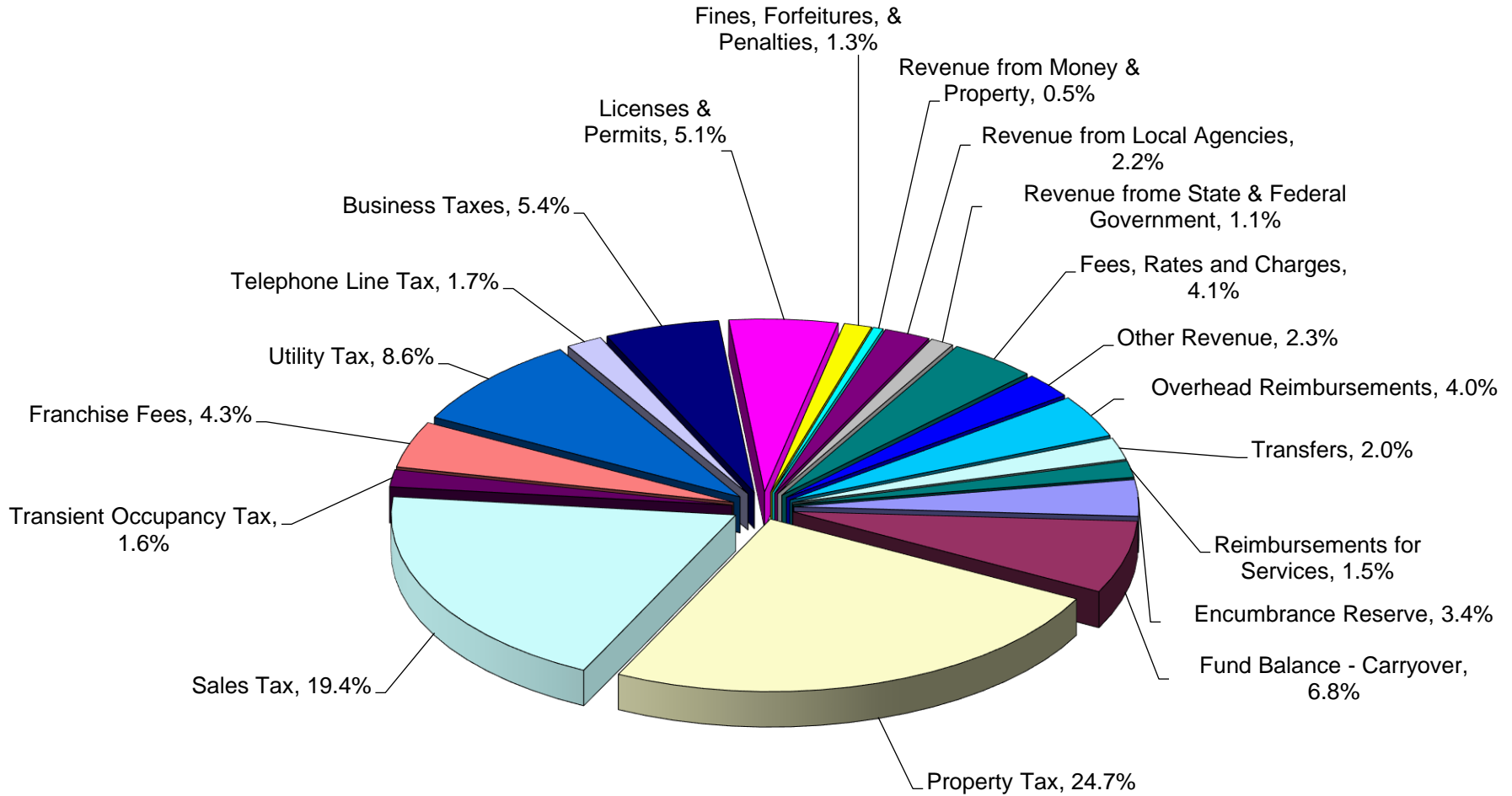
**2017-2018 Adopted Budget City Advance Amount  
City Support for the Successor Agency**

Description	General Fund	All Funds
<i>General Fund Subsidy for direct Successor Agency Administrative Costs</i>	\$880,000	\$880,000
<i>City Support Services: City Attorney's Office, City Clerk's Office, City Manager's Office, Finance, and Housing Department staffing (and associated overhead costs)</i>	1,219,518	1,219,518
City Hall Rent - 13th floor offices	16,112	16,112
<b>Total City Support</b>	<b>\$2,115,630</b>	<b>\$2,115,630</b>

In 2017-2018, insufficient property tax increment (RPTIF) 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 \$880,000. This figure includes a \$95,000 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 30<sup>th</sup> of each fiscal year, prior to the adoption of California Senate Bill 107, 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 when the Successor Agency has sufficient funds available to pay all of its enforceable obligations. 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**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND SOURCES**



**TOTAL GENERAL FUND SOURCES \$1,173,685,078**

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



**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND SOURCES**

<b>SOURCE OF FUNDS</b>	1 2015-2016 Actuals	2 2016-2017 Adopted Budget	3 2016-2017 Modified Budget*	4 2017-2018 Forecast Budget	5 2017-2018 Proposed Budget	2 TO 5 % Increase/ (Decrease)
<b>FUND BALANCE</b>						
Encumbrance Reserve	\$ 44,394,930	\$ 44,394,930	\$ 39,757,863	\$ 39,757,863	\$ 39,757,863	(10.4%)
Carryover	265,855,266	248,958,239	255,206,416	68,587,224	79,242,254	(68.2%)
<b>Total Fund Balance</b>	<b>\$ 310,250,196</b>	<b>\$ 293,353,169</b>	<b>\$ 294,964,279</b>	<b>\$ 108,345,087</b>	<b>\$ 119,000,117</b>	<b>(59.4%)</b>
<b>GENERAL REVENUE</b>						
Property Tax	\$ 263,299,078	\$ 271,737,000	\$ 271,737,000	\$ 288,990,000	\$ 288,990,000	6.3%
Sales Tax	201,797,183	224,695,553	224,695,553	228,000,000	228,000,000	1.5%
Transient Occupancy Tax	16,564,848	16,952,000	16,952,000	18,720,000	18,720,000	10.4%
Franchise Fees	48,948,942	48,916,811	48,916,811	50,670,000	50,813,083	3.9%
Utility Tax	93,397,073	95,749,500	95,749,500	101,320,000	101,320,000	5.8%
Telephone Line Tax	20,077,343	21,614,000	21,614,000	20,000,000	20,000,000	(7.5%)
Business Taxes	50,864,355	48,800,000	48,800,000	63,300,000	63,300,000	29.7%
Licenses and Permits	53,765,907	51,572,553	51,572,553	53,316,113	59,778,354	15.9%
Fines, Forfeitures, and Penalties	16,090,283	14,910,600	14,910,600	15,257,000	15,336,284	2.9%
Revenue from Use of Money/Property	5,100,705	3,863,935	3,863,935	5,640,000	5,640,000	46.0%
Revenue from Local Agencies	17,143,120	24,811,281	28,529,732	23,651,000	25,422,799	2.5%
Revenue from the State of CA	12,174,306	11,328,516	13,430,591	10,835,000	11,584,500	2.3%
Revenue from Federal Government	10,599,204	4,161,294	6,064,881	1,358,334	1,358,334	(67.4%)
Fees, Rates, and Charges	47,057,929	41,731,974	42,196,974	42,515,270	48,498,645	16.2%
Other Revenue	123,547,615	17,752,381	126,007,160	14,410,648	27,320,648	53.9%
<b>Total General Revenue</b>	<b>\$ 980,427,891</b>	<b>\$ 898,597,398</b>	<b>\$ 1,015,041,290</b>	<b>\$ 937,983,365</b>	<b>\$ 966,082,647</b>	<b>7.5%</b>
<b>TRANSFERS AND REIMBURSEMENTS</b>						
Overhead Reimbursements	\$ 36,050,408	\$ 40,084,477	\$ 39,724,983	\$ 44,923,893	\$ 46,609,849	16.3%
Transfers	22,426,696	21,086,522	22,062,731	23,164,667	24,022,465	13.9%
Reimbursements for Services	16,961,571	18,166,732	18,173,510	17,970,000	17,970,000	(1.1%)
<b>Total Transfers and Reimbursements</b>	<b>\$ 75,438,675</b>	<b>\$ 79,337,731</b>	<b>\$ 79,961,224</b>	<b>\$ 86,058,560</b>	<b>\$ 88,602,314</b>	<b>11.7%</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 1,366,116,762</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,389,966,793</b>	<b>\$ 1,132,387,012</b>	<b>\$ 1,173,685,078</b>	<b>(7.7%)</b>

\* As of March 31, 2017

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND USES**

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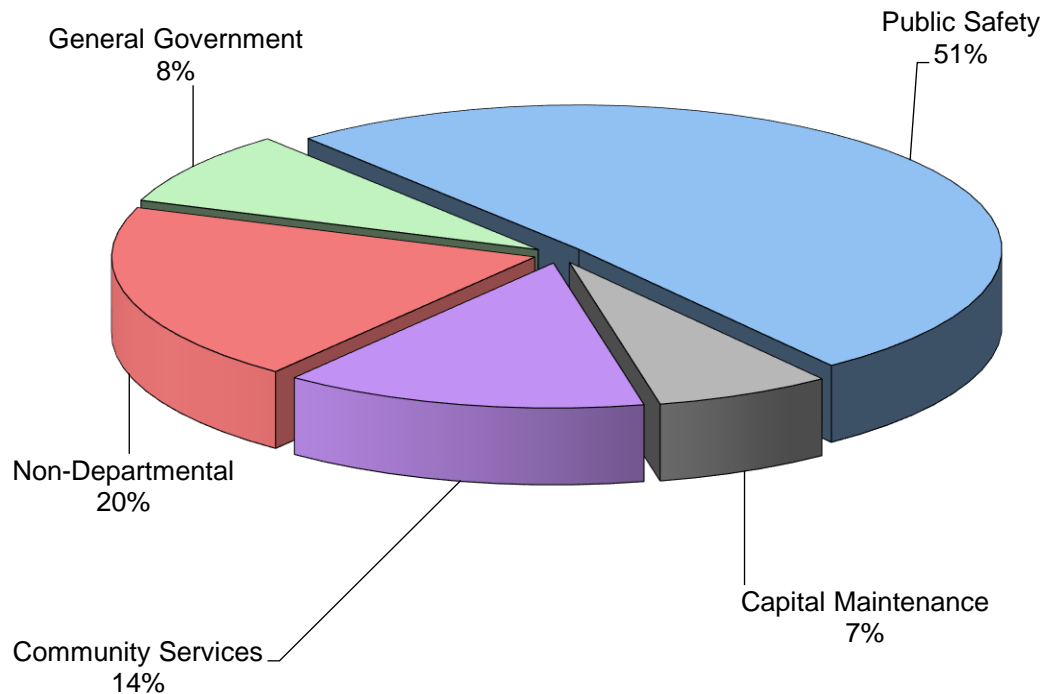
**Public Safety Departments** - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

**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 \$1,173,685,078**

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND USES**

<b>USE OF FUNDS</b>	<b>1</b> 2015-2016 Actuals	<b>2</b> 2016-2017 Adopted Budget	<b>3</b> 2016-2017 Modified Budget*	<b>4</b> 2017-2018 Forecast Budget	<b>5</b> 2017-2018 Proposed Budget	<b>2 TO 5</b> % Increase/ (Decrease)
<b>GENERAL GOVERNMENT DEPARTMENTS</b>						
City Attorney	\$ 13,415,946	\$ 14,139,522	\$ 14,494,345	\$ 14,471,689	\$ 14,595,637	3.2%
City Auditor	1,985,541	2,473,336	2,484,881	2,450,559	2,450,559	(0.9%)
City Clerk	2,102,530	2,735,287	2,706,287	2,549,838	2,549,838	(6.8%)
City Manager	12,160,742	14,220,924	14,549,143	14,625,014	15,350,688	7.9%
Economic Development	4,158,171	5,794,764	5,792,644	5,334,954	5,534,954	(4.5%)
Finance	14,010,348	15,996,565	16,262,194	15,335,502	15,647,274	(2.2%)
Human Resources	6,840,291	7,999,815	8,693,135	8,422,110	8,855,734	10.7%
Independent Police Auditor	1,063,611	1,260,406	1,267,791	1,312,764	1,312,764	4.2%
Information Technology	16,232,069	19,251,093	19,280,093	19,175,611	20,648,742	7.3%
Mayor and City Council	9,607,089	13,248,694	13,778,888	11,298,749	11,298,749	(14.7%)
<b>Total General Government Departments</b>	<b>\$ 81,576,338</b>	<b>\$ 97,120,406</b>	<b>\$ 99,309,401</b>	<b>\$ 94,976,790</b>	<b>\$ 98,244,939</b>	<b>1.2%</b>
<b>PUBLIC SAFETY DEPARTMENTS</b>						
Fire	\$ 189,321,084	\$ 202,884,192	\$ 204,191,265	\$ 218,122,604	\$ 218,075,948	7.5%
Police	332,460,636	344,058,888	350,478,256	382,238,139	379,498,248	10.3%
<b>Total Public Safety Departments</b>	<b>\$ 521,781,720</b>	<b>\$ 546,943,080</b>	<b>\$ 554,669,521</b>	<b>\$ 600,360,743</b>	<b>\$ 597,574,196</b>	<b>9.3%</b>
<b>CAPITAL MAINTENANCE DEPARTMENTS</b>						
Public Works	\$ 39,704,849	\$ 42,039,215	\$ 42,148,565	\$ 43,581,893	\$ 43,801,297	4.2%
Transportation	29,090,961	29,423,980	29,531,721	34,952,493	35,169,982	19.5%
<b>Total Capital Maintenance Departments</b>	<b>\$ 68,795,810</b>	<b>\$ 71,463,195</b>	<b>\$ 71,680,286</b>	<b>\$ 78,534,386</b>	<b>\$ 78,971,279</b>	<b>10.5%</b>

\* As of March 31, 2017

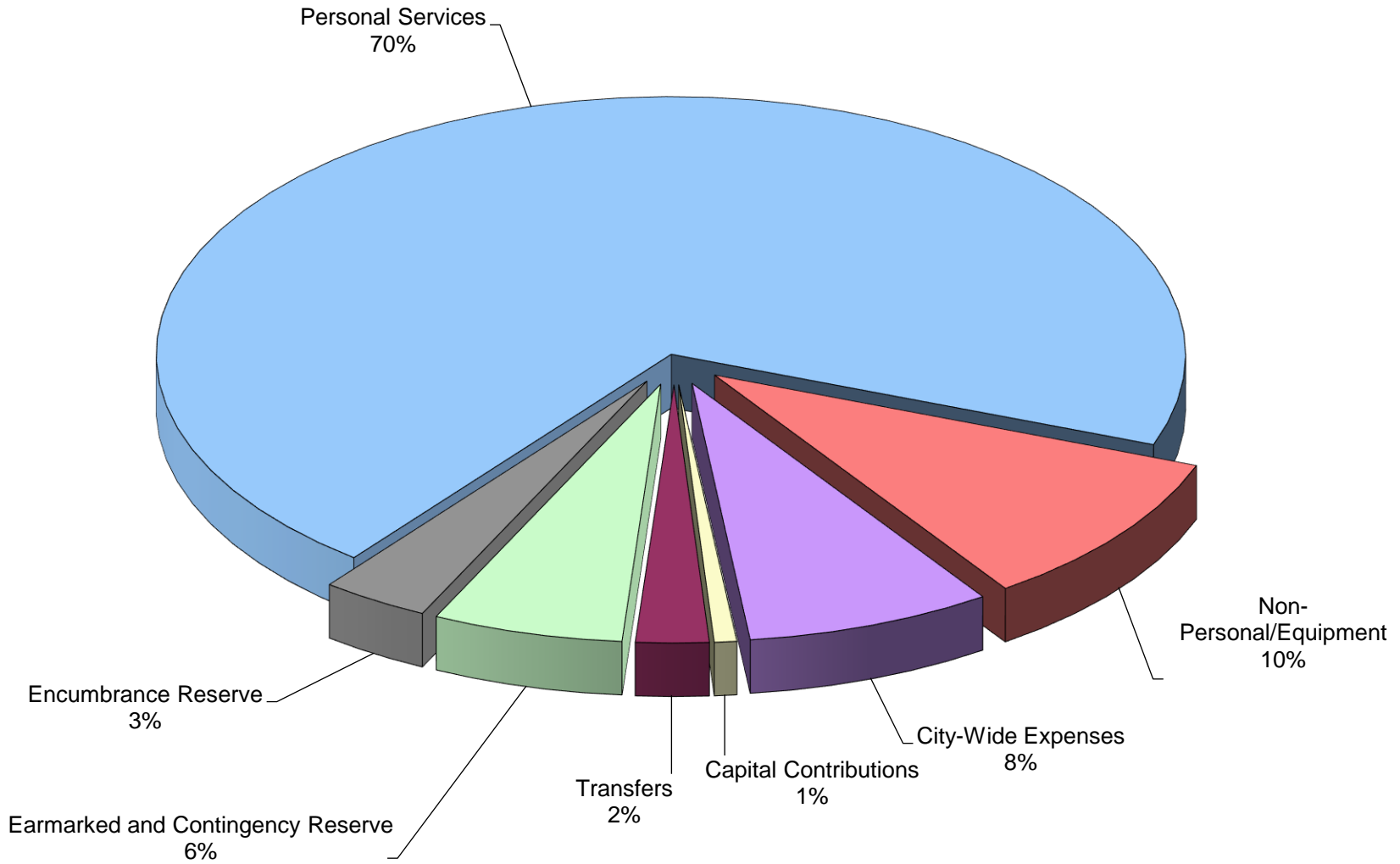
**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND USES (CONT'D.)**

<b>USE OF FUNDS (Cont'd.)</b>	1 2015-2016 Actuals	2 2016-2017 Adopted Budget	3 2016-2017 Modified Budget*	4 2017-2018 Forecast Budget	5 2017-2018 Proposed Budget	2 TO 5 % Increase/ (Decrease)
<b>COMMUNITY SERVICES DEPARTMENTS</b>						
Environmental Services	\$ 856,919	\$ 1,372,274	\$ 1,372,274	\$ 2,027,962	\$ 2,643,701	92.7%
Housing	244,446	326,593	691,865	294,533	294,533	(9.8%)
Library	29,765,363	30,678,634	30,647,634	32,496,539	32,236,246	5.1%
Parks, Recreation and Neighborhood Services	62,123,509	68,232,018	68,907,723	70,585,979	74,911,761	9.8%
Planning, Building and Code Enforcement	44,742,946	50,498,489	51,425,771	50,120,861	53,075,597	5.1%
<b>Total Community Services Departments</b>	<b>\$ 137,733,183</b>	<b>\$ 151,108,008</b>	<b>\$ 153,045,267</b>	<b>\$ 155,525,874</b>	<b>\$ 163,161,838</b>	<b>8.0%</b>
<b>Total Departmental Uses</b>	<b>\$ 809,887,051</b>	<b>\$ 866,634,689</b>	<b>\$ 878,704,475</b>	<b>\$ 929,397,793</b>	<b>\$ 937,952,252</b>	<b>8.2%</b>
<b>NON-DEPARTMENTAL</b>						
City-Wide Expenses	\$ 207,901,636	\$ 127,784,827	\$ 240,766,710	\$ 87,095,422	\$ 90,737,462	(29.0%)
Capital Contributions	25,865,097	70,218,000	70,500,440	5,000,000	8,250,000	(88.3%)
Transfers	27,149,755	28,011,710	28,067,710	29,591,830	26,901,830	(4.0%)
Earmarked Reserves	N/A	98,744,142	96,669,595	15,546,220	34,085,671	(65.5%)
Contingency Reserve	N/A	35,500,000	35,500,000	36,000,000	36,000,000	1.4%
Encumbrance Reserve	39,757,863	44,394,930	39,757,863	39,757,863	39,757,863	(10.4%)
<b>Total Non-Departmental Uses</b>	<b>\$ 300,674,351</b>	<b>\$ 404,653,609</b>	<b>\$ 511,262,318</b>	<b>\$ 212,991,335</b>	<b>\$ 235,732,826</b>	<b>(41.7%)</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 1,110,561,402</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,389,966,793</b>	<b>\$ 1,142,389,128</b>	<b>\$ 1,173,685,078</b>	<b>(7.7%)</b>

\* As of March 31, 2017

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND USES BY CATEGORY**

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**TOTAL GENERAL FUND USES \$1,173,685,087**

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**SUMMARY OF GENERAL FUND USES BY CATEGORY**

<b>USE OF FUNDS</b>	<b>1</b> 2015-2016 Actuals	<b>2</b> 2016-2017 Adopted Budget	<b>3</b> 2016-2017 Modified Budget*	<b>4</b> 2017-2018 Forecast Budget	<b>5</b> 2017-2018 Proposed Budget	<b>2 TO 5</b> % Increase/ (Decrease)
<b>DEPARTMENTAL</b>						
Personal Services	\$ 707,040,014	\$ 756,871,780	\$ 764,402,713	\$ 821,878,526	\$ 823,265,836	8.8%
Non-Personal/Equipment	102,847,037	109,762,909	117,301,762	107,519,267	114,686,416	4.5%
<b>Departmental Total</b>	<b>\$ 809,887,051</b>	<b>\$ 866,634,689</b>	<b>\$ 881,704,475</b>	<b>\$ 929,397,793</b>	<b>\$ 937,952,252</b>	<b>8.2%</b>
<b>NON-DEPARTMENTAL</b>						
City-Wide Expenses	\$ 207,901,636	\$ 127,784,827	\$ 241,064,068	\$ 87,095,422	\$ 90,737,462	(29.0%)
Capital Contributions	25,865,097	70,218,000	70,500,440	5,000,000	8,250,000	(88.3%)
Transfers	27,149,755	28,011,710	28,067,710	29,591,830	26,901,830	(4.0%)
Earmarked Reserves	N/A	98,744,142	96,669,595	15,546,220	34,085,671	(65.5%)
Contingency Reserve	N/A	35,500,000	35,500,000	36,000,000	36,000,000	1.4%
Encumbrance Reserve	39,757,863	44,394,930	44,394,930	39,757,863	39,757,863	(10.4%)
<b>Total Non-Departmental</b>	<b>\$ 300,674,351</b>	<b>\$ 404,653,609</b>	<b>\$ 516,196,743</b>	<b>\$ 212,991,335</b>	<b>\$ 235,732,826</b>	<b>(41.7%)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,110,561,402</b>	<b>\$1,271,288,298</b>	<b>\$1,397,901,218</b>	<b>\$1,142,389,128</b>	<b>\$1,173,685,078</b>	<b>(7.7%)</b>

\* As of March 31, 2017

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

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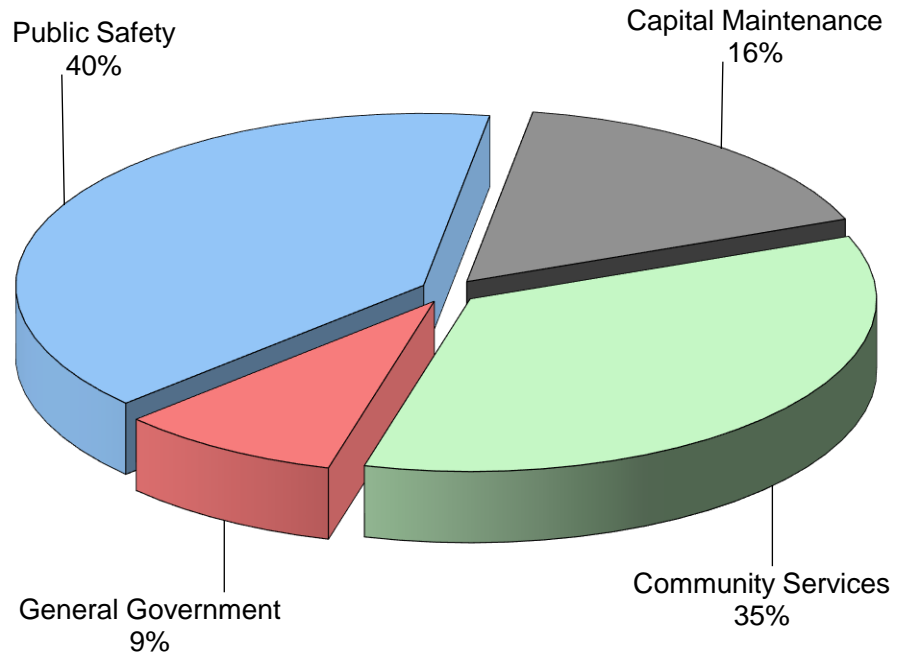
**SUMMARY OF TOTAL STAFFING BY DEPARTMENT**

**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 6,247.37**

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**SUMMARY OF TOTAL STAFFING BY DEPARTMENT**

	2016-2017 Adopted	Changes in 2017-2018 Forecast	Changes in 2017-2018 Proposed	Net-Zero Inter-department Transfers	Total Changes	2017-2018 Proposed
<b>GENERAL GOVERNMENT DEPARTMENTS</b>						
City Attorney	77.50	(1.00)	2.00	0.00	1.00	78.50
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	66.10	(1.00)	1.00	0.00	0.00	66.10
Economic Development	57.00	0.00	1.00	0.00	1.00	58.00
Finance	117.00	0.00	1.00	0.00	1.00	118.00
Human Resources	53.90	(4.00)	0.60	0.00	(3.40)	50.50
Independent Police Auditor	6.00	0.00	0.00	0.00	0.00	6.00
Information Technology	82.50	(3.00)	(1.00)	0.00	(4.00)	78.50
Mayor and City Council	27.00	0.00	0.00	0.00	0.00	27.00
Retirement Services	39.75	0.00	0.00	0.00	0.00	39.75
<b>Total General Government Departments</b>	<b>556.75</b>	<b>(9.00)</b>	<b>4.60</b>	<b>0.00</b>	<b>(4.40)</b>	<b>552.35</b>
<b>PUBLIC SAFETY DEPARTMENTS</b>						
Fire	822.48	(1.00)	3.00	0.00	2.00	824.48
Police	1,649.92	39.00	(40.25)	0.00	(1.25)	1,648.67
<b>Total Public Safety Departments</b>	<b>2,472.40</b>	<b>38.00</b>	<b>(37.25)</b>	<b>0.00</b>	<b>0.75</b>	<b>2,473.15</b>
<b>CAPITAL MAINTENANCE DEPARTMENTS</b>						
Public Works	558.87	(1.00)	4.00	0.00	3.00	561.87
Transportation	447.00	(6.00)	26.00	0.00	20.00	467.00
<b>Total Capital Maintenance Departments</b>	<b>1,005.87</b>	<b>(7.00)</b>	<b>30.00</b>	<b>0.00</b>	<b>23.00</b>	<b>1,028.87</b>
<b>COMMUNITY SERVICES DEPARTMENTS</b>						
Airport	187.00	17.00	7.00	0.00	24.00	211.00
Environmental Services	540.00	(2.00)	14.00	0.00	12.00	552.00
Housing	65.00	(2.00)	3.00	0.00	1.00	66.00
Library	359.87	0.00	4.00	0.00	4.00	363.87
Parks, Recreation and Neighborhood Services	653.27	(4.75)	34.61	0.00	29.86	683.13
Planning, Building and Code Enforcement	319.00	(8.00)	6.00	0.00	(2.00)	317.00
<b>Total Community Services Departments</b>	<b>2,124.14</b>	<b>0.25</b>	<b>68.61</b>	<b>0.00</b>	<b>68.86</b>	<b>2,193.00</b>
<b>TOTAL DEPARTMENT STAFFING</b>	<b>6,159.16</b>	<b>22.25</b>	<b>65.96</b>	<b>0.00</b>	<b>88.21</b>	<b>6,247.37</b>





**2017-2018**

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**OPERATING BUDGET**

**HISTORY AND TREND  
INFORMATION**

**HISTORY AND  
TREND  
INFORMATION**

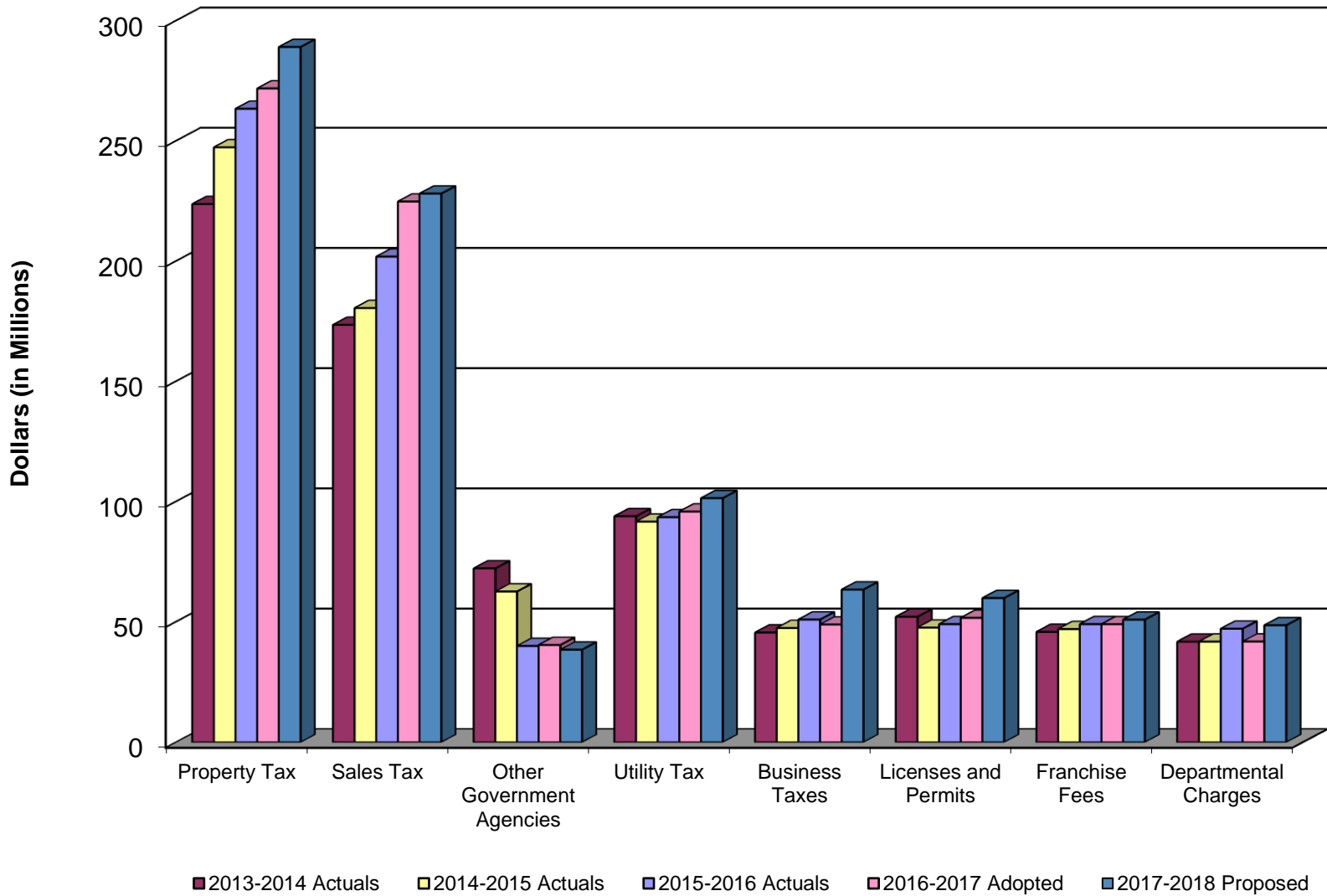
**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**FIVE-YEAR COMPARISON OF TOTAL CITY SOURCE AND USE OF FUNDS**

	1	2	3	4	5
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>PROPOSED</b>
<b>GENERAL FUND</b>	\$ 1,059,017,727	\$ 1,132,680,837	\$ 1,215,409,515	\$ 1,271,288,298	\$ 1,173,685,078
<b>SPECIAL FUNDS</b>	1,521,147,826	1,552,813,702	1,603,506,240	1,735,677,755	1,843,497,276
<Less: Operating Transfers>	(564,354,383)	(598,730,848)	(614,133,445)	(658,108,714)	(626,494,346)
<b>Net Operating Funds</b>	<b>\$ 2,015,811,170</b>	<b>\$ 2,086,763,691</b>	<b>\$ 2,204,782,310</b>	<b>\$ 2,348,857,339</b>	<b>\$ 2,390,688,008</b>
<b>CAPITAL FUNDS</b>	\$ 905,255,760	\$ 937,894,687	\$ 996,722,294	\$ 878,413,605	\$ 776,544,532
<Less: Capital Transfers>	(8,482,000)	(14,293,000)	(11,317,000)	(11,123,000)	(8,957,000)
<b>Net Capital Funds</b>	<b>\$ 896,773,760</b>	<b>\$ 923,601,687</b>	<b>\$ 985,405,294</b>	<b>\$ 867,290,605</b>	<b>\$ 767,587,532</b>
<b>NET CITY SOURCE AND USE OF FUNDS</b>	<b>\$ 2,912,584,930</b>	<b>\$ 3,010,365,378</b>	<b>\$ 3,190,187,604</b>	<b>\$ 3,216,147,944</b>	<b>\$ 3,158,275,540</b>

**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**FIVE-YEAR COMPARISON OF KEY GENERAL FUND SOURCES**



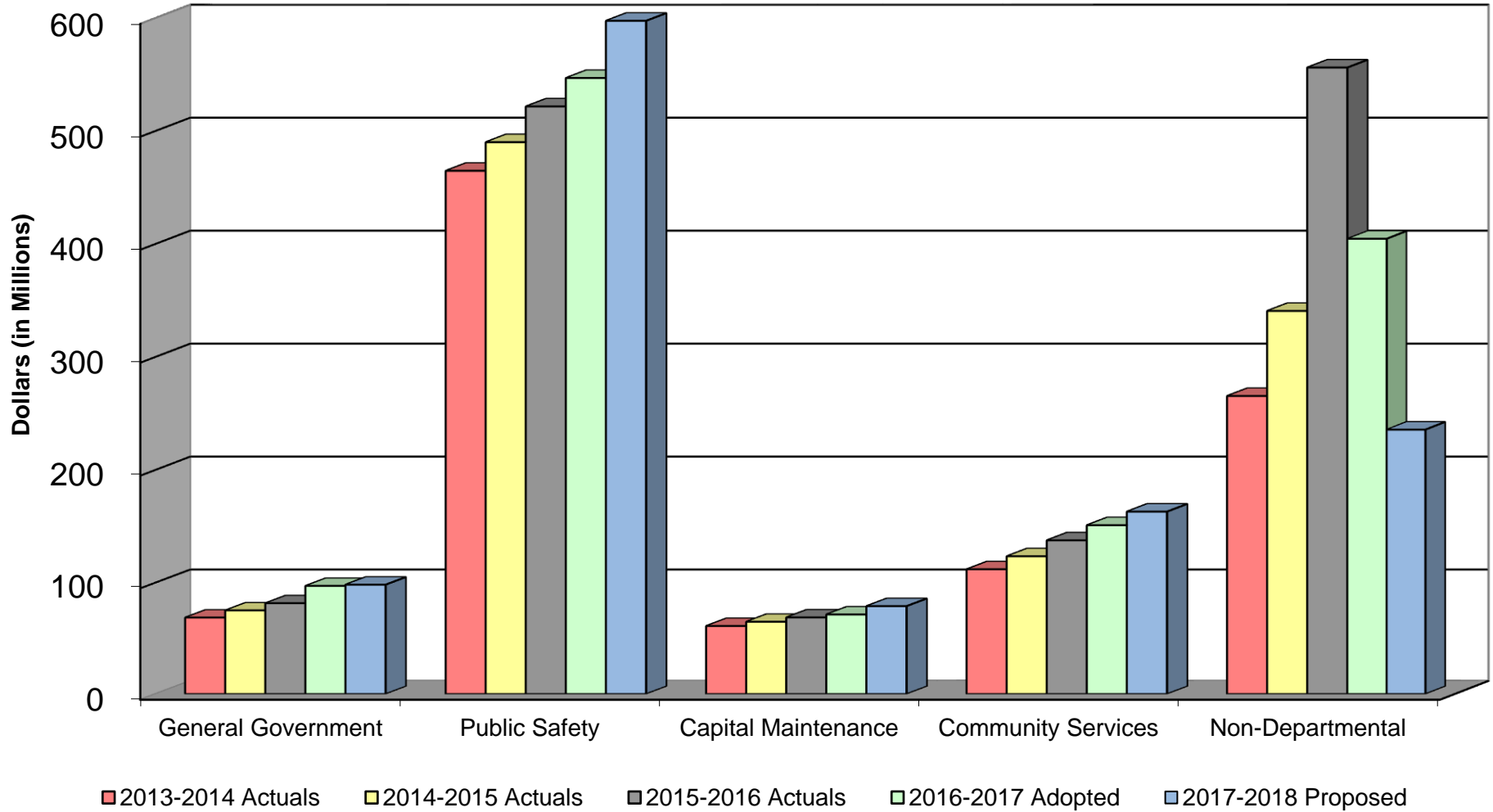
**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

**FIVE-YEAR COMPARISON OF GENERAL FUND SOURCES**

<b>SOURCE OF FUNDS</b>	<b>1 2013-2014 ACTUALS</b>	<b>2 2014-2015 ACTUALS</b>	<b>3 2015-2016 ACTUALS</b>	<b>4 2016-2017 ADOPTED</b>	<b>5 2017-2018 PROPOSED</b>
<b>FUND BALANCE</b>					
Encumbrance Reserve	\$ 19,650,300	\$ 40,777,371	\$ 44,394,930	\$ 44,394,930	\$ 39,757,863
Carryover	215,180,741	270,637,410	265,855,266	248,958,239	79,242,254
<b>Total Fund Balance</b>	<b>\$ 234,831,041</b>	<b>\$ 311,414,781</b>	<b>\$ 310,250,196</b>	<b>\$ 293,353,169</b>	<b>\$ 119,000,117</b>
<b>GENERAL REVENUE</b>					
Property Tax	\$ 223,644,896	\$ 247,258,146	\$ 263,299,078	\$ 271,737,000	\$ 288,990,000
Sales Tax	173,411,643	180,406,911	201,797,183	224,695,553	228,000,000
Transient Occupancy Tax	11,873,017	14,734,573	16,564,848	16,952,000	18,720,000
Franchise Fees	45,748,758	46,908,555	48,948,942	48,916,811	50,813,083
Utility Tax	93,793,831	91,547,670	93,397,073	95,749,500	101,320,000
Telephone Line Tax	20,692,277	21,097,282	20,077,343	21,614,000	20,000,000
Business Taxes	45,478,124	47,344,824	50,864,355	48,800,000	63,300,000
Licenses and Permits	52,013,564	47,508,875	53,765,907	51,572,553	59,778,354
Fines, Forfeitures, and Penalties	14,835,608	14,491,423	16,090,283	14,910,600	15,336,284
Revenue from Use of Money/Property	3,472,854	3,580,694	5,100,705	3,863,935	5,640,000
Revenue from Local Agencies	46,687,157	39,858,774	17,143,120	24,811,281	25,422,799
Revenue from the State of CA	11,931,668	12,024,115	12,174,306	11,328,516	11,584,500
Rev. from the State of CA-Recovery Act	1,178			0	
Revenue from Federal Government	13,477,021	10,626,611	10,599,204	4,161,294	1,358,334
Rev. from Fed Gov't-Recovery Act	19,929	0		0	
Departmental Charges	41,682,729	41,704,532	47,057,929	41,731,974	48,498,645
Other Revenue	137,402,203	154,598,297	123,547,615	17,752,381	27,320,648
<b>Total General Revenue</b>	<b>\$ 936,166,457</b>	<b>\$ 973,691,282</b>	<b>\$ 980,427,891</b>	<b>\$ 898,597,398</b>	<b>\$ 966,082,647</b>
<b>TRANSFERS AND REIMBURSEMENTS</b>					
Overhead Reimbursements	\$ 36,445,839	\$ 37,491,697	\$ 36,050,408	\$ 40,084,477	\$ 46,609,849
Transfers	16,916,462	19,044,624	22,426,696	21,086,522	24,022,465
Reimbursements for Services	18,481,157	18,449,674	16,961,571	18,166,732	17,970,000
<b>Total Transfers and Reimbursements</b>	<b>\$ 71,843,458</b>	<b>\$ 74,985,995</b>	<b>\$ 75,438,675</b>	<b>\$ 79,337,731</b>	<b>\$ 88,602,314</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 1,242,840,956</b>	<b>\$ 1,360,092,058</b>	<b>\$ 1,366,116,762</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,173,685,078</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**FIVE-YEAR COMPARISON OF GENERAL FUND USES**

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**CITY OF SAN JOSE  
2017-2018 PROPOSED OPERATING BUDGET**

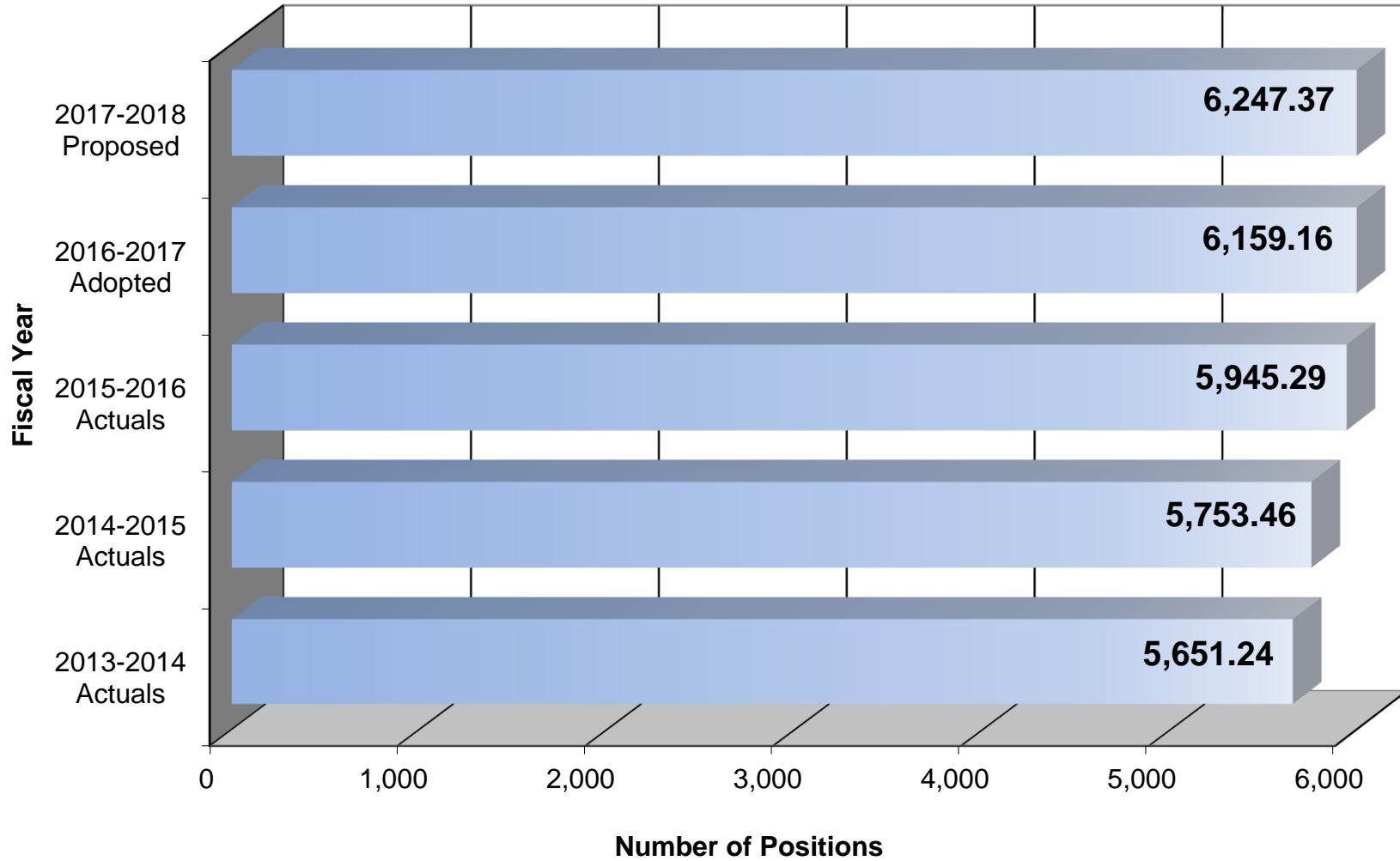
**FIVE-YEAR COMPARISON OF GENERAL FUND USES**

<b>USE OF FUNDS</b>	<b>1 2013-2014 ACTUALS</b>	<b>2 2014-2015 ACTUALS</b>	<b>3 2015-2016 ACTUALS</b>	<b>4 2016-2017 ADOPTED</b>	<b>5 2017-2018 PROPOSED</b>
<b>GENERAL GOVERNMENT DEPARTMENTS</b>					
City Attorney	\$ 11,859,351	\$ 12,975,181	\$ 13,415,946	\$ 14,139,522	\$ 14,595,637
City Auditor	1,905,811	2,115,412	1,985,541	2,473,336	2,450,559
City Clerk	1,945,607	1,974,872	2,102,530	2,735,287	2,549,838
City Manager	9,727,248	11,511,554	12,160,742	14,220,924	15,350,688
Economic Development	3,991,034	3,777,083	4,158,171	5,794,764	5,534,954
Finance	12,063,507	13,316,476	14,010,348	15,996,565	15,647,274
Human Resources	5,356,175	5,984,764	6,840,291	7,999,815	8,855,734
Independent Police Auditor	1,114,743	1,196,155	1,063,611	1,260,406	1,312,764
Information Technology	12,203,256	13,496,164	16,232,069	19,251,093	20,648,742
Mayor and City Council	8,504,920	8,772,115	9,607,089	13,248,694	11,298,749
<b>Total General Government Departments</b>	<b>\$ 68,671,652</b>	<b>\$ 75,119,776</b>	<b>\$ 81,576,338</b>	<b>\$ 97,120,406</b>	<b>\$ 98,244,939</b>
<b>PUBLIC SAFETY DEPARTMENTS</b>					
Fire	\$ 162,150,992	\$ 178,608,661	\$ 189,321,084	\$ 202,884,192	\$ 218,075,948
Police	302,670,138	311,561,534	332,460,636	344,058,888	379,498,248
<b>Total Public Safety Departments</b>	<b>\$ 464,821,130</b>	<b>\$ 490,170,195</b>	<b>\$ 521,781,720</b>	<b>\$ 546,943,080</b>	<b>\$ 597,574,196</b>
<b>CAPITAL MAINTENANCE DEPARTMENTS</b>					
Public Works	\$ 35,466,801	\$ 37,483,314	\$ 39,704,849	\$ 42,039,215	\$ 43,801,297
Transportation	25,651,841	27,395,049	29,090,961	29,423,980	35,169,982
<b>Total Capital Maintenance Departments</b>	<b>\$ 61,118,642</b>	<b>\$ 64,878,363</b>	<b>\$ 68,795,810</b>	<b>\$ 71,463,195</b>	<b>\$ 78,971,279</b>
<b>COMMUNITY SERVICES DEPARTMENTS</b>					
Environmental Services	\$ 705,040	\$ 284,593	\$ 856,919	\$ 1,372,274	\$ 2,643,701
Housing	175,120	230,461	244,446	326,593	294,533
Library	25,897,508	27,544,502	29,765,363	30,678,634	32,236,246
Parks, Recreation and Neighborhood Services	51,553,016	57,277,471	62,123,509	68,232,018	74,911,761
Planning, Building and Code Enforcement	33,754,863	38,284,102	44,742,946	50,498,489	53,075,597
<b>Total Community Services Departments</b>	<b>\$ 112,085,547</b>	<b>\$ 123,621,129</b>	<b>\$ 137,733,183</b>	<b>\$ 151,108,008</b>	<b>\$ 163,161,838</b>
<b>Total Departmental</b>	<b>\$ 706,696,971</b>	<b>\$ 753,789,463</b>	<b>\$ 809,887,051</b>	<b>\$ 866,634,689</b>	<b>\$ 937,952,252</b>
<b>NON-DEPARTMENTAL</b>					
City-Wide Expenses	\$ 196,578,935	\$ 241,074,930	\$ 207,901,636	\$ 127,784,827	\$ 90,737,462
Capital Contributions	3,266,995	18,556,541	25,865,097	70,218,000	8,250,000
Transfers	24,882,289	36,755,743	27,149,755	28,011,710	26,901,830
Earmarked Reserves	N/A	N/A	N/A	98,744,142	34,085,671
Contingency Reserve	N/A	N/A	N/A	35,500,000	36,000,000
Encumbrance Reserve	40,777,371	44,394,930	39,757,863	44,394,930	39,757,863
<b>Total Non-Departmental</b>	<b>\$ 265,505,590</b>	<b>\$ 340,782,144</b>	<b>\$ 300,674,351</b>	<b>\$ 404,653,609</b>	<b>\$ 235,732,826</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 972,202,561</b>	<b>\$ 1,094,571,607</b>	<b>\$ 1,110,561,402</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,173,685,078</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**FIVE-YEAR COMPARISON OF GENERAL FUND USES BY CATEGORY**

USE OF FUNDS	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 ADOPTED	2017-2018 PROPOSED
<b>DEPARTMENTAL</b>					
Personal Services	\$ 612,941,187	\$ 657,859,538	\$ 707,040,014	\$ 756,871,780	\$ 823,265,836
Non-Personal/Equipment	93,755,784	95,929,925	102,847,037	109,762,909	114,486,416
<b>Departmental Total</b>	<b>\$ 706,696,971</b>	<b>\$ 753,789,463</b>	<b>\$ 809,887,051</b>	<b>\$ 866,634,689</b>	<b>\$ 937,752,252</b>
<b>NON-DEPARTMENTAL</b>					
City-Wide Expenses	\$ 196,578,935	\$ 241,074,930	\$ 207,901,636	\$ 127,784,827	\$ 90,737,462
Capital Contributions	3,266,995	18,556,541	25,865,097	70,218,000	8,250,000
Transfers	24,882,289	36,755,743	27,149,755	28,011,710	26,901,830
Earmarked Reserves	N/A	N/A	N/A	98,744,142	34,085,671
Contingency Reserve	N/A	N/A	N/A	35,500,000	36,000,000
Encumbrance Reserve	40,777,371	44,394,930	39,757,863	44,394,930	39,757,863
<b>Total Non-Departmental</b>	<b>\$ 265,505,590</b>	<b>\$ 340,782,144</b>	<b>\$ 300,674,351</b>	<b>\$ 404,653,609</b>	<b>\$ 235,732,826</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 972,202,561</b>	<b>\$ 1,094,571,607</b>	<b>\$ 1,110,561,402</b>	<b>\$ 1,271,288,298</b>	<b>\$ 1,173,485,078</b>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**  
**FIVE-YEAR COMPARISON OF TOTAL STAFFING**





**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

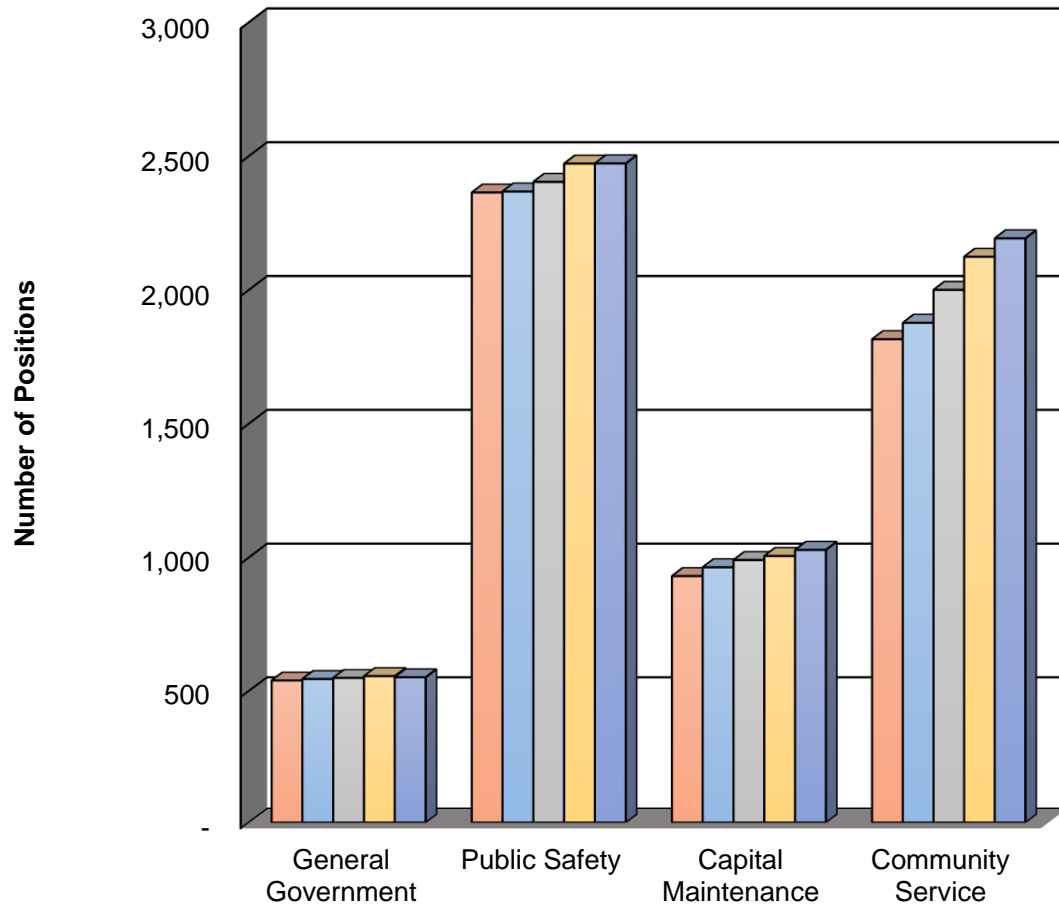
**FIVE-YEAR COMPARISON OF TOTAL STAFFING BY DEPARTMENT**

**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 Services.

**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, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement.



■ 2013-2014 Actuals   
 ■ 2014-2015 Actuals   
 ■ 2015-2016 Actuals   
 ■ 2016-2017 Adopted   
 ■ 2017-2018 Proposed

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**FIVE-YEAR COMPARISON OF TOTAL STAFFING BY DEPARTMENT**

DEPARTMENT	1 2013-2014 ACTUALS	2 2014-2015 ACTUALS	3 2015-2016 ACTUALS	4 2016-2017 ADOPTED	5 2017-2018 PROPOSED
<b>GENERAL GOVERNMENT DEPARTMENTS</b>					
City Attorney	72.00	74.50	76.50	77.50	78.50
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	61.75	61.10	63.10	66.10	66.10
Economic Development	53.00	54.00	57.00	57.00	58.00
Finance	115.00	118.00	117.00	117.00	118.00
Human Resources	48.25	49.00	51.00	53.90	50.50
Independent Police Auditor	6.00	6.00	6.00	6.00	6.00
Information Technology	90.50	87.50	82.50	82.50	78.50
Mayor and City Council	27.00	27.00	27.00	27.00	27.00
Retirement Services	36.50	38.75	39.75	39.75	39.75
<b>Total General Government Departments</b>	<b>540.00</b>	<b>545.85</b>	<b>549.85</b>	<b>556.75</b>	<b>552.35</b>
<b>PUBLIC SAFETY DEPARTMENTS</b>					
Fire	791.98	792.48	793.48	822.48	824.48
Police	1,572.37	1,575.67	1,610.67	1,649.92	1,648.67
<b>Total Public Safety Departments</b>	<b>2,364.35</b>	<b>2,368.15</b>	<b>2,404.15</b>	<b>2,472.40</b>	<b>2,473.15</b>
<b>CAPITAL MAINTENANCE DEPARTMENTS</b>					
Public Works	525.37	537.87	551.87	558.87	561.87
Transportation	405.50	426.00	439.00	447.00	467.00
<b>Total Capital Maintenance Departments</b>	<b>930.87</b>	<b>963.87</b>	<b>990.87</b>	<b>1,005.87</b>	<b>1,028.87</b>
<b>COMMUNITY SERVICES DEPARTMENTS</b>					
Airport	187.00	187.00	187.00	187.00	211.00
Convention Facilities*	0.00	0.00	0.00	0.00	0.00
Environmental Services	502.95	513.95	536.00	540.00	552.00
Housing	57.00	58.00	58.00	65.00	66.00
Library	315.08	317.46	354.29	359.87	363.87
Parks, Recreation and Neighborhood Services	493.99	510.68	560.13	653.27	683.13
Planning, Building and Code Enforcement	260.00	290.50	305.00	319.00	317.00
<b>Total Community Services Departments</b>	<b>1,816.02</b>	<b>1,877.59</b>	<b>2,000.42</b>	<b>2,124.14</b>	<b>2,193.00</b>
<b>TOTAL DEPARTMENT STAFFING</b>	<b>5,651.24</b>	<b>5,755.46</b>	<b>5,945.29</b>	<b>6,159.16</b>	<b>6,247.37</b>

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**2017-2018**

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**OPERATING BUDGET**

**BUDGET POLICIES  
AND  
PRACTICES**

**BUDGET POLICIES  
AND PRACTICES**

# CITY OF SAN JOSE

## 2017-2018 PROPOSED OPERATING BUDGET

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### **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

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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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

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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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

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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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.



**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**BUDGET POLICIES**

**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**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.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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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**

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY  
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**OPERATING BUDGET**

***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  
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**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  
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**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  
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**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**

**OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY  
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**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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**BUDGET POLICIES**

**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><b>Project Milestone/Phase</b></u>	<u><b>Type of Estimate</b></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	

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**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: ± 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: ± 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: ± 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: ± 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.

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**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.

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**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

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**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)
- San José Smart City Vision
- 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 Pollution Control Plant Master Plan (2013)
- Various City of San José policies, ordinances, and studies
- Zero Waste Strategic Plan 2022



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**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 balance or 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.

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**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

## 2017-2018 PROPOSED OPERATING BUDGET

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### 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.

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**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.
- **San Jose Redevelopment Agency debt** was issued to finance redevelopment activities within, or of benefit to, the Agency's Merged Redevelopment Project Area in accordance with California Community Redevelopment Law. The principal source of repayment for San José Redevelopment Agency debt is future property tax increment revenues. No further debt can be issued per State legislation except for refunding bonds.

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

## 2017-2018 PROPOSED OPERATING BUDGET

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### **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, 2016, the total assessed value of taxable property was \$155.9 billion, which results in a total debt limit capacity of approximately \$23.4 billion. As of June 30, 2016, the City had \$382.1 million of General Obligation bonds outstanding which represents approximately 1.6% of the debt limit.

On January 24, 2012, the City Council affirmed its decision to serve as the Successor Agency to the Redevelopment Agency of the City of San José, (“SARA”) effective February 1, 2012. As of June 30, 2016, SARA had total debt outstanding of \$1.8 billion, consisting of approximately \$1.5 billion in Merged Area Tax Allocation Bonds (TABs) (80% debt), and \$287 million in Housing Set-Aside TABs (20% debt), and \$22 million in U.S. Department of Housing and Urban Development (HUD) loans. Additionally, the SARA has enforceable obligations related to the 4<sup>th</sup> & San Fernando Street Parking Facility and the Convention Center Refunding, issued by the City of San José Financing Authority, Series 2001A and Series 2001F, respectively.

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 added \$624.3 million and repaid, or are expected to repay \$774 million of long-term debt in 2016-2017 resulting in an estimated total long-term debt balance of \$2.4 billion as of June 30, 2017. Table B summarizes the City’s and related entities’ long-term debt by issuance and final maturity, plus short-term commercial paper notes, for a combined estimated outstanding debt balance of \$2.5 billion estimated at June 30, 2017. 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 4, 2012, June 10, 2014, June 9, 2015, and most recently on March 7, 2017. 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 2016-2017, as well as issues planned for 2017-2018, are provided in the following sections.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**DEBT SERVICE OBLIGATIONS**

**2016-2017 DEBT ISSUANCE**

The following debt issues were completed in 2016-2017:

- **2016 Tax and Revenue Anticipation Note.** The City issued a short-term note (the “2016 Note”) to facilitate the prefunding of employer retirement contributions for 2016-2017. The \$100 million note was purchased by Bank of America, N.A. on July 1, 2016. Security for repayment of the 2016 Note was 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 issued \$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.** The City issued \$8.0 million in commercial paper notes in 2016-2017 to finance installation of remaining energy conservation equipment on City-owned facilities.
- **City of San José Airport Revenue Refunding Bonds, Series 2017AB (Refunding of Series 2007AB).** On April 11, 2017, the City issued the City of San José Airport Revenue Refunding Bonds, Series 2017A, and Series 2017B, in an aggregate principal amount of \$624,270,000, to refund all of the outstanding City of San José Airport Revenue Bonds, Series 2007A, and 2007B, in addition, to pay the costs of issuing the bonds and funding the debt service reserve. The refunding generated \$83.2 million in net present value savings or 12.2% net present value savings.

**2017-2018 PLANNED DEBT ISSUANCE**

The following debt issues are planned for 2017-2018:

- **2017 Tax and Revenue Anticipation Note.** The City will issue a short-term note (the “2017 Note”) to facilitate the prefunding of employer retirement contributions for 2017-2018, in an estimated amount of \$130 million. It is anticipated that the Note will be sold on July 1, 2017. Security for repayment of the 2017 Note will be a pledge of the City’s 2017-2018 secured property tax revenues and sales tax revenues plus all other legally available General Fund revenues, if required.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

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**DEBT SERVICE OBLIGATIONS**

**2017-2018 PLANNED DEBT ISSUANCE**

- **City of San José Financing Authority Lease Revenue Commercial Paper Notes – Convention Center Exhibit Hall Lighting and Ceiling Upgrades Project.** The City anticipates issuing approximately \$15 million in commercial paper notes during fiscal year 2017-2018 to finance lighting and ceiling upgrades to the exhibit hall of the San José McEnery Convention Center.
- **SJ-SC Regional Wastewater Facility CIP Commercial Paper Notes.** The City anticipates establishing a \$300 to \$420 million commercial paper program and issuing commercial paper notes, as needed, in fiscal year 2017-2018 to finance improvements at the San José-Santa Clara Regional Wastewater Facility (RWF) as part of the \$1.4 billion, 10-year RWF Capital Improvement Program. This short-term financing will provide funding to cover some or all of the project costs until reimbursement through the SRF loan, or until the short-term loan is refinanced into long-term financing.
- **2017 Tax Allocation Bond Refunding.** The Successor Agency to the Redevelopment Agency of the City of San José plans to issue approximately \$1.8 billion in tax allocation refunding bonds in three to four separate series to refund all or a portion of the Successor Agency's outstanding tax allocation bonds and two obligations of the City of San Jose Financing Authority, Series 2001A Bonds (4<sup>th</sup> & San Fernando Street Parking Garage) and Series 2001F (Convention Center). These obligations represent twenty-seven (27) separate series of bonds. The expected closing date is late summer 2017.
- **Refinancings.** The Finance Department is reviewing alternatives for refinancing existing General Obligation Bonds, Lease Revenue Bonds and Tax Allocation Bonds issued by the City and Redevelopment Agency.

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**DEBT SERVICE OBLIGATIONS**

**(A) Summary of Changes in Long-Term Debt for the Year Ending June 30, 2017**  
(In Thousands of Dollars)

	<u>Balance June 30, 2016</u>	<u>Additions to Long-Term Obligations</u>	<u>Current Maturities and Retirements</u>	<u>Estimated Balance June 30, 2017</u>
<b>GENERAL LONG TERM DEBT</b>				
General Obligation Bonds	\$ 382,085	\$ -	\$ 19,655	\$ 362,430
HUD Section 108 Loan	957	-	149	808
Lease-Purchase Agreement (Taxable)	17,949	-	1,286	16,663
Special Assessment and Special Tax Bonds with Limited Governmental Commitment	141,105	-	5,035	136,070
<b>CITY OF SAN JOSE FINANCING AUTHORITY</b>				
Lease Revenue Bonds, Series 2001F	89,730	-	11,050	78,680
Lease Revenue Bonds, Series 2003A	11,140	-	1,200	9,940
Lease Revenue Bonds, Series 2006A	54,765	-	1,915	52,850
Lease Revenue Bonds, Series 2007A	24,910	-	2,020	22,890
Lease Revenue Bonds, Series 2008C	10,915	-	-	10,915
Lease Revenue Bonds, Series 2008D (Taxable)	23,540	-	2,900	20,640
Lease Revenue Bonds, Series 2008E-1 (Taxable)	9,110	-	800	8,310
Lease Revenue Bonds, Series 2008E-2 (Taxable)	9,100	-	800	8,300
Lease Revenue Bonds, Series 2008F (Taxable)	38,395	-	1,345	37,050
Lease Revenue Bonds, Series 2011A	30,555	-	595	29,960
Lease Revenue Bonds, Series 2013A	297,775	-	4,110	293,665
Lease Revenue Bonds, Series 2013B	28,970	-	780	28,190
Revenue Bonds, Series 2001A	27,985	-	1,980	26,005
<b>CITY OF SAN JOSE ENTERPRISE FUNDS</b>				
Airport Revenue Bonds	1,313,480	624,270	708,205	1,229,545
Sewer Revenue Bonds/State Revolving Fund Loan	36,949	-	10,130	26,819
<b>TOTAL</b>	<b><u>\$ 2,549,415</u></b>	<b><u>\$ 624,270</u></b>	<b><u>\$ 773,955</u></b>	<b><u>\$ 2,399,730</u></b>



**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**DEBT SERVICE OBLIGATIONS**

**(B) Summary of Bonds and Notes Payable at June 30, 2017 by Individual Issue**

	<u>Due To</u>	<u>Effective</u>	<u>Estimated (\$ Thousands)</u>
<b>CITY OF SAN JOSE</b>			
General Obligation Bonds, Series 2001	2031	5.00-5.125%	\$ 35,475
General Obligation Bonds, Series 2002	2032	5.0%	61,910
General Obligation Bonds, Series 2004	2034	4.25-5.00%	71,230
General Obligation Bonds, Series 2005	2035	4.00-4.50%	29,355
General Obligation Bonds, Series 2006	2036	4.00-5.00%	70,300
General Obligation Bonds, Series 2007	2037	4.00-5.50%	63,000
General Obligation Bonds, Series 2008	2038	4.00-5.00%	24,260
General Obligation Bonds, Series 2009	2039	4.00-5.00%	6,900
HUD Section 108 Loan	2020	Variable Rate	808
Lease-Purchase Agreement (Taxable)	2034	3.21-6.01%	16,663
<b>Total City of San José</b>			<u><u>\$ 379,901</u></u>
<b>SPECIAL ASSESSMENT AND SPECIAL TAX BONDS WITH LIMITED GOVERNMENTAL COMMITMENT</b>			
	2042	4.75-6.65%	<u><u>\$ 136,070</u></u>
<b>CITY OF SAN JOSE FINANCING AUTHORITY</b>			
Lease Revenue Bonds, Series 2001F	2022	5.00%	\$ 78,680
Lease Revenue Bonds, Series 2003A	2023	4.125-4.70%	9,940
Lease Revenue Bonds, Series 2006A	2039	4.25-5.00%	52,850
Lease Revenue Bonds, Series 2007A	2030	4.125-4.75%	22,890
Lease Revenue Bonds, Series 2008C	2027	Variable Rate	10,915
Lease Revenue Bonds, Series 2008D (Taxable)	2025	Variable Rate	20,640
Lease Revenue Bonds, Series 2008E-1 (Taxable)	2025	Variable Rate	8,310
Lease Revenue Bonds, Series 2008E-2 (Taxable)	2025	Variable Rate	8,300
Lease Revenue Bonds, Series 2008F (Taxable)	2034	Variable Rate	37,050
Lease Revenue Bonds, Series 2011A	2042	3.50-5.75%	29,960
Lease Revenue Bonds, Series 2013A	2039	4.00-5.00%	293,665
Lease Revenue Bonds, Series 2013B	2039	3.00-5.00%	28,190
Revenue Bonds, Series 2001A	2026	4.625-5.25%	26,005
Commercial Paper Notes	Short Term	Various	23,438
<b>Total City of San José Financing Authority</b>			<u><u>\$ 650,833</u></u>

**CITY OF SAN JOSE**  
**2017-2018 PROPOSED OPERATING BUDGET**

**DEBT SERVICE OBLIGATIONS**

**(B) Summary of Bonds and Notes Payable at June 30, 2017 by Individual Issue**

	<b>Due To</b>	<b>Effective</b>	<b>Estimated (\$ Thousands)</b>
<b>ENTERPRISE FUNDS</b>			
Norman Y. Mineta San José International Airport			
Revenue Bonds, Series 2007A (AMT)	2018	5.50%	\$ 7,025
Revenue Bonds, Series 2011A-1 (AMT)	2034	5.00-5.75%	129,305
Revenue Bonds, Series 2011A-2 (Non-AMT)	2034	4.00-5.25%	74,340
Revenue Bonds, Series 2011B	2041	4.22-5.70%	261,635
Revenue Bonds, Series 2012A	2018	1.53%	8,585
Revenue Bonds, Series 2014A (AMT)	2026	2.00-5.00%	56,090
Revenue Bonds, Series 2014B (Non-AMT)	2028	5.00%	28,010
Revenue Bonds, Series 2014C (Non-AMT)	2031	5.00%	40,285
Revenue Bonds, Series 2017A (AMT)	2047	5.00%	473,595
Revenue Bonds, Series 2017B (Non-AMT)	2047	2.00-5.00%	150,675
Commercial Paper Notes	Short Term	Various	34,672
San José-Santa Clara Clean Water Financing Authority:			
Revenue Refunding Bonds, Series 2009A	2020	3.50%	20,695
State of California Revolving Loan	2019	Various	6,125
<b>Total Enterprise Funds</b>			<b>\$ 1,291,037</b>
<b>GRAND TOTAL</b>			<b>\$ 2,457,841</b>

**CITY OF SAN JOSE**  
**2017-2018 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, 2017\***  
(In Thousands of Dollars)

<b>Year Ending June 30</b>	<b>City of San José</b>	<b>Special Assessment and Special Tax Bonds</b>	<b>City of San José Financing Authority</b>	<b>Enterprise Funds</b>
2018	\$ 39,042	\$ 13,509	\$ 56,629	\$ 114,110
2019	38,156	13,498	59,382	99,829
2020	37,213	13,498	58,578	98,785
2021	36,025	13,492	58,769	99,433
2022	35,098	13,486	58,895	94,010
Thereafter	364,159	183,257	622,007	1,853,910
<b>Total</b>	<b>\$ 549,693</b>	<b>\$ 250,740</b>	<b>\$ 914,260</b>	<b>\$ 2,360,076</b>

\* 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:

	<b>Tax-Exempt</b>	<b>Taxable</b>	<b>HUD Section 108</b>
2017-2018	2.15%	2.40%	2.51%
2018-2019	2.53%	2.88%	2.99%
2019-2020	2.78%	3.20%	3.31%
2020-2021	2.78%	3.20%	-
2021-2022	2.78%	3.20%	-
Thereafter	2.78%	3.20%	-

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**2017-2018**

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**OPERATING BUDGET**

**GENERAL FUND  
REVENUE  
ESTIMATES**

**GENERAL FUND  
REVENUE ESTIMATES**

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

For 2017-2018, General Fund revenue estimates (excluding fund balance) total \$1.05 billion, representing a 7.8% increase from the 2016-2017 Adopted Budget level. When Fund Balance-Carryover is included, General Fund resources total \$1.134 billion, which is 7.6% 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 2016-2017 Adopted Budget Fund Balance total. Rebudgets for the 2017-2018 budget will be brought forward later in the budget process.

Estimates for the 2017-2018 Beginning Fund Balance and for over 450 separate General Fund revenue accounts were formulated as part of the 2018-2022 Five-Year Forecast prepared in February 2017. 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 2016-2017, an estimate for the increase or decrease in activity, and receipts anticipated for 2017-2018. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The 2017-2018 General Fund revenue estimates are summarized below and discussed in detail in the material that follows.

Revenue Category	1 2015-2016 Actuals	2 2016-2017 Adopted	3 2017-2018 Forecast	4 2017-2018 Proposed	2 to 4 % Change	% of Total
Property Tax	\$ 263,299,078	\$ 271,737,000	\$ 288,990,000	\$ 288,990,000	6.3%	25.5%
Sales Tax	201,797,183	224,695,553	228,000,000	228,000,000	1.5%	20.1%
Transient Occupancy Tax	16,564,848	16,952,000	18,720,000	18,720,000	10.4%	1.7%
Franchise Fees	48,948,942	48,916,811	50,670,000	50,813,083	3.9%	4.5%
Utility Taxes	93,397,073	95,749,500	101,320,000	101,320,000	5.8%	8.9%
Telephone Tax	20,077,343	21,614,000	20,000,000	20,000,000	(7.5%)	1.8%
Business Taxes	50,864,355	48,800,000	63,300,000	63,300,000	29.7%	5.6%
Licenses and Permits	53,765,907	51,572,553	53,316,113	59,778,354	15.9%	5.3%
Fines, Forfeitures and Penalties	16,090,283	14,910,600	15,257,000	15,336,284	2.9%	1.4%
Rev. from Money and Property	5,100,705	3,863,935	5,640,000	5,640,000	46.0%	0.5%
Rev. from Local Agencies	17,143,120	24,811,281	23,651,000	25,422,799	2.5%	2.2%
Rev. from State Government	12,174,306	11,328,516	10,835,000	11,584,500	2.3%	1.0%
Rev. from Federal Government	10,599,204	4,161,294	1,358,334	1,358,334	(67.4%)	0.1%
Fees, Rates, and Charges	47,057,929	41,731,974	42,515,270	48,498,645	16.2%	4.3%
Other Revenue	123,547,615	17,752,381	14,410,648	27,320,648	53.9%	2.4%
Transfers and Reimbursements	75,438,675	79,337,731	86,058,560	88,602,314	11.7%	7.8%
<b>Subtotal</b>	<b>\$ 1,055,866,566</b>	<b>\$ 977,935,129</b>	<b>\$ 1,024,041,925</b>	<b>\$ 1,054,684,961</b>	<b>7.8%</b>	<b>93.1%</b>
Fund Balance-Carryover (1)	265,855,266	248,958,239	68,587,224	79,242,254	(68.2%)	6.9%
<b>Total General Fund Sources</b>	<b>\$ 1,321,721,832</b>	<b>\$ 1,226,893,368</b>	<b>\$ 1,092,629,149</b>	<b>\$ 1,133,927,215</b>	<b>(7.6%)</b>	<b>100.0%</b>

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

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Economic Performance

The 2017-2018 revenue estimates were built on the assumption of slowing, but still positive 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 2017-2018 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 2018-2022 Five-Year General Fund Forecast (<http://www.sanjoseca.gov/index.aspx?nid=5478>) developed in February 2017.

### National Outlook

Moderate continued economic growth appears likely for the next several years, driven by growth across most sectors of the economy. According to the December 2016 UCLA Anderson Business School Forecast, continued job growth and wage increases, will power consumption in 2017.

Higher wages along with a continued rebound in oil prices and continued high housing costs will result in the inflation rate growing from 2% to 3%. 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 0.3% in December 2016 (seasonally adjusted) and increased 2.1% over the last 12 months (before seasonal adjustment).<sup>1</sup> In addition, to keep inflation rates at target levels, it is anticipated the Federal Reserve will raise interest rates several times over the next year, thereby reducing monetary policy support and allowing consumer spending to drive the economy.

The UCLA Forecast also projects a further decrease to the unemployment rate, from 4.8% to 4.5%, and as the labor market tightens wages continue to grow. In addition, due to OPEC agreed production limitations, oil prices are anticipated to grow in 2017 to approximately \$52-\$53 per barrel, which is similar to prices experienced in 2015. Further, even though interest rates are increasing, housing and automobile sales continue to grow due to the increased wages.

It is important to note that the recent Federal Government administration change will likely have significant impacts on the national economy. Over the next year, it is anticipated that new fiscal policies will be created and existing monetary strategies will be altered. These changes will very likely impact the national economy, but the effects are not yet known.

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<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index Detailed Report, December 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 2017 employment level in the San José, Sunnyvale, Santa Clara Metropolitan Statistical Area (MSA) of 1.09 million was 6.9% above the March 2016 level of 1.02 million.



<b>Unemployment Rate (Unadjusted)</b>			
	<b>March 2016</b>	<b>Feb. 2017</b>	<b>March 2017**</b>
San Jose Metropolitan Statistical Area*	4.1%	3.6%	3.6%
State of California	5.8%	5.2%	5.1%
United States	5.1%	4.9%	4.6%
* San Benito and Santa Clara Counties Source: California Employment Development Department. **March 2017 estimates are preliminary and may be updated.			

The unemployment rate in the San José metropolitan area continues to improve in 2016-2017, dropping from 4.1% in March 2016 to 3.6% in March 2017. These rates remain well below the double digit levels that had been experienced during the Great Recession. The March 2017 unemployment rate in this region is less than the unadjusted rate for the State (5.1%) and the nation (4.6%).

Construction activity valuation is anticipated to be higher than the prior year, and may reach or exceed the peak of \$1.7 billion experienced in 2013-2014.

Construction activity remained strong in 2015-2016 at \$1.6 billion. In 2016-2017,

The number of new residential dwelling units permits issued through March 2017 (2,457) was above the prior year level of 1,324 by 85.6%. Construction activity in all categories is higher 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.

<b>Private Sector Construction Activity (Valuation in \$ Millions)</b>			
	<b>July 2015- Mar 2016</b>	<b>July 2016- Mar 2017</b>	<b>% Change</b>
Residential	\$ 347.3	\$ 517.5	49.0%
Commercial	\$ 300.7	\$ 477.0	58.6%
Industrial	\$ 320.4	\$ 482.7	50.7%
<b>Total</b>	<b>\$ 968.4</b>	<b>1,477.2</b>	<b>52.5%</b>



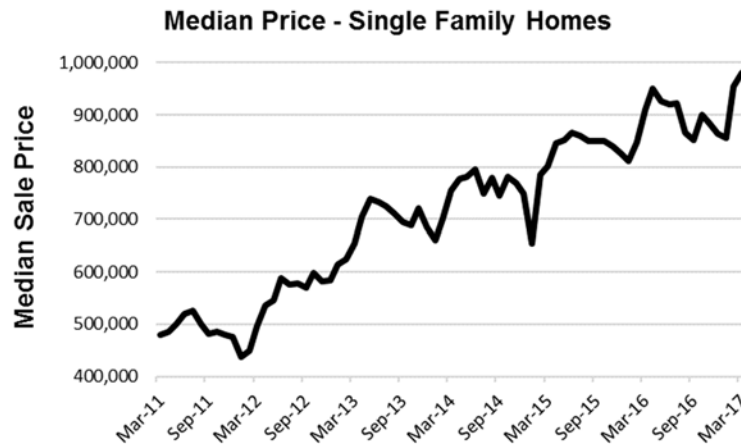
# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Economic Performance

#### *City of San José Outlook*

The housing market has continued to have growth in home prices, however the number of sales has been declining in 2016-2017 compared to prior year levels. The median price for single family homes increased in value, with a median home price in March 2017 of \$980,000, up 7.6% from the March 2016 price of \$911,000. The March 2017 price represents the highest home price recorded for San José. However, the year-to-date number of property transfers through March 2017 was 5,513, which represents a 5.2% decrease from the number of sales that occurred during the same period the prior year. It is also taking longer to sell these homes with the average days-on-market for single-family and multi-family dwellings through March 2017 totaling 29 days, up from 19 days in March 2016. Finally, the amount of inventory available in the real estate market has been steadily decreasing, with the number of new listings for single-family and multi-family dwellings totaling 951 in March 2017, a 8.0% drop from 1,034 in March 2016.



Slow, but positive economic growth is expected in 2017-2018. 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

## OVERVIEW

### Revised General Fund Forecast

Between the issuance of the Five-Year Forecast in February 2017 and the release of the Proposed Budget in May 2017, staff continued to review and update the estimated revenue collections for 2017-2018. 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 \$1.3 million to the Forecast from \$1.091 billion to \$1.093 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 2017-2018 Proposed Budget.

### 2017-2018 Revised Forecast Changes

<u>Category</u>	<u>\$ Change</u>
Licenses and Permits	\$ 849,685
Fines, Forfeitures, and Penalties	515,000
Revenue from the State	425,000
Use of Money/Property	400,000
Transfers and Reimbursements	501,953
Business Taxes	300,000
Franchise Fees	50,000
Other Revenue	40,000
Fees, Rates, and Charges	(210,000)
Property Tax	(725,000)
Beginning Fund Balance	(854,296)
<b>Total</b>	<b>\$ 1,292,342</b>

A brief discussion of these changes follows.

#### ***Licenses and Permits***

- An increase of \$789,000 to the Fire Permits revenue estimate, including an increase to the Fire Development fees (\$589,000) and the Non-Development fees (\$200,000) based on current collection trends experienced in 2016-2017.
- An increase of \$61,000 to Other Licenses and Permits based on current collection trends experienced in 2016-2017.

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Revised General Fund Forecast

#### *Fines, Forfeitures, and Penalties*

- An increase to several fines and forfeitures revenues, including \$200,000 to Parking Fines (\$11.0 million to \$11.2 million), \$75,000 to Citation Fines (\$175,000 to \$250,000), and \$30,000 to Animal Services Field Citations (\$90,000 to \$120,000), based on current collection trends experienced in 2016-2017.
- An increase of \$200,000 to Business Tax Penalties (\$1.0 million to \$1.2 million) and \$10,000 to Fire Safety Delinquency Penalties (\$120,000 to \$130,000), based on current collection trends experienced in 2016-2017.

#### *Revenue from the State*

- An increase of \$425,000 to reflect Other State Revenue funding that was unaccounted for in the 2017-2018 Forecast due to a calculation error.

#### *Use of Money/Property*

- An increase of \$200,000 to the interest earnings estimate (\$2.0 million to \$2.2 million) based on current collection trends experienced in 2016-2017, coupled with higher interest rate assumptions in 2017-2018.
- An increase of \$200,000 to the Subrogation Recovery estimate (\$300,000 to \$500,000) based on 2016-2017 collection trends as well as historical performance in this category.

#### *Transfers and Reimbursements*

- A net increase of \$185,000 to reflect updated overhead reimbursements from capital funds and operating funds based on the final 2017-2018 base budget and final 2017-2018 overhead rates as approved by the Finance Department.
- A net increase of \$312,000 to the Transfers category to reflect an increase in the reimbursement from Airport funds for services provided by the Police and Fire Department and an increase of \$5,000 to the reimbursement from the Maintenance Assessment District Funds.

#### *Business Taxes*

- An increase of \$300,000 to the estimate for the Marijuana Tax (\$9.05 million to \$9.35 million) based on 2016-2017 collection trends.

#### *Franchise Fees*

- An increase of \$50,000 adjusts the City Generated Tow revenue (from \$950,000 to \$1.0 million) based on 2016-2017 collection trends.

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Revised General Fund Forecast

#### *Other Revenue*

- An increase of \$140,000 to reflect an increase in projected incentive payments from the City's banking services vendor (\$100,000), procurement credit card (P-card) vendor (\$25,000) and office supplies vendor (\$15,000).
- A decrease of \$100,000 eliminates the revenue estimate from the sale of surplus vehicles due to City Council direction to donate these vehicles to Coyote Creek Flood victims.

#### *Fees, Rates, and Charges*

- A decrease of \$155,000 to the Parks, Recreation, and Neighborhood Services Departmental Charges estimate (from \$20.62 million to \$20.46 million) aligns revenues with estimated base activity levels. This reflects a revised reconciliation of the Happy Hollow Park and Zoo.
- A decrease of \$55,000 to the Library Departmental Charges to reflect the anticipated 2017-2018 collection and activity levels.

#### *Property Tax*

- A decrease of \$725,000 to the Unsecured Property Tax estimate (\$14.5 million to \$13.8 million) to reflect lower than anticipated collections in 2016-2017. This resulted in a lower base starting point for 2017-2018 anticipated growth of 3%.

#### *Beginning Fund Balance*

- A decrease of \$854,000 to Beginning Fund Balance estimate reflects a lower carryover amount of the Development Fee Program Reserves (Fire: reduction of \$530,000; Public Works: reduction of \$187,000; Planning: reduction of \$135,000; Building: reduction of \$2,000) necessary to bridge the gap between 2017-2018 base revenues and expenditures. The Development Fee Programs are assumed to be 100% cost recovery.

### Changes from Forecast to Proposed Budget

From the Revised Forecast of \$1.093 billion, a net increase of \$41.3 million to the General Fund revenue estimates is recommended, bringing the 2017-2018 Proposed Budget revenue estimate to \$1.134 billion. The components of this increase include an increase to the estimate for 2016-2017 Ending Fund Balance/2017-2018 Beginning Fund Balance (\$10.7 million) and an increase to various revenue categories (\$30.6 million). These changes are summarized in the following table:

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Changes from Forecast to Proposed Budget

#### 2017-2018 Proposed Budget Changes

<u>Category</u>	<u>\$ Change</u>
Beginning Fund Balance	\$10,655,030
Other Revenue	12,910,000
Licenses and Permits	6,462,241
Fees, Rates, and Charges	5,983,375
Transfers and Reimbursements	2,543,754
Revenue from Local Agencies	1,771,799
Revenue from the State of California	749,500
Franchise Fees	143,083
Fines, Forfeitures, and Penalties	79,284
<b>Total</b>	<b>\$ 41,298,066</b>

#### *Beginning Fund Balance*

- An increase of \$10.7 million from the Revised Forecast is included, bringing the estimated 2017-2018 Beginning Fund Balance from \$68.6 million to \$79.2 million to reflect the following:
  - Liquidation of various reserves totaling \$3.8 million, including the Cultural Facilities Capital Maintenance Reserve (\$1.975 million), 2017-2018 Future Deficit Reserve (\$1.4 million), and General Plan Update Reserve (\$375,000).
  - Additional anticipated fund balance of \$1.6 million generated from personal services savings that are projected in the Police Department due to vacancy savings.
  - Rebudget of funds for expenditure-related items in the amount of \$5.3 million that are not anticipated to occur until 2017-2018, including Homeless Rapid Rehousing/Tiny Homes (\$2.3 million), Fire Station 37 Reserve (\$960,000), Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure (\$610,000), Urban Area Security Initiative Grant – Police 2016/Dispatch Consoles (\$570,000), San José Environmental Sustainability Plan Implementation Staffing (\$306,030), Silicon Valley Talent Partnership (\$200,000), Historic Preservation (\$100,000), Mayor’s Gang Prevention Task Force Clean Slate Program (\$100,000), Human Resources Non-Personal/Equipment – Workers’ Compensation Claims contract (\$90,000), and Aquatics Program (\$50,000).

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Changes from Forecast to Proposed Budget

#### *Other Revenue*

- A one-time increase of \$12.9 million due to the Successor Agency to the Redevelopment Agency prevailing in litigation against Santa Clara County (County) regarding the withholding of the PERS and Water District levies by the County. As a result, the litigation should allow for some repayment of City funds advanced to pay for certain Successor Agency enforceable obligations. The Proposed Budget includes the full funding of \$12.9 million as revenue to the General Fund, however, \$6.3 million is eligible to be returned to the General Purpose Parking Fund.
- A one-time increase of \$10,000 to reflect funding from the Youth Connections Foundation to support Viva CalleSJ, Viva Parks!, and Plaza de Cesar Chavez placemaking events.

#### *Licenses and Permits*

- An increase of \$4.0 million to the Building Development Fee Program fees (from \$28.5 million to \$32.5 million) to bring ongoing revenues and expenditures into closer alignment with less reliance on the Building Development Fee Program Reserve.
- An increase of \$1.1 million in the Fire Development Fee Program (from \$7.5 million to \$8.6 million) reflects fee changes included in the Proposed Budget to bring ongoing revenues and expenditures into closer alignment with less reliance on the Fire Development Fee Program Reserve.
- An increase of \$541,000 to adjust various Police Department permits to maintain cost recovery levels.
- An increase of \$364,000 in Fire non-development permits to support the addition of 1.0 Fire Prevention Inspector and maintain 100% cost recovery level.
- A net increase of \$410,000 for other changes to licenses and permits, including building code enforcement and other Code Enforcement Fee programs (\$420,000) and temporary street closures (-\$10,000).

#### *Fees, Rates, and Charges*

- An increase of \$4.5 million in the Planning Development Fee Program (\$3.2 million) and Public Works Development Fee Program (\$1.3 million) to bring ongoing revenues and expenditures into closer alignment with less reliance on the Development Fee Program Reserves.
- An increase of \$1.3 million to the Parks, Recreation and Neighborhood Services (PRNS) Department Charges aligns revenues with estimated activity levels. The increase primarily reflects a net increase of \$512,000 in the Fee Activity program revenues. Additional adjustments include: a \$571,000 increase in Happy Hollow Park and Zoo revenues due primarily to corporate rentals; a \$117,000 increase in Lake Cunningham Skate Park revenue, \$91,000 in field reservations revenue; and -\$5,000 for PRNS special events permits (as directed in the Mayor's March Budget Message for Fiscal Year 2017-2018).

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Changes from Forecast to Proposed Budget

#### *Fees, Rates, and Charges (Cont'd.)*

- An increase of \$123,000 to the Transportation Department fees and charges to reflect various fee revisions.
- An increase of \$64,000 to the Police Department fees and charges to reflect various fee revisions and maintain cost recovery levels.

#### *Transfers and Reimbursements*

- A one-time transfer of \$350,000 from the Council District 4 Construction and Conveyance (C&C) Tax Fund (Fund 381) to pay the remaining debt owed for the Berryessa Community Center. In past years, the debt service payment was made directly from the C&C Tax Fund. However, the remaining debt of \$350,000 is now expected to be paid off from proceeds from the sale of the Hayes Mansion. This action will reimburse the General Fund for that payment.
- As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, the Proposed Budget includes one-time transfers totaling \$668,513 from the General Purpose Parking Fund for the Residential Parking Pilot Program (\$118,513), Business Permit Process Improvement Bootcamp (\$200,000), Storefront Activation (\$250,000), and Downtown Ice Rink Improvements (\$100,000).
- Elimination of a transfer from the Community Facilities Revenue Fund that was included in the 2017-2018 Forecast to reimburse the General Fund for finance staffing and insurance costs to support the Hayes Mansion (\$160,715). With the expected sale of the Hayes Mansion, this transfer will no longer be necessary.
- A net increase of \$1.7 million (\$1.3 million ongoing) in anticipated overhead reimbursements to reflect the impact of various budget actions in the 2017-2018 Budget that change the staffing levels funded by special funds and capital funds.

#### *Revenue from Local Agencies*

- A one-time increase of \$1.6 million to reflect the County's portion of the Senior Nutrition Program costs. This funding from the County of Santa Clara Department of Aging and Adult Services covers two-thirds of the total cost of the program and will be used to reimburse the City's vendor for the cost of the meals for seniors at all 13 senior nutrition sites from July 2017 to June 2018.
- A one-time increase of \$175,000 to reflect grant revenue from the Metropolitan Transportation Commission for urban village planning (\$150,000) and funding from Santa Clara County to support Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking events (\$25,000).

# GENERAL FUND REVENUE ESTIMATES

## OVERVIEW

### Changes from Forecast to Proposed Budget

#### *Revenue from State of California*

- A one-time increase of \$528,000 to reflect grant funding from the Metropolitan Transportation Commission for urban village planning. The concept of urban villages was established in the Envision San José 2040 General Plan that was adopted in 2011. The policy intends to create a framework that directs sustainable job and housing growth within walkable and bike-friendly areas that have good access to transit and other infrastructure and facilities.
- A one-time increase of \$221,500 to reflect funding from the State of California to support Viva CalleSJ, Viva Parks!, and Plaza de Cesar Chavez placemaking events.

#### *Franchise Fees*

- An increase of \$143,000 reflects an increase in the Commercial Solid Waste (CSW) fees by 1.26% based on the 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.

#### *Fines, Forfeitures, and Penalties*

- An increase of \$79,000 related to expansion of the Massage Parlor Permit and Regulation Program. As a result of increased regulation, additional fine revenue is anticipated in 2017-2018.



## GENERAL FUND REVENUE ESTIMATES

<b>PROPERTY TAX</b>	
2015-2016 Actual	\$ 263,299,078
2016-2017 Adopted	\$ 271,737,000
2017-2018 Forecast*	\$ 288,990,000
2017-2018 Proposed	\$288,990,000
% of General Fund	25.5 %
% Change from 2016-2017 Adopted	6.3 %

\* The 2017-2018 Forecast was decreased \$725,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

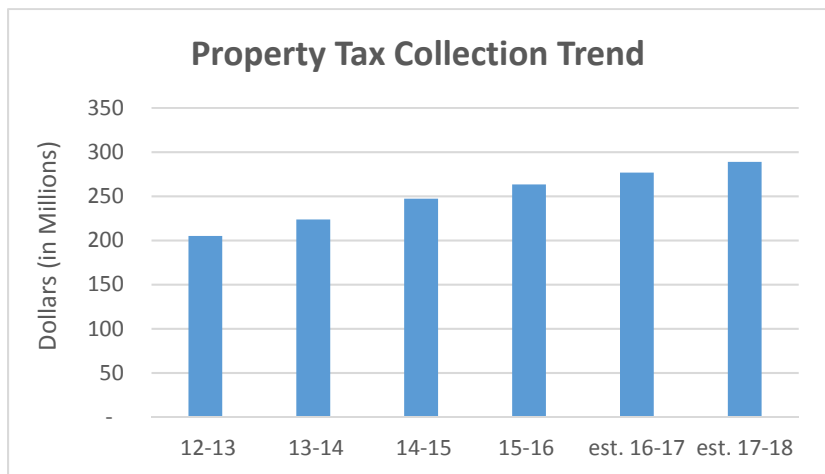
### Revenue Estimates

<b>Property Tax Category</b>	<b>2017-2018 Proposed Budget</b>
Secured Property Tax	\$ 265,800,000
Unsecured Property Tax	13,800,000
SB 813 Property Tax	5,500,000
Aircraft Property Tax	2,890,000
Homeowner's Property Tax Relief Exemption	1,000,000
<b>Total</b>	<b>\$ 288,990,000</b>

Property Tax receipts of \$276.7 million are projected for 2016-2017, which represents 5.1% growth from the prior year. The 2016-2017 projection reflects continued growth, but at a slightly more moderate pace, as well as a 2.0% California Consumer Price Index (CCPI) assessed in the Secured Property Tax category.

Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the Educational Revenue Augmentation Fund (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 March 2017, a payment of \$4.4 million was distributed to the City of San José, which is 33.3% below the ERAF payment received in 2015-2016 of \$6.6 million; however, the 2016-2017 payment is significantly above the budgeted estimate of \$2.0 million. The higher 2016-2017 revenue has been included in the development of the estimate for 2016-2017 Ending Fund Balance/2017-2018 Beginning Fund Balance. In 2017-2018, an ERAF payment of \$4.0 million is



# GENERAL FUND REVENUE ESTIMATES

## PROPERTY TAX

### Revenue Estimates

assumed as this revenue stream may vary from year to year and the higher levels received in the last few years may not be sustained.

In 2017-2018, Property Tax receipts are estimated at \$289.0 million, which reflects growth of 4.4% over the estimated 2016-2017 collections. Excluding the ERAF payments from 2016-2017 and 2017-2018, the adjusted growth in 2016-2017 is 4.7%. The 2017-2018 estimate reflects continued moderate growth as well as a 2.0% CCPI increase that will be assumed in the Secured Property Tax category.

### Secured Property Tax

In 2016-2017, Secured Property Tax receipts are expected to total \$252.5 million, reflecting an increase of 5.4% from the 2015-2016 collection level. Excluding the impact of payments resulting from excess Educational Revenue Augmentation Fund (ERAF) funds, Secured Property Tax receipts are projected to increase 6.5% in 2016-2017. This reflects an increase in assessed value for 2016-2017, due to the California Consumer Price Index (CCPI) increase of 2%, increased valuation due to changes in 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 2016-2017 roll growth was driven primarily by changes in ownership (48.9%), new construction (20.3%), and change in the CCPI (8.7%).

In 2017-2018, Secured Property Tax receipts, which will be based on real estate activity through January 1, 2017, are expected to increase by 5.3% to \$265.8 million. The Security Property Tax receipts increase anticipated in 2017-2018 is driven by 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 2017-2018 tax roll is 2%; consistent with the prior year level.

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. Most of the 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 2016, residential real estate experienced gains as the December 2016 median sales price of \$863,000 for single-family homes was 4.6% above the December 2015 level of \$825,000. The number of sales, however, has declined which will negatively impact growth. The total number of property transfers declined 5.8%, from 8,355 in calendar year 2015 to 7,869 in calendar year 2016.

# GENERAL FUND REVENUE ESTIMATES

## PROPERTY TAX

### Revenue Estimates

#### 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 levels based primarily on the strength of the local business sector. Based on actual collections, Unsecured Property Tax receipts are estimated at \$13.4 million in 2016-2017, which is slightly below the prior year level of \$13.6 million. Collections are expected to increase 3.0% in 2017-2018 to \$13.8 million based on the current economic conditions.

#### Other

It is estimated that an additional \$8.1 million will be received in 2017-2018 from the following: SB 813 Property Tax (\$5.5 million), Airplane Property Tax (\$2.9 million), and Homeowners Property Tax Relief (\$1.0 million).

## GENERAL FUND REVENUE ESTIMATES

<b>SALES TAX</b>	
2015-2016 Actual	\$ 201,797,183
2016-2017 Adopted	\$ 224,695,553
2017-2018 Forecast	\$ 228,000,000
2017-2018 Proposed	\$ 228,000,000
% of General Fund	20.1%
% Change from 2016-2017 Adopted	1.5 %

### Distribution of Sales Tax

As shown in the following table, the City receives 1.0% of the 9.25% Sales Tax collected for items sold in San José. In addition, the distribution percentage includes a 0.25% local transaction and use tax enacted by the City of San José effective October 1, 2016 (limited to 15 years). The City also receives a portion of the Public Safety Fund (Proposition 172) Sales Tax collected State-wide.

Agency	Distribution Percentage
State of California	5.500%
City of San José	1.000%
City of San José (Local Tax)	0.250%
Santa Clara County	0.875%
Santa Clara Valley Transportation Authority	1.125%
Public Safety Fund (Proposition 172)	0.500%
<b>Total</b>	<b>9.250%</b>

### Revenue Estimates

Sales Tax receipts are estimated to generate \$211.9 million in 2016-2017, which includes revenue from the voter-approved local sales tax. This collection is 5.0% above the prior year level, but falls below the

Sales Tax Category	2017-2018 Proposed Budget
General Sales Tax	\$187,000,000
Local Sales Tax	35,000,000
Proposition 172 Sales Tax	6,000,000
<b>Total</b>	<b>\$228,000,000</b>

2016-2017 modified budget due to lower than expected revenues in both the General Sales Tax and Local Sales Tax categories. In 2017-2018, Sales Tax receipts are projected to increase 7.6% to \$228.0 million, reflecting annual economic growth and the annualization of the Local Sales Tax.

# GENERAL FUND REVENUE ESTIMATES

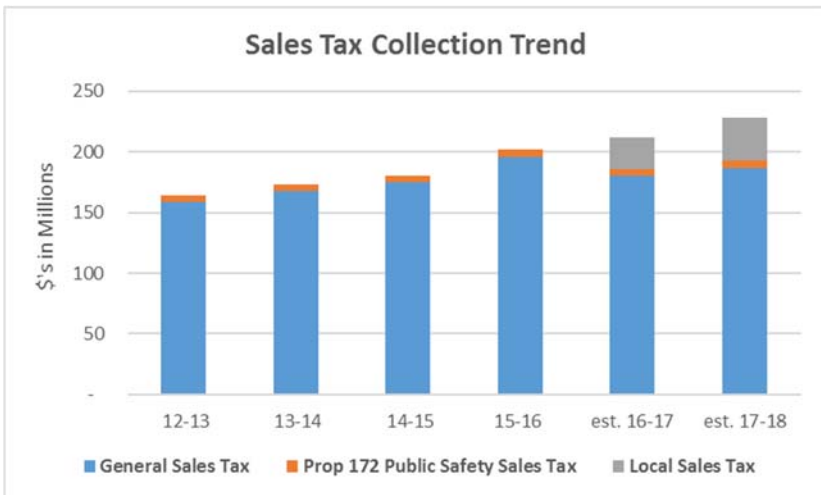
## SALES TAX

### Revenue Estimates

#### General Sales Tax

The 2016-2017 Adopted Budget estimate for General Sales Tax totals \$188.8 million, which is 3.7% below the 2015-2016 year-end figure of \$196.0 million. In 2015-2016, General Sales Tax collections of \$196.0 million were 11.5% (\$20.2 million) above the 2014-2015 collection level of \$175.8 million due in large part to the receipt of one-time funds associated with the wind down of the Sales Tax “Triple Flip” of \$12.0 million.

The 2016-2017 Adopted Budget estimate assumes 3.5% growth from estimated 2015-2016 collections (excluding one-time payments in 2015-2016 associated with the Sales Tax “Triple Flip”). However, because actual collections in 2015-2016 exceeded expectations, the 2016-2017 Adopted Budget estimate requires growth of 1.5% from the 2015-2016 year-end adjusted figure (excluding the one-time Triple Flip payment of \$12.0 million and other one-time adjustments).



Information on actual General Sales Tax receipts for the first and second quarters of 2016-2017 was received in December 2016 and March 2017, respectively. The first quarter of receipts, which represented activity for July through September 2016, was down 9.4% from the same quarter in the prior year. This large decline was primarily driven by a correction associated with jet fuel sales tax revenues that were allocated to San José in 2015-2016 in error and therefore reversed in the first quarter of 2016-2017. Factoring out the correction, receipts were down 3.8% from the same quarter in the prior year. In addition, the second quarter of receipts, which represented activity for October through December 2016, were down 3.1% from the same quarter in 2015-2016.

The quarterly declines in General Sales Tax compared to the same quarters in the prior year have not occurred since 2009-2010 and is concerning given the general health of the local economy. Given the performance experience in the first two quarters, no growth is projected for the remaining two quarters, which would bring receipts to approximately \$180 million in 2016-2017. This collection level is well below the budgeted estimate of \$188.8 million and the prior year receipts of \$196.0 million. As described above, receipts in 2015-2016 included a one-time payment of approximately \$12 million associated with the “Triple Flip” wind down; excluding that payment, projected receipts in 2016-2017 are down 2.2% from the adjusted 2015-2016 actuals. The chart below outlines the various sectors of sales tax and the percentage of the total receipts received. As shown in the chart, several economic sectors contributed to the total Sales Tax receipts though nearly 75% was generated from General Retail, Transportation, and Business-to-Business categories.

# GENERAL FUND REVENUE ESTIMATES

## SALES TAX

### Revenue Estimates

#### Sales Tax Revenue Economic Performance

Economic Sector	% of Total Revenue
General Retail	29.0%
Business-to-Business	21.2%
Transportation	21.2%
Food Products	17.5%
Construction	10.4%
Miscellaneous	0.7%
<b>Total</b>	<b>100.0%</b>

Source: MuniServices, October 2015 – December 2016 quarter

In 2017-2018, General Sales Tax receipts are estimated at \$187.0 million, which reflect growth of 3.9% from the 2016-2017 estimate. This reflects underlying quarterly growth of 3.0% as well as net upward adjustments of \$1.5 million to account for prior year accrual adjustments and to reverse a large one-time negative adjustment associated with the jet fuel correction that occurred in 2016-2017. This assumes the return to growth that is consistent with the overall performance of the economy. The Sales Tax revenue projections will continue to be refined as additional information becomes available. Adjustments to the 2017-2018 estimate may be recommended based on third quarter 2016-2017 collections (January through March period; data received in June 2017). These adjustments will be brought forward through a Manager's Budget Addendum in June, as appropriate.

#### Local Sales Tax

In June 2016, San José voters approved a ¼ cent local sales tax that is now estimated to generate \$26.0 million in 2016-2017 (October implementation) and \$35.0 million annually beginning in 2017-2018. These revenue estimates are based on actual collections for the first quarter of implementation (October through December 2016 activity). The annual revenue estimate of \$35.0 million for this category falls below the \$40.0 million estimate assumed when the ballot measure was brought forward.

#### Public Safety (Proposition 172) Sales Tax

Proposition 172 Sales Tax collections represents the one-half cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs. In 2017-2018, collections are projected at \$6.0 million, a slight increase from the \$5.9 million anticipated to be received in 2016-2017.

## GENERAL FUND REVENUE ESTIMATES

<b>TRANSIENT OCCUPANCY TAX</b>	
2015-2016 Actual	\$ 16,564,848
2016-2017 Adopted	\$ 16,952,000
2017-2018 Forecast	\$ 18,720,000
2017-2018 Proposed	\$ 18,720,000
% of General Fund	1.7 %
% Change from 2016-2017 Adopted	10.4 %

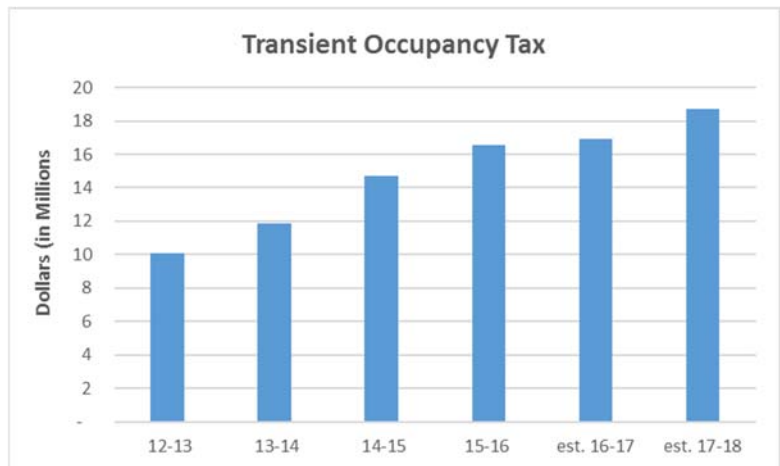
### Distribution of Transient Occupancy Tax

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.

The Mayor’s March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, directed the growth in General Fund Transient Occupancy Tax receipts over the 2013-2014 actual collection level be set aside in a General Fund Cultural Facilities Capital Maintenance Reserve. The 2017-2018 Proposed Budget includes recommendations to 1) discontinue this practice and eliminate the portion of the reserve that is supported by the growth in TOT in 2017-2018 (\$6.8 million); and 2) establish an ongoing allocation to the General Fund Cultural Facilities Capital Maintenance Reserve of \$450,000. This proposal would not impact the existing reserve of \$5.9 million, which is expected to increase by the end of 2016-2017 based on current year TOT receipts. The existing funding along with the ongoing allocation of \$450,000 is projected to address capital maintenance needs at the cultural facilities over the next four years. Beyond that period, the ongoing funding need will need to be re-evaluated.

### Revenue Estimates

In 2016-2017, Transient Occupancy Tax (TOT) receipts in the General Fund are projected to reach \$18.0 million, reflecting an increase of 8.7% from the 2015-2016 collection level. Overall, the hotel industry continues to experience year-over-year growth in fiscal year 2016-2017 with increases in average daily room rates (up by approximately 1.4% to 76.6%), and an average revenue-per-available room (up \$145.68 to \$159.23).



In 2017-2018, growth of 4.0% from the 2016-2017 estimate to \$18.7 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.

## GENERAL FUND REVENUE ESTIMATES

<b>FRANCHISE FEES</b>	
2015-2016 Actual	\$ 48,948,942
2016-2017 Adopted	\$ 48,916,811
2017-2018 Forecast*	\$ 50,670,000
2017-2018 Proposed	\$50,813,083
% of General Fund	4.5 %
% Change from 2016-2017 Adopted	3.9 %

\* The 2017-2018 Forecast was increased \$50,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

### Revenue Estimates

Franchise Category	2017-2018 Proposed Budget
Electric	\$ 21,726,000
Gas	5,400,000
Commercial Solid Waste	11,513,083
Cable Television	10,820,000
City Generated Tow	1,000,000
Great Oaks Water	294,000
Nitrogen Gas Pipeline Fees	60,000
<b>Total</b>	<b>\$ 50,813,083</b>

Overall, collections are projected at \$49.8 million in 2016-2017, an increase of 1.8% from prior year receipts of \$48.9 million. The projected increase in 2016-2017 is primarily due to higher collections in Gas, Electricity, and Cable receipts. In 2017-2018, Franchise Fees are expected to increase 1.8% to \$50.8 million, primarily due to growth in Gas (5.2%), Cable (2.0%), and Electricity (2.0%) categories.

#### **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 2017-2018 are based on calendar year 2017). 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 2016-2017 are expected to reach \$21.3 million, reflecting growth of 1.5 % compared to actual receipts in 2015-2016. In 2017-2018, growth of 2.0% from 2016-2017 estimates is anticipated, bringing estimated receipts to \$21.7 million. This reflects rate increases in January 2017 (average system-wide 0.7%) and March 2017 (average system-wide 1.7%), allowing for a slight reduction in consumption.



# GENERAL FUND REVENUE ESTIMATES

## FRANCHISE FEES

### Revenue Estimates

#### Electricity, Gas, and Water Utility Services (Cont'd.)

In the Gas Franchise Fee Category, the 2016-2017 estimated collections of \$5.1 million reflect a 3.4% increase from the \$5.0 million received in the prior year. In 2017-2018, Gas Franchise Fee collections are projected to increase by approximately 5% to \$5.4 million. These increases are due to higher rates and increased consumption, however, actual collections can fluctuate significantly due to consumption changes associated with the weather and future rate changes. Water Franchise Fees are expected to total \$280,000 in 2016-2017, a 13% increase from the 2015-2016 collection level of \$248,000. In 2017-2018, collections are anticipated to increase 5% to \$294,000.

#### Commercial Solid Waste

Commercial Solid Waste (CSW) Franchise Fee collections are estimated to reach budgeted levels of \$11.4 million in 2016-2017, only slightly above the prior year collections, as the 2016-2017 CPI-based increase was only 0.12%. Collections reflect the revised methodology for assessing this fee that became effective July 1, 2012. On October 19, 2010, the City Council amended the CSW fee to charge franchises based on geographic collection districts rather than volume. The fee structure is a base of \$5 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 revised structure is subject to an annual increase based on the percentage change in the CPI rate during the prior two calendar years. It should be noted that this increase is not automatic, and is subject to City Council approval each year. Therefore, the 2017-2018 Forecast estimate of \$11.4 million is consistent with the 2016-2017 estimate and does not automatically assume a CPI adjustment. Included in this document is 1.26% increase, which will generate an additional \$143,000 and is incorporated into the revenue estimate, bringing the budgeted estimate to \$11.5 million in 2017-2018. This 1.26% 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 2016-2017 Cable Television Franchise Fee estimate is \$10.6 million, which is 1.7% above the 2015-2016 actual collection level of \$10.4 million. In 2017-2018, estimated collections of \$10.8 million reflect projected modest growth of 2%.

#### City-Generated Towing, Nitrogen and Jet Fuel Pipelines

In the City-Generated Towing category, projected revenues of \$1.0 million in 2016-2017 and 2017-2018 are slightly above 2015-2016 collections of \$912,000. The Nitrogen Pipeline Franchise Fee is anticipated to generate \$60,000 in both 2016-2017 and 2017-2018.

## GENERAL FUND REVENUE ESTIMATES

<b>UTILITY TAX</b>	
2015-2016 Actual	\$ 93,397,073
2016-2017 Adopted	\$ 95,749,500
2017-2018 Forecast	\$ 101,320,000
2017-2018 Proposed	\$ 101,320,000
% of General Fund	8.9 %
% Change from 2016-2017 Adopted	5.8 %

### Revenue Estimates

Utility Tax Category	2017-2018 Proposed Budget
Electricity	\$ 46,800,000
Gas	10,070,000
Water	14,850,000
Telephone	29,600,000
<b>Total</b>	<b>\$ 101,320,000</b>

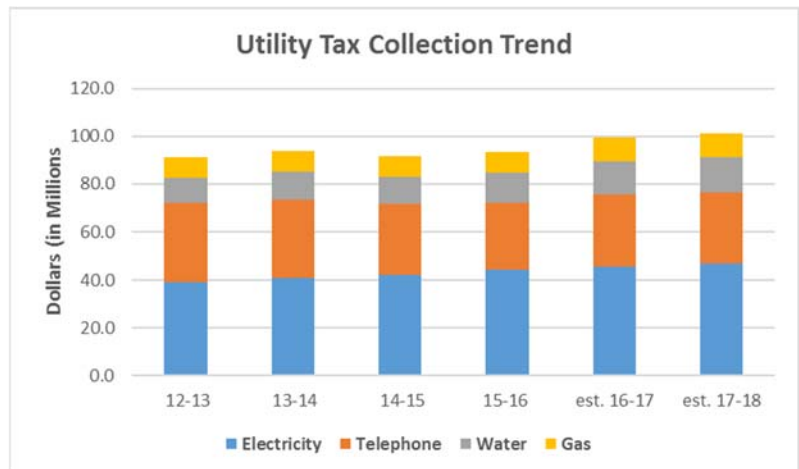
Utility Taxes are imposed on electricity, gas, water, and telephone usage. Collections in 2016-2017 are anticipated to total \$99.4 million, representing an increase of 6.4% from the 2015-2016 collection level. In 2017-2018, Utility Tax collections are projected to increase approximately 1.9% to \$101.3 million.

#### Electricity Utility Tax

The Electricity Utility Tax is anticipated to generate \$45.9 million in 2016-2017, a 3.5% increase from prior year levels. This reflects actual collection patterns as well as rate increases in January 2017 (0.7% system-wide) and March 2017 (1.7% system-wide). In 2017-2018, revenues are estimated to increase an additional 2% to \$46.8 million, reflecting the annualization of rate increases in 2016-2017.

#### Gas Utility Tax

Gas Utility Taxes are projected at \$9.8 million in 2016-2017, a 10% increase from 2015-2016 levels based on actual collection patterns and estimates for increased rates and consumption. In 2017-2018, revenues are projected to increase by approximately 3% to \$10.1 million. The increases estimated in the Gas Utility Tax are due to higher rates and increased consumption, however, actual collections can fluctuate significantly due to consumption changes associated with the weather and future rate changes.



# GENERAL FUND REVENUE ESTIMATES

## UTILITY TAXES

### Revenue Estimates

#### Water Utility Tax

Water Utility Tax receipts of \$14.1 million are anticipated to be received in 2016-2017, an increase of approximately 15% from 2015-2016. In 2017-2018, receipts are projected to increase approximately 5% to \$14.9 million based on the continued rising wholesale price of water with an estimated July 2017 increase in price that corresponds to rate increases by the utility companies.

#### Telephone Utility Tax

In the Telephone Utility Tax category, revenues are collected on landlines, wireless, and VoIP. Based prepaid wireless services sold at retail locations. Receipts in 2016-2017 are projected at \$29.6 million, a 6.1% increase from 2015-2016. The higher collection levels in 2016-2017 are a result of increased receipts from prepaid wireless services sold at retail locations and VoIP receipts. In 2017-2018, revenues are projected to remain consistent with 2016-2017 collection levels.

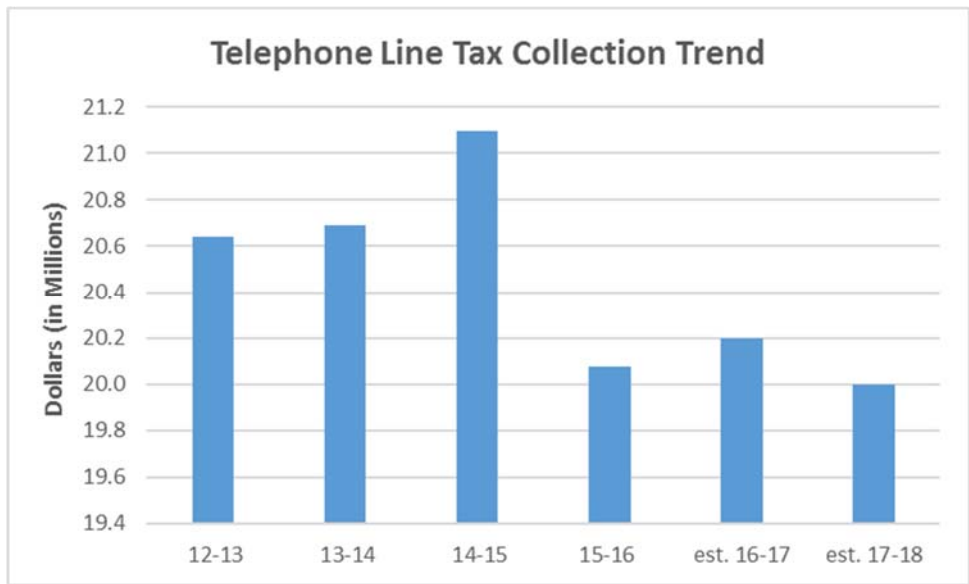
Beginning January 1, 2016, AB 1717 (otherwise known as the Local Prepaid Mobile Telephone Services Collection Act) required California retailers to collect the local utility users tax on prepaid wireless services at the same time it collects the sales tax on its other retail products. Receipts in 2015-2016 totaled \$398,000, which represented the initial implementation and the first six months of collection. In 2016-2017 receipts are tracking to exceed \$1.2 million, reflecting a full year of implementation. In 2017-2018, collections are projected to level off at 2016-2017 levels.

## GENERAL FUND REVENUE ESTIMATES

<b>TELEPHONE LINE TAX</b>	
2015-2016 Actual	\$ 20,077,343
2016-2017 Adopted	\$ 21,614,000
2017-2018 Forecast	\$ 20,000,000
2017-2018 Proposed	\$ 20,000,000
% of General Fund	1.8 %
% Change from 2016-2017 Adopted	(7.5 %)

### Revenue Estimates

Based on the current collection trend for Telephone Line Tax, receipts in 2016-2017 are estimated to total \$20.2 million, a less than 1% decrease from prior year levels. In 2017-2018, receipts are anticipated to remain relatively flat at \$20.0 million.



## GENERAL FUND REVENUE ESTIMATES

### BUSINESS TAXES

2015-2016 Actual	\$ 50,864,355
2016-2017 Adopted	\$ 48,800,000
2017-2018 Forecast*	\$ 63,300,000
2017-2018 Proposed	\$ 63,300,000
% of General Fund	5.6 %
% Change from 2016-2017 Adopted	29.7 %

\* The 2017-2018 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

Business Taxes Category	2017-2018 Proposed Budget
Cardroom Taxes	\$ 18,300,000
Disposal Facility Taxes	12,000,000
General Business Taxes	23,650,000
Marijuana Business Taxes	9,350,000
<b>Total</b>	<b>\$ 63,300,000</b>

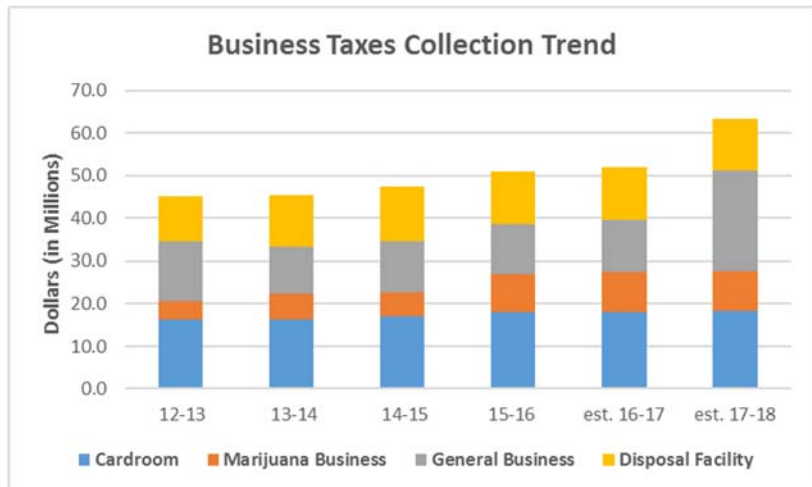
In 2016-2017, Business Taxes are estimated to reach \$52.0 million, a 2.2% increase from prior year levels. In 2017-2018, revenues are estimated to increase 21.8% to \$63.3 million due to changes in the General Business Tax that were approved by voters in November 2017 and become effective July 1, 2017.

#### Cardroom Tax

Based on current performance, collections in the Cardroom Tax category are estimated at \$18.1 million in 2016-2017, which is consistent with the prior year levels. Receipts are anticipated to rise slightly in 2017-2018 with estimated collections of \$18.3 million.

#### Disposal Facility Tax

In the Disposal Facility Tax category, collections are estimated at \$12.3 million in 2016-2017 based on current collection trends, which assumes an approximate 1% increase from the prior year collection levels of \$12.2 million. In 2017-2018, revenues are projected to decrease 2.4% to \$12.0 million as a result of waste diversion efforts. 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.



# GENERAL FUND REVENUE ESTIMATES

## BUSINESS TAXES

### Revenue Estimates

#### General Business Tax

In 2016-2017, General Business Tax proceeds are expected to reach \$12.0 million, which is fairly consistent with the prior year level of \$11.8 million and takes into consideration the remaining billing cycles, account closeouts and cleanups anticipated in 2016-2017, and the historical collections rates of invoices. In 2017-2018, revenues are anticipated to increase \$11.7 million, to \$23.7 million, due to the Modernization of the San José business tax, which was approved by San José voters on November 8, 2016 (Measure G). The adjustments to the business tax, which will take effect July 1, 2017, include: increasing the base tax; increasing the incremental tax and making it more progressive; increasing the cap (the maximum amount of the tax affecting large businesses); updating the application of the tax to more classes of business; and adding inflation based adjustments for future tax rates.

#### Marijuana Business Taxes

Marijuana Business Taxes are currently being collected at a 10% rate on gross receipts as approved by the voters in Ballot Measure U in 2010 on medical and non-medical, legal and illegal sales. In 2016-2017, collections are anticipated to increase to approximately \$9.35 million, an increase of 5.7% from prior year levels of \$8.9 million. It should be noted that this estimate includes marijuana business tax as well as marijuana business tax compliance. Actual marijuana business tax collections are anticipated at \$9.3 million, which is 14.8% above prior year actuals of \$8.1 million, while the marijuana business tax compliance collections are anticipated at approximately \$75,000, significantly lower than last year's collections of \$772,000. With the increasing compliance of registered collectives, revenues from compliance are expected to drop to \$50,000 in 2017-2018; however, the 2017-2018 tax revenues are expected to remain consistent with the 2016-2017 collection estimate of \$9.3 million. In November 2016, the California Marijuana Legalization Initiative (Proposition 64) legalized recreational marijuana use in the State of California. In San José, the only legal marijuana operations are the 16 registered collectives. Nonmedical marijuana sales are currently prohibited in San José, therefore, the estimates do not assume any new revenues associated with nonmedical uses.

## GENERAL FUND REVENUE ESTIMATES

<b>LICENSES AND PERMITS</b>	
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2015-2016 Actual	\$ 53,765,907
2016-2017 Adopted	\$ 51,572,553
2017-2018 Forecast*	\$ 53,316,113
2017-2018 Proposed	\$ 59,778,354
% of General Fund	5.3 %
% Change from 2016-2017 Adopted	15.9 %

\* The 2017-2018 Forecast was increased \$850,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

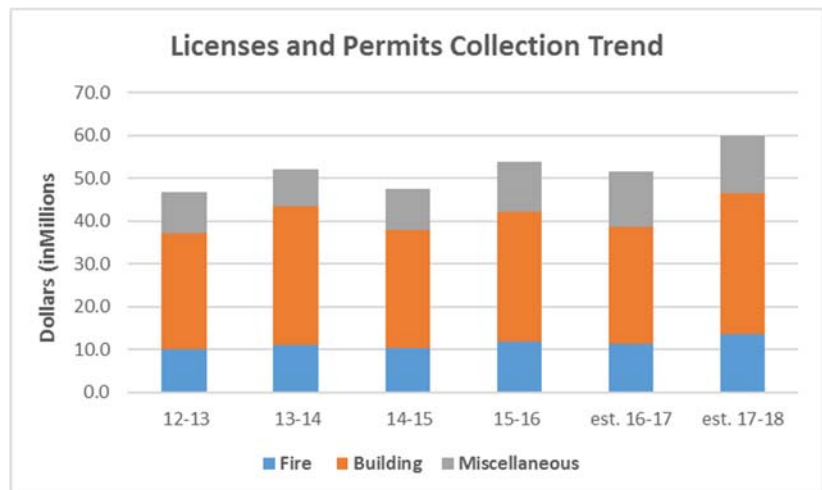
### Revenue Estimates

Licenses and Permits Category	Proposed Budget
Building	\$ 32,500,000
Fire Permits	13,511,000
Other Licenses and Permits	13,767,354
<b>Total</b>	<b>\$ 59,778,354</b>

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. In 2017-2018, the Licenses and Permits category is estimated at \$59.8 million, a 15.9% increase from the 2016-2017 Adopted Budget.

#### **Building Permits**

In 2016-2017, the Building Permits revenues are estimated at \$31.5 million based on the extremely strong development performance experienced this year. In 2017-2018, the base revenue estimate is set at \$28.5 million, assuming a leveling off of development activity. The Building Development Fee Program base costs, however, are expected to exceed this base revenue estimate in 2017-2018 by \$9.2 million. In the 2018-2022 General Fund Forecast, it was assumed that the Building



Development Fee Program would be used to close this \$9.2 million gap in 2017-2018 to ensure the program remained at 100% cost recovery. In the Proposed Budget, the funding gap is proposed to be addressed by fee adjustments and the use of the Building Development Fee Program Reserve as

# GENERAL FUND REVENUE ESTIMATES

## LICENSES AND PERMITS

### Revenue Estimates

#### **Building Permits** (Cont'd.)

well as cost adjustments to better align the fee program costs between the Planning and Building Fee Programs.

In December 2016, the City Council accepted the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report*. The Report highlighted that the Building Development Fee Program, along with the other Development Services Partners, is not capturing all its costs from the fees and charges collected from customers. To move closer to full cost recovery without requiring the use of the Building Development Fee Program Reserve, an increase to the Building permit fees is recommended, as discussed in the 2017-2018 Proposed Fees and Charges document. Proposed changes to the Building hourly rates combined with adjustments to fees will help to close the cost recovery gaps and provide the Building Development Fee Program with sufficient resources to support existing service levels. The fee changes are estimated to generate an additional \$4.0 million in 2017-2018, bringing the 2017-2018 revenue estimate to \$32.5 million.

Budget proposals totaling a net savings of \$1.0 million are recommended in this budget, including a Planning staff realignment that shifts 6.0 planner positions from the Building Development Fee Program to the Planning Development Fee Program to properly align costs with revenues and shared resources expenditures associated with supporting document imaging technology. With the proposed fee and cost changes, there will be less reliance on the use of the Building Development Fee Program Reserve to close the Base Budget funding gap, and will result in an increase to the Reserve of \$4.7 million in the Proposed Budget (this partially offsets the use of \$9.2 million of the Reserve in the Base Budget). After accounting for these adjustments, a remaining Building Development Fee Program Reserve of \$12.4 million at the beginning of 2017-2018 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 2017-2018 Fees and Charges document that is released under separate cover.

#### **Fire Permits**

This fee program includes both the Development and Non-Development Fee areas. In 2017-2018, the Fire Permits revenue estimate of \$13.5 million is above the 2016-2017 estimated collection level of \$12.0 million due to proposed fee adjustments. To maintain cost recovery in these areas and ensure that service delivery needs are met for 2017-2018, a number of budget actions are included in this document.



# GENERAL FUND REVENUE ESTIMATES

## LICENSES AND PERMITS

### Revenue Estimates

#### *Fire Permits (Cont'd.)*

In the Fire Development Fee Program area, the 2017-2018 revenue estimate of \$8.6 million, is 15.3% above the 2016-2017 estimated collection level of \$7.5 million. The 2017-2018 revenue estimate includes a Base Budget revenue estimate of \$7.5 million, assuming steady development performance, and proposed fee increases of \$1.1 million, or an approximately 15%. The Fire Development Fee Program costs are expected to slightly exceed estimated revenue levels in 2017-2018. In the 2018-2022 Five-Year Forecast, it was assumed that the use of \$1.1 million of the Fire Development Fee Program Reserve would be necessary to balance this fee program in 2017-2018; however, the recommended Fire Development Program fee increases are projected to address this funding gap, and would allow an increase to the Fire Development Fee Program Reserve of \$1.1 million, offsetting the reduction necessary in the Base Budget. In addition, a few expenditure proposals totaling \$126,000 are recommended, including shared resources, to replace two inspector vehicles that were taken out of service and purchase 30 tablets and accessories for mobile fire inspection services. In total \$127,000 of the Fire Development Fee Program will be used to balance this fee program and remain 100% cost recovery in 2017-2018. After accounting for these adjustments, a remaining Fire Development Fee Program Reserve of \$5.8 million at the beginning of 2017-2018 is estimated, primarily for works-in progress projects.

In the Fire Non-Development Fee area, the 2017-2018 revenue estimate of \$4.9 million is higher than the 2016-2017 estimate of \$4.5 million and reflects proposed fee increases of approximately 8% to maintain cost recovery in this program and fund recommended program additions. This includes the addition of 1.0 Fire Prevention Inspector and overtime funding to help improve the percentage of occupancies (non-mandated and assemblies).

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 2017-2018 Fees and Charges document that is released under separate cover.

#### *Miscellaneous Other Licenses and Permits*

The 2017-2018 Proposed Budget includes \$13.8 million for a variety of other Licenses and Permits; a net increase of \$951,000 from the 2017-2018 Revised Forecast level of \$12.8 million. This increase primarily reflects fee adjustments to maintain cost-recovery and anticipated changes in activity levels. These adjustments include:

- An increase of \$541,000 to adjust various Police Department permits to maintain cost recovery levels.
- A net increase of \$410,000 for other changes to licenses and permits, including building code enforcement and other Code Enforcement fee programs (\$420,000) and temporary street closures (-\$10,000).

## GENERAL FUND REVENUE ESTIMATES

### FINES, FORFEITURES, AND PENALTIES

2015-2016 Actual	\$ 16,090,283
2016-2017 Adopted	\$ 14,910,600
2017-2018 Forecast*	\$ 15,257,000
2017-2018 Proposed	\$ 15,336,284
% of General Fund	1.4 %
% Change from 2016-2017 Adopted	2.9 %

\* The 2017-2018 Forecast was increased \$515,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

### Revenue Estimates

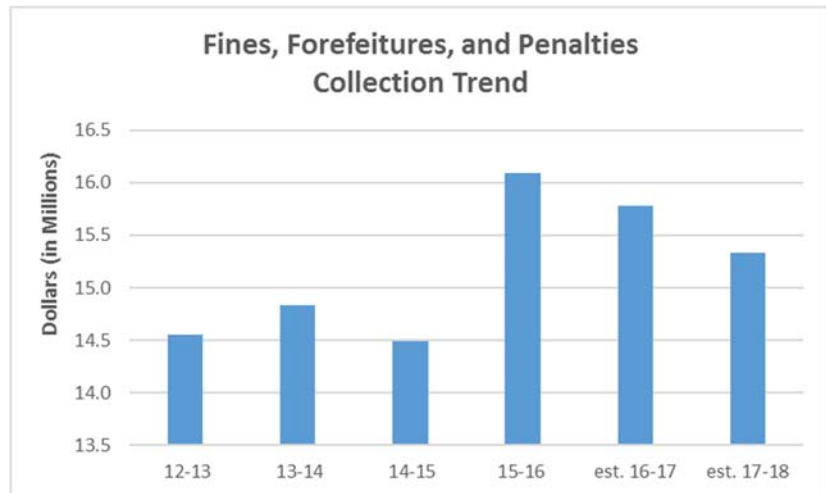
In 2017-2018, overall collections of \$15.3 million are projected in the Fines, Forfeitures, and Penalties category, which is slightly below the 2016-2017 estimate. Following is a discussion of major components of this category.

#### Parking Fines

Parking Fines are expected to generate approximately \$11.2 million in 2016-2017, a 2.8% increase from 2015-2016 collections of \$10.9 million.

In 2017-2018, Parking Fines revenues are expected to remain at \$11.2 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 2017-2018 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 2016-2017 collections and slightly above actual collections of \$311,000 in 2015-2016.



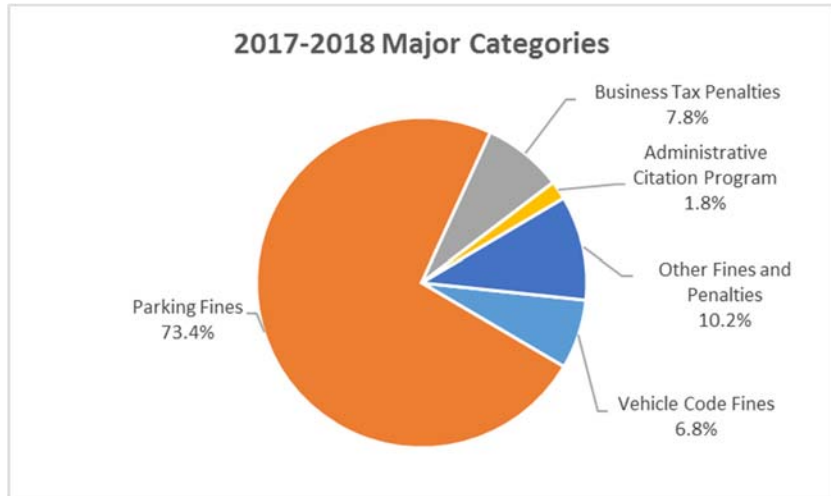
# GENERAL FUND REVENUE ESTIMATES

## FINES, FORFEITURES, AND PENALTIES

### Revenue Estimates

#### Vehicle Code and Municipal Court Fines

In 2017-2018, Vehicle Code Fines are estimated at \$1.0 million, which is consistent with the current tracking of this revenue category. Municipal Court Fines are expected to reach \$250,000, which is a 28.6% decrease from the 2016-2017 estimate of \$350,000, but is fairly consistent with 2015-2016 collections of \$227,000.



#### Business Tax Penalties

Business Tax penalties are projected at \$1.2 million for 2017-2018 based on historical collection patterns for this category.

#### Administrative Citation Program

The 2017-2018 Administrative Citation Program is projected to generate \$280,000 in total collections, including \$250,000 in fines and an additional \$30,000 in penalties.

#### Other Fines and Penalties

Other Fines and Penalties of \$1,011,000 are estimated to be received in 2017-2018 and reflect a variety of sources, including but not limited to: \$250,000 for Code Enforcement administrative remedies, \$125,000 multiple housing permit penalties, \$130,000 associated with Fire safety penalties, \$140,000 in Blight Fines, \$120,000 in Animal Services Field Citations, \$34,000 in False Alarm Fines, and \$133,000 in other fines and penalties. The 2017-2018 Proposed Budget includes additional revenue of \$79,000 related to expansion of the Massage Parlor Permit and Regulation Program. As a result of increased regulation, additional fine revenue is anticipated in 2017-2018.

## GENERAL FUND REVENUE ESTIMATES

### REVENUE FROM USE OF MONEY AND PROPERTY

2015-2016 Actual	\$ 5,100,705
2016-2017 Adopted	\$ 3,863,935
2017-2018 Forecast*	\$ 5,640,000
2017-2018 Proposed	\$ 5,640,000
% of General Fund	0.5 %
% Change from 2016-2017 Adopted	46.0 %

\* The 2017-2018 Forecast was increased \$400,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

### Revenue Estimates

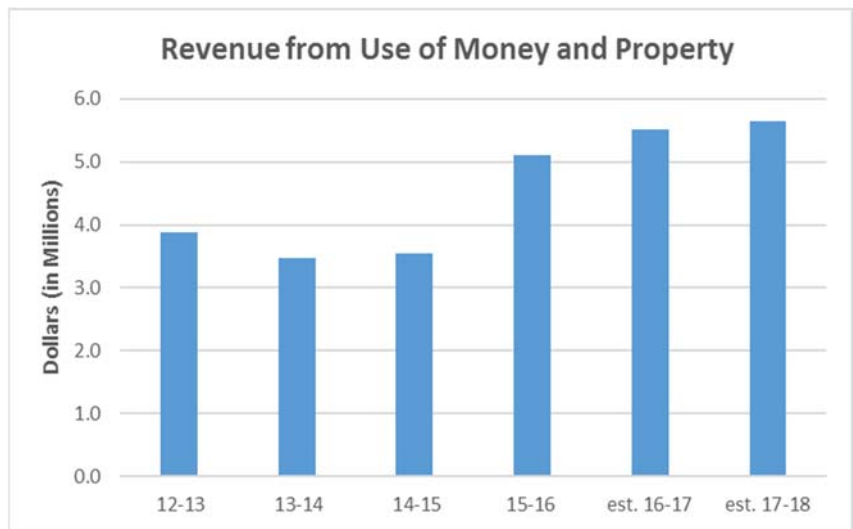
In 2017-2018, overall collections of \$5.6 million are projected in the Use of Money and Property category.

#### **Rental of City-Owned Property**

In 2017-2018 it is anticipated that approximately \$2.9 million will be generated from the rental of City-owned property, which is consistent with estimated collections in 2016-2017.

#### **General Fund Interest Earnings**

The anticipated interest earnings collection level in 2017-2018 is \$2.0 million, which is slightly above the \$1.8 million estimated in 2016-2017 and well above 2015-2016 collections of \$1.2 million. The higher collection amounts are a result of increased interest rates.



#### **Miscellaneous Collections**

An additional \$788,000 in miscellaneous sources is estimated to be generated in 2017-2018 primarily from Subrogation Recovery (\$500,000), Property Tax and Conveyance Tax Interest (\$175,000), the rental of the 4<sup>th</sup> Street banquet facility (\$50,000), and Fairmont Catering (\$50,000).

## GENERAL FUND REVENUE ESTIMATES

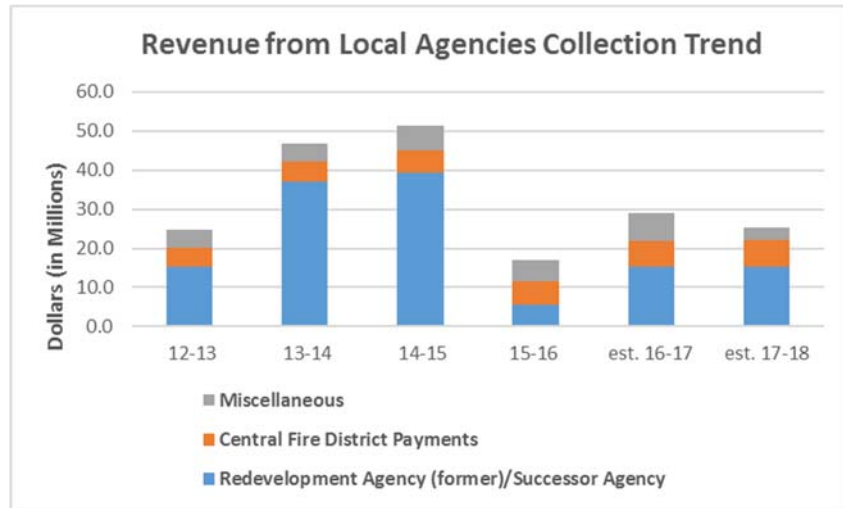
<b>REVENUE FROM LOCAL AGENCIES</b>	
2015-2016 Actual	\$ 17,143,120
2016-2017 Adopted	\$ 24,811,281
2017-2018 Forecast	\$ 23,651,000
2017-2018 Proposed	\$ 25,422,799
% of General Fund	2.2 %
% Change from 2016-2017 Adopted	2.5 %

### Revenue Estimates

In 2017-2018, revenue of \$25.4 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

The largest revenue estimate in this category is a reimbursement from the Successor Agency to the Redevelopment Agency of San José for the payment of the Convention Center Debt Service of \$15.26 million in 2016-2017 and \$15.24 million in 2017-2018. A corresponding expenditure is assumed in the City-Wide Expenses category for this debt service payment.



#### 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 information provided by the Central Fire District staff, payments of \$6.6 million are anticipated in 2016-2017. This reflects a 7.9% increase from the prior year levels. In 2017-2018, collections are projected to increase 5.5% to \$6.96 million.

# GENERAL FUND REVENUE ESTIMATES

## REVENUE FROM LOCAL AGENCIES

### Revenue Estimates

#### Other Payments

Other projected payments from local agencies in 2017-2018 include reimbursements for services provided by the Animal Care and Services Program (\$970,000) and the final payment associated with the annexation in the Cambrian area to the City of Campbell (\$199,000).

Included in the 2017-2018 Proposed Budget are the following additional adjustments:

- A one-time increase of \$1.6 million to reflect the County's portion of the Senior Nutrition Program costs. This funding from the County of Santa Clara Department of Aging and Adult Services covers two-thirds of the total cost of the program and will be used to reimburse the City's vendor for the cost of the meals for seniors at all 13 senior nutrition sites from July 2017 to June 2018.
- A one-time increase of \$175,000 to reflect grant revenue from the Metropolitan Transportation Commission for urban village planning (\$150,000) and funding from Santa Clara County to support Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking events (\$25,000).

The Proposed Budget does not assume reimbursement from the County of Santa Clara for the first responder advanced life support program (Paramedic Program). The reimbursement associated with this program was eliminated from the budget beginning in 2014-2015 and this Forecast continues to assume no reimbursement for the services provided by the City. Because the City's performance falls only slightly below the performance standards set forth in the agreement with the County, no reimbursement is provided to the City for either the equipment reimbursement component (Annex B, Category A funds) or the service-related component (Annex B, Category B funds). It should be noted that the direct incremental cost to the City to provide the paramedic program totals over \$5.0 million annually. If the County were to assume responsibility for this program, its costs are estimated to far exceed this amount.

## GENERAL FUND REVENUE ESTIMATES

### REVENUE FROM THE STATE OF CALIFORNIA

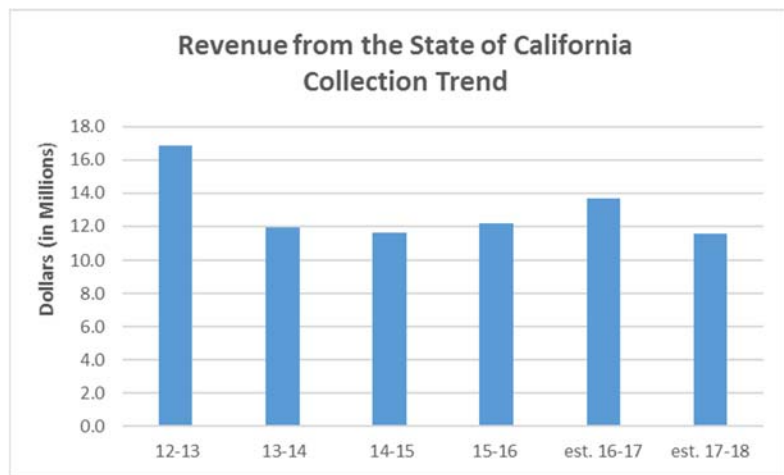
2015-2016 Actual	\$ 12,174,306
2016-2017 Adopted	\$ 11,328,516
2017-2018 Forecast*	\$ 10,835,000
2017-2018 Proposed	\$11,584,500
% of General Fund	1.0 %
% Change from 2016-2017 Adopted	2.3%

\* The 2017-2018 Forecast was increased \$425,000 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 \$14.2 million in 2016-2017 and decrease to \$11.6 million in 2017-2018. 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 2016-2017 Tobacco Settlement payments total \$9.2 million, slightly above the \$8.9 million received in 2015-2016. In 2017-2018, collections are anticipated to decrease back to the 2015-2016 collection level of \$8.9 million.

#### **State Grants/Reimbursements**

On an annual basis, the City receives several grants and reimbursements, including: Abandoned Vehicles Abatement (\$650,000); Auto Theft reimbursement (\$725,000); and Highway Maintenance Charges reimbursement (\$110,000). Vehicle License Fees Collection in Excess are also estimated at \$450,000 annually and account for the Vehicle License Fee revenues that are collected by the Department of Motor Vehicles as a result of certain compliance procedures that are equally apportioned to counties and cities on a population basis. In addition, the following State grants and reimbursements are included in the Proposed Budget and are anticipated to be received in 2017-2018:

- A one-time grant of \$528,000 from the Metropolitan Transportation Commission for urban village planning. The concept of urban villages was established in the General Plan. The policy intends to create a framework that directs sustainable job and housing growth within walkable and bike-friendly areas that have good access to transit and other infrastructure and facilities.
- A one-time increase of \$221,500 to reflect funding from the State of California to support Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking events.

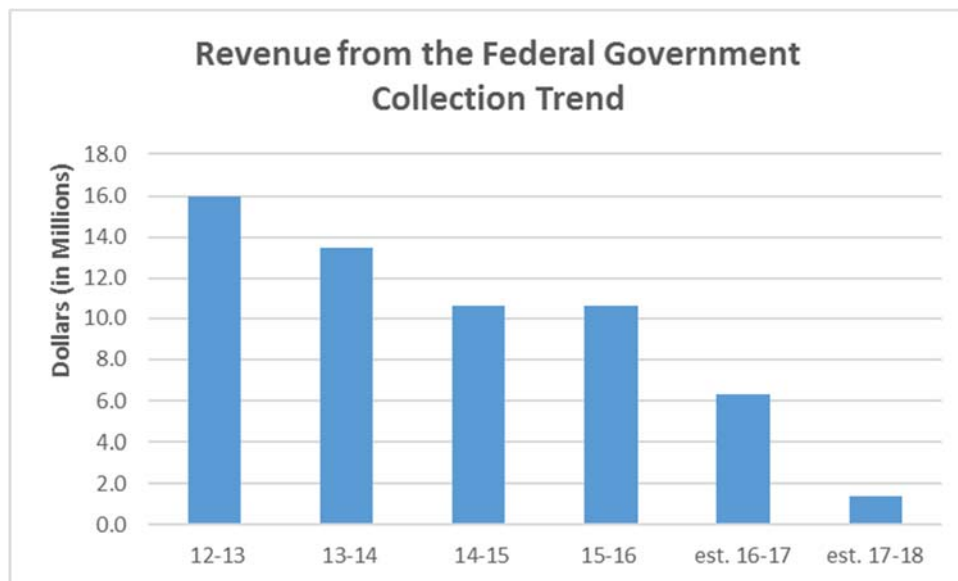
## GENERAL FUND REVENUE ESTIMATES

### REVENUE FROM THE FEDERAL GOVERNMENT

2015-2016 Actual	\$ 10,599,204
2016-2017 Adopted	\$ 4,161,294
2017-2018 Forecast	\$ 1,358,334
2017-2018 Proposed	\$ 1,358,334
% of General Fund	0.1 %
% Change from 2016-2017 Adopted	(67.4 %)

### Revenue Estimates

The revenue in this category accounts for grants and reimbursements from the Federal Government. The following grant is anticipated in 2017-2018 and reflects the final year of a three-year grant: Fire Staffing for Adequate Fire and Emergency Response grant (SAFER) (\$1.4 million). The corresponding expenditures are included in this budget.





## GENERAL FUND REVENUE ESTIMATES

### FEES, RATES, AND CHARGES

2015-2016 Actual	\$ 47,057,929
2016-2017 Adopted	\$ 41,731,974
2017-2018 Forecast*	\$ 42,515,270
2017-2018 Proposed	\$ 48,498,645
% of General Fund	4.3 %
% Change from 2016-2017 Adopted	16.2 %

\* The 2017-2018 Forecast was decreased \$210,000 from the February Forecast due to updated information; additional details can be found in the Overview of this section.

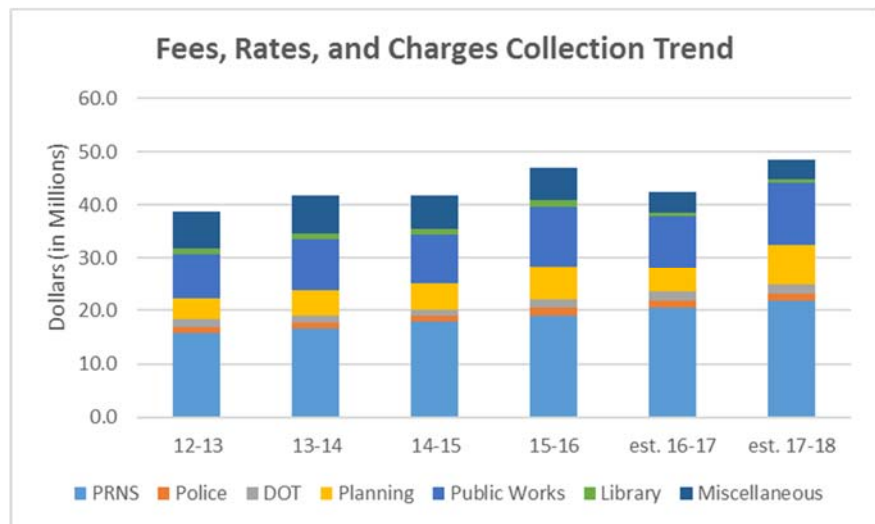
### Revenue Estimates

Fees, Rates, and Charges Category	2017-2018 Proposed Budget
Parks, Recreation and Neighborhoods Services (PRNS)	\$ 21,753,084
Public Works Department	11,585,000
Planning, Building and Code Enforcement	7,730,000
Department of Transportation (DOT)	1,674,720
Police Department	1,373,071
Library	775,300
Miscellaneous	3,607,470
<b>Total</b>	<b>\$ 48,498,645</b>

Contained in this revenue category are the various fees and charges levied to recover costs of services provided by several City departments. The Fees, Rates, and Charges estimate in 2017-2018 totals \$48.5 million, which is 16.2% above 2016-2017 Adopted Budget levels of \$41.7 million.

The Proposed Budget includes an increase of \$6.0 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 2017-2018. The recommended fee changes to the various programs are discussed in detail below.



# GENERAL FUND REVENUE ESTIMATES

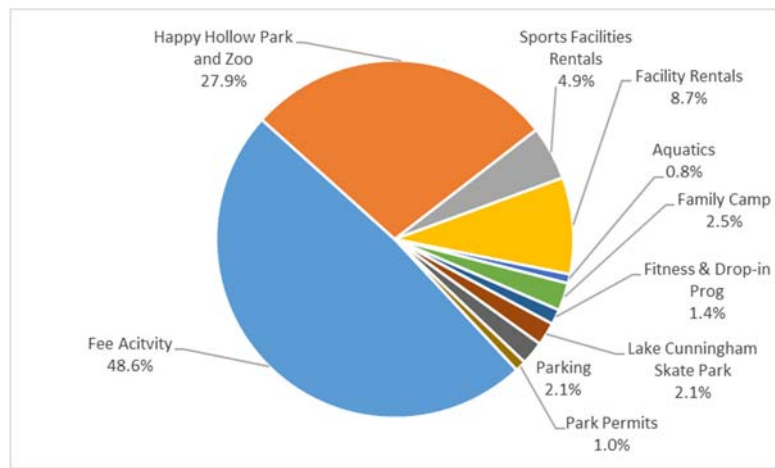
## FEES, RATES, AND CHARGES

### 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 2017-2018 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 \$21.8 million in 2017-2018 based on projected activity levels and fees. The 2017-2018 Proposed Operating Budget includes upward revenue adjustments totaling \$1.3 million to align revenues with increased activity levels. Of that amount, an increase of \$512,000 to the Fee Activity program revenue estimate is recommended to account for additional activity in the Leisure and Recreation of City Kids (ROCK) Programs.



Additional adjustments include: a \$571,000 increase in Happy Hollow Park and Zoo revenues due primarily to corporate rentals; a \$117,000 increase in Lake Cunningham Skate Park revenue, \$91,000 in field reservations revenue; and (\$5,000) for PRNS special events permits (as directed in the Mayor's March Budget Message for Fiscal Year 2017-2018 and approved by the City Council). Budget actions are recommended to add staff and resources to address the higher activity levels.

#### *Public Works Fees*

Public Works fee revenues are projected to total \$10.3 million in 2016-2017 and increase to \$11.6 million in 2017-2018. The 2017-2018 collection level reflects moderate fee increases to help close the funding gap between ongoing revenues and expenditures and to support proposed additions. The increase in revenues, along with the use of a portion of the Public Works Development Fee Program Reserve, are sufficient to support the base costs and program additions in 2017-2018.

A number of expenditure actions totaling \$233,000 are included in the Proposed Budget, including the addition of 1.0 Senior Construction Inspector and 1.0 Principal Engineering Technician positions to address the increasing demand for services in the Utility Fee Program, shared resources in order to support Development Services document imaging technology projects, as well as costs associated with the implementation of the new Portfolio and Project Management Office (PPMO) within the Information Technology Department.

# GENERAL FUND REVENUE ESTIMATES

## FEES, RATES, AND CHARGES

### Revenue Estimates

#### Public Works Fees (Cont'd.)

In December 2016, the City Council accepted the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report*. The Report highlighted that the Development Services Partners were not capturing all their costs from the fees and charges collected from customers. To move closer to full cost recovery for the Public Works Development Fee Program without requiring the use of the Public Works Development Fee Program Reserve, increases to permit fees are recommended, as discussed in the 2017-2018 Proposed Fees and Charges document. The fee changes are estimated to generate an additional \$1.3 million in 2017-2018, bringing the 2017-2018 revenue estimate to \$11.6 million. With the proposed fee changes, there will be less reliance on the use of the Public Works Development Fee Program Reserve to close the Base Budget funding gap, and will result in an increase to the Reserve of \$1.0 million in the Proposed Budget (this partially offsets the use of \$2.2 million of the Reserve in the Base Budget). After accounting for these adjustments, a remaining Public Works Development Fee Program Reserve of \$3.9 million at the beginning of 2017-2018 is estimated, 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 2017-2018 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 2016-2017, Planning Fees are anticipated to generate approximately \$4.5 million. This collection level, along with the use of a portion of the Planning Development Fee Program Reserve, was sufficient to support program costs in 2016-2017 without any fee increases. In 2017-2018, the Planning Development Fee Program costs are expected to significantly exceed the base revenue estimate of \$4.5 million, and the Planning Development Fee Program Reserve is not sufficient to support these costs. Additionally, in December 2016, the City Council accepted the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report*. The Report highlighted that the Planning Development Fee Program, along with the other Development Services Partners, is not capturing all its costs from the fees and charges collected from customers. In order to move closer to full cost recovery for the Planning Development Fee Program without requiring the use of the Planning Development Fee Program Reserve and to support program additions in 2017-2018, significant changes to the permit fees are recommended, as discussed in the 2017-2018 Fees and Charges document. The proposed fee changes are estimated to result in an increase in revenue of \$3.2 million, bringing the 2017-2018 revenue estimate to \$7.7 million.

# GENERAL FUND REVENUE ESTIMATES

## FEES, RATES, AND CHARGES

### Revenue Estimates

#### Planning Fees (Cont'd.)

Expenditure additions proposed in this budget include a Planning staff realignment that shifts 6.0 planner positions from the Building Development Fee Program to the Planning Development Fee Program to properly align costs, the addition of 9.0 limit-dated planner positions to address development activities in the Permit Center and Development Review, and funding of \$150,000 to convert microfiche films to electronic files. This program will also fund shared resources expenditures. The 2017-2018 base level of revenue of \$4.5 million necessitated the use of \$1.7 million of the Planning Development Fee Program Reserve to balance base costs in 2017-2018. With the proposed fee changes, there will be less reliance on the use of the Planning Development Fee Program Reserve to close the Base Budget funding gap, and will result in an increase to the Reserve of \$1.2 million in the Proposed Budget (this partially offsets the use of \$2.2 million of the Reserve in the Base Budget). After accounting for these adjustments, a remaining Planning Development Fee Program Reserve of \$1.4 million at the beginning of 2017-2018 is estimated, primarily for works-in-progress projects.

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 2017-2018 Fees and Charges document that is released under separate cover.

#### Transportation Fees

The revenue estimate for Transportation Fees, Rates, and Charges totals \$1.7 million in 2017-2018, which is slightly above the 2016-2017 Adopted Budget estimate (\$1.6 million). Fee adjustments resulting in a net increase of \$133,000 to various Transportation fees and charges are included based on an analysis of the cost to deliver various services.

#### Police Fees

The 2017-2018 revenue estimate for Police Fees, Rates, and Charges totals \$1.4 million, slightly above the 2016-2017 anticipated collection levels of \$1.3 million. Fee adjustments resulting in a net increase of \$64,000 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, Rates, and Charges for 2017-2018 are estimated at \$775,000, which is below the 2016-2017 Adopted Budget estimate of \$889,000 and the 2015-2016 collection level of \$1.2 million.

## GENERAL FUND REVENUE ESTIMATES

### FEES, RATES, AND CHARGES

#### Revenue Estimates

##### Miscellaneous Departmental Fees

Collections of \$3.6 million are anticipated in 2017-2018 from a variety of fees and charges, which is consistent with the 2016-2017 estimate. The majority of the revenue in this category is generated from the Solid Waste Enforcement Fee (SWEF) Program with a 2017-2018 revenue estimate of \$2.1 million.

## GENERAL FUND REVENUE ESTIMATES

<b>OTHER REVENUE</b>	
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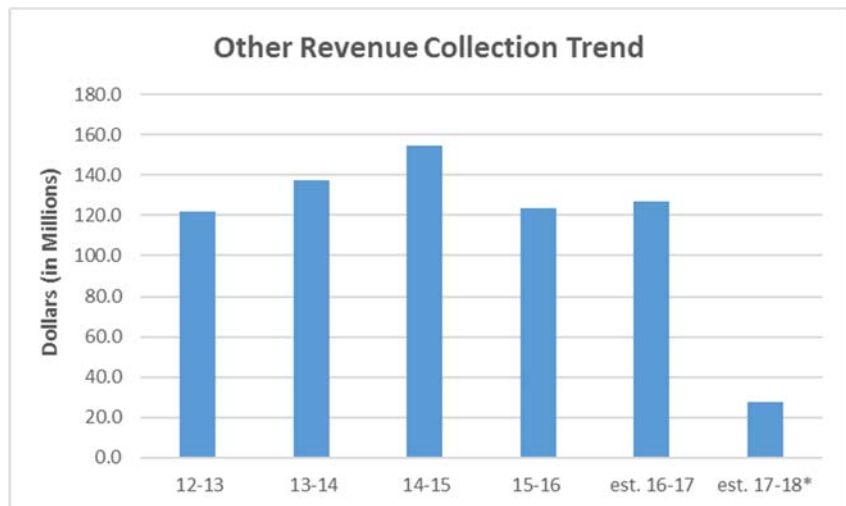
2015-2016 Actual*	\$ 123,547,615
2016-2017 Adopted	\$ 17,752,381
2017-2018 Forecast**	\$ 14,410,648
2017-2018 Proposed	\$ 27,320,648
% of General Fund	2.4 %
% Change from 2016-2017 Adopted	53.9 %

\* The 2015-2016 Actual includes revenues associated with the issuance of a \$100 million TRANs based on cash flow needs.

\*\* The 2017-2018 Forecast was increased \$40,000 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 Activities, and Miscellaneous Other Revenue. In 2017-2018, the revenue estimate of \$27.3 million assumes the continuation of current year activity levels with revisions, where appropriate, for



2017-2018 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 2017-2018 with an offsetting expenditure based on estimated cash flow needs.

#### Litigation Settlements

In 2017-2018, Litigation Settlements revenue of \$100,000 is included in the Proposed Budget, which is consistent with the 2016-2017 estimate.

#### SAP Center at San José Revenues

The City receives payments from Arena Management associated with the use of SAP Center at San José. In 2017-2018, \$5.1 million is estimated from the Arena Fixed Fee. After 2017-2018, this payment will be reduced to \$375,000 in accordance with the term sheet with Sharks Sports Entertainment approved in May 2015.

# GENERAL FUND REVENUE ESTIMATES

## OTHER REVENUE

### Revenue Estimates

#### Investment Program Reimbursement

The 2017-2018 revenue estimate for this category is \$1.2 million based on the estimated costs of Investment Program in the Finance Department that will be reimbursed from investment earnings.

#### Public, Education, and Government (PEG) Access Facilities

In 2017-2018, 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 2017-2018, the proceeds from the Sale of Surplus Property category is estimated at \$800,000 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 2017-2018 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, the property owner is assessed a fee to cover the cost of this service. This fee is expected to generate \$600,000 in 2017-2018; a corresponding City-Wide Expenses allocation is included to provide the service.

#### Miscellaneous Other Revenue

Various other revenue sources are included in this revenue category including: Silicon Valley Energy Watch Grant (\$814,000), SB90 reimbursements from the State of California (\$350,000), Office of Gaming Control (\$282,000), P-Card Incentive Payments (\$200,000), City Hall parking revenues (\$120,000), and Secondary Employer Insurance reimbursement from Police Officers (\$84,000).

Included in the 2017-2018 Proposed Budget are the following additional adjustments:

- A one-time increase of \$12.9 million due to the Successor Agency prevailing in litigation against Santa Clara County (County) regarding the withholding of the PERS and Water District levies by the County. As a result, the litigation should allow for some repayment of City funds advanced to pay for certain Successor Agency enforceable obligations. The Proposed Budget includes the full funding of \$12.9 million as revenue to the General Fund, however, \$6.3 million is eligible to be returned to the General Purpose Parking Fund.
- A one-time increase of \$10,000 to reflect funding from the Youth Connections Foundation to support Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez placemaking events.

## GENERAL FUND REVENUE ESTIMATES

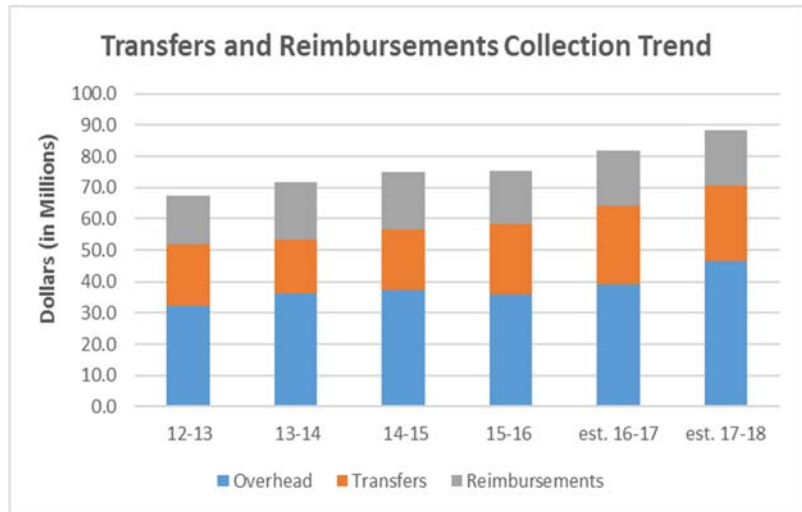
### TRANSFERS AND REIMBURSEMENTS

2015-2016 Actual	\$ 75,438,675
2016-2017 Adopted	\$ 79,337,731
2017-2018 Forecast*	\$ 86,058,560
2017-2018 Proposed	\$ 88,602,314
% of General Fund	7.8%
% Change from 2016-2017 Adopted	11.7%

\* The 2017-2018 Forecast was increased \$501,953 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 \$88.6 million in 2017-2018. This amount is above the 2016-2017 Adopted Budget estimate of \$86.1 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 \$2.5 million proposed for 2017-2018.

#### **Overhead Reimbursements**

The Overhead Reimbursements category includes overhead reimbursements from both operating and capital funds. In 2017-2018, a total of \$46.6 million in reimbursements are projected based on 2017-2018 overhead rates prepared by the Finance Department applied against the projected 2017-2018 applicable salaries. This figure reflects the following: an increase of \$185,000 incorporated into the Revised Forecast based on final overhead rates and updated allocations of staff across funds; and an increase of \$1.7 million incorporated into the 2017-2018 Proposed Budget (\$1.3 million 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	\$ 899,211
Sewer Service and Use Charge Fund (541)	333,040
Water Utility Fund (515)	158,515
Storm Sewer Operating Fund (446)	121,665
Airport Maintenance and Operation Fund (523)	93,936
Multi-Source Housing Fund (448)	59,385
San José/Santa Clara Treatment Plant Operating Fund (513)	59,090
Low and Moderate Income Housing Asset Fund (346)	54,545
Vehicle Maintenance and Operations Fund (552)	6,325
Integrated Waste Management Fund (423)	(99,756)
<b>Total Adjustments</b>	<b>\$ 1,685,956</b>

#### Transfers

The Transfers category is projected at \$24.0 million in 2017-2018. The largest component of this category (\$14.0 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 2017-2018 direct costs as well as the indirect costs. Additional large transfers programmed for 2017-2018 include the following: Construction and Conveyance Tax Fund transfers (\$3.6 million) associated with park maintenance costs and methane monitoring; Construction Excise Tax Fund transfer (\$1.8 million); General Purpose Parking Fund (\$1.4 million); Workforce Development Act Fund for the reuse of City facilities (\$488,000); Convention and Cultural Affairs Fund (\$437,000); interest earnings from various funds, the largest of which is the Construction and Conveyance Tax Fund (\$839,000).

Included in the 2017-2018 Proposed Budget are the following additional adjustments:

- A one-time transfer of \$350,000 from the Council District 4 Construction and Conveyance (C&C) Tax Fund (Fund 381) to pay the remaining debt owed for the Berryessa Community Center. In past years, the debt service payment was made directly from the C&C Tax Fund. However, the remaining debt of \$350,000 is now expected to be paid off from proceeds from the sale of the Hayes Mansion. This action will reimburse the General Fund for that payment.
- As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018 and approved by the City Council, the Proposed Budget includes one-time transfers totaling \$668,513 from the General Purpose Parking Fund for the Residential Parking Pilot Program (\$118,513), Business Permit Process Improvement Bootcamp (\$200,000), Storefront Activation Grant (\$250,000), and Downtown Ice Rink Improvements (\$100,000).
- Elimination of a transfer from the Community Facilities Revenue Fund that was included in the 2017-2018 Forecast to reimburse the General Fund for finance staffing and insurance costs to support the Hayes Mansion (\$160,715). With the expected sale of the Hayes Mansion, this transfer will no longer be necessary.

## 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 2017-2018, the revenue estimate for this category is \$18.0 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 2016-2017 are projected to reach \$17.3 million. Collections are anticipated to remain flat at \$17.3 million in 2017-2018; however, several factors may impact collections, including changes in 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 (\$515,000) and the Maintenance Assessment District Funds (\$155,000).

## GENERAL FUND REVENUE ESTIMATES

<b>BEGINNING FUND BALANCE</b>	
Rebudget: Contingency Reserve	\$ 35,500,000
Rebudgets: Expenditures	\$5,286,030
Unexpended Earmarked Reserves*	\$19,856,224
2016-2017 Expenditure Savings/Additional Revenue*	\$ 17,600,000
Liquidation of Prior Year Encumbrances*	\$ 1,000,000
<b>Fund Balance Subtotal:</b>	<b>\$ 79,242,254</b>
Reserve for Encumbrances	\$39,757,863
<b>Fund Balance Total:</b>	<b>\$ 119,000,117</b>
% of General Fund**	6.9%

\* Used for 2017-2018 Proposed Budget balancing purposes.

\*\* Excludes Reserve for Encumbrances.

Estimates for both the unrestricted and restricted (reserve for encumbrances) portions of the 2016-2017 Ending Fund Balance/2017-2018 Beginning Fund Balance, totaling \$119.0 million, are included as part of the 2017-2018 Proposed Budget. The estimate for the encumbrance reserve is set at the 2015-2016 actual level (\$39.8 million). The Proposed Budget included a matching expenditure amount intended to reflect the corresponding encumbrances that are estimated for 2017-2018.

The estimate for unrestricted fund balance is set at \$79.2 million, representing a \$10.7 million increase from the revised 2017-2018 Revised Forecast level of \$68.6 million. When the initial Forecast was developed, the fund balance projection totaled \$69.4 million and included the following: an unexpended (rebudgeted) Contingency Reserve estimate of \$35.5 million; a combination of excess revenues, expenditure savings, and the liquidation of prior year carryover encumbrances totaling \$17.0 million; and additional funding of approximately \$16.9 million from various reserves to support specific costs programmed in 2017-2018 (\$9.2 million from the Building Development Fee Program Reserve, \$2.4 million from the Public Works Development Fee Program Reserve, \$1.9 million from the Planning Development Fee Program Reserve, and \$1.7 million from the Fire Development Fee Program Reserve were included in the fund balance estimate to cover costs associated with these fee programs in 2017-2018; \$1.1 from the Staffing for Adequate Fire and Emergency Response (SAFER) Reserve; \$425,000 from the Airport Attraction Program Reserve; \$130,000 from the Master Address Database Reserve; and \$100,000 from the School Crossing Guard Staffing Reserve). In the Revised Forecast, the reserves amount carried over was reduced by \$854,000 to reflect a lower carryover amount of the Development Fee Program Reserves (Fire: reduction of \$530,000; Public Works: reduction of \$187,000; Planning: reduction of \$135,000; Building: reduction of \$2,000) necessary to bridge the gap between 2017-2018 revised base revenues and expenditures.

The \$10.7 million increase in the fund balance projection from the Revised Forecast Base, recommended in this document includes the following:

- The use of various Unexpended Earmarked Reserves of \$3.8 million, including the Cultural Facilities Capital Maintenance Reserve (\$1,975,000), the 2017-2018 Future Deficit Reserve (\$1,419,000), and the General Plan Update Reserve (\$375,000).

## GENERAL FUND REVENUE ESTIMATES

### BEGINNING FUND BALANCE

- Additional anticipated fund balance of \$1.6 million generated from estimated 2016-2017 personal services savings in the Police Department due to vacancies.
- Rebudget of funds for expenditure-related items from 2016-2017 to 2017-2018 in the amount of \$5.3 million, including the following: Homeless Rapid Rehousing/Tiny Homes (\$2.3 million); Fire Station 37 Reserve (\$960,000); Information Technology Department/Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure (\$610,000); Urban Area Security Initiative Grant – Police 2016/Dispatch Consoles (\$570,000); San José Environmental Sustainability Plan Implementation Staffing (\$306,030); Silicon Valley Talent Partnership (\$200,000); Historic Preservation (\$100,000); San Jose BEST/Mayor’s Gang Prevention Task Force Clean Slate Program (\$100,000); Human Resources Non-Personal/Equipment/Workers’ Compensation Claims contract savings (\$90,000); and Parks, Recreation and Neighborhood Services/Aquatics Program (\$50,000).

# 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, which now grows 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 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. 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, which includes a voter-approved 1/4 percent local transaction and use tax enacted by the City of San José effective October 1, 2016 (limited to 15 years) to fund essential City services such as: improving police response to reduce violent crimes and burglaries; improving 911/emergency medical and fire response times; repairing potholes and streets; expanding gang prevention; and maintaining the City's long-term financial stability. Other recent changes to the distribution percentage include a 1/8 percent increase enacted by the Santa Clara Valley Transportation Authority (VTA) on July 1, 2012 (limited to 30 years) to fund operating and maintenance expenses and capital reserve contributions for the Silicon Valley Rapid Transit Project Extension; a Santa Clara County 1/8 percent increase effective April 2013; and a VTA 1/2 percent increase scheduled to be effective April 1, 2017 (limited to 30 years) to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians, and complete streets).

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.

<b>Agency</b>	<b>Distribution Percentage</b>
State of California	5.500%
City of San José	1.000%
City of San José (Local Tax)	0.250%
Santa Clara County	0.875%
Santa Clara Valley Transportation Authority	1.125%*
Public Safety Fund (Proposition 172)	<u>0.500%</u>
<b>Total Sales Tax</b>	<b>9.250%*</b>

\* Includes the 1/2 percent VTA increase approved in November 2016 that is effective April 2017.

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

# **GENERAL FUND REVENUE DESCRIPTIONS**

## **SALES AND USE TAX**

Proposition 163, which partially repealed the prior action, re-establishing the exemption for snack food, candy, and bottled water effective December 1, 1992.

It should be noted that, 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 was temporarily suspended and replaced dollar-for-dollar with property tax revenue (primarily Educational Revenue Augmentation Funds). This action remained in effect until the State's bond obligations were satisfied with a final payment in August 2016. The City, however, continued to record the replacement property tax revenues as sales tax receipts because the growth formula for these receipts was tied to sales tax and because this action was temporary. This mechanism ceased in 2015-2016 with the final triple flip payment.

## **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%); and
- 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, or 40% of the Transient Occupancy Tax, was enacted as a general tax. The other 60% of the Transient Occupancy Tax is restricted for use in cultural development, supporting a convention and visitors bureau, and supporting the convention and cultural facilities of San José. Although not specifically related to the Transient Occupancy Tax, many hotels in San José also belong to the Convention Center Facilities District, which assesses an additional special tax on

# GENERAL FUND REVENUE DESCRIPTIONS

## **TRANSIENT OCCUPANCY TAX**

daily room rates of 4%. Revenues from the Convention Center Facilities District are restricted for debt service payments or capital improvements related to the Convention Center. Of the approximately 14% total tax assessed on room rates at most hotels, only the 4% portion of the Transient Occupancy Tax is deposited into the General Fund.

## **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 number 25054; there are no authorized exemptions.

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, which 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.



# GENERAL FUND REVENUE DESCRIPTIONS

## FRANCHISE FEES

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 \$11.4 million: \$5.16 million per year for each of the two geographic collection districts plus a supplemental fee of \$1.03 million once adjusted for the 0.12% CPI increase that was approved.

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.

## 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.

# GENERAL FUND REVENUE DESCRIPTIONS

## 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:

<b>Category</b>	<b>Annual Tax</b>
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 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, interstate commerce, and low revenue generation businesses. 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.

Modernization of the San José business tax was approved by San José voters on November 8, 2016 (Measure G). The approved changes will take effect July 1, 2017. The adjustments to the business tax that will take effect on July 1, 2017 include:

# GENERAL FUND REVENUE DESCRIPTIONS

## BUSINESS TAXES

- Increasing the base tax;
- Increasing the incremental tax and making it more progressive;
- Increasing the cap (the maximum amount of the tax affecting large businesses);
- Updating the application of the tax to more classes of businesses; and
- Adding inflation-based adjustments for future tax rates.

The charts that follow present the structure of the current and voter-approved business tax rates effective July 1, 2017.

### *Employee Count*

Businesses	Current	Effective July 1, 2017
Base Tax	\$150	\$195
Employee Count*	FTE or EDD	FTE or EDD
Incremental Tax: 1-2	\$0	\$0
Incremental Tax: 3-35**	\$18 (9+)	\$30
Incremental Tax: 36-100	\$18	\$40
Incremental Tax: 101-500	\$18	\$50
Incremental Tax: 501+	\$18	\$60
Cap	\$25,000	\$150,000

\*Continue to allow businesses to choose between calculating the number of employees based on Full-Time Equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

\*\*Commence the employee rate at the third employee rather than the ninth employee.

### *Residential Rental Property Units*

Residential Landlords: Rental Units*	Current	Effective July 1, 2017
Base Tax	\$150	\$195
Incremental Tax: 1-2**	N/A (Not Counted)	\$0 (Base Tax applied)
Incremental Tax: 3-35***	\$5 (31+)	\$10
Incremental Tax: 36-100	\$5	\$15
Incremental Tax: 101-500	\$5	\$20
Incremental Tax: 501+	\$5	\$25
Cap	\$5,000	\$150,000

\*Maintains the exemption for rental housing owned by nonprofit organizations.

\*\*Commence paying the base tax at the first rental unit rather than the third unit.

\*\*\*Commence the unit rate at the third unit rather than the 31<sup>st</sup> unit.

# GENERAL FUND REVENUE DESCRIPTIONS

## BUSINESS TAXES

### *Commercial (Non-Residential) Rental Property Units*

Commercial Landlords	Current	Effective July 1, 2017
Base Tax	\$150	\$195
Tax per Square Foot*	\$0.01 (15,000+)	\$0.025
Cap	\$5,000	\$150,000

\*Commence the square-foot rate at the first square-foot rather than the 15,001<sup>st</sup> square-foot.

### *Mobile Home Parks Rental Units*

Mobile Home Parks – Rental Units	Current	Effective July 1, 2017
Base Tax	\$150	\$195
Flat Incremental Tax*	\$5 (31+)	\$10
Cap	\$5,000	\$150,000

\*Commence the unit rate at the third unit rather than the 31<sup>st</sup> unit.

### *Water Meter Connections*

Water Companies	Current	Effective July 1, 2017
Base Tax*	N/A	\$195
Flat Incremental Tax**	\$0.10-0.30 per connection	\$1.00 per connection
Cap	\$20,000	\$150,000

\*Apply the Base Tax.

\*\* Rate changed from a range of connections to a per-connection rate.

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, the City 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.

# **GENERAL FUND REVENUE DESCRIPTIONS**

## **BUSINESS TAXES**

A gross receipt monthly tax schedule was established with taxes ranging from 1% to 13% of gross receipts. In 1993-1994, the City 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 number 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 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.

# **GENERAL FUND REVENUE DESCRIPTIONS**

## **FINES, FORFEITURES, AND PENALTIES**

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 the 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.

## **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.

## **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

## **GENERAL FUND REVENUE DESCRIPTIONS**

### **REVENUE FROM THE STATE OF CALIFORNIA**

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 (MVLIF) 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 MVLIF revenues received by the City at the time. In 2004-2005, as part of State budget actions, the MVLIF 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.

### **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.

### **FEES, RATES, AND CHARGES**

Fees, Rates, and 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](http://www.sanjoseca.gov/prns)).

# **GENERAL FUND REVENUE DESCRIPTIONS**

## **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.

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:



# GENERAL FUND REVENUE DESCRIPTIONS

## STATE GAS TAX

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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

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City Allocation:        **a** Incorporated Assessed Value in County  
                              ÷ **b** Total Assessed Value in County  
                              **x c** County Allocation

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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.



**2017-2018**

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**OPERATING BUDGET**

CITY SERVICE AREAS

**CITY  
SERVICE  
AREAS**

***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?**

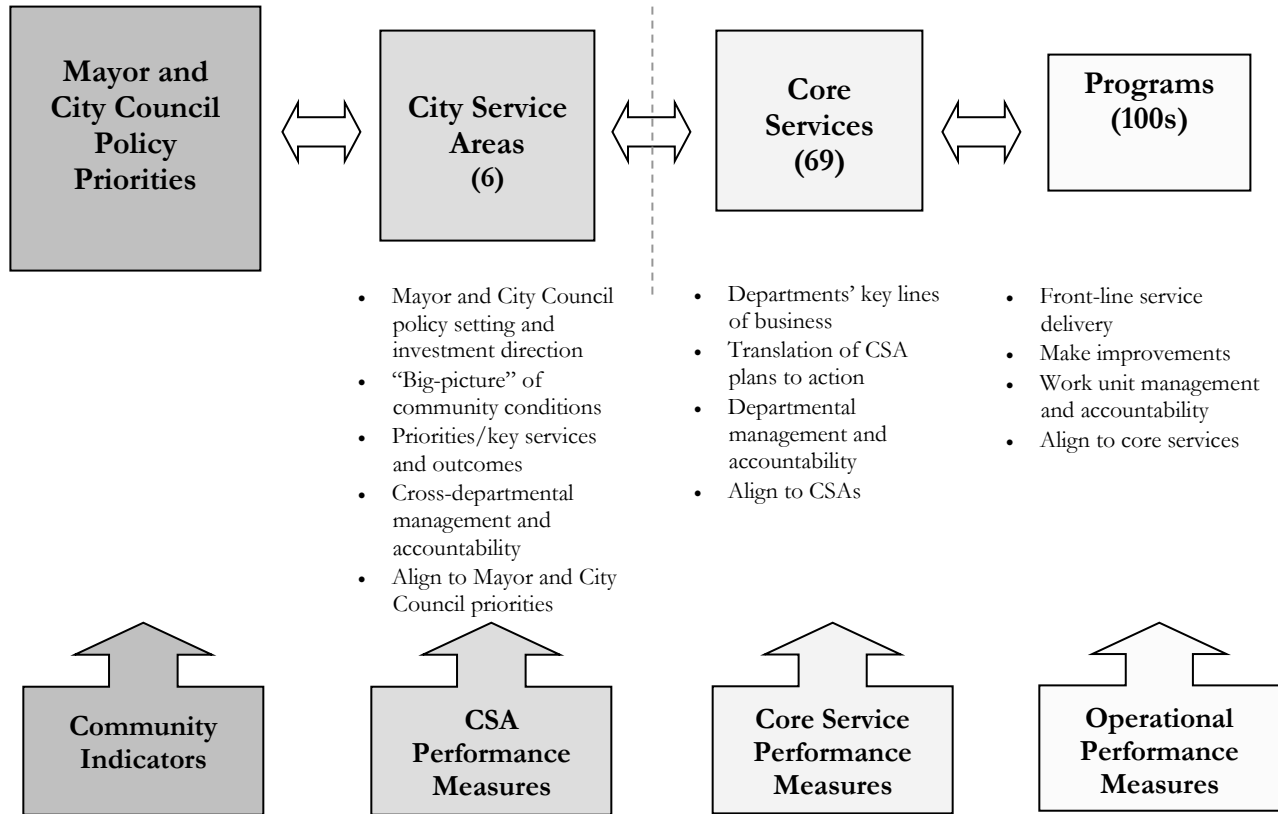
City Service Areas (CSAs) integrate services provided in individual departments into the City’s five key lines of business – Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services. An additional CSA, referred 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 services (or programs) 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. In 2017-2018, programs were identified and aligned to the Core Services.

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.

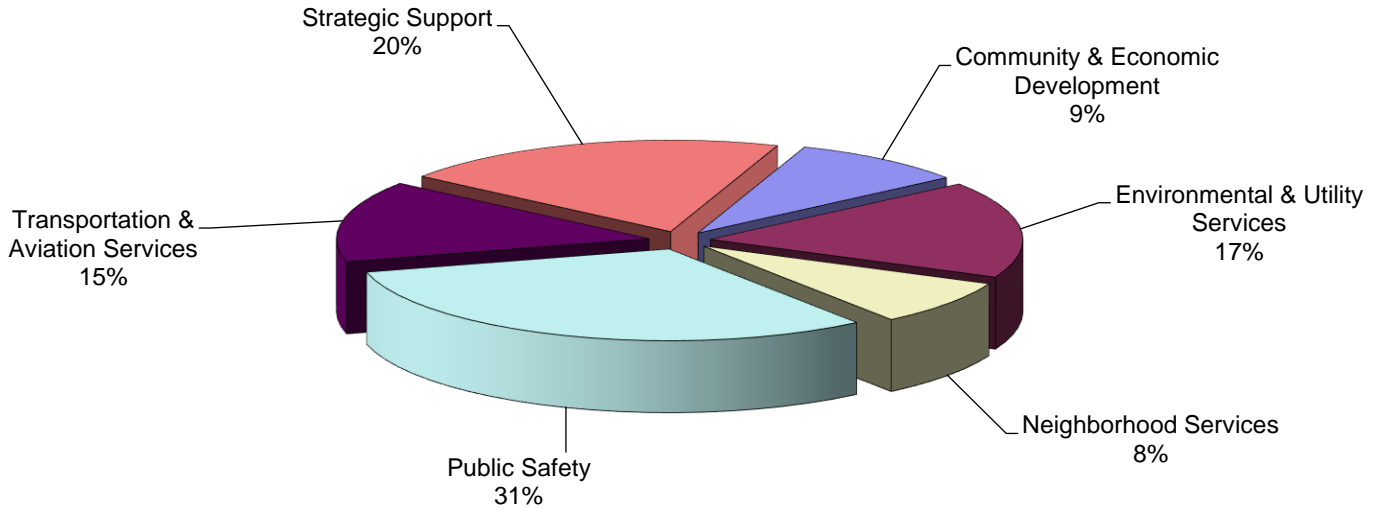
Each of the CSA overview sections that follow includes a description of the CSA’s mission, partner departments, and a CSA outcome listing. The Service Delivery Framework displays the CSA’s mission, outcomes, and the Core Services for each of the partner departments. A Budget Summary displays expected 2017-2018 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 operating expenditures for all funds with the exception of transfers, reserves, and Ending Fund Balance. A CSA Position Summary is also included and is presented elsewhere in this document at the core service level.

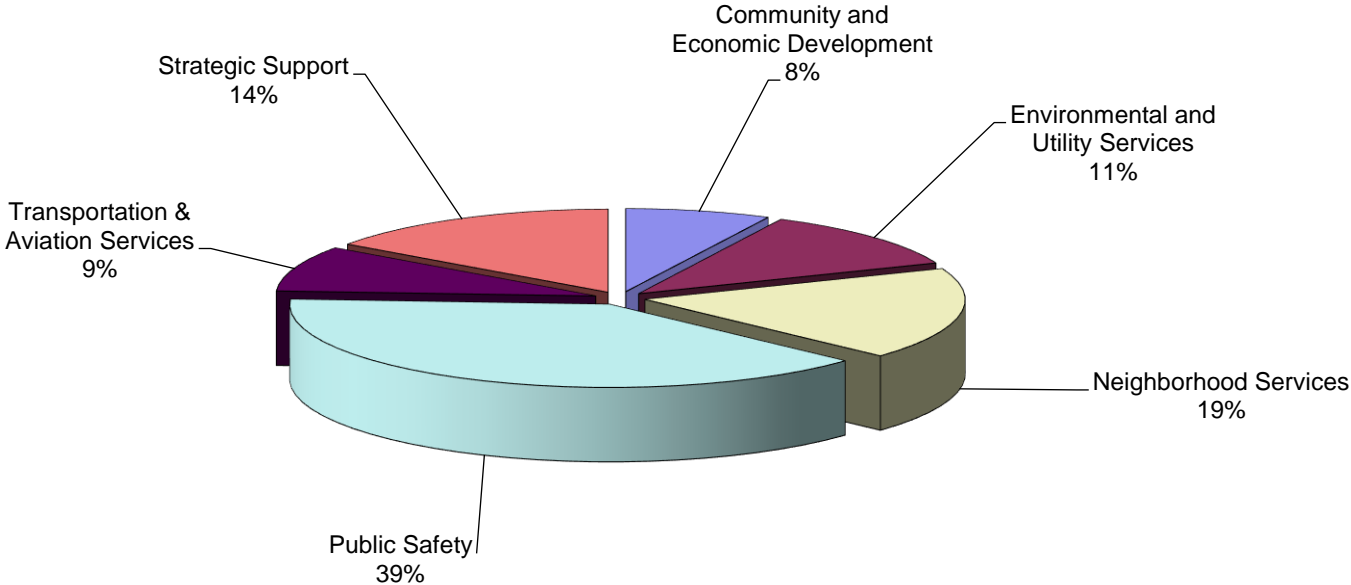
# City Service Areas

## City Service Area Budget Summary



	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4	% Change (2 to 4)
<b>Dollars by CSA</b>					
Community & Economic Development	n/a	n/a	n/a	\$ 179,707,624	n/a
Environmental & Utility Services	n/a	n/a	n/a	337,881,364	n/a
Neighborhood Services	n/a	n/a	n/a	158,667,483	n/a
Public Safety	n/a	n/a	n/a	615,533,465	n/a
Transportation & Aviation Services	n/a	n/a	n/a	284,372,723	n/a
Strategic Support	n/a	n/a	n/a	399,786,513	n/a
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,975,949,172</b>	<b>n/a</b>

***City Service Area Position Summary***



	<b>2015-2016 Actual 1</b>	<b>2016-2017 Adopted 2</b>	<b>2017-2018 Forecast 3</b>	<b>2017-2018 Proposed 4</b>	<b>% Change (2 to 4)</b>
<b>Staffing by CSA</b>					
Community & Economic Development	n/a	n/a	n/a	473.61	n/a
Environmental & Utility Services	n/a	n/a	n/a	703.06	n/a
Neighborhood Services	n/a	n/a	n/a	1,192.37	n/a
Public Safety	n/a	n/a	n/a	2,445.72	n/a
Transportation & Aviation Services	n/a	n/a	n/a	526.94	n/a
Strategic Support	n/a	n/a	n/a	905.67	n/a
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>6,247.37</b>	<b>n/a</b>

# 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
- Regional Workforce Development
- Real Estate Services

**FIRE**

- Fire Safety Code Compliance

**HOUSING**

- Rent Stabilization and Tenant Protection
- Neighborhood Capital Investment and Housing Services
- Affordable Housing Portfolio Management
- Homelessness Interventions and Solutions
- Affordable Housing Production and Preservation

**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**

- Recycling and Garbage Services
- Potable Water Delivery
- Recycled Water Management
- Wastewater Management
- Stormwater Management
- Sustainability and Environmental Health

**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**

- Literacy and Learning, Formal and Life-Long Self-Directed Education
- Access to Information, Library Materials, and Digital Resources

**PRNS**

- Parks Maintenance and Operations
- Recreation and Community Services
- Community Facilities Development

**PBCE**

- 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
- City-Wide Emergency Management

**INDEPENDENT POLICE AUDITOR**

- Independent Police Oversight

**POLICE**

- Crime Prevention and Community Education
- Investigative Services
- Regulatory Services
- Respond to Calls for Service and Patrol Support

## 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 Facilities
- Airport Operations
- Airport Planning and Capital Development
- Airport Business Development

**TRANSPORTATION**

- Parking Services
- Pavement Maintenance
- Street Landscape Maintenance
- Traffic Maintenance
- Transportation Safety and 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**

- Employment Services
- Training and Development
- Employee Benefits
- 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 Services

**CITY AUDITOR**

- Audit Services

**CITY CLERK**

- City Clerk Services


**CITY MANAGER**

- Lead and Manage the Organization

**RETIREMENT**

- Retirement Plan Administration

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**2017-2018**

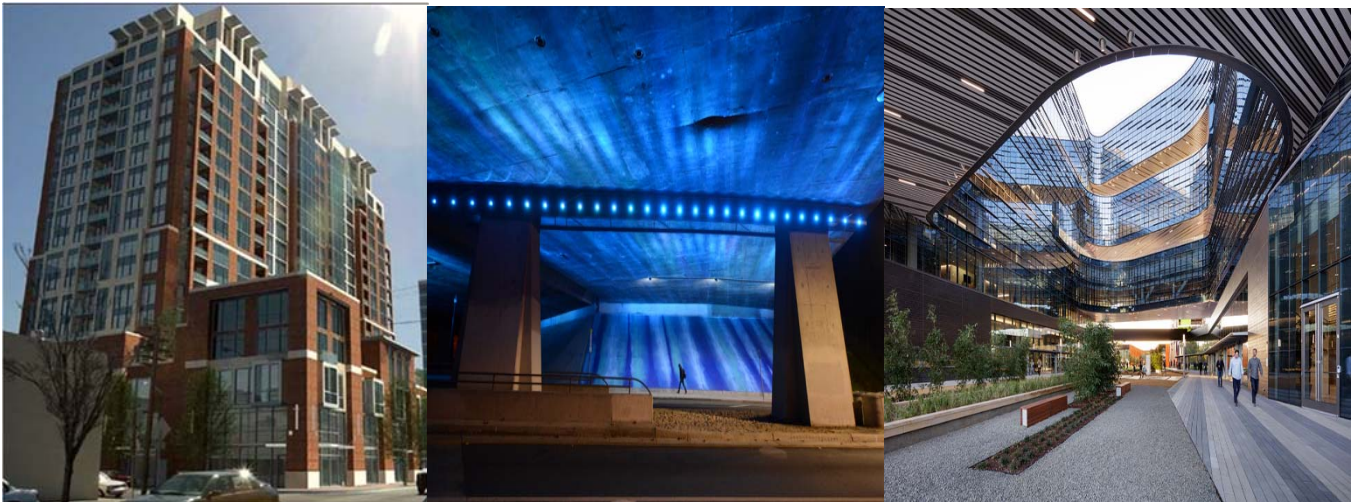
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**OPERATING BUDGET**

**COMMUNITY AND  
ECONOMIC  
DEVELOPMENT  
CSA**

**COMMUNITY AND ECONOMIC  
DEVELOPMENT CSA**

# 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**

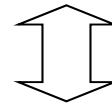
**CITY SERVICE AREA**  
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
 Why the CSA exists

**Community & Economic Development CSA**

*Mission:*

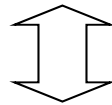
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



**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**

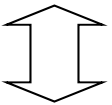
*Core Services:*

Arts and Cultural Development

Business Development and Economic Strategy

Real Estate Services

Regional Workforce Development



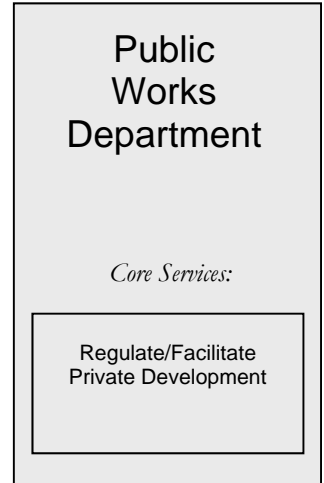
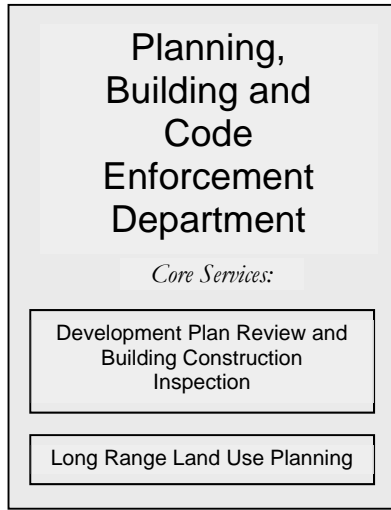
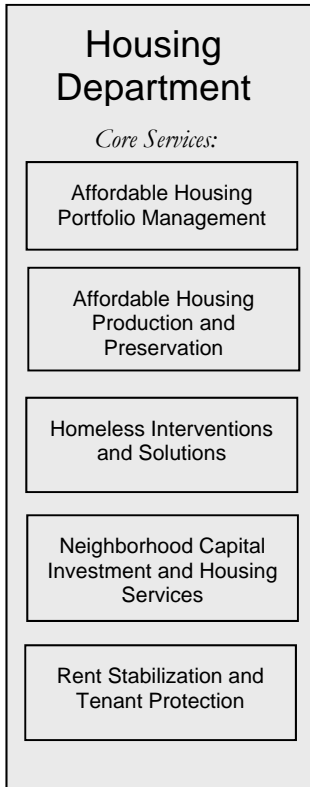
**Fire Department**

*Core Services:*

Fire Safety Code Compliance

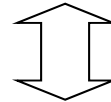
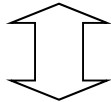
*City Service Area*  
**Community and Economic Development**  
**SERVICE DELIVERY FRAMEWORK**

**PRIMARY PARTNERS**  
 Departments with Core Services that contribute to achievement of CSA Outcomes

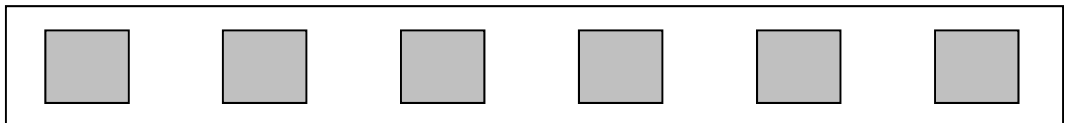


**CORE SERVICES**  
 Primary deliverables of the organization

**PROGRAMS**  
 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 2017-2018 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, SF Made, the Silicon Valley Economic Development Association, the Silicon Valley Organization (formerly the Chamber of Commerce).
- ❑ Continue to provide a wide range of re-employment services through work2future to residents who are unemployed and underemployed by creating opportunities to earn job skills and credentials in growing demand occupations including advance manufacturing, information technology, and construction.
- ❑ 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 a permanent site for the San José Stage Company theater; and the development of a Levitt Pavilion San José.
- ❑ Implement a retail and amenity strategy to attract and retain business and improve quality of life for residents.
- ❑ Establish a downtown wayfinding program to encourage pedestrian exploration, and connect people to local and regional transit.
- ❑ Increase utilization of the Storefront Activation Grant Program to support storefront activation.
- ❑ Expand the Downtown and North San José banner programs.
- ❑ Continue to support the City's partnership with the San José Sports Authority by managing City services for 2018 USA Figure Skating Championships and 2019 College Football Championships.
- ❑ Continue to implement the *Public Art Next!* master plan through high impact public art city-wide.
- ❑ Complete plans for East Santa Clara, West San Carlos, and South Bascom Urban Villages.
- ❑ Complete the plans, Area Development Policy, and Environmental Impact Report (EIR) for Stevens Creek, Santana Row, and Winchester Urban Villages and bring to the City Council for consideration.
- ❑ Complete proposed zoning modifications to the East Santa Clara, Roosevelt Park, Little Portugal, and The Alameda Urban Villages to facilitate development consistent with the approved Urban Village Plans.
- ❑ Complete Downtown Strategy 2040 EIR and increase development capacity for residential and office development in Downtown.
- ❑ Draft Sign Ordinance amendments and options for City Council consideration that will allow electronic digital off-site advertising signs or billboards installations.
- ❑ Based on the recent City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report, in order to maintain full cost recovery for the Development Fee Programs. Adjustments to permit fees are recommended, as discussed in the 2017-2018 Fees and Charges document, and will result in an increase in revenue for all the Development Fee Programs. The revenue from these adjustments to the fees is discussed in more detail in the General Fund Revenue section of this document.

## **Community and Economic Development**

### **Expected 2017-2018 Service Delivery**

- ❑ Support and expand the Streamlined Restaurant Program to provide customer-specific targeted permitting, plan review, and coordination with the Santa Clara County Health Department to small business customers who wish to open a restaurant in San José.
- ❑ Continue to assist small businesses, with the tri-lingual Small Business Ally team, by conducting public trainings and workshops, responding to general and current project inquiries, and leading customers through permitting and inspection processes.
- ❑ Continue to provide simple and efficient online permit and combination inspection scheduling for residential Solar Photovoltaic Installations and Electric Vehicle Charging Station and expand the program to include commercial, industrial, and battery storage installation projects.
- ❑ Increase housing and service opportunities for the City's homeless residents, through AB 2176, with the Building Division continuing to develop the Emergency Bridge Housing/Emergency Cabin Ordinance.
- ❑ Raise awareness to minimize damage from seismic events and further ensure public health, safety, and welfare by promoting Seismic Preparedness, with the Building Division being the advocate for and encouraging Soft Story Retrofits and bracing and bolting of crawl spaces in residential buildings.
- ❑ Continue to improve and better coordinate Downtown construction activity/outreach as the City center redevelops to ensure safe and efficient multi-modal connectivity through construction zones.
- ❑ Continue to hold development industry discussions on stormwater compliance issues for private development projects while improving communications and outreach to development customers.
- ❑ Plan and execute marketing communications programs including branding, advertising, media relations, and collateral materials that support economic development service delivery initiatives.
- ❑ 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).
- ❑ Implement the 2017-2018 Annual Action Plan authorizing the use of approximately \$20 Million in federal funds to increase and preserve affordable housing, respond to homelessness, strengthen neighborhoods, and promote fair housing.
- ❑ Immediate and Interim Housing Needs – Continue to use available funds to meet the immediate housing needs for homeless populations. This includes the renovation of the Plaza Hotel to create transitional housing for 48 individuals, as well as the Evans Lane site which will provide interim housing for 102 individuals. Fund up to 200 sleeping cabins through the new AB2176 Emergency Bridge Housing Communities legislation.
- ❑ Permanent Supportive Housing – Complete the construction of Vermont House which will provide housing for 16 homeless veterans. Start Construction of three developments: 1) Second Street Studios (134 studios), 2) Villas on the Park housing (78 apartments and 10 interim beds), and Saint James Station (134 affordable apartments) which will provide housing for 55 for homeless veterans. Approve funding for the Leigh Avenue and Gallup Mesa developments. In addition, the Housing Department will fund services for up to 200 chronically homeless individuals.
- ❑ Rapid Rehousing – Fund 350 rental subsidies and services for up to 100 clients.
- ❑ Continue to explore, fund, and implement interim and short-term interventions to provide immediate housing and shelter options for homeless populations
- ❑ Make use of innovative technology. Implement the fully Integrated Permitting System, which includes: electronic plan submittal review, mobile inspections, and the improved public portal on the website.



*City Service Area*  
**Community and Economic Development**  
**BUDGET SUMMARY**

**Community and Economic Development**

Expected 2017-2018 Service Delivery

- ❑ Partner with Destination: Home, a public-private partnership, in its continued implementation of the Community Plan to End Homelessness and support three major initiatives: 1) the “All the Way Home” campaign to end Veterans’ homelessness by 2018, 2) the family homeless prevention pilot program, and 3) the homeless employment engagement strategy.
- ❑ Implement the pilot rehabilitation loan program to provide housing for homeless veterans.
- ❑ Continue to implement citywide homelessness response programming through crisis response systems, outreach services and encampment abatement, and deterrent measures.
- ❑ Complete the Assembly Shelter Ordinance to allow organizations to provide temporary shelter at sites designated for assembly use.
- ❑ Initiate the process to update the City’s Affordable Housing Dispersion Policy.
- ❑ Partner with the Santa Clara County Office of Supportive Housing on Measure A (affordable housing bonds) implementation.
- ❑ Complete modifications to the Apartment Rent Ordinance. Implement Tenant Protection Ordinance (formerly known as the Anti-Retaliation and Protection Ordinance) and Ellis Act Ordinance.
- ❑ Of a total of \$59.2 million in Housing Program funds to be available in 2017-2018, as displayed in the following table, commit and/or disburse approximately \$55 million to fund future affordable housing developments. Of that amount, direct approximately \$40 million for developments that include permanent supportive housing.

<b>2017-2018 Housing Program Funds</b>	
\$21,975,000	Housing Loans and Grants
17,280,000	Loan Repayment
7,970,491	Community Development Block Grant (CDBG) Program
2,545,800	Fees & Charges
1,905,249	Rental Rights and Referrals Program
1,700,000	BEGIN
1,300,000	Tenant Based Rental Assistance (federal HOME)
1,000,000	Housing Opportunities for People with AIDS (HOPWA)
905,000	Interest
900,000	Bond Administration Fee
700,000	Emergency Shelter Grant (ESG)
510,000	CalHome
413,211	HOPWA Special Projects
60,000	Miscellaneous
<b>\$59,164,751</b>	<b>Total Housing Program Funding Sources</b>

## **Community and Economic Development**

### **2017-2018 Key Budget Actions**

- ❑ Adds one-time funding of \$1.5 million to continue the San José Works Youth Jobs Initiative.
- ❑ Adds one-time funding of \$200,000 to support business communications, small business support, and other programmatic needs to support core economic development services.
- ❑ Adds one-time funding of \$250,000 to support the SJ Storefronts Initiative by helping small businesses activate vacant storefronts in the Downtown and the City's Neighborhood Business Districts, as directed in the Mayor's March Budget Message for 2017-2018.
- ❑ Adds one-time funding of \$150,000 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, simplifying the application process for legal, nonconforming uses, Urban Village financing, and streamlining the permit process for sale of alcohol at grocery stores.
- ❑ In the Planning Development Fee Program, provides 9.0 planner positions through June 30, 2019 to address development activities in the Permit Center and Development Review: continues 2.0 Planner IV positions and adds 1.0 Planner IV to provide needed oversight in the Permit Center and for Development Review, continues 2.0 Planner II positions and adds 2.0 Planner III and 2.0 Planning Technician positions to support the planning application review and permit center planning services teams.
- ❑ Adds 1.0 Principal Planner in the Citywide Planning team that will work with Valley Transportation Authority and the Department of Public Works, Department of Transportation, and the Office of Economic Development to coordinate the multi-year implementation of major transportation investments planned for San José, including High Speed Rail, Bay Area Rapid Transit (BART), Bus Rapid Transit and the Airport People mover. The team would also oversee the implementation of the Diridon Station Plan.
- ❑ To support the Development Services Imaging and Support function, adds 1.0 Supervising Applications Analyst to manage and coordinate document imaging technology requirements.
- ❑ In the Public Works Development/Utility Fee Program, adds 1.0 Senior Construction Inspector and 1.0 Principal Engineering Technician to address increased activity and workload.
- ❑ In the Fire Development Fee Program, adds one-time funding of \$114,000 for the replacement of two vehicles (\$60,000) and for the purchase of tablets and accessories as part of the Integrated Permitting System implementation (\$54,000).
- ❑ To enhance the community complaint response and coordinate homeless encampment clean-up efforts, 1.0 Staff Specialist position in the Homeless Response Team will be made permanent.
- ❑ To implement changes to the Tenant Protection Ordinance limiting no-cause evictions and establishing new requirements for property owners, 1.0 Senior Deputy City Attorney, 1.0 Information Systems Analyst, and 1.0 Senior Analyst (offset by the elimination of 1.0 vacant Senior Development Officer) positions will be added to the Rental Rights and Referrals Program.
- ❑ Adds one-time funding of \$330,000 for a pilot program to combat blight in highly effected neighborhoods. This program will 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.

*City Service Area*  
**Community and Economic Development**  
**BUDGET SUMMARY**

**City Service Area Budget Summary**

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
<i>Economic Development</i>				
Arts & Cultural Development	n/a	n/a	n/a	\$ 35,078,966
Business Development & Economic Strategy	n/a	n/a	n/a	8,458,866
Real Estate Services	n/a	n/a	n/a	2,912,774
Regional Workforce Development	n/a	n/a	n/a	9,399,891
Strategic Support	n/a	n/a	n/a	2,506,877
Strategic Support - Other	n/a	n/a	n/a	941,063
<i>Fire</i>				
Fire Safety Code Compliance	n/a	n/a	n/a	5,355,568
Strategic Support	n/a	n/a	n/a	1,169,210
<i>Housing</i>				
Affordable Housing Portfolio Development	n/a	n/a	n/a	1,736,456
Affordable Housing Production and Preservation	n/a	n/a	n/a	26,998,689
Homeless Interventions and Solutions	n/a	n/a	n/a	12,089,058
Neighborhood Capital Investment and Housing Services	n/a	n/a	n/a	11,057,209
Rent Stabilization and Tenant Protection	n/a	n/a	n/a	1,397,535
Housing Strategic Support	n/a	n/a	n/a	8,383,015
<i>Planning, Bldg &amp; Code Enforcement</i>				
Development Plan Review & Building Construction Inspection	n/a	n/a	n/a	36,333,580
Long Range Land Use Planning	n/a	n/a	n/a	3,562,101
Strategic Support	n/a	n/a	n/a	2,655,034
<i>Public Works</i>				
Regulate/Facilitate Private Dev	n/a	n/a	n/a	12,041,732
<b>CSA Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 182,077,624</b>
<b>Authorized Positions</b>	<b>418.03</b>	<b>437.04</b>	<b>432.17</b>	<b>473.61</b>

### ***Service Delivery Accomplishments***

- Facilitated the attraction, relocation and expansion of signature companies including Velodyne LiDAR Inc., WeWork, TechShop, PayPal, eBay, Thin Film Engineering, and Continental. Total Wine, Molecular Devices, and Exar Corp are slated to move into new facilities this year. In the first quarter, Splunk moved into its new headquarters at Santana Row.
- Engaged more than 350 companies in business outreach visits and pre-development or permit facilitation assistance.
- Improved downtown safety and economic vitality through establishment of an internal Downtown Services Office in Fountain Alley used by the San José Police Department.
- Real Estate Services successfully sold the Japantown Corporation Yard for \$18.5 million, a deal that will result in a new mixed-use apartment project and provide a permanent home for San José Taiko.
- Co-organized the Downtown Broker Tour, which highlighted the development opportunities and recent projects in the San José's downtown to more than 200 investors, brokers, developers, and community stakeholders.
- Assisted more than 1,400 small businesses looking to establish or expand in San José through the Small Business Ally Program.
- Held two Silicon Valley Manufacturing Roundtable events, which convened more than 200 attendees, including original equipment and contract manufacturers, service providers, and some of the region's most promising startups.
- The Special Tenant Improvement (STI) program issued approximately 800 permits for 262 projects with a valuation of over \$503 million and 5.2 million in square feet of construction space. Large projects included: Adobe, Ariosa, Broadcom, Champion Point, Cisco, General Dynamics, HGST, Space Loral Systems, Sumitomo and EBAY, Viptela, and Western Digital. Broadcom.
- The Industrial Tool Installer (ITI) program issued 272 permits for 88 projects with a total valuation over \$20 million and 100 thousand square feet of construction space. Some notable projects included: Cisco, HGST, Intermolecular, Lumileds, Lumentum, Sunpower, Synaptics, and Thin Film.
- Building Inspection Services Division staff began rapid evaluations of the affected areas immediately following the flood. Throughout the assessment process, 228 Damage Survey Reports were conducted throughout the relief effort, with 259 Yellow Tags (access with some restrictions) and 4 Red Tags (no access) issued. For 14 days, Inspection Services Division staff stayed onsite at the Command Centers, staffed Local Assistance Centers (LACs), and remained available in the affected areas (Williams and Rock Springs areas) to conduct inspections and Damage Survey Reports requested by home owners without any required wait time. The Permit Center Division and Call Center created a team of staff dedicated to offer special handling and express service to residents and businesses affected by the flood, with special signage posted in the Permit Center in order to expeditiously route and assist customers affected by the flood. Through April 2017, a total of 129 flood repair permits have been issued and all fees have been waived.
- Completed the Four-Year Review of the General Plan with City Council approval of staff and Task Force recommended amendments to the General Plan.
- Completed The Alameda Urban Village Plan and obtained City Council approval.
- City Council approved the San José Urban Agricultural Incentive Zone Ordinance, an ordinance allowing temporary large banner signs/supergraphics in the Downtown Sign Zone, and zoning code provisions with respect to riparian setbacks and development of bird-safe buildings.
- City Council approval of municipal code modifications providing more flexibility for and facilitating secondary detached residential units on residential parcels.
- Established a new program to provide homeless prevention services for 300 households and an employment program to serve 200 homeless men and women.

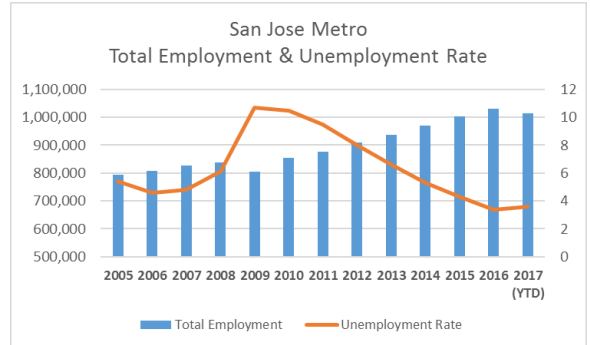
*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Service Delivery Accomplishments***

- Provided services and subsidies for 100 transitional homeless clients and services for an additional 200 chronically homeless individuals. 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.
- Secured \$27.9 million in State funding to help fund two affordable housing developments in San José helping to create nearly 300 apartments for chronically homeless Veterans and low income individuals as well as greenhouse gas reducing transportation improvements under the State Affordable Housing and Sustainable Communities “Cap and Trade” program.
- Worked with Assembly member Nora Campos and State officials to pass AB 2176, which enables San José to pilot a special building code for Emergency Bridge Housing on selected sites.
- Closed construction funding for Second Street Studios, which will be the City’s first 100% Permanent Supportive Housing development for the chronically homeless.
- Issued a notice for funding availability (NOFA) for Homeless Developments together with the County’s Housing Authority and the County – the Housing Department’s first ever jointly-issued NOFA and obtained City Council approval for one of two eligible San José development applications.
- Committed \$44.9 million to affordable housing developments and site acquisitions to create over 300 new or newly-affordable homes, including commitments to support 345 new homes for homeless residents, per the Adopted the Affordable Housing Investment Plan (2015-2016 through 2016-2017) that established the spending plan for \$103.5 million in affordable housing resources.
- Conducted over 200 encampment clean-ups with the 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.
- In 2016-2017, the City’s Office of Cultural Affairs Special Events staff coordinated an estimated 479 events city-wide, including signature sporting events, neighborhood street festivals, farmers markets, and fun runs.
- Through a private/public partnerships, completed *Voxel Could* at the Pierce in SoFA as part of Illuminating Downtown, an initiative aimed at animating Downtown through interactive, artist designed lighting projects.
- Stewarded approximately \$4.0 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 placed 1,012 youths in subsidized and unsubsidized youth opportunities through the SJ Work Program. In addition, work2future served over 150 foster youth placing them into subsidized employment through the County of Santa Clara.
- Over 1,500 work2future participant’s secured employment which resulted in \$27.0 million in wages earned.
- Since October 2015, work2future has focused significant efforts on advanced manufacturing, which resulted in 300 clients served.

***Service Delivery Environment***

- **Job Growth and Employment:** While unemployment for the San José metro area and City of San José remains low (3.6% and 3.9%), there are signs that job growth is slowing down. As of March 2017, total employment in the metro area was 1.09 million, representing 2.4% annual growth over March 2016. As of June 2016, the City of San José was home to 393,534 payroll jobs, representing 1.5% increase from June 2015. Currently, San José is home to a labor force of 545,900 of whom 524,900 are employed. An estimated 21,100 San José residents are unemployed, representing a decrease from 24,000 in March 2016.



- **Housing Affordability:** According to the Santa Clara County Association of Realtors, the median sales price of a single family home in San José as of March 2017 was \$980,000, an increase of 7.5% from March 2016’s median sales price of \$911,000. Median sales prices for condominiums/townhomes for March 2017 was \$638,000, an increase of 8.1% from March 2016’s median price of \$590,000. As long as the economy remains robust, the tight housing inventory, relatively 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. According to Rent Jungle, the average asking rent for a one-bedroom as of March 2017 was \$2,432 which is an increase of 5.6% from March 2016. Over the same time period, the average rent for a two-bedroom was \$3,077, a decrease of approximately 3.6%. Assuming that no more than 30% of income goes to housing costs, a household would need to earn \$97,280 annually to afford a one-bedroom apartment and \$123,080 for a two-bedroom apartment in San José. It should be noted that apartment data from Rent Jungle includes only larger, multi-family developments, and data from smaller apartment complexes that are often older and more affordable are not included. San José’s overall vacancy rate was 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.

***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.
- Promote San José as the premier destination for scaling companies, highlighting advantages in cost, lifestyle, and business climate.
- Increase jobs in the City of San José through widespread recruitment efforts.
- Manage and implement economic development branding to communicate the advantages of living and working in San José.
- 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 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.

**City Service Area**  
**Community and Economic Development**  
**OVERVIEW**

**CSA Priorities/Key Services**

- 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.
- Identify strategies to increase production of moderate-income housing.
- Ensure that residents have a diverse range of housing options by increasing housing opportunities for people of all income levels, ages, abilities, and household types.
- Increase housing and services opportunities for the City’s homeless residents, including those living in encampments.

**Development Services Budget Summary**

	<u>Revenue</u>	<u>Cost</u>	<u>% Cost Recovery*</u>	<u>Positions</u>	<u>Works-in-Program Reserves**</u>
<b>2016-2017 Modified</b>					
Building	\$ 27,500,000	\$ 36,476,848	75.4%	173.92	\$ 16,640,601
Fire	6,911,000	8,183,245	84.5%	37.22	5,928,465
Planning	4,500,000	6,491,535	69.3%	37.18	2,293,508
Public Works	9,815,000	11,598,786	84.6%	62.19	5,120,765
<b>Total</b>	<b>\$ 48,726,000</b>	<b>\$ 62,750,414</b>	<b>77.7%</b>	<b>310.51</b>	<b>\$ 29,983,339</b>
<b>2017-2018 Proposed***</b>					
Building	\$ 32,500,000	\$ 36,721,069	88.5%	166.37	\$ 12,419,532
Fire	8,647,000	8,773,732	98.6%	38.01	5,801,733
Planning	7,730,000	8,625,079	89.6%	48.38	1,398,429
Public Works	11,585,000	12,828,145	90.3%	65.87	3,877,620
<b>Total</b>	<b>\$ 60,462,000</b>	<b>\$ 66,948,025</b>	<b>90.3%</b>	<b>318.63</b>	<b>\$ 23,497,314</b>

\* Excludes the development fee program reserves. In 2016-2017 and in 2017-2018, all programs reach 100% cost recovery once the use of Works-in-Progress reserves are incorporated.

\*\* The Works-in-Progress Reserves for 2017-2018 are the estimated reserve levels once 2016-2017 revenues and expenditures are reconciled and 2016-2017 balancing actions are included.

\*\*\* Excludes carry-over rebudgets.

Development Services is a \$66.9 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.

### ***Development Services Budget Summary***

Over the last year, the Development Services Partners have continued to experience a high level of activity. After adjusting for base changes that result in a net decrease of 3.92 positions to the program, position changes for the Development Fee Program included in this budget are: an addition of 15.09 positions in the Planning Development Fee Program, including a shift in planner positions from the Building Development Fee Program, an increase of 2.03 positions in Public Works Development and Utility Fee Programs, an increase of .30 positions in the Fire Development Fee Program, and a decrease in the Building Development Fee Program by 5.38 positions, primarily due to the Planning staff realignment. These position changes will help improve target cycle times, increase customer service, and, in the case of the Planning staff realignment, to properly align costs with revenues.

Improved staffing, training, and updated technology will be the priorities for the Development Services Partners in 2017-2018 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 a Supervising Applications Analyst position to provide the needed management and coordination to complete the delayed conversion effort to support the Imaging and Support function, maintain and coordinate continuous improvements to the imaging system, and establish process and procedures to seamlessly integrate electronic documents; 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 Public Works Development Fee Program.

In December 2016, City Council accepted the City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report. The report showed the Development Services Partners are covering approximately 81% of their costs in the form of fees and charges collected from customers, with the individual Partners capturing between 76% and 84% of their respective costs. Proposed changes to the development fees, as discussed in the 2017-2018 Fees and Charges Report, will help to close the cost recovery gaps and provide each Partner with sufficient resources to support existing service levels, including the proposals contained in this document. The fee adjustments combined with process improvements and the implementation of the new permitting system in the coming fiscal years will help increase staff efficiency and improve the customer service experience. The revenue from these adjustments to the fees is summarized in the General Fund Revenue section of this document.



**City Service Area**  
**Community and Economic Development**  
**OVERVIEW**

**Budget Dollars at Work: Performance Goals**

**OUTCOME 1: STRONG ECONOMIC BASE**

Strategic Goals	CSA Performance Measures	2015-2016 Actuals	2016-2017 Target	2016-2017 Estimate	2017-2018 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OED assistance by:					
	Type of Company:					
	- Industrial	7,276	4,000	3,639	4,000	16,000
	- Commercial/Retail	1,162	500	3,916	1,500	2,000
	Type of Job:					
	- New	1,277	1,000	2,562	1,500	5,000
Stimulate Revenue for City Services	- Retained	7,161	3,500	4,993	5,000	9,500
	2. # of Clean Tech Jobs generated/retained from City efforts	1,472	100	258	250	800
	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social	1,485,607	980,000	1,245,210	1,070,663	N/A <sup>1</sup>
	- Out of Town	77,697	83,800	70,982	60,128	N/A <sup>1</sup>
	- Exhibitors	8,464	11,300	11,960	8,821	N/A <sup>1</sup>
Stimulate Revenue for City Services	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	\$500,000	\$1.5 M	\$200,000	\$1.0 M	\$4.5 M
	- Taxes from retained companies	\$2.3 M	\$1.0 M	\$2.4 M	\$1.5 M	\$3.0 M
	Total	\$2.8 M	\$2.5 M	\$2.6 M	\$2.5 M	\$7.5 M

<sup>1</sup> 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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)	(35) jobs <sup>1</sup> (1.9 acres)	0 jobs <sup>1</sup> (1.54 acres)	0 jobs (0 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)	0 jobs <sup>1</sup> (0 acres)	(1,160) jobs (32 acres)	0 jobs (0 acres)	0 jobs (0 acres)
	3. Estimated ratio of San José jobs to employed residents	0.85	0.88	0.85	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	60,012	40,000	42,420	40,000 <sup>2</sup>	100,000
	2. Unique website visitors to businessownerspace.com	8,898	10,000	8,000	8,000 <sup>2</sup>	40,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	4,405	1,805	1,805	N/A <sup>4</sup>	TBD <sup>5</sup>
	- Adults	2,760	1,250	1,120	N/A <sup>4</sup>	TBD <sup>5</sup>
	- Dislocated Workers	1,379	250	450	N/A <sup>4</sup>	TBD <sup>5</sup>
	- Youth	266	180	235	N/A <sup>4</sup>	TBD <sup>5</sup>
	2. Estimated % of clients employed six months after initial placement					
	- Adults (% of target met)	83.46% (106%)	79% (100%)	55% <sup>3</sup> (100%)	N/A <sup>4</sup>	TBD <sup>5</sup> (100%)
	- Dislocated Workers (% of target met)	86.54% (104%)	83% (100%)	62% <sup>3</sup> (100%)	N/A <sup>4</sup>	TBD <sup>5</sup> (100%)
	3. Estimated % of clients placed in jobs					
	- Adults (% of target met)	56.65% (110%)	51.5% (100%)	57.5% <sup>3</sup> (100%)	N/A <sup>4</sup>	TBD <sup>5</sup> (100%)
	- Dislocated Workers (% of target met)	64.85% (111%)	58.5% (100%)	63.4% <sup>3</sup> (100%)	N/A <sup>4</sup>	TBD <sup>5</sup> (100%)
- Youth (% of target met)	73.58% (123%)	60.0% (100%)	62.4% <sup>3</sup> (100%)	N/A <sup>4</sup>	TBD <sup>5</sup> (100%)	

<sup>1</sup> For the 2016 General Plan annual review cycle, hearings took place September 2016 through November 2016 with the Planning Commission and November 2016 and December 2016 with the City Council. In the 2016 General Plan annual review cycle, there were seven City-initiated and two privately initiated General Plan text amendments, and three City-initiated and four privately initiated land use amendments. For 2017, there are currently 10 privately initiated and four City-initiated General Plan land use amendments, and one City-initiated text amendment on file.

<sup>2</sup> Target reflects anticipated ongoing federal funding reductions that may impact future support for website and small business support services.

<sup>3</sup> Targets were changed by the Employment Development Department after the adoption of the 2016-2017 Operating Budget.

<sup>4</sup> Targets cannot be established until funding from the Employment Development Department is released, which is expected in spring 2017.

<sup>5</sup> Targets have not been negotiated with the Employment Development Department for the 5-Year Goal and are expected to be established in fall 2017.

**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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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 <sup>1</sup>	70%	N/A <sup>1</sup>	N/A <sup>1</sup>	70%
Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	0 <sup>2</sup>	550 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>
	2. San José housing production compared to regional fair share number target (in parenthesis)	1,692 units (4,385)	3,250 units (3,750)	2,450 units (4,385)	3,000 units (4,385)	16,700 units (18,750)
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	229% (3,000 units)	108% (3,000 units)	75% (3,000 units)	100% (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%	74%	75%	80%
	- Public Works Permit Plan Review	81%	80%	83%	85%	85%
	- Building Permit Plan Check	81%	80%	80%	80%	85%
	- Fire Permit Plan Check	85%	88%	88%	88%	90%
	2. Ratio of current year fee revenue to fee program cost (includes use of reserves)	100% <sup>s</sup>	100%	100%	100%	100%
	3. Development projects completed within processing time targets:					
	- Entitlement Process	74%	85%	77%	85%	85%
	- Construction Process:					
	- Plan Check	84%	85%	85%	85%	85%
	- Inspections in 24 hours	67% <sup>3</sup>	75%	65% <sup>3</sup>	88%	85%
	- Inspections in 48 hours	77% <sup>3</sup>	92%	74% <sup>3</sup>	95%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)	71%	75%	73%	75%	75%
5. % of customers surveyed rating service as good or better						
- Discretionary <sup>4</sup>	77%	70%	75%	75%	80%	
- Ministerial <sup>5</sup>	77%	70%	77%	78%	80%	
6. % of customers surveyed who indicate the City has improved customer service in the past 12 months						
- Discretionary <sup>4</sup>	66%	68%	68%	70%	80%	
- Ministerial <sup>5</sup>	73%	75%	73%	75%	80%	

<sup>1</sup> Staffing vacancies have reduced capacity for soliciting feedback on new development projects.

<sup>2</sup> The Envision San José 2040 General Plan includes capacity/plans for 120,000 new dwelling units. No additional dwelling units were added or are planned to be added to the overall capacity of the General Plan.

<sup>3</sup> 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 continuous departure of existing staff and difficulties in filling the positions quickly with qualified candidates. The Administration continues to recruit for a wide range of development services positions.

<sup>4</sup> Discretionary projects are those that require a public hearing (e.g. zoning change, General Plan amendment).

<sup>5</sup> 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of annual target achieved for completion of affordable housing (housing units)	70% (397)	100% (70)	179% (301)	100% (213)	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% 30%	60% 30% 30% 25% 15%	86% 56% 30% 12% 0%	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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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	N/A <sup>1</sup>	50%	N/A <sup>1</sup>	N/A <sup>1</sup>	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	N/A <sup>1</sup>	41%	N/A <sup>1</sup>	N/A <sup>1</sup>	40%
	2. Estimated City revenue from signature events (events and festivals solicited and supported by the City)	N/A <sup>2</sup>	\$1.0M	N/A <sup>2</sup>	N/A <sup>2</sup>	\$4.5M

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

<sup>2</sup> An economic impact analysis for the signature events is needed to obtain the data for this measure.

*City Service Area*  
**Community and Economic Development**  
**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>ECONOMIC DEVELOPMENT</b>			
• Business Development and Economic Strategy Activities		200,000	200,000
• Office of Cultural Affairs Staffing	1.00	87,156	0
<i>Subtotal</i>	<u>1.00</u>	<u>287,156</u>	<u>200,000</u>
<b>FIRE</b>			
• Fire Development Fee Program		114,000	114,000
<i>Subtotal</i>	<u>0.00</u>	<u>114,000</u>	<u>114,000</u>
<b>HOUSING</b>			
• Housing Production Program - Homelss Projects	1.00	155,322	0
• Rental Rights and Referrals Program - Tenant Protection Ordinance and Ellis Act Ordinance Housing Staffing	1.00	2,039	0
• Homeless Services Staff Realignment	1.00	0	0
<i>Subtotal</i>	<u>3.00</u>	<u>157,361</u>	<u>0</u>
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>			
• Planning Development Fee Program	15.12	2,069,864	2,069,864
• Urban Village Planning Staffing	1.00	474,590	474,590
• Greenhouse Gas Reduction Strategy		375,000	375,000
• Business Permit Process Improvement Bootcamp		200,000	200,000
• San Jose Regional Transportation Hub Project- Planning Staffing	1.00	150,000	150,000
• Policy and Ordinance Support Staffing		150,000	150,000
• Housing Projects Environmental Review Staffing	1.00	122,778	0
• Wastewater Treatment Plant Projects Environmental Review	1.00	101,370	0
• Fire and Public Works Development Fee Programs and Other Fee Programs	0.18	22,047	22,047
• Building Development Fee Program	(5.30)	(868,578)	(868,578)
<i>Subtotal</i>	<u>14.00</u>	<u>2,797,071</u>	<u>2,572,923</u>
<b>PUBLIC WORKS</b>			
• Public Works Development Fee Program	2.00	219,404	219,404
<i>Subtotal</i>	<u>2.00</u>	<u>219,404</u>	<u>219,404</u>
<b>Subtotal Departments</b>	<u><b>20.00</b></u>	<u><b>3,574,992</b></u>	<u><b>3,106,327</b></u>

*City Service Area*

**Community and Economic Development**  
**PROPOSED BUDGET CHANGES**

**CITY-WIDE EXPENSES**

• 2017 Flood - Building Permit and Inspection Fee Waivers	200,000	200,000
• Cinequest Film and Virtual Reality Festival	50,000	50,000
• San José Regional Transportation Hub Project	375,000	375,000
• Economic Development Pre-Development Activities	50,000	50,000
• Homeless Rapid Rehousing Funding Shift	(4,000,000)	(4,000,000)
• Japantown Creative Center for the Arts Transportation Improvements	400,000	400,000
• San José Works: Youth Jobs Initiative	1,500,000	1,500,000
• Sports Authority	375,000	375,000
• Storefront Activation Grant Program	250,000	250,000
• Rebudget: Homeless Rapid Rehousing/Tiny Homes	2,300,000	2,300,000

**GENERAL FUND CAPITAL, TRANSFERS AND RESERVES**

• 2018-2019 Cinequest Film and Virtual Reality Festival Reserve	50,000	50,000
• Earmarked Reserves: Building Development Fee Program Reserve	5,011,110	5,011,110
• Earmarked Reserves: Fire Development Fee Program Reserve	1,020,788	1,020,788
• Earmarked Reserves: Planning Development Fee Program Reserve	823,112	823,112
• Earmarked Reserves: Public Works Development Fee Program Reserve	1,006,178	1,006,178

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***Subtotal Other Changes***


**0.00      9,411,188      9,411,188**

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**Total Proposed Budget Changes**

**20.00      12,986,180      12,517,515**

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**2017-2018**

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**OPERATING BUDGET**

**ENVIRONMENTAL  
AND  
UTILITY SERVICES  
CSA**



# 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**

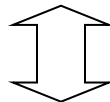
**CITY SERVICE AREA**  
 A cross-departmental collection of core services that form one of the City's six key "lines of business"

**MISSION STATEMENT**  
 Why the CSA exists

**Environmental & Utility Services CSA**

*Mission:*

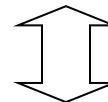
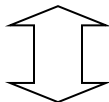
Provide environmental leadership through policy development, program design, and reliable utility services.



**CSA OUTCOMES**  
 The high level results of service delivery sought by the CSA partners

*Outcomes:*

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- "Clean and Sustainable" Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply



**PRIMARY PARTNERS**  
 Departments with Core Services that contribute to achievement of CSA Outcomes

**Environmental Services Department**

*Core Services:*

- Potable Water Delivery
- Recycled Water Management
- Recycling and Garbage Services
- Stormwater Management
- Sustainability and Environmental Health
- Wastewater Management

**Transportation Department**

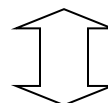
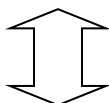
*Core Services:*

- Sanitary Sewer Maintenance
- Storm Sewer Management

**CORE SERVICES**  
 Primary deliverables of the organization

**PROGRAMS**  
 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 2017-2018 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** – Expand 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 and Green Focus.
- ❑ **Customer Service** – Explore the efficient use of technology while providing excellent customer service to City residents and businesses.

### **2017-2018 Key Budget Actions**

- ❑ **Sewer Service Rates** – The Sewer Service and Use Charge fund is proposed to increase by up to 7.0% in 2017-2018 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 proposed for 2017-2018. Storm Sewer Service Charge rates will be reassessed annually to ensure adequate resources to comply with the new Municipal Regional Stormwater Permit.
- ❑ **Water Rates** – This 2017-2018 Proposed Budget assumes a 9% revenue adjustment to the Municipal Water System in order to offset increased operating costs.
- ❑ **Recycle Plus Rates** – A 4.5% increase in single family dwelling rates and 2.5% increase in multi-family dwelling rates will provide unlimited junk pick-up collections, expand the program for single-family dwelling waste material processing, and bring rates to cost recovery as contract expenditures increase due to annual cost-of-living adjustments and customer growth.
- ❑ **Illegal Dumping Response and Prevention** – To further enhance the Citywide effort and inter-departmental collaboration to reduce illegal dumping and increase waste diversion, adds City resources to the Illegal Dumping Rapid Response Team to expand special illegal dumping routes to hot spots throughout the City and further reduce the response time to reports of dumping.

*City Service Area*  
**Environmental and Utility Services**  
***BUDGET SUMMARY***

## **Environmental and Utility Services**

### **2017-2018 Key Budget Actions**

- ❑ **Neighborhood-Led Beautification Days** – Continues funding of \$180,000 on an ongoing basis 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 2017-2018. Such beautification days allow neighborhoods opportunities for targeted clean-ups, where residents determine the scope of the projects, leveraging volunteer energy that strengthens community, and also have a broader impact in providing an important tool to deter illegal dumping and enhancing the quality of life for many neighborhoods.
- ❑ **Single-Family Residences Junk Pick-Up Program** – Provides funding for unlimited, on-call curbside collection of large items, such as mattresses, furniture, appliances (including refrigerators), tires, and boxed smaller items. Consistent with City Council direction, the new unlimited Junk Pick-Up Program will provide residents with a convenient way to dispose of unwanted items, thereby reducing illegal dumping in San José.
- ❑ **Sorting of Residential Solid Waste** – Provides funding to implement the final 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 final phase of this effort will include single-family residences from the remaining 30% of single family residences in the eastern and southern portions of the City. With the addition of this final phase, back-end processing is projected to increase city-wide single-family recycling rate from 29%, as it was prior to back-end processing, to 77%.
- ❑ **Compliance with Stormwater Permit Requirements** – Adds 1.0 Senior Environmental Inspector and 1.0 Environmental Inspector positions to form the Stormwater Treatment Measure (STM) Inspection Program, to comply with the City’s Stormwater National Pollution Discharge Elimination System (NPDES) Permit. The creation of the STM Inspection Program will support the proper operation and maintenance of STMs, also known as “green infrastructure”, installed within the City and reduce pollution and erosion in waterways.
- ❑ **Storm Well Cleaning** – Adds funding for the rental of a Positive Displacement Combination Cleaner vehicle to service the 26 Hydrodynamic Separation (HDS) units located throughout the City and to comply with newly modified HDS cleaning requirements.
- ❑ **Water Pollution Control Plant Staffing** – Adds 1.0 Principal Engineer and 3.0 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.
- ❑ **Environmental Sustainability Plan Implementation** – Adds 1.0 Deputy Director, 1.0 Public Information Representative II, and provides funding to cover existing staff support to develop and implement the San José Environmental Sustainability Plan. In 2017-2018 and 2018-2019, this program will be supported by the Step Up and Power Down award from the Pacific Gas and Electric Company, which was awarded in 2016-2017.

*City Service Area*  
**Environmental and Utility Services**  
**BUDGET SUMMARY**

**Environmental and Utility Services**

**City Service Area Budget Summary**

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed
<b>Dollars by Core Service</b>				
<i>Environmental Services</i>				
Potable Water Delivery	n/a	n/a	n/a	\$ 39,085,183
Recycled Water Management	n/a	n/a	n/a	7,081,697
Recycling and Garbage Services	n/a	n/a	n/a	130,416,940
Stormwater Management	n/a	n/a	n/a	9,190,359
Sustainability and Environmental Health	n/a	n/a	n/a	1,385,046
Wastewater Management	n/a	n/a	n/a	84,507,022
Strategic Support	n/a	n/a	n/a	13,857,192
Strategic Support - Other	n/a	n/a	n/a	26,668,909
<i>Transportation</i>				
Sanitary Sewer Maintenance	n/a	n/a	n/a	17,237,009
Storm Sewer Management	n/a	n/a	n/a	6,905,439
Strategic Support	n/a	n/a	n/a	1,546,568
<b>CSA Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 337,881,364</b>
<b>Authorized Positions</b>	<b>690.89</b>	<b>699.59</b>	<b>701.31</b>	<b>703.06</b>

*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 2016-2017, DOT proactively cleaned 908 miles of sewer lines and responded to 69% of sanitary calls within 30 minutes. The number of SSOs was down approximately 20% from the previous year, dropping from 81 to 65.
- During 2016-2017, the Municipal Water System is estimated to deliver approximately 5.2 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 9,500 manual-read water meters were replaced with electronic-read meters, providing improved customer service with quicker reads and assisting water conservation efforts by providing more useful water usage reports.
- The Illegal Dumping Rapid Response Team (IDRRT) was created in July 2016 to enhance the City's response to illegal dumping and reduce neighborhood blight. Since then, the IDRRT and DOT have cleaned over 6,654 illegal dump sites citywide, including collecting over 2,879 mattresses. These mattresses were submitted to California's new Illegal Mattress Dumping Compensation Program; San José's efforts alone accounted for almost 10% of all illegally dumped mattresses collected from over 40 municipalities statewide participating in 2016. The IDRRT responds to service requests within approximately five days, a significant improvement from the 2014-2015 backlog of over 300 service requests, some then as much as six months old. The IDRRT's efforts were recognized by Keep America Beautiful with its 2016 National Community Improvement award for Litter Prevention.
- In 2016-2017, funding was allocated to provide single-family residents with up to two 3-item junk pick-ups per year, at no additional charge. Residents in multi-family dwellings can also receive junk pick-ups at no additional charge. Both programs are intended to reduce blight at single and multi-family properties and mitigate illegal dumping. More than 32,000 single family collections were completed in 2016-2017, more than double the collections in 2015-2016. In 2016-2017, over 33,000 items, representing over 2,200 tons of large items, were collected from multi-family properties. To promote the junk pickup program, staff has initiated an extensive outreach campaign, which includes targeted advertising in areas with a high incidence of illegal dumping, a multi-faceted campaign with Univision, and advertising on Vietnamese radio and newspaper. Other no-/low-cost outreach efforts are being leveraged for high-value effects, and include methods such as: social media posts, Civic Center TV, and handouts at non-profit outlets; flyers and bus shelter prints; Craigslist postings; San Jose Giants pocket schedule and outfield sign; Council newsletters; and tabling activities at major events. Communications are conducted in multiple languages where appropriate.
- Council Districts began hosting Neighborhood-Led Beautification Days in 2016-2017. This program made it convenient for residents to dispose of unwanted items, which totaled over 100 tons of collected material. Approximately 70% of the material collected was recycled thereby increasing waste diversion. Local non-profits were also present at many cleanup events to collect donated items for reuse. Council Districts hosted more than 20 cleanup events throughout the city, some of which were expanded to include litter pickup and graffiti removal.
- The Large Trash Capture Project, which began in 2011, has installed 23 hydrodynamic separator (HDS) devices at 20 locations throughout the City, treating a total of 8,521 acres. The City also receives trash load reduction credit for single use bag and expanded polystyrene (EPS) bans and creekside trash and homeless encampment cleanups. As a result of these actions, the City expects to meet the Stormwater Permit's mandatory 70% trash load reduction goal by the established deadline of June 30, 2017.

*City Service Area*  
**Environmental and Utility Services**  
**OVERVIEW**

***Service Delivery Accomplishments***

- In 2016-2017, the City continued its funding agreement with the Santa Clara Valley Water District for a San José Watershed Community Stewardship Engagement Project. The project funded community groups that engaged local residents to improve the health of their local creeks, while educating them about the importance of these natural resources. In 2015-2016 the partners successfully met grant deliverables, by collecting almost 200 tons of trash with the support of 2,300 volunteers, and the partners expect to meet the grant deliverables for 2016-2017.
- In August 2016, the City began construction on the Digester and Thickener Facilities Upgrade project at the Water Pollution Control Plant. At an estimated total cost of \$148.6 million, this project represents one of the largest capital projects of the Water Pollution Control Capital Program and will completely rehabilitate four anaerobic digesters that are critical in the processing of biosolids at the Plant.

***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. 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. Additionally, a Title V air quality permit from the Bay Area Air Quality Management District was renewed and issued on March 20, 2017.

## *City Service Area*

# **Environmental and Utility Services**

## **OVERVIEW**

### ***Service Delivery Environment***

#### ***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. In January 2014, the City Council authorized submittal of the Clean Waterways, Healthy City: Long-Term Trash Load Reduction 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.
- Trash generation correlates with many other community conditions, including graffiti 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.

#### ***Solid Waste***

- San José's exclusive commercial wet/dry solid waste system achieved a 69% diversion rate for 2016 by processing all materials at the Republic Services' 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.
- The IDRRT was created in 2015-2016 to respond to and clean up illegal dumping service requests. Thus far in 2016-2017, the IDRRT has responded to 5,230 calls. The IDRRT responds to an average of 22 calls per day, with an average response time of approximately 5 days. In addition to responding to service requests, the IDRRT also proactively monitors known illegal dumping sites.
- In 2016-2017, the Household Hazardous Waste Program accommodated 15,083 appointments, the majority of which were made at the Environmental Innovation Center. Staff estimates the program will accommodate approximately 16,500 appointments in 2017-2018.



### ***Service Delivery Environment***

#### ***Solid Waste (Cont'd.)***

- With additional funding provided in 2016-2017, the City increased the sorting and processing of waste materials collected from single-family residences, with the goals of significantly increasing the amount of materials recycled and diverting waste sent to the landfills. In 2016-2017, 113,000 tons of garbage from 70% of single-family households in the western, northern, and southwest areas of San José were processed. This equates to 83,620 tons diverted from the landfill.

#### ***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), Property Assessed Clean Energy, and the City Energy Project (CEP). SUPD, a partnership with PG&E, was an energy conservation and awareness campaign with the goal of engaging 400 businesses and saving 25 million kiloWatt-hours of energy. In December 2016, the SUPD program concluded with the City exceeding its energy conservation goals. In recognition of the City's and other agencies' participation and successes during the SUPD campaign, the City was subsequently awarded \$1.25 million in funding by PG&E. 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. The CEP is a two-year grant program administered by the Natural Resources Defense Council and the Institute for Market Transformation, through which the City will develop and implement various policies and programs to improve the energy efficiency of large commercial buildings.

*City Service Area*  
**Environmental and Utility Services**  
**OVERVIEW**

**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.
- Negotiate with current Recycle Plus haulers to pursue potential replacements for existing agreements, or if unsuccessful, begin procurement process for new services beginning July 1, 2021.
- 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 2017.
- Increase awareness of proper disposal of bulky items through the expanded and unlimited large item collections included in residential garbage service rates.
- Implement a multi-departmental outreach and education effort to enhance neighborhood engagement as part of the City's efforts to combat illegal dumping, graffiti, litter, and other forms of neighborhood blight.
- Develop and implement the San José Environmental Sustainability Plan focused on energy, water, and mobility.
- Implement reliability improvement projects to ensure optimum operation of existing Southy Bay Water Recycling Program infrastructure.

*City Service Area*  
**Environmental and Utility Services**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 1: RELIABLE UTILITY INFRASTRUCTURE**

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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 <sup>1</sup>	95%	95%	95%	95%	95%
	- Storm Sewer lines	96%	95%	96%	95%	95%
	- SJ Municipal Water	98%	98%	97%	98%	98%
	- South Bay Water Recycling	98%	90%	90%	90%	90%
	2. Ratio of Municipal Water System average residential water bill to weighted average residential water bill of the San José water retailers <sup>2</sup>	76%	<100%	77%	<100%	<100%
	3. Number of SSOs per 100 miles of sewer lines	2.4	4.0	2.6	3.3	3.0
Provide for collection, disposal & processing of solid waste	1. % of waste diverted from landfills (State Goal: 50%) <sup>3</sup>					
	- Overall <sup>4</sup>	71%	75%	71%	75%	90%
	- Residential	71%	72%	75%	84%	90%
	- Commercial	71%	80%	70%	80%	90%
	- City Facilities	91%	92%	92%	92%	95%

<sup>1</sup> The % of utility assets in working condition for the Plant is calculated based on an average number of hours critical equipment is unavailable during the year due to repairs.

<sup>2</sup> Other San José water retailers include San José Water Company and Great Oaks Water Company.

<sup>3</sup> 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 million in recycling facilities in San José since 2007 and this level of investment will need to continue.

<sup>4</sup> The measurement for the Overall diversion category is based upon the State's guidelines, which use a per-capita standard. Moreover, the Overall measurement for the City includes solid-waste streams outside of the Department's collection, and includes construction, demolition, and self-haul categories. The remaining three categories are those directly within the City's collection process, and diversion in these are measured by total collected versus total recycled.

**City Service Area**  
**Environmental and Utility Services**  
**OVERVIEW**

**Budget Dollars at Work: Performance Goals**

**OUTCOME 2: HEALTHY STREAMS, RIVERS, MARSH, AND BAY**

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 Target	5-Year Goal
Manage stormwater for suitable discharge into creeks, rivers, and the Bay	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 <sup>1</sup>	69%	N/A <sup>1</sup>	N/A <sup>1</sup>	70%	70%
Manage wastewater for suitable discharge into the Bay	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season <sup>2</sup>	73 mgd	<120 mgd	73 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 <sup>3</sup>	17.4 mgd	17.6 mgd	18.1 mgd	19.0 mgd	20.0 mgd

<sup>1</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

<sup>2</sup> 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.

<sup>3</sup> 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 Target	5-Year Goal
Reduce, reuse, and recycle solid waste at home, work, and play <sup>1</sup>	1. % of residents rating the City's job of providing information on how to recycle as good or excellent <sup>2</sup>	53%	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A	75%

<sup>1</sup> 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.

<sup>2</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

*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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 Target	5-Year Goal
Ensure availability of future water supplies.	1. Mgd of water conserved and recycled <sup>1/2</sup>	92	79	79	83	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 <sup>3</sup>	85%	N/A <sup>3</sup>	N/A <sup>3</sup>	88%	90%
	2. % of Municipal Water System customers with water saving fixtures in their home or property <sup>3</sup>	74%	N/A <sup>3</sup>	N/A <sup>3</sup>	78%	80%
	3. % of residents who are in favor of using recycled water <sup>2/3</sup>	98%	N/A <sup>3</sup>	N/A <sup>3</sup>	87%	90%

<sup>1</sup> 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.

<sup>2</sup> 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.


<sup>3</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

*City Service Area*

**Environmental and Utility Services**

**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>ENVIRONMENTAL SERVICES DEPARTMENT</b>			
• Single-Family Dwelling Waste Materials Processing - Phase IV		4,700,000	0
• South Bay Water Recycling System Infrastructure Improvements		2,400,000	0
• Iron Salt Dosing Station		881,000	0
• Single-Family Dwelling Junk Pick-Up Program		450,000	0
• Water Pollution Control Plant Filter Maintenance		400,000	0
• Municipal Water System Billing System Licensing		298,000	0
• Stormwater Treatment Inspection Program Staffing	2.00	295,861	0
• Water Pollution Control Plant Capital Improvement Program Staffing	3.00	289,029	0
• San José Environmental Sustainability Plan Implementation Staffing	2.00	282,038	306,030
• Illegal Dumping Rapid Response Team Staffing	4.00	276,326	(11,837)
• Baykeeper Consent Decree Compliance Program	0.00	250,000	122,049
• BeautifySJ Days		180,000	180,000
• South Bay Water Recycling Program Staffing	1.00	108,404	0
• Storm Water Permit Compliance Staffing	1.00	100,634	19,497
• Geographic Information System Staffing	1.00	80,495	0
• Nine Par Landfill Groundwater Remediation		80,000	0
• Water Pollution Control Plant Vehicle Lease Buy-Outs		40,000	0
• Water Pollution Control Plant Fats, Oils, and Grease Commercial Inspection Program Funding Shift	0.00	0	0
<i>Subtotal</i>	14.00	11,111,787	615,739
<b>TRANSPORTATION DEPARTMENT</b>			
• Stormwater Bioretention Monitoring and Maintenance	0.75	161,609	0
• Hydrodynamic Separation Stormwater Drainage Well Cleaning and Maintenance		150,000	0
• Sewer Video Equipment Upgrade		124,900	0
<i>Subtotal</i>	0.75	436,509	0
<b>Total Proposed Budget Changes</b>	<b>14.75</b>	<b>11,548,296</b>	<b>615,739</b>



**2017-2018**

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**OPERATING BUDGET**

**NEIGHBORHOOD  
SERVICES CSA**

**NEIGHBORHOOD  
SERVICES  
CSA**

# 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**

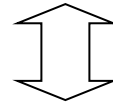
**CITY SERVICE AREA**  
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
 Why the CSA exists

**Neighborhood Services CSA**

*Mission:*

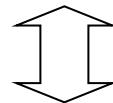
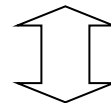
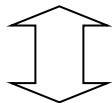
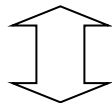
To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods



*Outcomes:*

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities

**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

**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

Community Facilities Development

**Planning, Building and Code Enforcement Department**

*Core Services:*

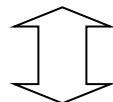
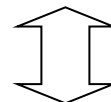
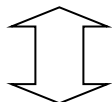
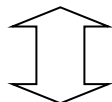
Community Code Enforcement

**Public Works Department**

*Core Services:*

Animal Care and Services

**CORE SERVICES**  
 Primary deliverables of the organization



**PROGRAMS**  
 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 2017-2018 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 and resilient neighborhoods throughout San José; supporting engaged and informed residents; activating a thriving community; and stewarding well-managed, effective, and sustainable shared assets. The following actions will advance these goals in 2017-2018:



### **CULTIVATING HEALTHY AND RESILIENT NEIGHBORHOODS**

- The Library will continue its summer meals and snacks program by partnering with the Summer Meal Coalition to enhance the annual SJPL Summer Reading Challenge programming and fill a critical need left when free and reduced school meal programs are closed during the summer.
- 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. Additionally, the 18-month Project Hope pilot project is expected to be completed by December 2017.
- The Grace Community Center will be relocating its services. Once identified, the new location will allow the program to continue delivering a high-quality service while remaining accessible to the participants it serves.
- PRNS will continue work on developing a sustainable model for managing and operating the Citywide Aquatics Program, including Summer Aquatics programming at six City locations. Staff plans to operate Mayfair, Ryland, and Camden pools during the summer, with partner organizations operating the Alviso pool during the summer and the Biebrach and Fair Swim Center pools throughout the year.
- Code Enforcement field inspection services for Emergency and Priority complaints will be completed within 24 and 72 hours, respectively.
- Neighborhood clean-ups for San José's neighborhoods will complete the calendar year scheduled through 2017, with the remaining program funds returning to the Environmental Services Department to provide improved and efficient program resources to address this need.
- Fee revenue will support Code Enforcement Inspector services for Massage Parlor Permit program enforcement and inspection for up to 300 businesses.
- Restored resources to Code Enforcement's Building Code Compliance program will allow the division to address up to 350 building code cases requiring permits, many which include potentially unsafe structures.
- Animal Care and Services field staff will continue to 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.



*City Service Area*  
**Neighborhood Services**  
***BUDGET SUMMARY***

## **Neighborhood Services**

### **Expected 2017-2018 Service Delivery**

#### **SUPPORTING ENGAGED AND INFORMED RESIDENTS**

- The Library and PRNS Departments will enhance early childhood education programming through a unique partnering of PRNS's Recreation Preschool and the Library's Early Education Programs, prioritizing: instructor professional development, supportive learning environments, quality curriculum standards, and regular assessment of kindergarten readiness. By joining efforts, the Library and PRNS will ensure that families in San José have access to affordable, high-quality childcare/preschool and that all young participants graduate ready to succeed in school.
- The Library will meet the need for improved access to informational resources in our diverse communities, supporting the City's commitment to the Language Access Policy through investments in digital collections, international language resources, and production of translated original content.
- The Library will enhance availability of unique historic, primary source materials that preserve and document the cultural narrative of the San José community and broader region through archival preservation and digitization efforts of the California Room at the Dr. Martin Luther King, Jr. Library.
- As part of the citywide Education and Digital Literacy Initiative, the Library will coordinate the implementation of SJ Promise, which focuses on removing barriers to attending college for low-income students.
- PRNS will continue to engage the Youth Commission and the Senior Commission in policy discussions, including those pertaining to health, education, employment, housing, transportation, and recreation.



#### **ACTIVATING A THRIVING COMMUNITY**

- The Library will continue operating branch libraries 47 hours per week, Monday through 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 Library will operate its mobile learning lab, the Maker[Space]Ship (MSS), in neighborhoods throughout the city. The MSS brings hands-on applied learning and experience with innovative technologies, Science, Technology, Engineering, Arts, and Mathematics (STEAM) education, and Wi-Fi access to underserved communities through partnerships and special events.
- 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, Emma Prusch Farm Park, and park activations at St. James Park and Plaza de Cesar Chavez, as well as other neighborhood parks through the ¡Viva Parks! summer event series. Viva CalleSJ will take place for the third time on September 17, 2017.
- The Vietnamese-American Community Center will continue to provide services to the Vietnamese community serving an average of 680 participants per week, hosting special events, and providing access to over 15 community groups to utilize space for events, classes, and gatherings.



## **Neighborhood Services**

### Expected 2017-2018 Service Delivery

#### **STEWARDED WELL-MANAGED, EFFECTIVE, AND SUSTAINABLE SHARED ASSETS**

- PRNS will continue its education and conservation programs at Happy Hollow Park & Zoo, which support global conservation efforts and provide model programs for zoos across the country. By marketing a unique balance of conservation and educational opportunities, the Department will continue to instill a love of nature in our next generation through outreach programs to Title 1 schools throughout the region and by operating high-demand camps that are expected to reach capacity for the second year in a row.
- The Library will use capital funds to maintain and update branch libraries, starting with the three oldest branches that were not improved through the 2000 Library Bond Program, ensuring that they are safe and welcoming.
- The Library will reduce geographic barriers to access by implementing Bridge Libraries and Joint Use projects in partnership with other educational and community based organizations located in high-needs neighborhoods.
- 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. PRNS will continue its reuse partnerships as it property manages 51 community centers to promote clean, healthy, and safe environments for families and individuals to enjoy.
- Design work will continue a key segment of the Coyote Creek Trail connecting the new BART station at Berryessa to Watson Park in the downtown area using \$5.2 million in Active Transportation grant funds.

*City Service Area*  
**Neighborhood Services**  
***BUDGET SUMMARY***

## **Neighborhood Services**

### **2017-2018 Key Budget Actions**

- Adds 2.5 positions to support educational services for children and teens at MLK Library, provide funding for six instructors for the Summer Bridge Program for Developing and Struggling Readers, and meet the outstanding need for adult literacy services in the Partners in Reading program, which has maintained a waiting list of more than 50 learners per year.
- Adds a 1.0 Library Clerk position to the California Room, which will allow the Library to respond to demands for library material archival support for City and community partners. This action will contribute to preserving and providing access to historic materials that document the cultural narrative and history of San José's communities.
- Adds funding to augment international language collections, expedite cataloging and processing through vendor services, and increase production of translated resources to meet community demand.
- Adds 0.5 Library Clerk PT position to maximize the efficiency of Library facilities management, coordinate with partners such as San José State University (SJSU) and the Department of Public Works, and provide oversight of system wide security efforts.
- Adds \$150,000 in one-time leverage funding for SJ Promise that will be used to assist in fundraising efforts that bring partners together.
- Adds 2.0 Repair Worker I and 7.0 Groundworker positions and non-personal/equipment funding of \$25,000 to supplement the existing park maintenance budget. The addition of the proposed staff will provide extra attention to parks with the lowest park assessment ratings across the City.
- Adds one-time funding for 1.0 Recreation Superintendent, 2.0 Recreation Program Specialist, and 2.0 Recreation Leader PT positions through October 2017 and 1.0 Recreation Program Specialist through June 2018, and non-personal/equipment funding of \$280,000. This one-time add will support PRNS' Placemaking efforts including, Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez activations. These efforts are partially offset by grants.
- Adds 1.0 Event Coordinator, 1.0 Food Service Coordinator, and 1.0 Recreation Leader PT positions, and non-personal/equipment funding of \$251,000 to support corporate rentals at Happy Hollow Park & Zoo (HHPZ). These additions will support 10 corporate rental events projected to take place in 2017-2018.
- Adds 1.0 Recreation Supervisor, 7.5 Senior Recreation Leader PT positions, and non-personal/equipment funding to support the Leisure and Recreation of City Kids (ROCK) programs. The Recreation Supervisor will provide dedicated oversight, planning, and strategic development of the PRNS Leisure programming across 14 PRNS sites and assist with overseeing the Aquatics Program. The Senior Recreation Leader PT positions will serve as the lead staff at the ROCK sites with each position supporting two sites.
- Continues 2.0 Recreation Leader PT, 1.0 Recreation Program Specialist, and 1.0 Senior Recreation Leader positions through December 31 2017 to support the operations for the Vietnamese-American Community Center at the Shirakawa Community Center.
- Adds \$200,000 in one-time funding to recast the Community Action and Pride grant program (currently funded at \$100,000 a year), as "BeautifySJ." This will increase the maximum per-neighborhood grant amount from \$1,500 to \$5,000 per grant and fund neighborhood projects such as National Night Out events and block parties. Grant funds may also be awarded for murals, tree plantings, the addition of drought-tolerant landscaping, community garden/urban agriculture projects, and other beautification and community building projects.



## **Neighborhood Services**

### **2017-2018 Key Budget Actions**

- Adds one-time funding of \$1.0 million for San José Learns (SJLearns) to continue and expand the best practices identified within the original SJLearns program models, through a competitive grant process. The one-time grant program will be focused on after school providers that show the capacity to implement the key learning strategies identified in the Spring 2017 SJLearns program progress report. After school providers will build upon the final results of the upcoming SJLearns evaluation (to be completed in September 2017), and can operate collectively as a collaborative learning cohort.
- Adds 1.0 Program Manager I for flood-related parks capital projects through June 2018. This position will support the oversight of urgent flood-related administration, such as FEMA claim applications and management of reimbursement qualification for key facilities (Watson Park, Selma Park, Happy Hollow Park & Zoo, etc.). In addition, it will assist with the planning of those projects that will be implemented over a multi-year period.
- Adds 1.0 Zoo Keeper and non-personal/equipment funding of \$11,000 for veterinarian and animal food costs, in anticipation of the addition of a new jaguar by December 2017, which will be a potential partner for Sophia, the zoo's current jaguar.
- Adds one-time funding of \$16,000 for swim lesson scholarships that would provide recreation, health, and safety benefits to over 200 youth in economically disadvantaged communities, and rebudgets \$50,000 of the \$100,000 added in 2016-2017 for the leasing of high school pools in disadvantaged neighborhoods and redirects that funding for staff operation of Ryland pool, which is currently without a service provider. Given that only one additional East Side Union High School District pool (adding to the two existing contracted high school pools) is available for leasing (summer 2017 and summer 2018), there is funding remaining for the Ryland pool.
- Continues one-time funding for 1.0 Senior Recreation Leader and 1.0 Recreation Leader PT positions through December 31, 2017 to continue youth services at Gardner Community Center.
- Adds funding of 1.0 Code Enforcement Inspector and supplies for expanded enforcement for Public Safety Massage Parlor Permit program.
- Adds limit-dated funding through June 30, 2019 for staffing and resources in support of the Integrated Permit System implementation that will also support Code Enforcement fee programs, including Multiple Housing, Tobacco Retail License, Off-Sale Alcohol, and Solid Waste Enforcement.
- Adds funding for 1.0 Building Inspector and supplies to staff the Building Code Compliance program that addresses construction work done without permits.

**City Service Area**  
**Neighborhood Services**  
**BUDGET SUMMARY**

**City Service Area Budget Summary**

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
<i>Library</i>				
Access to Information, Library Materials, and Digital Resources	n/a	n/a	n/a	\$ 34,776,607
Literacy and Learning, Formal and Lifelong Self-Directed Education	n/a	n/a	n/a	1,642,126
Strategic Support	n/a	n/a	n/a	6,555,252
Strategic Support - Other	n/a	n/a	n/a	1,188,779
<i>Parks, Recreation and Neighborhood Services</i>				
Parks Maintenance and Operations	n/a	n/a	n/a	44,745,710
Community Facilities Development	n/a	n/a	n/a	2,649,447
Recreation and Community Services	n/a	n/a	n/a	37,643,773
Strategic Support	n/a	n/a	n/a	7,280,783
Strategic Support - Other	n/a	n/a	n/a	2,452,379
<i>Planning, Building and Code Enforcement</i>				
Community Code Enforcement	n/a	n/a	n/a	11,913,664
Strategic Support - Other	n/a	n/a	n/a	350,273
<i>Public Works</i>				
Animal Care and Services	n/a	n/a	n/a	6,995,118
Strategic Support - Other	n/a	n/a	n/a	473,572
<b>Dollars by Core Service Subtotal</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 158,667,483</b>
<b>CSA Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 158,667,483</b>
<b>Authorized Positions</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>1,192.37</b>

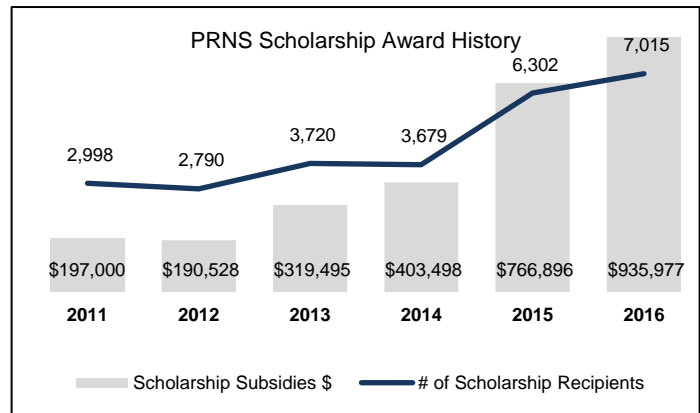
***Service Delivery Accomplishments***

- PRNS held the second Viva CalleSJ event drawing 100,000 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 9,500 participants to 23 events at seven parks, to encourage community health, engagement, and ownership of these parks. Additional park activations took place at St. James Park and Plaza de Cesar Chavez attracting 5,000 and 19,000 visitors, respectively.



- PRNS issued \$3.2 million in grants including Bringing Everyone’s Strengths Together (BEST), Safe Summer Initiative (SSIG), and St. James Park & Urban Activation grants to more than 82 community-based organizations, local vendors and service providers.
- The Mayor’s Gang Prevention Task Force (MGPTF), Work2Future Foundation, Santa Clara County, and employers partnered to support the San José 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.

- San José Recreation Preschool and Recreation Of City Kids (ROCK) afterschool program enrollment increased 15% and 22%, respectively.



- Program revenues and partners enabled PRNS to award 7,015 scholarships worth \$935,977 in 2016, an 11% increase in scholarships from 2015. The scholarship program continues to enhance access to PRNS programs and services.

- PRNS worked in partnership with the Information Technology Department to provide fiber optic speed Wi-Fi at 13 Community Centers, hybrid and reuse sites. This free service to the community provides extremely fast wireless internet to members of the community.

- PRNS continues to use Business Intelligence data analytics to monitor park maintenance activities and results. With a growing set of data, the Department is developing data-informed strategies for increasing Park Condition Assessment scores citywide. This data will continue to be used to present options for efficient and impactful allocation of needed park maintenance resources now and in the future.

- Family Camp at Yosemite continues to show resilience following the complications with the camp’s dining hall in 2010, as well as the devastating effects of the 2013 Rim Fire. Occupancy rates have steadily climbed from 39% in 2013 to 59% in 2016. The growth and success are due in great part to camp staff’s dedication to providing quality programming and experiences for the campers. To reduce economic barriers for campers, Family Camp at Yosemite provided “campership” subsidies for qualifying families to 16 families during the 2016 summer season. A newly approved 20-year lease with the US Forest Service demonstrates PRNS’s commitment to operating Family Camp at Yosemite for the benefit of current and future families to come.



# City Service Area

## Neighborhood Services

### OVERVIEW

#### Service Delivery Accomplishments

- PRNS led the Mass Care and Shelter effort in the City's Emergency Operations Center (EOC) to support those affected by the flood. Evacuation shelters opened at James Lick High School, Alum Rock Youth Center and Evergreen High School in late February 2017, with the Seven Trees Community Center activated as the final 24-hour shelter for flood victims who were unable to return to their homes. Response efforts were coordinated with the Red Cross, HomeFirst Solutions and other agencies to provide evacuees with free services such as: daily meals, clothing, child care, etc.
- PRNS hosted and staffed the Local Assistance Center (LAC) at the Vietnamese-American Community Center to provide over 110 hours of active resourcing and assistance to those affected by the flood. Services were provided in partnership with various City Departments including Housing and Public Works and in coordination with Cal-OES and 18 State, County, and nonprofit agencies. The LAC served approximately 1,900 households, with approximately 232 volunteers assisting with translation services.
- PRNS piloted an innovative corporate rental program at Happy Hollow Park and Zoo. Park staff worked with Kaiser Permanente to host a Kaiser employee event that rented Happy Hollow Parks and Zoo for one day. The event drew 5,000 attendees, and highlighted a growing interest from large companies and organizations for corporate rental opportunities at Happy Hollow Park and Zoo.
- PRNS completed a land purchase for a future park located at Payne Avenue in Council District 1 in an area that is underserved by parkland.
- The Rotary Children's Play Garden at Guadalupe Gardens won an award from the American Society of Landscape Architects Northern California Chapter.
- PRNS completed consultant selection and established a Capital Vision for St. James Park through a design competition. The community was fully engaged in the competition which included a site walk with four design teams, a panel talk at SPUR where designs were on public display, and final presentations to the community and jurors.
- The Library opened its new San José Public Library Works business and career center on the 4<sup>th</sup> floor of the MLK Library in March 2017. This space enhances 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 deployed its new mobile Library vehicle known as the "Maker[Space]ship" in December 2016, introducing new creative technology tools, robotic kits, equipment, and software to families in high-need communities.
- With the approval of reduced fines and fees, the Library implemented a number of programs intended to reduce economic barriers to access: more than 100,000 Library cardholder accounts were restored due to these actions. One program, *Volunteer Away Your Fines*, has engaged 972 volunteers, giving 1,964 total hours, and resulting in fine waivers of approximately \$13,000.
- The Library provided more than 17,000 healthy snacks and lunches to children and families at 8 branches across the City, filling the gap left when free and reduced school meal programs are closed during the summer.



### ***Service Delivery Accomplishments***

- San José Public Libraries received 6.8 million visits at the main and branch libraries with over 9.2 million items checked out in 2016-2017.
- In 2016-2017, 3,000 library volunteers contributed an average of 7,166 hours of service per month in a variety of roles at public libraries across the City. Through the Library's volunteer program: over 6,200 participants improved their ability to speak English at ESL Conversation Clubs; over 2,900 customers received one-on-one technology mentoring; and nearly 8,600 hours were logged by over 700 teens supporting the Summer Reading Challenge.
- The Library opened the new TeenHQ at the Dr. Martin Luther King, Jr. (MLK) Teen Center and Makerspace, which held more than 130 programs, attended by over 2,600 teens to date. Homework support and tutoring is offered 4 days a week, with volunteer tutors from San José State University. Enhanced STEAM programs have been offered with support from numerous community partners, utilizing the Makerspace and Recording Studio.
- The Library increased technology and efficiency by converting automated materials handling and other materials management applications with Radio Frequency Identification (RFID) technology that increases staff efficiency and provides greater customer ease of use. The Library installed one additional Automated Handling Machine, 72 RFID self-checkout units, 79 RFID security gates, 25 RFID staff inventory units, 79 RFID staff circulation stations, and more than 2 million radio-frequency tags to improve management of the Library print and media collection.
- The Library further increased branch internet services to 1 Gigabit connectivity at each location through the California Research and Education Network's (CalRen) high-capacity fiber optic operated by the Corporation for Education Network Initiatives in California (CENIC).
- The Library opened Citizenship Corners at ten San José Public Library branches. These spaces provide resources, such as: citizenship test preparation materials; English teaching materials, information about library and community programs that help with the naturalization process; access to citizenship lawyers via videoconferencing; enhanced citizenship-support programming, including application assistance through International Rescue Committee, mock citizenship interview preparation workshops, and "Know Your Rights" workshops. In 2016-2017, 153 citizenship workshops and programs have been provided with a total of 2,579 attendees.
- Code Enforcement is in the third 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. The division has also worked with the City Manager's Office Data Analytics Team and Behavioral Insights Team to improve processes in the program and communication with Multiple Housing property owners.
- In 2015-2016, Code Enforcement responded within 24 hours to 100% of the Emergency Complaints, which have 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 78% for 2015-2016. The 2016-2017 response time targets for Emergency Complaints is 100% and Priority Complaints is set at 80%. Some Routine Complaints did not receive field inspection services due to a 15% increase in the number of cases coming into the General Code Program in 2015-2016 as compared to 2014-2015. That trend has continued with a 15% overall increase in the number of cases received from 2015-2016 to March 2017. 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.



*City Service Area*  
**Neighborhood Services**  
**OVERVIEW**

***Service Delivery Accomplishments***

- 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.
- Code Enforcement, along with the Environmental Services Department's Integrated Waste Management and Watershed Protection Divisions, was instrumental in the recovery efforts for the 2017 San José flood emergency. The team worked to implement a debris bin and cleanup program which provided Inspectors and Regional Park Aides to plan and assist in the debris collection and removal process and notified residents about bin placements in the flood-affected neighborhoods. The program collected approximately 2,000 tons of debris.
- Animal Care and Services estimates that the live release rate for animals entering the Animal Care Center improved to 90% in 2016-2017, which exceeds the target estimate of 88%.



### ***CSA Priorities/Key Services***

#### **Cultivating healthy and resilient 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, quality neighborhoods and business districts for the residents of San José.
- ✓ 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 engaged and informed residents:**

- ✓ 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.

# City Service Area Neighborhood Services OVERVIEW

## Budget Dollars at Work: Performance Goals

### OUTCOME 1: SAFE AND CLEAN PARKS, FACILITIES AND ATTRACTIONS

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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	N/A <sup>1</sup>	60%	N/A <sup>1</sup>	60%	68%
	2. % of residents that rate the appearance of public parks as good or better	N/A <sup>1</sup>	75%	N/A <sup>1</sup>	75%	75%
	3. % of residents reporting they visited a regional park more than three times in the last year	N/A <sup>1</sup>	40%	N/A <sup>1</sup>	40%	45%

### OUTCOME 2: VIBRANT CULTURAL, LEARNING, RECREATION AND LEISURE OPPORTUNITIES

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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	92%	92%	95%	92%	92%
	2. % of customers and residents rating library services as good or better					
	* Point of Service	93%	90%	92%	90%	90%
	* Community Survey	N/A <sup>1</sup>	64%	N/A <sup>1</sup>	64%	64%
Offer programs and services that support successful youth and their families	3. % of community center participants and residents rating City efforts at providing recreational opportunities as "good" or "excellent"					
	* Point of Service	88%	88%	90%	88%	88%
	* Community Survey	N/A <sup>1</sup>	64%	N/A <sup>1</sup>	64%	64%
Provide services and programs that promote independent living for City seniors and persons with disabilities	1. % of parents and caregivers who report reading more to their children following participation in a library program or activity	77%	80%	80%	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	85%	90%	80%	90%	90%
	2. % of residents rating City efforts at providing programs to help seniors that live on their own, as good or excellent	N/A <sup>1</sup>	25%	N/A <sup>1</sup>	25%	53%
	3. # of participants in programs for seniors and persons with disabilities	21,118	22,500	23,000	22,500	22,500

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

**City Service Area  
Neighborhood Services  
OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 3: HEALTHY NEIGHBORHOODS AND CAPABLE COMMUNITIES**

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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	94%	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	90%	86%	90%	90%	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	N/A <sup>1</sup>	33%	N/A <sup>1</sup>	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)	96%	96%	95%	95%	98%
	2. Animal Care Center Live Release Rate	89%	88%	90%	92%	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	73%	65%	83%	88%	88%
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 <sup>1</sup>	80%	N/A <sup>1</sup>	73%	70%
Quality Living and Working Environment	1. % of residents rating their neighborhood in "good" or "better" physical condition based on the biennial Community Survey	N/A <sup>1</sup>	70%	N/A <sup>1</sup>	70%	70%
	2. % of time inspection/assessment for Code cases occurs within targeted times:					
	- Emergency Cases (within 24 hours)	100%	100%	100%	98%	98%
- Priority Cases (within 72 hours)	78%	80%	76%	75%	75%	

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

*City Service Area*

**Neighborhood Services**

***PROPOSED BUDGET CHANGES***


<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>LIBRARY</b>			
• King Library California Room Staffing	1.00	110,270	0
• Library Technical Services Unit Materials Processing		107,544	0
• King Library Public Reference and Resources Staffing	1.00	102,904	0
• Partners in Reading Adult Literacy Program	1.50	91,199	0
• Library Promotional Materials Translation Services		50,000	0
• Early Education Summer Bridge Program for Developing and Struggling Readers		32,210	0
• Library Branch Facilities Building and Equipment Unit Staffing	0.50	27,533	0
• Library Fines and Fees Restructuring Offset	0.00	0	(260,293)
<i>Subtotal</i>	<u>4.00</u>	<u>521,660</u>	<u>(260,293)</u>
<b>PARKS, RECREATION AND NEIGHBORHOOD SERVICES DEPARTMENT</b>			
• Senior Nutrition Program		1,596,799	1,596,799
• Neighborhood Park Maintenance	9.00	609,881	609,881
• Placemaking and Parks Activation	6.00	493,668	493,668
• Leisure and Recreation of City Kids (ROCK) Programs	8.50	511,775	511,775
• Happy Hollow Park & Zoo Corporate Rentals	3.00	422,507	422,507
• New Parks and Recreation Facilities Maintenance and Operations	2.50	347,346	347,346
• Flood-Related Parks Capital Projects Manager	1.00	132,716	0
• Vietnamese-American Community Center	4.00	114,892	114,892
• Lake Cunningham Action Sports Park	0.60	111,045	111,045
• Happy Hollow Park and Zoo Animal Staffing	1.00	71,158	71,158
• Aquatics Program		66,000	66,000
• Gardner Community Center		55,168	55,168
• Therapeutics Program	(0.32)	(74,456)	(74,456)
• Alum Rock Park Parking Fees Offset	(0.67)	0	0
<i>Subtotal</i>	<u>34.61</u>	<u>4,458,499</u>	<u>4,325,783</u>
<b>PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT</b>			
• Building Code Compliance Staffing	1.00	137,467	137,467
• Massage Parlor Permit Enforcement Staffing	1.00	119,569	119,569
• Integrated Permit System-Code Enforcement Support	1.00	112,277	112,277
• Neighborhood Clean-Up Program Phase-Out	(11.00)	(525,154)	0
• Fire and Public Works Development Fee Programs and Other Fee Programs		12,500	12,500
<i>Subtotal</i>	<u>(8.00)</u>	<u>(143,341)</u>	<u>381,813</u>
<i>Subtotal Departments</i>	<u>30.61</u>	<u>4,836,819</u>	<u>4,447,303</u>

*City Service Area*  
**Neighborhood Services**  
***PROPOSED BUDGET CHANGES***

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>CITY-WIDE EXPENSES</b>			
• BeautifySJ Grants		200,000	200,000
• Clean Slate/Tattoo Removal Program		100,000	100,000
• San José Learns		1,000,000	1,000,000
• San José Promise		150,000	150,000
<b>GENERAL FUND CAPITAL, TRANSFERS AND RESERVES</b>			
• Earmarked Reserves: Project Hope Pilot Program Reserve		83,000	83,000
• Transfers to Other Funds: Municipal Golf Course Fund		(2,050,000)	(2,050,000)
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(378,000)	(378,000)
<i>Subtotal Other Changes</i>		<b>(895,000)</b>	<b>(895,000)</b>
<b>Total Proposed Budget Changes</b>	<b>30.61</b>	<b>3,941,819</b>	<b>3,552,303</b>



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**2017-2018**

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**OPERATING BUDGET**

**PUBLIC SAFETY  
CSA**

**PUBLIC SAFETY CSA**

*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:*

City-Wide Emergency Management

Emergency Response

### Independent Police Auditor

*Core Services:*

Independent Police Oversight

### Police Department

*Core Services:*

Crime Prevention and Community Education

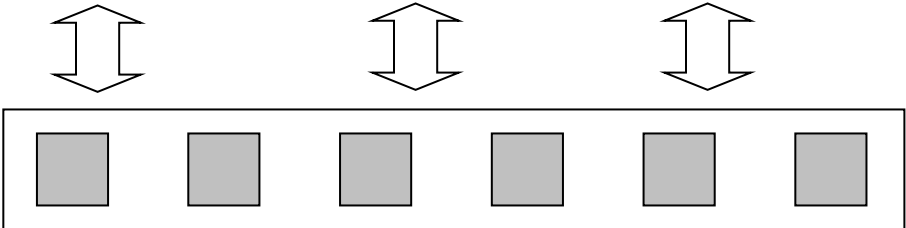
Investigative

Regulatory Services

Respond to Calls for Service and Patrol

**PROGRAMS**  
 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 2017-2018 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.



### **2017-2018 Key Budget Actions**

- ❑ A one-time augmentation to the Police Department's overtime budget will continue support for 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 efforts, and allow specialized units to focus on high crime activity.



- ❑ One-time funding will be used towards the recruiting of new and lateral police officers. The Police Department's 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, Public Safety Communications Specialists, and Public Safety Dispatchers.
- ❑ The continuation of an Office Specialist position for an additional year will support the Body Worn Camera program.
- ❑ One-time funding for the acquisition and installation of 50 Automatic External Defibrillator machines in select Field Patrol supervisor vehicles will support certain medical events until Emergency Medical Services personnel arrive on scene.
- ❑ The addition of a Training Specialist to serve as the Academy Coordinator for the three annual Police Recruit Academies will allow the Department to maintain its Peace Officer Standards and Training (POST) certification.
- ❑ The one-time reallocation of anticipated personal services vacancies for background investigation staffing will continue temporary resources to meet workload demands to fill sworn and civilian vacancies.
- ❑ Ongoing funding, fully offset by a new fee in the Medical Marijuana Fee Program, for GPS tracking devices and monthly monitoring for dispensaries that wish to include transportation to their business activities.
- ❑ The postponement of the hiring of 41.0 sworn Police positions, scheduled to start in February 2018, to June 2019 will allow time for recruiting and hiring of existent vacant positions. Starting in June 2019, the authorized sworn staffing level will increase from 1,109 to 1,150.

## **Public Safety**

### **2017-2018 Key Budget Actions**

- ❑ The elimination of 2.25 School Crossing Guard PT positions, limit dated to June 30, 2018, and the continuation of a School Safety Supervisor, limit dated to June 30, 2018, will realign resources in the School Crossing Guard Program. Given the difficulties in filling the vacant crossing guard positions, this realignment is expected to assist with additional outreach, recruiting, and retention efforts; therefore, resulting in additional filled positions, which will enable improved service delivery.
- ❑ The addition of a Fire Prevention Inspector position, overtime, and training are expected to improve the Fire Department's inspection cycle time performance for non-mandated and assemblies inspection services in the Non-Development Fee Program.
- ❑ Continued funding for an Analyst position in the Office of Emergency Services (OES) will provide ongoing analytical, financial, and grant management support.
- ❑ One-time funding for OES and the Emergency Operations Center (EOC) will fund the development or updating of emergency plans to better prepare the City for a major event or disaster (Recovery Plan, Debris Management Plan, Crisis Communication Plan, Donations and Volunteer Plans, and Damage Assessment Plan).
- ❑ One-time funding to continue the Community Emergency Response Team (CERT) training program. With the reinstatement of the CERT program in 2016-2017, funding was dedicated for 12 courses (one per month) for neighborhood organizations with trainings in English, Spanish, and Vietnamese. The additional funding will allow for the continuation of this effort in 2017-2018 by reaching 12 more neighborhoods with these monthly 20-hour CERT courses.
- ❑ One-time funding will provide analytical support to assist the Fire Department in identifying and advocating for the most promising emergency medical services (EMS) service delivery model in the City of San José and County of Santa Clara 911 EMS Provider Agreement contract negotiations.
- ❑ The addition of 1.0 Network Engineer position through June 2019 funded by the Public Safety Capital Program, will support the implementation of technology projects such as the fire station alert system, which will improve dispatching time.
- ❑ Eliminating funding for one of two annually budgeted Fire Fighter Recruit Academies for one year is recommended based on current and projected Fire sworn vacancies in 2017-2018, resulting in one-time savings of approximately \$1.1 million.
- ❑ One-time funding of \$4.0 million is included from a combination of sources in the Proposed Operating and Capital Budgets to purchase 32 Silicon Valley Regional Communications System (SVRCS) dispatch consoles for the Police and Fire Communications Center and 14 consoles for the South San José Police Substation to go live on the SVRCS by December 2018.



*City Service Area*  
**Public Safety**  
*BUDGET SUMMARY*

***City Service Area Budget Summary***

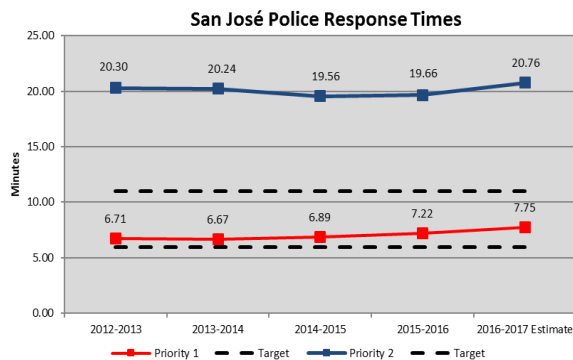
	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
<i>Fire</i>				
City-Wide Emergency Management	n/a	n/a	n/a	\$ 1,121,223
Emergency Response	n/a	n/a	n/a	198,529,854
Fire Prevention	n/a	n/a	n/a	5,122,969
Strategic Support	n/a	n/a	n/a	5,719,664
Strategic Support - Other				13,533,126
<i>Independent Police Auditor</i>				
Independent Police Oversight	n/a	n/a	n/a	1,161,674
Strategic Support	n/a	n/a	n/a	151,090
Strategic Support - Other	n/a	n/a	n/a	2,152
<i>Police</i>				
Crime Prevention & Community Education	n/a	n/a	n/a	5,981,228
Investigative Services	n/a	n/a	n/a	65,522,465
Regulatory Services	n/a	n/a	n/a	3,841,401
Respond to Calls for Service and Patrol Support	n/a	n/a	n/a	264,052,148
Strategic Support	n/a	n/a	n/a	40,105,250
Strategic Support - Other	n/a	n/a	n/a	10,689,221
<b>Dollars by Core Service Subtotal</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 615,533,465</b>
<b>CSA Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 615,533,465</b>
<b>Authorized Positions</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>2,445.72</b>

# 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 7.22 minutes in 2015-2016. This response time is expected to increase in 2016-2017 to 7.75 minutes.
- The Police Department response times for Priority Two calls (injury or property damage or potential for either to occur) averaged 19.66 minutes during 2015-2016; however, the average is estimated to increase to 20.76 minutes in 2016-2017.
- The Police Department investigated 47 homicides in calendar 2016. 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.
- As of March 2017, the Police Department fully deployed Body Worn Cameras (BWC) to all sworn staff. The Department is in the process of collecting feedback about the program and expects to develop an updated BWC policy in 2017-2018. The program has generally been widely accepted by officers and members of the public as they offer an element of security and oversight during police contact. The program is now a national model. Agencies from California, Texas, and New York have reached out for guidance and assistance in their own programs. The BWC program staff often hosts site visits from allied agencies for tours and feedback on their own program development.
- In 2016-2017, a new Division of Medical Marijuana Control was created in the Police Department to effectively administer the Medical Marijuana program. This Division has coordinated regulatory efforts across multiple departments and agencies and staff are in contact with state regulators in regards to Proposition 64, the Adult Use of Marijuana Act, and the rollout of the new state regulations in 2017-2018.
- In May of 2015, President Barack Obama's Task Force on 21st Century Policing issued its final report. The task force was created to strengthen community policing and trust among law enforcement officers and the communities they serve – especially in light of recent events around the country that have underscored the need for and importance of lasting collaborative relationships between local police and the public. The Police Department has taken numerous steps to bring the Department in line with recommended best practices that promote effective crime reduction while building public trust. Some of the Department's current efforts to strengthen its commitment to being a model 21st Century Police Department include specialized trainings in Fair & Impartial Policing, Procedural Justice, De-Escalation, and Crisis Intervention as well as the implementation of a Body Worn Camera program and a Use of Force committee.
- 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 2016-2017, the Department estimates that it will meet its Priority 1 fire response time goal 71% of the time and its EMS Code 3 goal 90% of the time. For Priority 2 calls (within 13 minutes), the Department estimates that it will meet its Priority 2 response time compliance 91% 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%.



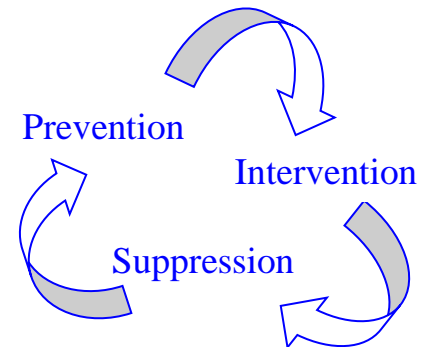
**Service Delivery Accomplishments**



- Additional resources supported by the voter-approved local sales tax measure, permanently restored Fire Engines 30 (Auzerais) and 34 (Las Plumas) and maintained three squad cars City-wide. Combined with the restoration of overtime funding for minimum staffing, the Department eliminated ‘browning out’ (placing companies out of service when staff were unavailable due to absences or training) in 2016-2017.
- Investments in technological resources such as Computer-Aided Dispatch (CAD) system software upgrades, mobile data computers, and the addition of an Information Systems Analyst position contributed towards accuracy in data reporting and analysis.
- Severe flooding in February 2017 resulted in the activation of the City’s Emergency Operations Center (EOC). EOC was activated for a three-week period with 24 hours of operation during the first week and ten to twelve hours of daily operation in the last two weeks.
- 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, including distribution of the 2017 edition of *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.
- Currently, San José Police staffing is lower than most cities of a million population. However, San José has experienced a 1.7% decrease of Part I Crimes (homicide, rape, robbery, aggravated assault, burglary, theft and motor vehicle theft) for calendar 2016 compared to a five-year average. Greater community engagement through social media, providing current crime and calls for service, data online, and participating in the Open Data Source Initiative to provide even more awareness,



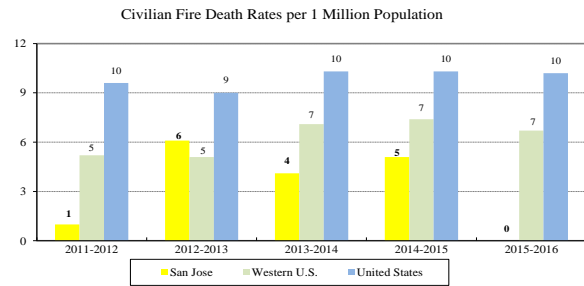
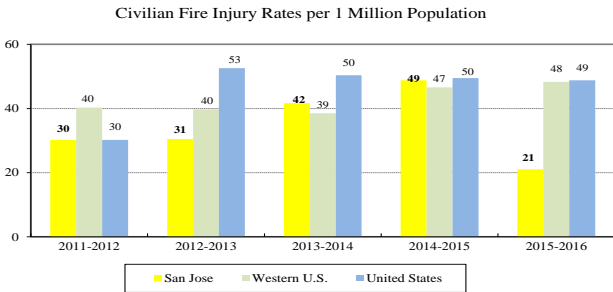
keeps citizens informed and involved. This business model is based on a three-prong strategy of prevention, intervention, and suppression.

Part 1 Crimes Index by Calendar Year					
Offense	2016	2015	Year over		2016 to
			Change	Year %	5 Year
			5 Year	5 Year %	5 Year %
Criminal Homicide	47	30	56.7%	38.4	22.4%
Rape	451	375	20.3%	336.4	34.1%
Robbery	1,214	1,140	6.5%	1,145.8	6.0%
Aggravated Assault	2,175	1,855	17.3%	1,937.6	12.3%
Burglary	4,260	4,896	-13.0%	4,940.4	-13.8%
Theft	12,786	13,138	-2.7%	12,936.6	-1.2%
Motor Vehicle Theft	7,703	7,001	10.0%	7,789.8	-1.1%
Arson	137	93	47.3%	132.4	3.5%
<b>Totals</b>	<b>28,773</b>	<b>28,528</b>	<b>0.9%</b>	<b>29,257</b>	<b>-1.7%</b>

- Partnering with the community is vitally important to the safety of the City. In today’s digital environment, community members coming forward with real time information assisted patrol officers and detectives in successful resolution of many different crimes. The collaborative relationship between the community and Police Department is critical in investigating crimes and patrolling the City. An open and positive community connection can assist in quickly resolving the most serious crimes.

# City Service Area Public Safety OVERVIEW

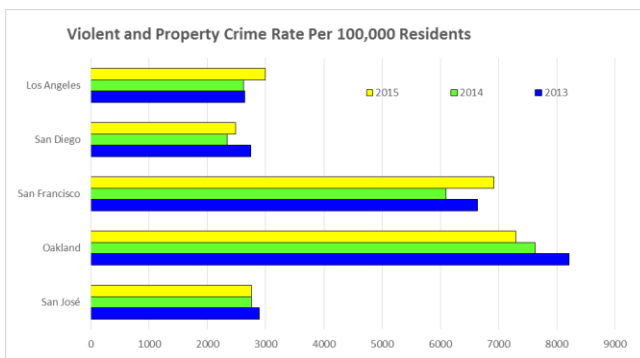
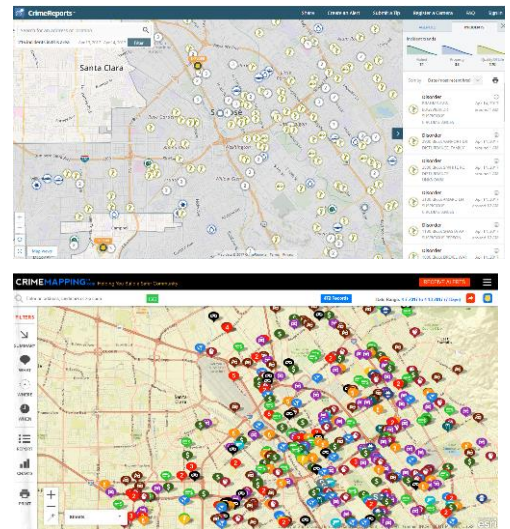
## Service Delivery Environment



(Source: NFPA National Fire Experience Survey, 2015)

- From 2011 to 2016, San José experienced lower fire-related injury rates per million population than the national averages. In 2015-2016, the number of injuries was significantly lower for San José. With the exception of 2012-2013, the City had fewer fatalities than the Western United States and the national average.
- Keeping the community informed is paramount to fostering the relationship between citizens and the Police Department. To that end, current crime and calls for service data is available online for a city-wide overview or a neighborhood, park, or school. An informed community is an engaged one. Police continue 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.
- 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. As a result of current staffing levels, the focus of the Police Department has shifted from one that is proactive to one that relies upon reacting to crime already committed. Despite the staffing challenges for the past few years, San José has maintained a steady crime rate for both violent (homicide, rape, robbery, aggravated assault) and property (burglary, theft, motor vehicle theft) crimes.
- With an improved economic climate, staff anticipates renewed residential and commercial/industrial development, increased traffic congestion, and

### CrimeReports.com and CrimeMapping.com Online Portals

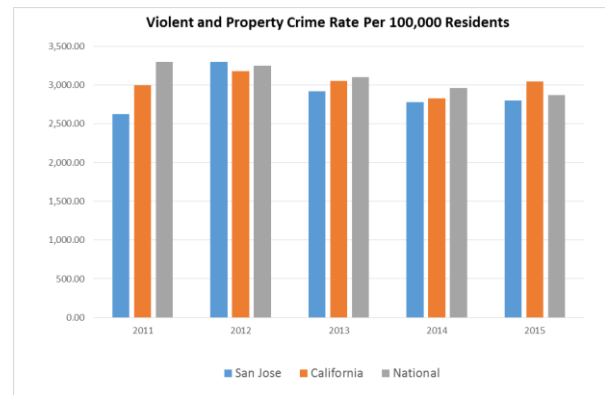


human activities, which are expected to place additional service demands on public safety. While welcomed, these anticipated increases for police and fire service will challenge the CSA's ability to meet performance objectives with available resources.

- During calendar year 2015, San José's Part 1 crime rate of 2,797 incidents per 100,000 residents was 0.2% below the national level of 2,870 incidents and 8.9% below the California level of 3,045 incidents. For the past several years, San José has experienced a lower crime rate than the State and Nation.

***Service Delivery Environment***

- 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).
- From 2015-2016 to 2016-2017 total Police related emergency calls are tracking approximately 3.5% higher.
- 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 2016-2017 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 2017-2018 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 2015-2016, approximately \$12.2 million in loss was estimated due to arson, a significant increase from 2014-2015, primarily due to approximately \$8.0 million estimated property loss in a strip mall 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 542 civilians. As part of this document, an increase to the civilian complement includes the addition of 3.0 civilian staff, including one to support School Safety, one to support Police Recruit Academy Training, and one to support the Body Worn Camera program.
- The Police Department continues to increase recruiting efforts and to seek out, and has been successful in attracting, high caliber candidates. The high standards set for recruits and minimum qualifications have not been reduced. Since 2012, the Department has hired 331 Police Recruits with 209 currently still employed as of April 2017. 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/departmental training capacity, it is anticipated that the Department will remain at or below the current street-ready staffing levels through 2017-2018.
- The Fire Department staffing in 2017-2018 includes 706 sworn positions and 118.48 civilian positions.



# City Service Area

## Public Safety

### OVERVIEW

#### 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.
- 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.
  - Continue current effort 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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	-10.7%	0% change	-3.8%	0% change	0% change
	- Domestic Violence	8.2%	0% change	9.8%	0% change	0% change
	- Residential Burglaries	-12.7%	0% change	-3.0%	0% change	0% change
	- Strong-Arm Robbery	4.6%	0% change	10.3%	0% change	0% change
	- Sexual Assault	23.0%	0% change	19.9%	0% change	0% change
	- Traffic Accidents	N/A <sup>1</sup>	0% change	N/A <sup>1</sup>	0% change	0% change
	- Fire Arson	-26.7%	0% change	72.0%	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 <sup>2</sup>	90% / 70%	N/A <sup>2</sup>	90% / 70%	90% / 70%
- in the City park closest to residence	N/A <sup>2</sup>	85% / 50%	N/A <sup>2</sup>	90% / 70%	85% / 50%	
- in the Downtown area	N/A <sup>2</sup>	75% / 45%	N/A <sup>2</sup>	90% / 70%	75% / 45%	

<sup>1</sup> 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 Adopted Budget.

<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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)	71%	80%	71%	80%	80%
	2. % of time first dispatched Police unit arrives within six minutes to Priority One calls (life threatening) (dispatch to arrival)	52%	70%	47%	70%	70%
	3. % of time the initial responding Fire unit arrives within thirteen minutes to Priority Two calls (no lights & siren)	90%	80%	91%	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)	47%	70%	45%	70%	70%
Increase investigative & inspection efforts (Police Investigations)	1. Clearance Rates of Part 1 crimes (# cleared/ total cases)					
	- Homicide	59.1% (26/44)	Maintain current rates	43.6% (17/39)	Maintain current rates	Maintain current rates
	- Rape	14.6% (61/417)	Maintain current rates	9.4% (47/500)	Maintain current rates	Maintain current rates
	- Robbery	27.6% (315/1,142)	Maintain current rates	31.2% (393/1,260)	Maintain current rates	Maintain current rates
	- Aggravated Assault	42.5% (857/2,016)	Maintain current rates	42.7% (880/2,059)	Maintain current rates	Maintain current rates
	- Burglary	4.5% (203/4,482)	Maintain current rates	4.4% (195/4,471)	Maintain current rates	Maintain current rates
	- Larceny	12.4% (1,576/12,685)	Maintain current rates	9.6% (1,300/13,503)	Maintain current rates	Maintain current rates
	- Vehicle Theft	5.8% (383/6,614)	Maintain current rates	4.9% (453/9,201)	Maintain current rates	Maintain current rates
	- Overall	12.5% (3,421/27,400)	Maintain current rates	10.6% (3,285/31,032)	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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 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	N/A <sup>1</sup>	65%	N/A <sup>1</sup>	65%	65%
	-Have three day supply of medicine	N/A <sup>1</sup>	75%	N/A <sup>1</sup>	75%	75%
	-Have designated an outside of area contact person	N/A <sup>1</sup>	70%	N/A <sup>1</sup>	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 <sup>1</sup>	88%	N/A <sup>1</sup>	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	56	20	0 <sup>2</sup>	480	5,000
	2. Number of residents who actively participate in volunteer programs (VOLT, RACES, Search & Rescue, SJ Prepared!)	3,547	4,900	3,600	4,900	24,500
Explore and secure alternate funding to supplement public safety responsiveness and resources	1. % of grants awarded	87%	100%	84%	100%	100%
	2. Number of grants successfully completed as compared to # of grants with funds returned to the grantor <sup>3</sup>	27/11	26/0	20/5	20/5	54/0
	3. Dollar value of grants awarded**	\$7,738,436	\$4,805,000	\$5,719,635	\$5,500,000	\$47,500,000

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

<sup>2</sup> Due to a delay in the Request for Proposal (RFP) process, the 20-hour “San José Prepared!” trainings expected in 2016-2017 are now anticipated to be completed in 2017-2018.

<sup>3</sup> 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.


*City Service Area*

**Public Safety**

**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>FIRE DEPARTMENT</b>			
• Fire Non-Development Fee Program	1.00	281,172	281,172
• Office of Emergency Services Disaster Preparedness		265,000	265,000
• Emergency Medical Services Service Delivery Model Analytical Support		150,000	150,000
• Community Emergency Response Team Training Program		130,000	130,000
• Emergency Medical Services Response Time Improvement Technology Staffing	1.00	109,339	0
• Office of Emergency Services Analytical Staffing	1.00	82,523	82,523
• Communications Installation Staffing		20,415	20,415
• Fire Fighter Recruit Academy Elimination		(1,089,766)	(1,089,766)
<i>Subtotal</i>	3.00	(51,317)	(160,656)
<b>POLICE DEPARTMENT</b>			
• Downtown Foot Patrol Program		500,000	500,000
• Police Department Recruiting Program		325,000	325,000
• Medical Marijuana Transport Tracking Devices		69,120	69,120
• Police Body Worn Camera Program	1.00	64,161	64,161
• Communication Installation Staffing		47,634	47,634
• Automated External Defibrillators		40,000	40,000
• Police Academy Coordination Staffing	1.00	0	0
• Police Department Backgrounding Temporary Staffing		0	0
• Police Department 41.0 Sworn Staffing Positions Postponement	(41.00)	(3,759,401)	(3,759,401)
• School Crossing Guard Program	(1.25)	(26,405)	(26,405)
<i>Subtotal</i>	(40.25)	(2,739,891)	(2,739,891)
<i>Subtotal Departments</i>	<b>(37.25)</b>	<b>(2,791,208)</b>	<b>(2,900,547)</b>
<b>CITY-WIDE EXPENSES</b>			
• Rebudget: Urban Area Security Initiative Grant - Police/Dispatch Consoles		570,000	570,000
<b>GENERAL FUND CAPITAL, TRANSFERS AND RESERVES</b>			
• Transfers to Other Funds: Fire Construction and Conveyance Tax Fund/Fire Station 37		960,000	960,000
• Earmarked Reserves: Police Department Staffing/Operations Reserve Elimination		0	0
<i>Subtotal Other Changes</i>	<b>0.00</b>	<b>1,530,000</b>	<b>1,530,000</b>
<b>Total Proposed Budget Changes</b>	<b>(37.25)</b>	<b>(1,261,208)</b>	<b>(1,370,547)</b>





**2017-2018**

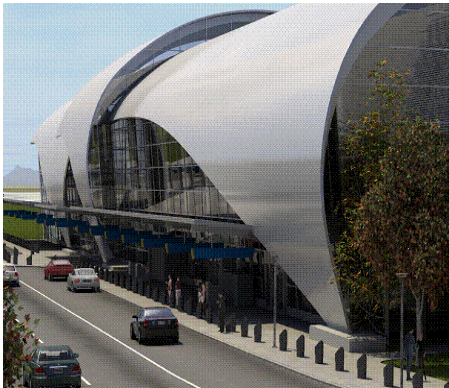
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**OPERATING BUDGET**

**TRANSPORTATION  
AND  
AVIATION  
SERVICES  
CSA**

**TRANSPORTATION AND AVIATION  
SERVICES CSA**

# 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*

## **CSA OUTCOMES**

### ***Primary Partners***

Airport  
Transportation

- 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**

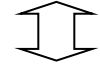
**CITY SERVICE AREA**  
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**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

Airport Operations

Airport Planning and Capital Development

**Transportation Department**

*Core Services:*

Parking Services

Pavement Maintenance

Street Landscape Maintenance

Traffic Maintenance

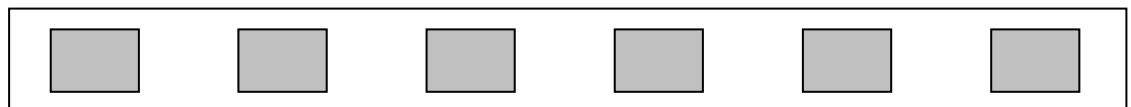
Transportation Planning and Project Delivery

Transportation Safety and Operations

**PROGRAMS**  
 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 2017-2018 Service Delivery

- ❑ Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement.
- ❑ Expand street pavement maintenance to fully fund the maintenance of major streets, including pothole repair and program management, and provide limited funding for maintenance on the City's local and neighborhood streets for the first time since 2012.
- ❑ Build and encourage use of multimodal 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.

### 2017-2018 Key Budget Actions

- ❑ Traffic Capital Improvement Program includes funding for pedestrian safety, planning regional hub projects, pavement maintenance, project delivery, streetlight outage repair, grant project delivery, and traffic signal systems and technology.
- ❑ Additional funding for pavement projects will deliver a modest residential street pavement program and include street design improvements. Design improvements on major streets will modernize safety, bicycle and pedestrian accessibility, traffic flow efficiency, and liveability. This "Complete Streets" approach is a requirement for VTA Measure B 2016 funding and, along with the State Road Repair and Accountability Act (SB1 Beall), supports goals in the Evision San José 2040 General Plan.
- ❑ Additional staffing is necessary to support and serve the growing passenger and flight volume. Additionally, leveraging technology and implementing efficient processes will aid in delivering high quality services to the variety of airport partners. Flexibility and alternatives are key to adapting to increasingly constrained terminal and gate space resulting from the growth.
- ❑ Competition for air service continues, and key to retaining and further growing air service options is filling available seats. Efforts on connecting with the Silicon Valley businesses and community partners are top priorities.



*City Service Area*  
**Transportation and Aviation Services**  
**BUDGET SUMMARY**

**City Service Area Budget Summary**

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
<i>Airport</i>				
Airport Business Development	n/a	n/a	n/a	\$ 3,496,218
Airport Facilities	n/a	n/a	n/a	24,905,696
Airport Planning & Capital Development	n/a	n/a	n/a	3,826,167
Airport Operations	n/a	n/a	n/a	26,599,469
Strategic Support	n/a	n/a	n/a	13,609,379
Strategic Support - Other	n/a	n/a	n/a	114,106,403
<i>Transportation</i>				
Parking Services	n/a	n/a	n/a	36,682,031
Pavement Maintenance	n/a	n/a	n/a	7,360,803
Street Landscape Maintenance	n/a	n/a	n/a	17,210,977
Traffic Maintenance	n/a	n/a	n/a	14,568,854
Transportation Planning and Project Delivery	n/a	n/a	n/a	6,404,017
Transportation Safety and Operations	n/a	n/a	n/a	9,582,058
Strategic Support	n/a	n/a	n/a	2,744,240
Strategic Support - Other	n/a	n/a	n/a	3,276,411
<b>Dollars by Core Service Subtotal</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 284,372,723</b>
<b>CSA Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 284,372,723</b>
<b>Authorized Positions</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>526.94</b>

***Service Delivery Accomplishments***

**Air Transportation**

- International air service at SJC continues to show significant growth with seven international carriers serving eight destinations, including the top five international destinations required by the local business community (London, Shanghai, Tokyo, Beijing, and Frankfurt). Air Canada has received much success since starting air service to Vancouver in May 2016 and will add a third daily flight in May 2017. Aeromexico becomes SJC’s eighth international carrier and will start service to Guadalajara in July 2017. The new air service destinations reflect 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 2017, the Airport served 7.4 million passengers compared to 6.6 million year-to-date in February 2016. Passenger levels have rebounded and are now above pre-recession levels of fiscal year 2008. The Airport grew from 31 to 40 nonstop destinations and according to the Official Airline Guide (OAG), the Airport is scheduled to add more seat capacity in the second half of 2016-2017 than any other large or medium hub airport in the nation.
- The ongoing upward trend is expected to continue into 2017-2018, as a result of expanded air service choices and continued multi-year expansion of the local and global economy. A 3.0% increase in passengers is estimated for 2017-2018. Domestic airlines, including American Airlines, Alaska, Delta, United, Jet Blue, and Southwest Airlines, are also adding flights in 2016-2017. New routes include Baltimore, Dallas-Love, Eugene, Long Beach, and Newark. Additional service to destinations already served provides competition, and certain airlines added additional capacity with more flights or larger aircraft. SJC continues to engage in air service development, effective communication with passengers, local stakeholders, and business partners to fill the available seats and sustain the growth trend.



- In partnership with the airport concessions, robots were introduced at the Airport. Three robotic customer service agents provide interactive maps and an airport directory (in six languages), take selfies with passengers, and dance. This is the first time robots have been deployed at a U.S. airport. The technology helps to create a sense of place for the region, offers an iconic experience reflecting the region’s unique culture of innovation, and generated significant press coverage for the airport and region.

## *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 nearly 70 traffic safety and neighborhood traffic calming projects which included enhanced pedestrian crosswalks (see picture on right) on multi-lane roadways, median islands, guardrails, radar speed display signs, and partnering with schools to modify pick up and drop off zones to enhance child safety and better channel traffic flow.
- The 2016 Pavement Maintenance Program completed 44 miles of surface seal treatment and 49 miles of resurfacing treatment during the 2016 construction season. The 2017 Pavement Maintenance Program includes 89 miles of surface seal treatment and 24 miles of resurfacing treatment to be delivered during 2017 construction season. A total of 10,000 potholes are estimated to be filled in 2016-2017 as part of ongoing maintenance during the year.
- Infrastructure maintenance accomplishments also include the repair and replacement of 6,200 traffic control and street name signs; 900,000 square feet of roadway markings; 8,500 streetlight outage repairs, including 500 streetlight outages caused by stolen or cut wire; installation of 300 locking lid boxes to deter future wire theft; 1,500 street tree emergencies and over 1,000 tree pruning and removal permit requests; the completion of 4,000 sidewalk repairs; and, the installation or upgrade of 1,760 accessible curb ramps.
- San José's multimodal programs continued with 36 miles of new and enhanced bikeways completed in 2016. Thirty-seven miles of new bikeways and 20 miles of enhanced bikeways are anticipated to be completed along with the 2017 pavement maintenance program. The Walk n' Roll traffic safety education program served 60 elementary and middle schools with an average of over 20,000 children walking and bicycling to school at least monthly. In addition, over 38,000 children, 2,200 adults, and 1,700 seniors received traffic safety education at a variety of special events.
- The continued partnership with the Downtown Association provided enhanced cleaning, ambassador, security, beautification, and economic development services to the Downtown Property-based Business Improvement District (PBID). Notable efforts included the opening of Hart's Dog Park, partnerships that fostered new downtown murals, Fountain Ally street life activation and vacant store front activation through the Local Color program. The PBID continues to develop the San Pedro Square project which is expected to begin construction by the end of summer 2017.



*City Service Area*  
**Transportation and Aviation Services**  
**OVERVIEW**

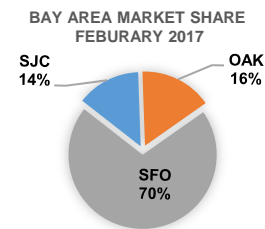
**Service Delivery Environment**

**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 2017, SJC’s passenger traffic was up by 11.1% as compared to 2015-2016, while SFO’s passenger traffic increased by 5.3%, and OAK’s traffic increased by 7.5%. 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
<b>Domestic Destinations*</b>	32	48	78
<b>International Destinations*</b>	8	11	49
<b>Operating Airlines*</b>	14	13	47
<b>Total Passenger FY 2017</b>	11,234,587	12,427,884	53,991,569
<b>Total Operations FY 2017</b>	140,395	127,969	441,016

\*Source Diio Mi, June 2017



- Critical for 2017-2018 is ensuring that the Airport can adequately manage the significant new demand on the facilities resulting from rapid and significant growth in passengers and commercial operations. There are anticipated to be capacity constraints at peak periods and initiatives include strategically augmenting staffing levels, focusing on operational efficiencies, optimizing airfield and terminal space as well as operating options, and developing the environmental stewardship of the Airport.
- 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. The CBP and Airport entered into an agreement to provide increased customs staff overtime hours on a reimbursable basis which is funded by the international airlines at SJC.
- Key to retaining and continuing to expand seat capacity and air service options is airline success in each route. The Airport is partnering with airlines on marketing campaigns for the new domestic and international flights. These campaigns focus on effectively communicating the business and tourist destinations that are within close proximity to the Airport. Expanding social and electronic media programs and development of strategic business partnerships are also expected to be effective in increasing market share and filling seats.
- With passenger volume increasing close to 2 million (est 1.7 million) over the last two years, authorized staffing levels required increases as well. Between positions added during 2016-2017 and positions recommended in the 2017-2018 Proposed Budget, 24 additional positions are funded, bringing the total department position count to 211. Even with the staffing augmentation, the Airport will strive to leverage technology and innovate to implement efficient processes and find a better way to deliver services. A strategic goal is to Reinvent the Organization with the objectives to **find a better way** and **organize to deliver success**. Staff-driven efforts and solutions are part of the culture to operate as a dynamic commercial business, shape the future, respond to opportunities rapidly, and deliver outcomes efficiently.



# City Service Area

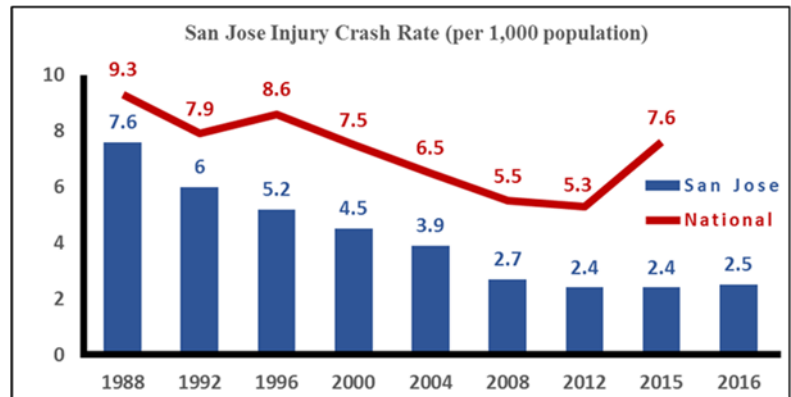
## Transportation and Aviation Services

### 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 2.5 crashes per 1,000 residents (2016) vs. the national average of 7.6 per 1,000 residents (last updated 2015). 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 17 Priority Safety Corridors, with emphasis also placed on technology, policy, alignment, and partnership.



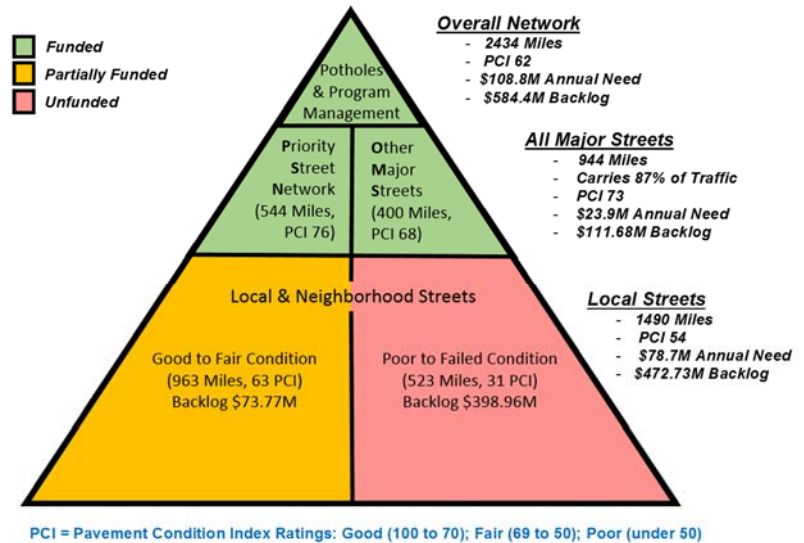
- With an expected investment of over \$10 billion during the next decade, the transformation and expansion of the regional transportation system represents the largest public infrastructure investment in the history of San José. Individual elements of the regional transportation system are in various stages of conceptual planning, environmental clearance and pre-construction, including BART Phase II, California High Speed Rail, Caltrain Modernization, Airport People Mover, and the expanded Diridon Transportation Center. In addition, BART Phase I and Bus Rapid Transit are anticipated for completion in 2017.
- The City has several Transportation and/or Area Development Policies to facilitate planned growth and needed transportation improvements including the Downtown Development Strategy and Plan Update and North San José Area Development Policy. In accordance with State law (SB 743), the City is engaged in significant research and development of new transportation policies that will evolve the current core CEQA transportation metric from intersection level of service (LOS) to vehicle miles traveled (VMT). The new transportation policies must be developed in a way that factors in the current area development policies to create the best opportunity for the City to enhance its economic development competitiveness and to focus transportation investment and development to support good land use and improved multimodal mobility.
- To address requirements from VTA Measure B 2016 and the Road Repair and Accountability Act (SB1 Beall) pavement funding and to support goals in the Envision San José 2040 General Plan, the Department of Transportation is using a "Complete Streets" approach for major street pavement and improvement projects to modernize safety, bicycle and pedestrian accessibility, traffic flow efficiency, and liveability. Each project must be thoroughly evaluated by several functional areas to determine appropriate design elements, such as bike lanes, frequent and safe crossing opportunities, parking availability, median islands, and curb extensions. Once design changes are identified, projects are initiated for formal planning, design, and construction.

# City Service Area Transportation and Aviation Services *OVERVIEW*

## ***Service Delivery Environment***

### Surface Transportation

- San José’s street system is currently rated overall in “fair” condition with a Pavement Condition Index (PCI) rating of 62. An annual ongoing investment of \$108.8 million is required for pavement maintenance to achieve and sustain a street system in an overall “good” condition with a PCI rating of 70. With the passage of the State’s Road Repair and Accountability Act of 2017 (SB1 Beall) and VTA Measure B 2016, annual ongoing funding for pavement maintenance is projected at \$50.2 million (with full funding beginning in 2018-2019). This level of ongoing funding is sufficient to fully fund pothole repairs, necessary



program management activities, and the proper maintenance of the Major Street Network. This funding also allows for limited maintenance to occur on the City’s local and neighborhood streets for the first time since 2012. Additionally, one-time funding of \$54 million is expected over the next two years from various local, State and federal sources, which brings the total pavement maintenance funding to \$71.1 million in 2017-2018 and \$71.5 million in 2018-2019. However, the backlog of deferred pavement maintenance continues to grow with a projected increase to \$1.5 billion by 2027.

- The current backlog of one-time deferred transportation maintenance needs is estimated at \$789 million, including \$584.4 million associated with pavement. Other infrastructure maintenance needs include signs and markings, sidewalks, gutters, curbs and ramps, bridges, street trees, streetlights, signal detection loops, and maintenance vehicles and equipment.

## *City Service Area*

# **Transportation and Aviation Services**

## **OVERVIEW**

### **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 the following strategic goals, objectives, and priorities for 2017-2018:

- Drive Growth
  - ❑ Increase direct service to under-served markets
  - ❑ Provide infrastructure to meet demand
- Innovate
  - ❑ Leverage technology
  - ❑ Reimagine the customer experience
- Fund the Future
  - ❑ Increase non-airline revenues
  - ❑ Develop innovative funding solutions
  - ❑ Maintain a competitive cost per enplaned passenger
- Reinvent the Organization
  - ❑ Find a better way
  - ❑ Organize to deliver success

The Department of Transportation's five strategic priorities for 2017-2018 are identified below:

- Safe Streets for All Modes of Travel
- Balanced Transportation and Convenient Mobility
- Quality Infrastructure and Neighborhoods
- Innovation and Technology to Advance Priorities
- Engaged, Productive and Creative 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target	5-Year Goal
Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	76%	83%	N/A <sup>1</sup>	80%	83%
	Bicycling	39%	60%	N/A <sup>1</sup>	50%	60%
	Walking	66%	81%	N/A <sup>1</sup>	70%	81%
	2. # of injury crashes per 1,000 population	2.4	2.3	2.5	2.4	2.2
	3. # of pedestrian and bicycle-related injury crashes per 1,000 population	0.58	0.55	0.58	0.50	0.50
Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	100%	100%	100%	100%	100%

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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	68%	79%	79%	85%	100%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	N/A <sup>1</sup>	56%	N/A <sup>1</sup>	56%	70%
Expand Use of Alternate Commute Options	1. % of residents rating access to public transit as "easy"	N/A <sup>1</sup>	78%	N/A <sup>1</sup>	78%	78%
	2. % of trips by alternative modes of transportation	N/A <sup>1</sup>	19%	N/A <sup>1</sup>	23%	30%
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 <sup>1</sup>	90%	N/A <sup>1</sup>	90%	90%
	2. % of regional air service market	13.9%	14.5%	14.4%	15%	15%
Cost to Airlines of Operating at the Airport is Competitive with other Airports in the Region	1. Airline cost per enplaned passenger	\$10.48	\$10.90	\$10.20	\$10.98	\$12.00

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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 <sup>1</sup>	85%	N/A <sup>1</sup>	87%	87%
Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	N/A <sup>1</sup>	60%	N/A <sup>1</sup>	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	N/A <sup>1</sup>	40%	N/A <sup>1</sup>	40%	40%
Enhance Access to Major Activity Centers and Events	1. % of customers rating access to major activity centers as "easy"					
	Downtown	N/A <sup>1</sup>	79%	N/A <sup>1</sup>	80%	80%
	Airport	N/A <sup>1</sup>	79%	N/A <sup>1</sup>	80%	80%
	SAP Center at San José	N/A <sup>1</sup>	72%	N/A <sup>1</sup>	75%	75%
	Regional Shopping Centers	N/A <sup>1</sup>	89%	N/A <sup>1</sup>	90%	90%

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted 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	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target	5-Year Goal
Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "acceptable" or better condition	N/A <sup>1</sup>	45%	N/A <sup>1</sup>	45%	45%
	2. % of streets rated in "good" or better condition (70 or greater on a 1-100 scale)					
	Major Streets	56%	56%	65%	70%	71%
	Local/Residential Streets	31%	29%	22%	20%	25%
	3. City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 75)	64	63	62	61	61
Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly)	48%	58%	57%	61%	70%
Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	N/A <sup>1</sup>	60%	N/A <sup>1</sup>	60%	60%
	2. % of residents rating adequacy of street lighting as "good" or better	N/A <sup>1</sup>	60%	N/A <sup>1</sup>	60%	60%

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

*City Service Area*  
**Transportation and Aviation Services**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 5: PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY**

<b>Strategic Goals</b>	<b>CSA Performance Measures</b>	<b>2015-2016 Actual</b>	<b>2016-2017 Target</b>	<b>2016-2017 Estimated</b>	<b>2017-2018 Target</b>	<b>5-Year Goal</b>
Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	N/A <sup>1</sup>	83%	N/A <sup>1</sup>	85%	85%

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.



*City Service Area*


**Transportation and Aviation Services**  
**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>AIRPORT DEPARTMENT</b>			
• Remote Gate Shuttle Bus Service		1,067,066	0
• Airport Environmental Services Program	1.00	315,686	0
• Terminal Support Services		277,629	0
• Terminal and Safety Management Staffing	2.00	193,001	0
• Airport Enterprise Asset Management System Cloud Based Hosting Services		138,000	0
• Airport Business Development Division Staffing	1.00	130,989	0
• Building Trades and Management Staffing	1.00	111,478	0
• Airport Capital Project Delivery Staffing	1.00	108,341	0
• Airport Debt Administration Staffing	1.00	102,904	0
<i>Subtotal</i>	<hr/> 7.00	2,445,094	0
<b>TRANSPORTATION DEPARTMENT</b>			
• Special Assessment District Landscape and Infrastructure Projects		2,010,000	0
• San José Regional Transportation Hub Project - Transportation Staffing	4.00	558,351	0
• Pavement Maintenance Program	6.00	540,478	0
• Complete Street Design Standards	4.50	402,860	0
• Walk n' Roll Staffing	3.00	271,311	0
• Traffic Signal Communications System Staffing	2.00	174,390	0
• Vehicle Abatement Program		250,000	0
• Pedestrian Safety and Neighborhood Traffic Calming Staffing	1.00	142,053	0
• Urban Village Transportation Planning Staffing	1.00	119,966	0
• Residential Parking Permit Program	1.00	118,513	118,513
• Bicycle Plan Staffing	1.00	83,007	0
• Copper Wire Theft Staffing	1.00	82,978	0
• New Transportation Infrastructure Maintenance and Operations		55,000	55,000
• Stormwater Bioretention Monitoring and Maintenance	0.25	23,870	0
• Traffic Safety Review Staffing	0.50	43,976	43,976
<i>Subtotal</i>	<hr/> 25.25	4,876,753	217,489
<i>Subtotal Departments</i>	<hr/> <b>32.25</b>	<b>7,321,847</b>	<b>217,489</b>

*City Service Area*  
**Transportation and Aviation Services**  
**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>GENERAL FUND CAPITAL, TRANSFERS AND RESERVES</b>			
• Air Service Incentive Program Reserve		1,150,000	1,150,000
• New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(55,000)	(55,000)
<i>Subtotal Other Changes</i>	<b>0.00</b>	<b>1,095,000</b>	<b>1,095,000</b>
<b>Total Proposed Budget Changes</b>	<b>32.25</b>	<b>8,416,847</b>	<b>1,312,489</b>

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**2017-2018**

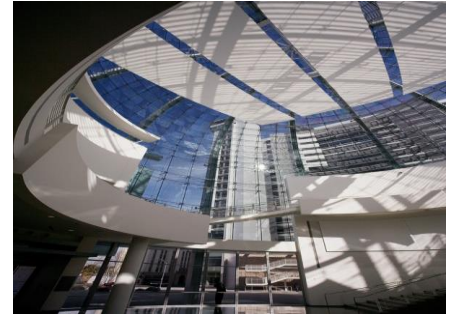
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**OPERATING BUDGET**

STRATEGIC SUPPORT CSA

**STRATEGIC SUPPORT  
CSA**

# 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*

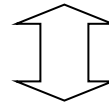
**CITY SERVICE AREA**  
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
 Why the CSA exists

**Strategic Support CSA**

*Mission:*

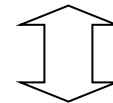
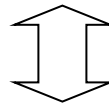
To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects



**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:*

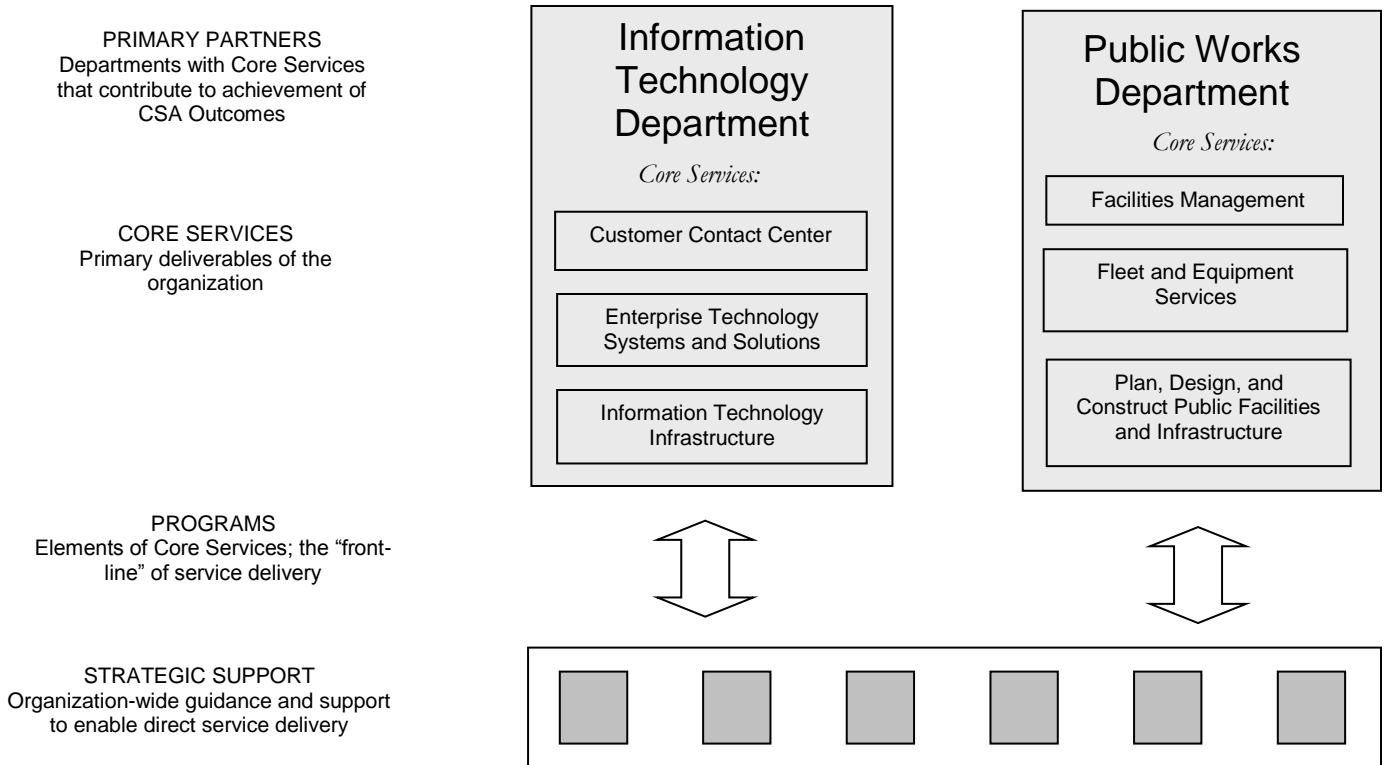
Employee Benefits

Employment Services

Health and Safety

Training and Development

# SERVICE DELIVERY FRAMEWORK



## **Strategic Support**

### Expected 2017-2018 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 increasing cybersecurity risks; begin to address long term requirements for protection, detection, response and recovery.
- Execute an Open Data and Smart Cities Platform innovation pilot to allow the City to develop long-term policies and approaches to building and sustaining solutions to support Internet of Things (IoT), the inter-connectivity of devices to the Internet.
- Manage the City's critical data, systems, networked communications, and collaboration platforms in support of business processes. Achieve high uptime and availability. Complete upgrades and maintenance for financials, human resources, payroll, and budget systems; migrate and enhance the City Data Portal and integration services for enhanced decision making; implement and continue to improve the City's new Customer Relationship Management (CRM) system, mobile app, online portal, and dashboards; and implement business process automation solutions.
- Modernize the City's voice/data/video network, server compute/storage/virtualization infrastructure, and business resumption capabilities. Manage support of the Wickedly Fast WiFi public wireless network. Support the City's Digital Inclusion and Broadband Strategy planning, Facebook Terragraph high-speed wireless innovation projects, and pilot WiFi expansion into school attendance areas (geographic regions identified by a high school, junior high school and several elementary schools) in the East Side Union High School District.
- Manage an exceptional Customer Contact Center and complete the implementation of the City's new Customer Service Policy, which includes guidelines on call-handling, Customer Relationship Management, and knowledgebase article solutions, an alternative means to provide answers to Frequently Asked Questions in lieu of speaking directly with a customer service representative.
- 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.





## **Strategic Support**

### **Expected 2017-2018 Service Delivery**

- Launch a Recruiting SharePoint site to centralize recruitment templates and resources for Departmental Human Resources staff and hiring managers.
- 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. A new high deductible health plan with a health savings account option and a voluntary employee beneficiary association plan is targeted for rollout in 2018.
- Manage employee leaves of absence through the new PeopleSoft module rolled out in 2016-2017 and continue department outreach and training.
- Launch and maintain an employee communication campaign to educate and increase participation and contributions in the City's deferred compensation program.
- 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.
- 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.

### **2017-2018 Key Budget Actions**

- The addition of 1.0 Senior Analyst position in the Human Resources Department provides dedicated support to the newly upgraded PeopleSoft payroll, time and labor, and absence management module of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project. The Senior Analyst will: create and maintain system update processes; identify and document issues and identify appropriate business solutions; update, test, and maintain the PeopleSoft system to ensure compliance with local, state, and federal policies; and maintain system configurations and rules for benefit plans and workforce administration.
- The addition of 1.0 Senior Accountant in the Finance Department provides dedicated support to the newly upgraded PeopleSoft payroll, time and labor, and absence management module of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project. The Senior Account will provide continuous support and testing of the system and will ensure the PeopleSoft modules correctly account for Fair Labor Standards Act changes.
- The addition of ongoing funding of \$60,000 to purchase new Request for Proposal software enables the Finance Department's Purchasing Division to create and maintain templates in the system, and will offer departments a step-by-step guide during the preparation of an RFP.
- The elimination of 0.4 part-time Physician position with the Employee Health Services Division and reallocation of position savings to contractual physician services are recommended as the result of a recently reevaluated service delivery model to deliver employee health services.

## **Strategic Support**

### **2017-2018 Key Budget Actions**

- The addition of one-time funding of \$331,000 supports the continuation of 3.0 Workers' Comp Adjuster II temporary positions in the Workers' Compensation Unit. This funding is partially offset by the reallocation of \$90,000 in anticipated savings achieved during 2016-2017 from third party administrator (TPA) contractual services. Workers' Compensation is administered through a hybrid program model of in-house support and an outside administrator, and will endeavor to achieve an ongoing reduction of caseloads by enabling current in-house staff to focus on compliance in response to 2016 State Audit findings. The City's Workers' Compensation Program is subject to re-audit in December 2018.
- The addition of one-time funding of \$100,000 for consulting services is recommended to update and modernize the City's disaster cost recovery manual, which has not been updated since 1999. Federal legislation updates resulting from the Sandy Recovery Improvement Act of 2013 will also be included.
- The reorganization of staffing in the Information Technology Department includes the addition of 2.0 Information Systems Analyst positions (Product-Project Managers) and deletion of 2.0 Supervising Application Analyst positions, 2.0 Network Engineer positions and 1.0 Information Systems Analyst positions. The reorganization is necessary to ensure the department has the right balance of skill sets. A Portfolio and Project Management Office (PPMO) will be created as part of the reorganization.
- The addition of 1.0 Deputy Director (City Information Security Officer) position and the creation of a Cybersecurity Office within the IT Department responds to the City's growing cybersecurity risks. This Office will build business continuity and resilience for the organization, and administer increasing security compliance and control requirements city-wide.
- The continuation of 1.0 limit-dated Senior Office Specialist position through December 31, 2017 in the Customer Contact Center will support water service and billing inquiries. The IT and Environmental Services Departments will continue to monitor call activity and will reevaluate staffing needs as part of the 2017-2018 Mid-Year Budget Review.
- The addition of funding is recommended to refresh the City's aging servers and data storage environment. The City will pursue converged or hyper-converged infrastructure (HCI) technologies in a model that will support efficient city-wide use, scalability as the City grows, and use of connected internet/cloud-based services.
- The addition of one-time funding of \$80,000 is recommended for the development and licenses of a Service Request Management/Customer Relationship Management (SRM/CRM) Neighborhood Dashboard, which will facilitate responses to requests from City Council Offices, City departments, and the community.
- The addition of 1.0 Senior Engineer position is recommended to support the major regional rail projects coming online over the next ten years, including Diridon Station Area Plan Implementation, High Speed Rail, and BART Phase II.
- The continuation of 1.0 Communications Installer position through June 30, 2018 is recommended to install, repair, and maintain public safety mobile device units and dispatch consoles in preparation of the upcoming transition to the Silicon Valley Regional Communications System.
- The continuation of 1.0 Supervising Environmental Services Specialist position enables the Public Works Department to 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 advise on energy issues related to other capital projects throughout the City as needed.

*City Service Area*  
**Strategic Support**  
**BUDGET SUMMARY**

***City Service Area Budget Summary***

<b>Dollars by Core Service</b>	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2017-2018 Forecast</b>	<b>2017-2018 Proposed</b>
<i>Finance</i>				
Disbursements	n/a	n/a	n/a	\$ 2,169,850
Financial Reporting	n/a	n/a	n/a	2,247,610
Purch. and Risk Management	n/a	n/a	n/a	3,312,621
Revenue Management	n/a	n/a	n/a	6,985,163
Treasury Management	n/a	n/a	n/a	18,847,854
Strategic Support	n/a	n/a	n/a	2,276,848
Strategic Support - Other	n/a	n/a	n/a	59,089,612
<i>Human Resources</i>				
Employee Benefits	n/a	n/a	n/a	92,609,157
Employment Services	n/a	n/a	n/a	2,631,283
Health and Safety	n/a	n/a	n/a	5,788,806
Training and Development	n/a	n/a	n/a	178,000
Strategic Support	n/a	n/a	n/a	1,345,050
Strategic Support - Other	n/a	n/a	n/a	1,299,538
<i>Information Technology</i>				
Customer Contact Center	n/a	n/a	n/a	1,833,035
Enterprise Technology	n/a	n/a	n/a	6,945,004
Systems & Solutions	n/a	n/a	n/a	11,836,050
Info. Technology Infrastructure	n/a	n/a	n/a	2,168,387
Strategic Support	n/a	n/a	n/a	2,168,387
<i>Public Works</i>				
Facilities Management	n/a	n/a	n/a	29,525,577
Fleet & Equipment Services	n/a	n/a	n/a	31,027,445
Plan, Design & Construct Public	n/a	n/a	n/a	37,197,389
Facilities & Infrastructure	n/a	n/a	n/a	7,593,080
Strategic Support	n/a	n/a	n/a	15,662,872
Strategic Support - Other	n/a	n/a	n/a	15,662,872
<b>Dollars by Core Service Subtotal</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 342,570,231</b>
<b>MAYOR, CITY COUNCIL, AND APPOINTEES</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 57,216,282</b>
<b>Total CSA</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 399,786,513</b>
<b>Authorized Positions</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>905.67</b>

*City Service Area*  
**Strategic Support**  
**OVERVIEW**

***Service Delivery Accomplishments***

- The City's current general credit ratings are 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.
- The completion of the City's Innovation and Technology Strategic Plan sets the three-year direction for the City. The plan supports the execution of the San Jose Smart City Vision.
- Developed the 2017 Cybersecurity Workplan in response to increasing risks faced by local governments. Completed an extensive compliance review and assessments, detailed goals and resource plans, and began incorporation of the National Institute of Standards and Technology Cybersecurity Framework into City operations.
- Completed migration of Human Resources/Payroll/Budget Systems Upgrade project through the on-cloud providers. Implemented the new talent management system; the new workers' compensation system; the ballot-required Business Tax Online Registration solution; and City's Open Data Community Architecture.
- Supported major project implementations, including: the new Customer Relationship Management (CRM) system, mobile app, online portal, and dashboards; the new Hyperion Budget System; replacement of the Business Tax System; and migration to the City's new Open Data Portal. Also, completion of the utility billing system project.
- Supported Facebook Terragraph Gig-speed wireless global demonstration – a City innovation project; implemented SpeedUpSanJosé to crowdsource wireless service data; founded the City's Innovation and Technology Advisory Board; and assisted with logistics for hosting the Wireless Global Congress event in San José.
- Upgraded 48 City sites, including community centers and fire stations, to provide faster internet services, and completed wireless upgrades at City Hall to enhance speed.
- Continued implementation of all recommendations made in the Audit on Customer Call Handling by the City Auditor's Office with a target completion date of fall 2017; completed draft updates of the City's IT Security and Mobile Devices policies and began drafting a modern Information and Communications Technologies Policy.
- Major security enhancements were made at City Hall and the Employee Parking Garage including, increased outdoor lighting, new security cameras, and new access controls.
- New special event lighting was installed in the City Hall Rotunda.
- Seven new solar photovoltaic systems were installed on municipal facilities, generating 1.3 megawatts of clean power.

### ***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.
- Under the Mayor's leadership, the Administration developed a Smart City Vision, which contained five key areas of focus in which to make the city safer and sustainable by leveraging technology. The Smart City Vision is a platform for impactful and transformative technologies to shape how we live and work in the future, by making these technologies more inclusive and user-friendly. The Information Technology Department (ITD) is moving from a predominantly back-office support function to one that serves as a core business enabler and strategic asset for the entire City organization.
- There is a need to re-platform and modernize the City to more current technologies that will sustain City's operations and innovation efforts. Over the past decade, there has been an accumulation of technology deficits— called “tech debt” — from obsolete and aged ITD assets kept in place due to resource constraints. These technologies increasingly fail, register as audit findings and security violations, and cannot meet requirements for new business solutions. The City has begun to account for and respond to those needs.
- Growing risks of cybercrime and cyber disasters are reshaping many of the City's operating and business resumption requirements to achieve the new level of resilience needed today. Funding for the City's Cybersecurity Office will begin to address priorities identified in ITD's 2017 Cybersecurity Work Plan.
- There is a need to maximize investments and build capacities to ensure the City's technology procurements and system implementations are successful, particularly for the new Customer Relationship Management (CRM) system.
- To resolve consistent cost and schedule overruns, missed business requirements, and slow staff adoption of technology initiatives, the City is forming a Portfolio and Project Management Office (PPMO) within ITD as part of the 2017-2018 Proposed Budget. The PPMO will host efforts to improve the use of user-centric design methodologies, enhance features in the CRM system, and improve ITD's customer-facing services.
- Human Resources has continued the Workers' Compensation Service Delivery pilot project. This project moved approximately one half of the workers' compensation claims administration to a third party administrator for bill review, utilization review, and medical management administrative services. Effective January 1, 2017, Intercare Insurance Services became the new Third Party Administrator for the City of San José. Continuation of these resources will assist the Workers' Compensation program in achieving a reduction in adjuster caseloads by enabling current in-house staff to focus on compliance issues. Staff continues to evaluate this pilot program and, upon completion of that evaluation by June 2018, will bring forward a recommendation regarding the most effective means to deliver the services as part of the 2018-2019 Proposed Operating Budget for City Council consideration.
- With over 850 vacancies city-wide, a Talent Recruitment Initiative was launched that will reimagine and redesign the City's hiring process to attract and quickly onboard top talent. The City Manager's Office created a team, led by Human Resources to 1) Increase the number of people on boarded (volume); 2) Reduce the time to recruit and fill positions (cycle time); and 3) Increase the percentage of high potential people entering City service (quality). In January 2017, a front-line team convened to develop, design and deploy a new Autonomous Hiring System Pilot aimed at giving autonomy to department recruiters in conducting their own hiring process. Department recruiters in Parks, Recreation and Neighborhood Services, Transportation, Planning, Building and Code Enforcement, and Police (Civilian) Departments piloted the new process with the help of Human Resources Business Partners deployed on-site in departments. The Administration is exploring phasing in this program city-wide over the next several months.
- The City continues to face challenges offering sustainable and affordable healthcare to employees, retirees, and their dependents. As the result of an off-cycle Request for Proposal, Human Resources rolled out two new Sutter Health medical plans and a self-funded Preferred Provider Organization. Staff established the new fund and is monitoring to ensure accurate and timely reporting, payment of claims, and risk management.

*City Service Area*  
**Strategic Support**  
**OVERVIEW**

***Service Delivery Environment***

- With the rapid introduction of modernized technology tools, 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.
- Given the strength of the local economy, construction costs continue to escalate as reflected in the higher market rate bids. This trend is expected to continue and will impact the delivery of the City's Capital Improvement Programs.
- Capital project specifications are increasingly incorporating "green" requirements to comply with City initiatives and other State and federal requirements (i.e., CalGreen and Title 24), and include use of green concrete, low VOC coatings, recycled/rubberized asphalt, low-e glazing, high efficiency HVAC equipment, and permeable paving.
- The City's building inventory was expanded during the decade of investment. Many of the newer facilities now are reaching the five and ten-year thresholds when they typically experience an increase in maintenance needs.

### ***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, solid waste multi-family and some single-family, 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 and safety services
- Manage the City's benefits program
- Provide city-wide employment services
- Achieve the San José Smart City Vision and Innovation and Technology Strategic Plans approved by the Mayor and City Council in 2016 and 2017, respectively
- Provide exceptional deskside and mobile support services to City employees to help them to provide superior municipal services to the community
- Address growing risks of cybercrime and cyber disasters and build capacity to resume critical enterprise systems quickly should a disaster occur
- Build capacities to successfully execute IT Department initiatives and provide project management processes and training
- Be the primary point of contact for residents, City utilities' customers, businesses, and employees through the Customer Contact Center. Provide an excellent customer experience to residents and businesses requesting services through the City's new CRM technologies
- Re-platform the city on current technologies that will sustain operations and innovation efforts, while also achieving better cost-to-performance metrics
- Provide a foundation for data enabled civic innovations through Open Data Communities Architecture and focus on business process automations to accelerate and facilitate organization-wide decision-making
- 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

*City Service Area*  
**Strategic Support**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 1: A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS**

<b>Strategic Goals</b>	<b>CSA Performance Measures</b>	<b>2015-2016 Actual</b>	<b>2016-2017 Target</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Target</b>	<b>5-Year Goal</b>
Develop and encourage supervisors and managers that support a high-performing workforce	1. % of employee performance appraisals completed on schedule	77%	80%	77%	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: <ul style="list-style-type: none"> <li>- timeliness of City employees</li> <li>- courtesy of City employees</li> <li>- competency of City employees</li> </ul>	N/A <sup>1</sup>	76%	N/A <sup>1</sup>	N/A <sup>1</sup>	83%
		N/A <sup>1</sup>	88%	N/A <sup>1</sup>	N/A <sup>1</sup>	88%
		N/A <sup>1</sup>	80%	N/A <sup>1</sup>	N/A <sup>1</sup>	83%
Provide the necessary and required safety & health services that ensure employee health, safety and well-being	1. Number of Workers' Compensation claims per 100 FTEs	18.0	14.0	14.0	14.0	14.0

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.



***Budget Dollars at Work: Performance Goals***

**OUTCOME 2: SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, AND EQUIPMENT**

<b>Strategic Goals</b>	<b>CSA Performance Measures</b>	<b>2015-2016 Actual</b>	<b>2016-2017 Target</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Target</b>	<b>5-Year Goal</b>
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 <sup>1</sup>	84%	90%	90%	90%
	2. % of customers who rate facility services as good or excellent based on timeliness of response and quality of work	80%	85%	85%	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	97%	95%	96%	95%	95%
	2. % of fleet in compliance with replacement cycle:					
• Emergency Vehicles	100%	100%	100%	100%	100%	
• General Fleet	88%	90%	88%	90%	90%	

<sup>1</sup> Data for 2015-2016 was not available since the condition assessment work did not begin until late 2016.

*City Service Area*  
**Strategic Support**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 3: EFFECTIVE USE OF TECHNOLOGY**

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016- 2017 Target	2016-2017 Estimate	2017- 2018 Target	5-Year Goal
Deploy technology resources effectively	1. % of network services available 24/7:					
	-Converged City Network <sup>1</sup>	99.93%	99.50%	99.89%	99.91%	99.95%
	-Telephones	99.99%	99.95%	100.0%	100.0%	99.95%
	-Enterprise Servers <sup>1</sup>	99.92%	99.50%	99.99%	99.99%	99.95%
	2. % of time system is available during normal business hours:					
	-E-mail	99.94%	99.95%	99.99%	99.99%	99.95%
	-Financial Management System	99.27%	99.50%	99.85%	99.90%	99.95%
-Human Resources/Payroll System	99.31%	99.50%	98.22%	99.50%	99.95%	

<sup>1</sup> 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.

***Budget Dollars at Work: Performance Goals***

**OUTCOME 4: SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY**

Strategic Goals	CSA Performance Measures	2015-2016 Actual	2016-2017 Target	2016-2017 Estimate	2017-2018 Target	5-Year Goal
Maintain City's bond ratings <sup>1</sup>	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 <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	TBD <sup>2</sup>	TBD <sup>2</sup>
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 <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	TBD <sup>2</sup>	TBD <sup>2</sup>

<sup>1</sup> The City's general credit rating is rated Aa1/AA+/AA+ by all three leading national rating agencies. Moody's, Standard & Poor's, and Fitch, respectively. The Finance Department will continue efforts to maintain favorable bond ratings.

<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

*City Service Area*

**Strategic Support**


**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>FINANCE DEPARTMENT</b>			
• Finance Department Information Systems Staffing	1.00	102,904	102,904
• Disaster Cost Recovery Manual Update		100,000	100,000
• Request for Proposal Software		60,000	60,000
• Purchasing Division Management Succession Planning		49,000	49,000
<i>Subtotal</i>	1.00	311,904	311,904
<b>HUMAN RESOURCES DEPARTMENT</b>			
• Workers' Compensation Program Temporary Staffing		330,720	330,720
• Human Resources Department Information Systems Staffing	1.00	102,904	102,904
• Employee Health Services Physician Staffing	(0.40)	0	0
<i>Subtotal</i>	0.60	433,624	433,624
<b>INFORMATION TECHNOLOGY DEPARTMENT</b>			
• Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure		1,125,000	1,125,000
• Cybersecurity Office	1.00	477,695	477,695
• Customer Relationship Management Maintenance and Feature Additions		80,000	80,000
• Customer Center Staffing	1.00	39,449	15,780
• Portfolio and Project Management Office	(1.00)	(222,851)	(57,621)
• Information Technology Department Staffing Realignment	(2.00)	(269,973)	(167,723)
<i>Subtotal</i>	(1.00)	1,229,320	1,473,131
<b>PUBLIC WORKS DEPARTMENT</b>			
• San José Regional Transportation Hub Project - Engineering Staffing	1.00	118,378	0
• Communications Installation Staffing	0.00	85,061	0
• Energy Team Staffing	1.00	19,227	0
<i>Subtotal</i>	2.00	222,666	0
<i>Subtotal Departments</i>	<b>2.60</b>	<b>2,197,514</b>	<b>2,218,659</b>
<b>MAYOR, CITY COUNCIL, AND APPOINTEES</b>			
Approved changes appear in the next section of this document	<b>3.00</b>	<b>1,365,315</b>	<b>849,621</b>
<b>CITY-WIDE EXPENSES</b>			
• Hayes Mansion Insurance and Staffing Realignment		(32,960)	(32,960)
• Silicon Valley Talent Partnership		50,000	50,000
• Successor Agency City Subsidy		(95,000)	(95,000)
• Rebudget: Talent Recruitment Initiative		200,000	200,000

*City Service Area*  
**Strategic Support**  
**PROPOSED BUDGET CHANGES**

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
<b>GENERAL FUND CAPITAL, TRANSFERS AND RESERVES</b>			
• Capital Contributions: African American Community Center Storm Line and HVAC System Repairs and Replacements		350,000	350,000
• Capital Contributions: Children's Discovery Museum Carpet Replacement		50,000	50,000
• Capital Contributions: City Hall Audio/Visual Upgrade		375,000	375,000
• Capital Contributions: City Hall Network Operations Center Switch Board Replacement		500,000	500,000
• Capital Contributions: Downtown Ice Rink Improvements		100,000	100,000
• Capital Contributions: Hammer Theatre Carpet Replacement		125,000	125,000
• Capital Contributions: Hammer Theatre Exterior Stucco Repairs		100,000	100,000
• Capital Contributions: Hammer Theatre HVAC Controls		250,000	250,000
• Capital Contributions: History San José - Pacific Hotel Restrooms Remodel		250,000	250,000
• Capital Contributions: Mexican Heritage Plaza HVAC Components Upgrades		400,000	400,000
• Capital Contributions: Police Administration Building Chiller and Boiler Replacement		400,000	400,000
• Capital Contributions: San José Municipal Stadium Light Pole Refurbishing and Repairing		50,000	50,000
• Capital Contributions: San José Museum of Art HVAC Replacement		100,000	100,000
• Capital Contributions: San José Museum of Art Restrooms Remodel		100,000	100,000
• Capital Contributions: The Tech Museum Tile Wall Evaluation and Repair		100,000	100,000
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund		1,900,000	1,900,000
• Transfers to Other Funds: Community Facilities Revenue Fund/Hayes Mansion		(3,500,000)	(3,500,000)
• Earmarked Reserves: 2018-2019 Future Deficit Reserve		15,000,000	15,000,000
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(6,397,000)	(6,397,000)
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)	(800,000)
• Earmarked Reserves: Essential Services Reserve		2,000,000	2,000,000
<i>Subtotal Other Changes</i>	<b>0.00</b>	<b>11,575,040</b>	<b>11,575,040</b>
<b>Total Proposed Budget Changes</b>	<b>5.60</b>	<b>17,137,869</b>	<b>16,643,320</b>

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**2017-2018**

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**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 Services

### **Office of the City Auditor**

- Audit Services

### **Office of the City Clerk**

- City Clerk Services

### **Office of the City Manager**

- Lead and Manage the Organization

### **Office of the Independent Police Auditor**

- Core Service aligned to the Public Safety CSA

### **Office of Retirement Services**

- Retirement Plan Administration



***Strategic Support***  
***Mayor, City Council and Appointees***  
***BUDGET SUMMARY***

## ***Mayor, City Council and Appointees***

### **Expected 2017-2018 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 provide strategic leadership that supports the Mayor and the City Council and motivates, challenges and supports the organization and employees to deliver high quality services to meet the needs of the community.
- ❑ The City Manager's Office will continue to effectively forecast and monitor both revenues and expenditures in over 100 different funds and will develop the Operating and Capital Budgets 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.
- ❑ The City Manager will continue to engage the workforce through ongoing structured communication, labor agreements 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**

### **2017-2018 Key Budget Actions**

- ❑ Provides ongoing funding for a Senior Executive Analyst position in the City Manager’s Office to support further implementation of the Hyperion software budgeting module of the Human Resources/Payroll/Budget Systems Upgrade project. In addition, the proposal includes \$375,000 in non-personal/equipment contractual services funding to provide for the second phase of work to streamline the systems user interface, improve functionality, and enhance reporting and analysis efforts.
- ❑ Provides ongoing funding of \$250,000 to fund the Office of Immigrant Affairs in the City Manager’s Office and support the priority goals contained in the “Welcoming San José Plan”. Funding will be used to continue efforts identified in the City’s immigrant integration plan. The program works in coordination with the County of Santa Clara and various non-profits.
- ❑ Provides a Multi-Source Housing Fund fee-supported Senior Deputy City Attorney to assist on legal issues related to Rental Rights and Referrals Program – Tenant Protection Ordinance and Ellis Act Ordinance.
- ❑ Provides one-time funding of \$200,000 to the City Attorney’s Office to address unfair business practices in San José, including actions against businesses and property owners who have taken advantage of flood victims.
- ❑ Shifts funding on a one-time basis for 2.2 positions from the General Fund to the Water Utility Fund for City Attorney staff work that will support the Municipal Water System in 2017-2018.
- ❑ Provides ongoing funding for a Legal Analyst II to support attorneys working with the Planning Division of Planning, Building and Code Enforcement Department and provides one-time funding of \$90,000 for continued critical transition support for Planning and Environmental attorney services.
- ❑ Provides one-time funding of \$104,000 to support Workers’ Compensation legal research and case review.

**Strategic Support**  
**Mayor, City Council and Appointees**  
**BUDGET SUMMARY**

**Mayor, City Council and Appointees Budget Summary**

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
<i>Mayor and City Council</i>				
Office of the Mayor	n/a	n/a	n/a	\$ 3,761,078
City Council	n/a	n/a	n/a	7,472,671
Council General	n/a	n/a	n/a	65,000
<i>Office of the City Attorney</i>				
Legal Services	n/a	n/a	n/a	16,593,561
Strategic Support	n/a	n/a	n/a	1,485,378
<i>Office of the City Auditor</i>				
Audit Services	n/a	n/a	n/a	2,299,427
Strategic Support	n/a	n/a	n/a	151,132
<i>Office of the City Clerk</i>				
City Clerk Services	n/a	n/a	n/a	2,316,249
Strategic Support	n/a	n/a	n/a	253,590
<i>Office of the City Manager</i>				
Lead and Manage the Organization	n/a	n/a	n/a	15,309,464
Strategic Support	n/a	n/a	n/a	281,305
<i>Office of the Independent Police Auditor <sup>1</sup></i>				
<i>Office of Retirement Services</i>				
Retirement Plan Administration	n/a	n/a	n/a	3,236,214
Strategic Support	n/a	n/a	n/a	3,991,163
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 57,216,232</b>
<b>Authorized Positions <sup>2</sup></b>	<b>236.35</b>	<b>240.35</b>	<b>238.35</b>	<b>241.35</b>

<sup>1</sup> 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.

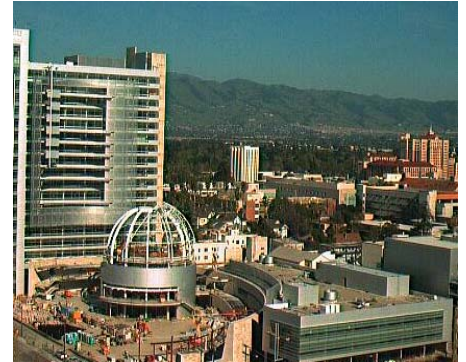
<sup>2</sup> Authorized Positions do not include unclassified staff for Office of the Mayor and the City Council Districts.

*Strategic Support*  
**Mayor, City Council and Appointees**  
**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>OFFICE OF THE CITY ATTORNEY</b>			
• Unfair Business Practices Legal Staffing	0.00	200,000	200,000
• Rental Rights and Referrals Program - Tenant Protection Ordinance and Ellis Act Ordinance Legal Staffing	1.00	139,339	0
• Planning Division Legal Transactions Staffing	1.00	106,302	106,302
• Workers' Compensation Legal Analyst Support	0.00	104,000	104,000
• Planning and Environmental Services Legal Staffing	0.00	90,000	66,600
• Municipal Water System Litigation Staffing	0.00	0	(352,955)
<i>Subtotal</i>	2.00	639,641	123,947
<b>OFFICE OF THE CITY MANAGER</b>			
• City Manager's Budget Office Information Systems Staffing and Hyperion Budget System Phase II Implementation	1.00	475,674	475,674
• Office of Immigrant Affairs		250,000	250,000
<i>Subtotal</i>	1.00	725,674	725,674
<b>Total Proposed Budget Changes</b>		<b>3.00</b>	<b>1,365,315</b>
			<b>849,621</b>

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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 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 2016-2017, the City Auditor's Office identified approximately \$3.2 million in cost savings and revenue enhancements, achieving a ratio of about \$1.28 in monetary benefits to every \$1 of audit costs (Target: \$4 to \$1).

During 2016-2017, the Office completed 16 audit projects, or approximately 1.4 audits per auditor (Target: 1.5 audits per auditor). Reports issued by the City Auditor's Office during 2016-2017 include:

- Police Overtime: The San José Police Department Relies on Overtime to Patrol the City Due to Unprecedented Vacancies
- Team San Jose's Performance 2015-16
- Status of City Clerk Audit Recommendations
- The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords
- Mobile Devices: Improvements Needed to Ensure Efficient, Secure, and Strategic Deployment
- Annual Report on City Services 2015-16
- Audit of Our City Forest
- Office of Equality Assurance: Increased Workload Warrants Reevaluation of Resource Needs
- Sunshine Requirements (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, 2016; 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.

### ***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 2017-2018 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 2016, approximately 74% of the 827 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 2016-2017 Audit Workplan was approved by the City Council in August 2016. The 2017-2018 Proposed Audit Workplan will be submitted for City Council approval in August 2017.
- ✓ Provide performance report and enhance the display of online performance information. In December 2016, the Office published the City's ninth *Annual Report on City Services*. The Office will continue this project in 2017-2018, 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 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

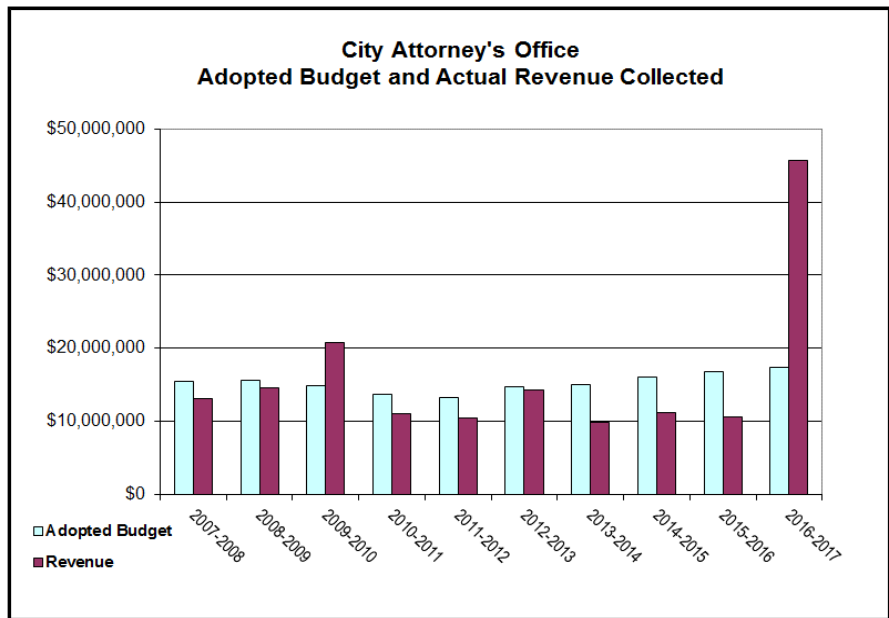
**CSA OUTCOMES**

- City Business is Conducted Lawfully
- City's Interests are Protected and Advanced

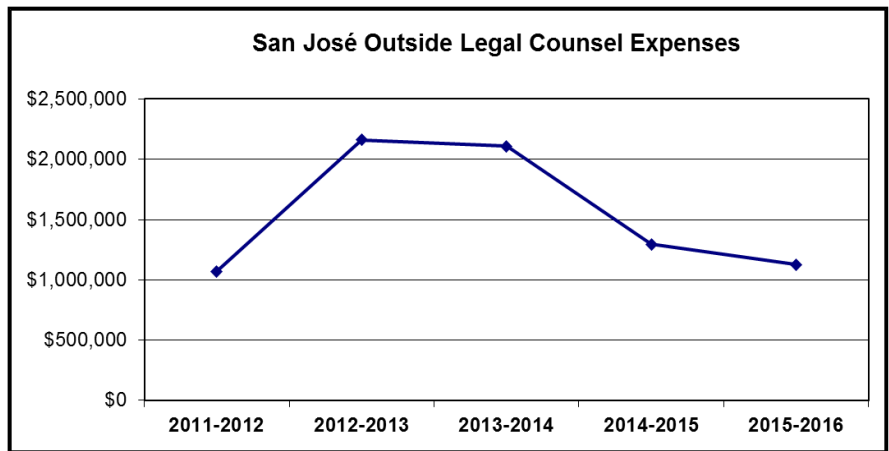
**Strategic Support**  
**Office of the City Attorney**  
**OVERVIEW**

**Service Delivery Accomplishments**

- The latest client survey results indicate that 92% of the respondents are satisfied with the overall legal services provided by the City Attorney’s Office. The client survey is conducted on a biennial basis and will next be conducted in early 2018.
- Annual revenue collections averaged \$16.2 million over the past ten years, and plaintiff cases handled by the Office in 2015-2016 generated the collection of \$10.6 million. Collection actions are initiated in instances when debt to the City is greater than \$5,000. Collections reflected in 2016-2017 include a \$36.2 million recovery in litigation against the Housing and Urban Development Agency (HUD), \$9.2 million in Tobacco Settlement funds, a \$210,000 bankruptcy settlement, and a collective amount of \$90,000 in Marijuana Business Tax and Abatement penalties, with \$45.8 million received through the end of April 2017.

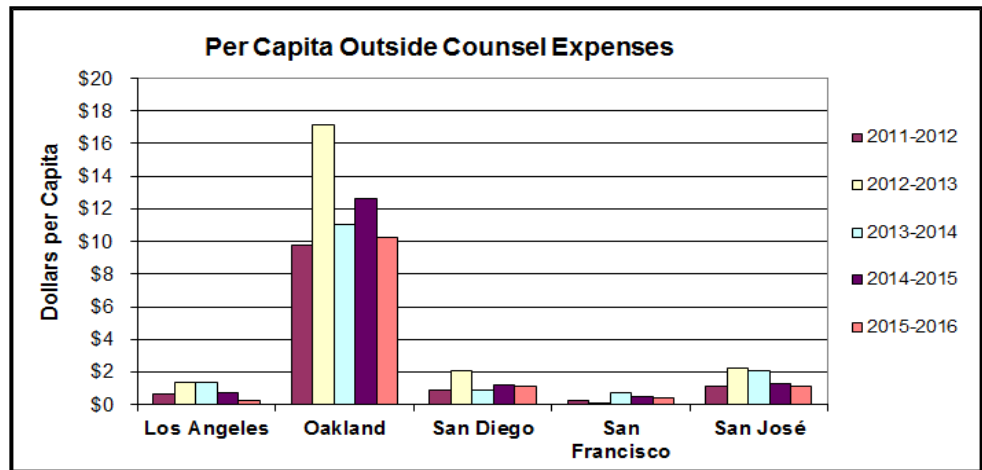


- City legal services are primarily provided by in-house lawyers. Limiting the use of costly outside legal counsel has historically resulted in significant budgetary savings to the City. However, the need for outside counsel services had risen over recent years as a result of limited staffing and potential conflicts of interest in connection with pension-related matters. The use of outside legal counsel decreased in 2015-2016 and has continued to decrease further during 2016-2017. If the pension-related lawsuits are resolved, it is anticipated that the use of outside legal counsel will continue to decline.

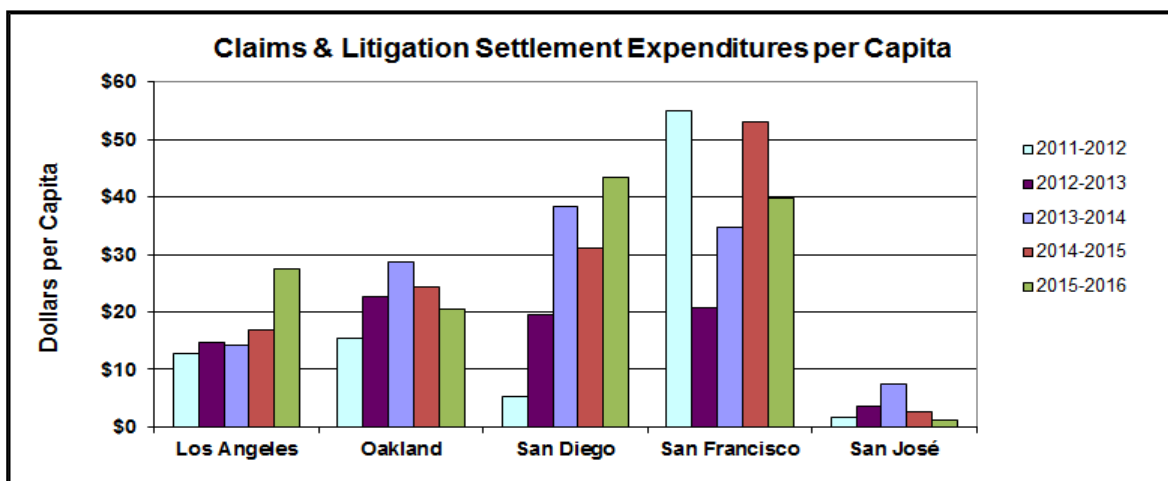


***Service Delivery Accomplishments***

- Despite the higher relative costs during recent years, the City of San José paid less in total funds for outside counsel during 2015-2016 (\$1.12 million) than the cities of Los Angeles (\$1.13 million), Oakland (\$4.3 million), and San Diego (\$1.6 million); San José costs for outside counsel were higher than the reported costs for the City and County of San Francisco (\$333,200), which 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 past five years, San José paid, on average, \$3.3 million in annual settlement costs. The next lowest average annual payout was \$9.1 million by the City of Oakland. Over the same period, payouts were higher for the cities of Los Angeles (\$67.3 million), San Francisco (\$34.1 million), and San Diego (\$37.7 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***

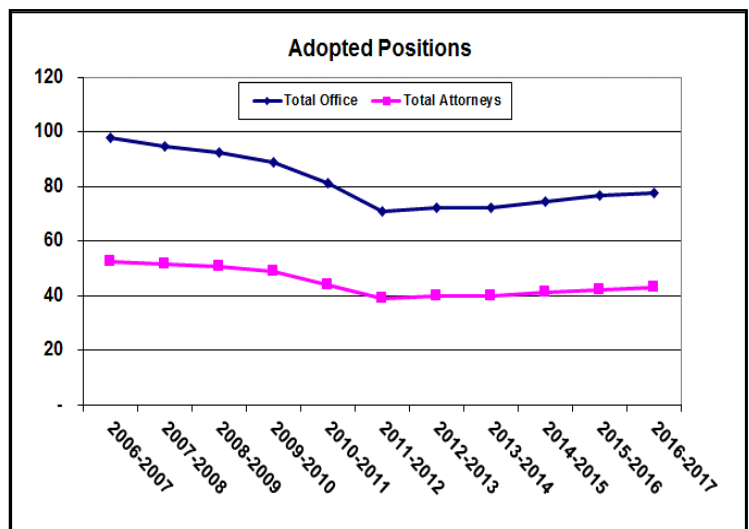
- The Office worked with City4 staff on two significant bond transactions during fiscal year 2016-2017: 1) the issuance of approximately \$750 million in Airport Revenue Bonds to refund the Series 2007A and Series 2007B; and 2) the issuance of over \$1 billion of Successor Agency Bonds to refund outstanding Successor Agency Bonds and bonds issued by the City of San José Financing Authority for which there is a Successor Agency obligation to repay. The Airport issuance is expected to close in April, 2017 and result in significant debt service savings to the Airport. The Successor Agency issuance is expected to occur in fiscal year 2017-2018 and result in debt service savings for the Successor Agency, simplify debt administration, and eliminate potential risk to the General Fund for the City of San José Financing Authority Bonds to be refunded. Both transactions involved substantial effort by the Office.
- In an effort to streamline and improve the consultant contracting process, the Office developed new forms and an instruction manual to guide staff in the preparation of these contracts. The Office also provided a number of trainings to roll out the new forms.
- The Office advised staff on the legal issues associated with the establishment and financing of Community Choice Aggregation (“CCA”) in San José. If the City Council approves establishment of a San José CCA, additional legal resources will be required.
- The Office advised the Office of Equality Assurance on the implementation of the Opportunity to Work initiative, approved by voters in November 2016, including developing Frequently Asked Questions and responses to assist employers and employees in understanding the application of this new law.
- The Office drafted the Urban Agriculture Implementation Zone Ordinance and assisted staff with the implementation of the ordinance on an expedited basis for it to be effective prior to the property tax lien date for fiscal year 2017-2018. Additionally, the Office worked with staff on two other significant development related efforts: 1) the Sign Code amendment to allow Supergraphic signage in the Downtown and North San José, and (2) the revisions to the Riparian Corridor Policy.
- During 2016-2017, the Office drafted a business tax ballot measure that the voters approved in November, 2016. The Office continues to work with City staff on implementation issues.
- 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 enforcement of the City’s medical marijuana regulations. The Office obtained injunctions and closed approximately a dozen illegal marijuana businesses; monetary penalties were collected in several of those matters.
- The Office drafted or reviewed at least 152 ordinances as of March, 2017.
- The Office coordinated tax advice, revisions to the City’s Municipal Code and various legal issues in connection with Measure F and the Alternative Pension Reform settlement frameworks entered into with the bargaining groups.
- The Office continued to provide increased support for campaign ordinance guidance, elections, and ethics issues.
- 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.

***Service Delivery Accomplishments***

- Although the former San Jose 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 will soon be obtaining and implementing 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. Fulfilling 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 minimum levels. Though staffing levels stopped decreasing in 2012, demand for legal services increased for some practice areas. With the stabilization of staffing levels and incremental increases in the past several years, the Office is 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 in City technology, planning and development, economic development, construction, environmental issues, and real estate.
- Increased development in the City has meant more California Environmental Quality Act (CEQA)-related litigation. CEQA lawsuits are document intensive and often require the compilation of lengthy administrative records and multiple Public Records Act requests.
- During 2016-2017, the Office had a total of 43 budgeted attorney positions, which is 8.6 fewer attorneys than the 2007-2008 budgeted positions of 51.62. In light of the continuing 17% decrease in attorney numbers since 2007-2008, the Office continues to face significant challenges in meeting the current legal services demand.
- Staffing levels remain inadequate to proactively address a variety of litigation services.
- It is anticipated that substantial litigation resources during the next fiscal year will be devoted to police and civil rights cases.

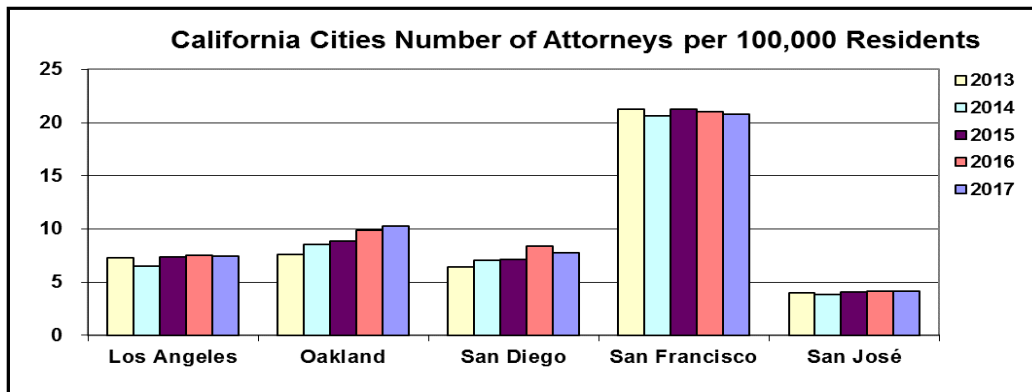




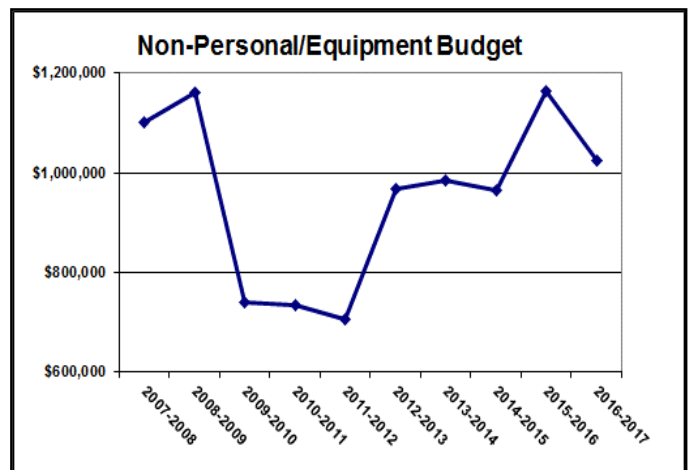
**Strategic Support**  
**Office of the City Attorney**  
**OVERVIEW**

**Service Delivery Environment**

- 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.



- 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 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. Competition with outside paid internship opportunities has recently decreased the applicant pool for these positions.



***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.
- ✓ Respond, review, and coordinate complex Public Records Act requests. Considerable resources are dedicated to increasingly complex Public Records Act 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 Act requests involving electronic data.

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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 2016-2017, 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 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, and 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 to invest in the City's future. The City Manager's Office provides leadership and/or management of projects of significant complexity. The following are highlights of recent service delivery accomplishments:

- **Agenda Services** in 2016-2017, the City Manager's Office facilitated a Priority-Setting session with the Mayor and Council to prioritize workload and align priorities with available staff resources. The Priority-Setting exercise focused staff efforts on pending ordinance changes deemed the highest priority by the Mayor and Council. During this period, the City Manager's Office in collaboration with the City Attorney's Office and department staff completed many items prioritized in 2015 which allowed capacity to add new items to the priority list. The City Manager's Office will continue to facilitate the prioritization of pending ordinances and policies.
- **Budget Office** accomplished significant work to implement a new budget system, Hyperion, as part of the Human Resources/Budget/Payroll Systems Upgrade project. The new system was used to develop the 2017-2018 Proposed Operating and Capital budget documents. Once fully implemented, Hyperion will allow monitoring and reporting on City budget and expenditures at the program level, providing information to decision makers, residents, and staff on the costs of a range of public services. In addition to Hyperion's implementation, the City Manager's Budget Office continued to provide oversight and controls throughout the fiscal year with ongoing monitoring, analysis, forecast and reporting on the City's Operating and Capital funds, appropriations, services, and budgets. Monitoring and development of the Operating and Capital Budgets, along with the Forecast and Fees and Charges continues efforts to strategically invest in the most critical service and capital needs while ensuring fiscal stability of all the City funds.
- **Office of Civic Innovation and Digital Strategy** formed in fall 2016 to implement San José's Smart City Vision. The Innovation Team has collaborated across departments to translate that vision into action by developing the City's first ever Innovation Roadmap. Composed of twenty-one projects that focus on problems core to the City's mission, these projects have a high degree of impact for the City organization and the community, and are amenable to data, technology, or process improvements. Projects include: the Talent Recruitment Initiative, reducing the high number of vacancies in the City by reimagining the hiring process; the Customer Relationship Management project, aimed at improving the citizen experience for reporting potholes, graffiti, broken streetlights, abandoned vehicles, and illegal dumping, and staying connected over time with updates and outcomes; and a new Development Services dashboard using PowerBI so that employees and customers can visualize data, identify trends, and inform decision making. In addition, the development of digital inclusion and broadband strategies is underway to guide infrastructure investments and partnerships to increase access for underserved segments of the community and increase economic development opportunities for the City.
- **Communications Office** develops, supports, and coordinates external and internal communications programs, projects, strategies, 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 in 2016-2017 included the implementation of communications campaigns related to the Coyote Creek flood emergency and recovery, and outreach on illegal fireworks. Special projects include implementation of a customer service policy and the procurement of a new web content management system to enhance the City's website. Public, Educational, Governmental (PEG) cable franchise fees supported City Hall capital improvements including the conversion of CivicCenter TV to all digital and a new on-air television graphic systems. CreaTV, funded by the City included 2,862 hours of original programming this year.

***Service Delivery Accomplishments***

- **Office of Employee Relations (OER)** Voters approved Measure F in November 2016, which replaced the 2012 pension modification measure, Measure B. The City is currently in the process of implementing the terms of the alternative pension reform frameworks achieved by settlement agreements and Measure F. In addition to the prior multi-year agreements previously reached with ten bargaining units, the City also reached a multi-year agreement with the San José Police Officers' Association (SJPOA) on a successor Memorandum of Agreement (MOA). The agreement with the SJPOA includes a three and a half-year term that expires June 30, 2020 with significant pay increases to address recruitment and retention issues. The MOA also includes agreement on a recruitment incentive program, as well as a Police Academy Training "Clawback" Program; civilianization of specified positions in the Police Department; and a rehired-retiree program to fill specific roles in San José Police Department. OER also continued to provide important trainings to City employees, including the New Employee Welcome, Anti-Discrimination and Harassment, and the Leadership Supervision Academy. In addition, OER administered the City's Return-to-Work Program to provide an opportunity to place injured employees or those who fall under the ADA (Americans with Disabilities Act) into positions to provide continued City employment.
- **Office of Immigrant Affairs (OIA)** in October 2016, the City Council approved a "Welcoming San José; 3 Year Immigrant Integration Plan" that included 21 Year 1 (2016-2017) strategies. In 2016-2017, OIA received one-time funding of \$250,000 to address three key priority areas: Language Access, Cultural Competency, and Civic Engagement. A Citywide Language Access Policy was adopted that sets basic standards for all City departments to ensure all residents of San José, regardless of English proficiency, can access and understand City services. To that end, OIA worked with PRNS, Library, and PBCE-Building Division to identify opportunities for improving communications and access for limited-English residents. The Office organized a successful daylong Language Access and Cultural Responsiveness training for 150 City staff from 15 departments. Sessions involved discussion of cultural competence, skills for communicating across cultures, and unconscious biases that can affect professional and personal lives. Attendees learned about language access laws and the City's Language Access Policy; how to work with limited-English residents; and the available language access resources including interpreters and bilingual staff. OIA and Citi Community Development worked with legal service providers to deliver citizenship workshops and naturalization ceremonies, and expanded access to citizenship application services to City of San José staff and their families. Financial empowerment workshops were delivered to aspiring new Americans. Beyond the priorities for Year 1, OIA also addressed other urgent initiatives in response to the president's Executive Orders that impacted undocumented people. The additional priorities included: ramping up a pro-bono legal services structure, a rapid response network, and development of a communications strategy with the County of Santa Clara.
- **Executive Leadership and City Management** - The City Manager's Office continues to focus on enhancing Citywide and departmental strengths in delivering customer-focused services while maximizing organizational capacity. The City Manager's Office provided oversight and approval for over 1,000 contracts and facilitated staff training with the City Attorney's Office to provide templates and process efficiencies for effective contract management. After creating and incubating the City's medical marijuana program, the City Manager's Office successfully transitioned regulatory oversight to the Police Department's new Division of Medical Marijuana Control. In addition to addressing day-to-day management, the City Manager's Office coordinated departmental resources, and community-based organizations, responded to new federal policy priorities, and evolving community needs. The City Manager's Office facilitates effective transitions for key leadership positions to ensure continuity, and minimize disruption. The City Manager's Office continues to provide a stable organizational leadership that supports the Mayor and Council so that they can make informed policy decisions, and supports City Administration to achieve effective implementation of policy and service delivery.

*Strategic Support*  
**Office of the City Manager**  
**OVERVIEW**

***Service Delivery Accomplishments***

The City Manager's Office also undertook the executive coordination role managing emergency evacuations and the response to the February 2017 Coyote Creek flood. Executive leadership in the City Manager's Office assumed the role of directing the Emergency Operations Center. Recovery operations successfully completed by City staff include: safe evacuation of all residents, assessment of all buildings impacted by flood waters, debris removal, removal of damaged vehicles and other objects from the public right-of-way, development of a donor-advised philanthropic fund providing financial support of flood victims, mobilization of emergency evacuation shelters and a local assistance center, translation and distribution of recovery information, CalOES and FEMA site visit and assessment of damaged properties, volunteer and donation coordination, and much more. Flood recovery operation coordination continues to be managed through the City Manager's Office. The Office will continue to provide oversight for the development of all flood related activities, including disaster preparation and resiliency efforts.

- **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 in advocating in coordination with the Housing Department, the passage of the City-sponsored bill, AB 2176 (Campos), which amends the Shelter Crisis Act to authorize a five-year pilot program allowing the City of San José, upon a declaration of a shelter crisis, to create emergency bridge housing for the homeless, which includes temporary housing in new or existing structures on City-owned or City leased property. The City's contract State lobbyist firm assisted the Department of Transportation with the introduction of AB 342 (Chiu) -- The Safe Streets Act of 2017 -- a Council legislative priority that if passed, would allow a pilot program in San José to use Automated Speed Enforcement technology to improve traffic safety and reduce fatalities and injuries due to excessive vehicle speeds. The City also advocated for the successful passage of the historic transportation financing bill SB 1 (Beall). Our Federal lobbyist firm advocated for the HOME Investment Program's successful increase in funding and transit funding to support BART, as well as increased homelessness funding -- including Veteran Affairs Supportive Housing (VASH) vouchers -- Urban Areas Security Initiative (UASI), and Clean Water State Revolving Funds, while also soliciting congressional support for the City's Assistance to Firefighters grant application. The City supported efforts to amend HUD's "Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program" funding formula, to bring additional funds to San José. The City also 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. The City's federal lobbyists team flagged an opportunity for participation in the Federal Communications Commission's Broadband Deployment Advisory Committee, for which the Mayor was recently chosen as the sole municipal representative on the committee. The team also kept the City apprised of federal efforts related to "sanctuary cities" and the potential impact of such a designation on the City, particularly regarding the possible withhold of federal funds. In addition, Legislative Guiding Principles and Legislative Priorities have been adopted for 2017, providing the City's lobbyists with direction in Sacramento and Washington, D.C.

### ***Service Delivery Environment***

- The City Manager's Office will continue to pursue the public-private partnerships that are critical to expanding and improving City services for residents and businesses, and which are expected to grow the City's vitality and presence. The City Manager's Office continues to leverage existing programs and pilot projects to develop best practices in managing partnership and volunteer opportunities. These best practices facilitate a scalable and comprehensive approach, encompassing public-private partnerships and multi-generational knowledge sharing. Innovative approaches and data driven decision making will shape solutions to city-wide issues in ways that promote efficient and effective service delivery of City Services.
- 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 2017-2018, the Budget Office will also be further implementing the new budget system to streamline data entry and enhance system ability to monitor and report on revenues and expenditures at the program service level, providing the public and decision-makers improved information on which to understand the costs of City services and programs.
- 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 but not limited to continued discussions on updates to the City's Municipal Code via implementing ordinances, implementation of the revised Tier 2 benefits, and implementation of the defined contribution Voluntary Employee Beneficiary Association (or "VEBA") related to retiree healthcare (subject to IRS approval). The City will also continue discussions on successor Memorandum of Agreements with the Confidential Employees' Organization, AFSCME Local No. 101 (CEO), the Association of Legal Professionals (ALP), and the International Brotherhood of Electrical Workers, Local 332 (IBEW), whose agreements are scheduled to expire on June 30, 2017. In addition, OER will engage the other bargaining units, including the San José Fire Fighters, IAFF Local 230, in negotiations over successor agreements as these bargaining units' agreements expire in 2018, as well as on various other meet and confer items that may arise.
- 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 and/or initiatives.

*Strategic Support*  
**Office of the City Manager**  
**OVERVIEW**

***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 ongoing 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 2017-2018 and 2018-2019 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.

**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. 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 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.

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# 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 and continued to complete milestones to achieve its target date of going live by the end of 2018. The implementation process is expected to last approximately 42 months and cost approximately \$9 million.
- Completed significant progress on the Fair Labor Standards Act portion of the pensionable earnings correction recommendations from the City Auditor's Audit of Pensionable Earnings and Time Reporting.
- Completed the audit of the June 30, 2016 actuarial valuations for the pension and healthcare trusts for both the Federated City Employees' Retirement System and the Police and Fire Department Retirement System, as recommended by the City Auditor.
- Completed the annual financial statement audits, which resulted in an unqualified opinion for both plans. Issued the Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR) for both plans, which included the financial statements, along with the Government Finance Officers Association Certificate of Excellence for Financial Reporting for the sixteenth year in a row.
- Under the Retirement Boards' direction, the investment program continued to mature and develop over the past year and the Assistant Director/CIO was recognized as the Chief Investment Officer of the Year by Institutional Investor's Investor Intelligence Awards. The recognition was the direct result of the creative and innovative investment approaches emanating out of the reconstituted investment team in conjunction with the Board members.
- Completed the Request for Proposals for a risk management system and selected Verus as the comprehensive risk solution provider.
- Completed the first annual Investment Fee Analysis Report for both the Federated City Employees' Retirement System and the Police and Fire Department Retirement System.
- The investment program continued to buildout its capabilities for performance and attribution reporting.
- Completed the development and recommendation of a Senior Investment Officer classification to further enhance the investment program's retention, attraction, and development capabilities.
- Continued organizational stability, cultural management shift environment and professional growth of Office of Retirement Services staff, validated by strong Gallup survey rating improvements on mean score of 4.39 out of 5.00, mean percentile rank of 92%, and an employee engagement index of 71%.
- Continued development and improvement of the Retirement Boards' operations and governance structure brought about by Measure G, which became effective in December 2014 and provided more authority for Board members to better fulfill their fiduciary duties.
- Conducted the first annual Retirement Board member retreats to discuss ways in which to improve the operations and administration of the pension plans.
- Held the Retirement Boards' annual stakeholders' meeting to enhance communication with members of both retirement plans.
- Staffing adjustments in the Office of Retirement Services provided the necessary resources required to support the fiduciary and governance requirements of the Retirement Boards and Committees and increase technical support in preparation for roll out of the new pension administration system.

*Strategic Support*  
**Office of Retirement Services**  
**OVERVIEW**

***Service Delivery Environment***

- Continue implementation of the new pension administration system.
- Continue implementation of Measure G (plan governance), as well as the implementation of newly passed Measure F, which approved San José City Charter amendments to implement retirement benefit changes.
- Complete the Office of Retirement Services website overhaul.
- Assist the Office of Employee Relations with the implementation of the Voluntary Employees' Beneficiary Associations (VEBA) for Federated employees and sworn Police and Fire employees.
- 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 Retirement Plans' actuaries 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-in visits per month.
- Publish annual financial reports, which include the CAFR and the PAFR, 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 Retirement 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 Retirement Board-adopted investment policies.

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**2017-2018**

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**OPERATING BUDGET**

**CITY  
DEPARTMENTS/  
COUNCIL  
APPOINTEES**

**CITY DEPARTMENTS/  
COUNCIL APPOINTEES**

# Airport Department

John Aitken, Interim Director of Aviation

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**T***o 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 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 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

##### **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

**Strategic Support:** Property Management, Financial Management, Human Resources, Information Technology, and Training

# Airport Department

## Service Delivery Framework

Core Service		Program
<p><b>Airport Business Development:</b>  <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"> <li>• Airport Business Development</li> </ul>
<p><b>Airport Facilities:</b>  <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"> <li>• Airport Facilities Parking and Roadways Maintenance</li> <li>• Airside Maintenance</li> <li>• Airport Facilities Administration</li> <li>• Airport Terminals Maintenance</li> </ul>
<p><b>Airport Planning and Capital Development:</b>  <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"> <li>• Airport Planning and Capital Development</li> </ul>
<p><b>Airport Operations:</b>  <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"> <li>• Airport Parking and Roadways Operations</li> <li>• Airside Operations</li> <li>• Operations Administration</li> <li>• Terminals Operations</li> </ul>
<p><b>Strategic Support:</b>  <i>Property Management, Financial Management, Human Resources, Information Technology, and Training</i></p>	↔	<ul style="list-style-type: none"> <li>• Airport Management and Administration</li> <li>• Airport Financial Management</li> <li>• Airport Human Resources</li> <li>• Airport Information Technology</li> </ul>

# Airport Department

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

- Adds funding of \$1.1 million for a new shuttle service to allow for the ground boarding of passengers on the north and south ends of the airfield. Gates are at maximum capacity during peak hours of the day and to meet flight demands, alternatives to boarding are necessary.
- Adds \$315,000 for an environmental consultant as well as an Environmental Services Program Manager to implement new environmental programs, as well as improve and maintain the Airport's current environmental programs.
- Adds 1.0 Public Information Manager to the Business Development Division to focus on filling the growing seat capacity at the Airport. As airlines continue to add flights to and from SJC, it is imperative to have a dedicated position to attract additional passengers to the Airport as well as improve the overall customer experience at SJC.
- Addresses the increasing passenger activity levels at the Airport by adding 2.0 Airport Operations Supervisors in Airport's Operations Division to handle terminal management issues, 1.0 Building Maintenance Superintendent in the Facilities and Engineering Division to oversee day-to-day functions of the trades section, and 1.0 Associate Engineer in Planning to address increasing demand for capital project development.
- Adds 1.0 Senior Analyst to the Airport's Finance Division to handle debt management functions including monitoring of bond funds and the Airport's commercial paper program. This position will also provide financial modeling analysis and develop the Cost Per Enplanement data.
- Adds \$138,000 in funding to migrate the Airport's Enterprise Asset Management system to a cloud-based hosting system to allow for increased efficiency and provide staff with additional data on repair activities.

### 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

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Airport Business Development	n/a	n/a	n/a	\$ 3,496,218
Airport Facilities	n/a	n/a	n/a	24,905,696
Airport Operations	n/a	n/a	n/a	26,599,469
Airport Planning & Capital Dev	n/a	n/a	n/a	3,826,167
Airport Strategic Support	n/a	n/a	n/a	13,609,379
Airport Strategic Support - Other	n/a	n/a	n/a	114,106,403
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 186,543,332</b>
<b>Dollars by Category</b>				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	\$ 24,330,399	\$ 27,211,840	\$ 30,852,148	\$ 31,564,546
Overtime	353,342	339,959	339,959	339,959
<b>Subtotal Personal Services</b>	<b>\$ 24,683,741</b>	<b>\$ 27,551,799</b>	<b>\$ 31,192,107</b>	<b>\$ 31,904,505</b>
Non-Personal/Equipment	31,623,535	35,699,407	38,791,229	40,523,924
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 56,307,276</b>	<b>\$ 63,251,206</b>	<b>\$ 69,983,336</b>	<b>\$ 72,428,429</b>
<i>Other Costs *</i>				
Airport Funds Debt/Financing	n/a	n/a	n/a	\$ 106,802,509
Airport Gifts	n/a	n/a	n/a	38,515
Airport Overhead	n/a	n/a	n/a	3,881,390
Airport Workers' Compensation	n/a	n/a	n/a	633,500
Other	n/a	n/a	n/a	2,758,989
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 114,114,903</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 186,543,332</b>
<b>Dollars by Fund</b>				
Airport Cust Fac/Trans Fee	n/a	n/a	n/a	\$ 2,501,607
Airport Fiscal Agent Fund	n/a	n/a	n/a	103,585,519
Airport Maint & Oper Fund	n/a	n/a	n/a	77,200,701
Airport Revenue Fund	n/a	n/a	n/a	0
Airport Surplus Revenue Fund	n/a	n/a	n/a	3,216,990
Gift Trust Fund	n/a	n/a	n/a	38,515
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 186,543,332</b>
<b>Authorized Positions by Core Service</b>				
Airport Business Development	n/a	n/a	n/a	11.00
Airport Facilities Maintenance	n/a	n/a	n/a	68.00
Airport Operations	n/a	n/a	n/a	60.00
Airport Planning & Capital Dev	n/a	n/a	n/a	21.00
Airport Strategic Support	n/a	n/a	n/a	51.00
Airport Strategic Support - Other	n/a	n/a	n/a	0.00
<b>Total</b>	<b>187.00</b>	<b>187.00</b>	<b>204.00</b>	<b>211.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statements elsewhere in this document.



# Airport Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Airport Business Development</b>					
Airport Business					
Development	n/a	n/a	n/a	\$ 3,496,218	11.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,496,218</b>	<b>11.00</b>
<b>Airport Facilities</b>					
Airport Facilities Administration	n/a	n/a	n/a	\$ 2,556,002	11.00
Airport Facilities Parking & Roadway Maintenance	n/a	n/a	n/a	2,477,078	5.00
Airport Terminals Maintenance	n/a	n/a	n/a	17,841,313	40.00
Airside Maintenance	n/a	n/a	n/a	2,031,303	12.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 24,905,696</b>	<b>68.00</b>
<b>Airport Operations</b>					
Airport Parking and Roadway Operations	n/a	n/a	n/a	\$ 13,431,125	9.00
Airside Operations	n/a	n/a	n/a	5,652,807	30.00
Operations Administration	n/a	n/a	n/a	1,002,225	4.00
Terminal Operations	n/a	n/a	n/a	6,513,312	17.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 26,599,469</b>	<b>60.00</b>
<b>Airport Planning and Capital Development</b>					
Airport Planning & Capital Development	n/a	n/a	n/a	\$ 3,826,167	21.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,826,167</b>	<b>21.00</b>
<b>Airport Strategic Support</b>					
Airport Financial Management	n/a	n/a	n/a	\$ 6,164,612	30.00
Airport Human Resources	n/a	n/a	n/a	822,513	4.00
Airport Information Technology	n/a	n/a	n/a	3,093,958	11.00
Airport Management & Administration	n/a	n/a	n/a	3,528,296	6.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 13,609,379</b>	<b>51.00</b>
<b>Airport Strategic Support - Other *</b>					
Airport Funds Debt/Financing					
Costs	n/a	n/a	n/a	\$ 106,802,509	
Airport Gifts	n/a	n/a	n/a	38,515	
Airport Overhead	n/a	n/a	n/a	3,881,390	
Airport Transfers	n/a	n/a	n/a	-	
Airport Workers' Compensation	n/a	n/a	n/a	633,500	

# Airport Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Airport Strategic Support - Other * (Cont'd.)</b>					
Airport Other Operational - Administration	n/a	n/a	n/a	2,750,489	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 114,106,403</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$186,543,332</b>	<b>211.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statements elsewhere in this document.

# Airport Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>187.00</b>	<b>63,251,206</b>
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
• Airport Concession Plan Consultant		(100,000)
• Project Management Training		(25,000)
• Fleet Program		(16,300)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(141,300)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>		
• Salary/benefit changes and the following position reallocations:		1,996,230
- 1.0 Associate Engineering Technician to 1.0 Engineer I/II		
- 1.0 CADD Technician to 1.0 Senior Engineering Technician		
- 1.0 Maintenance Supervisor to 1.0 Supervisor, Trades		
- 3.0 Office Specialist to 3.0 Aviation Security and Permit Specialist		
- 1.0 Program Manager II to 1.0 Department Information Technology Manager		
- 1.0 Staff Specialist to 1.0 Property Manager I		
• Position adds:		1,644,077
- Airport Operations Supervisor I/II/III	1.00	
- Analyst I/II	1.00	
- Associate Engineer	1.00	
- Aviation Security and Permit Specialist	1.00	
- Maintenance Superintendent	1.00	
- Maintenance Worker II	3.00	
- Public Information Representative I/II	1.00	
- Senior Airport Operations Specialist I/II/III	6.00	
- Senior Maintenance Worker	1.00	
- Senior Property Manager I/II	1.00	
• U.S. Customs and Border Protection services		2,000,000
• Custodial services agreement		665,517
• Baggage Handling System Support		320,000
• Parking and Traffic Control Services		287,810
• Shuttle bus management and maintenance		155,405
• Information Technology services contracts and maintenance		103,168
• Letter of Credit fees		89,000
• Gas, electricity, and other utility costs		55,400
• Business Development contracts and supplies		48,992
• Contractual services contracts		7,030
• Fleet Services - Ending Leases		(9,000)
• CNG station tax adjustment		(81,000)
• Facilities supplies and maintenance		(120,352)
• Airport Concession Disadvantaged Business Enterprise		(117,000)
• Third party security services		(171,848)
<b>Technical Adjustments Subtotal:</b>	<b>17.00</b>	<b>6,873,429</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>204.00</b>	<b>69,983,335</b>

# Airport Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)
<b>Budget Proposals Recommended</b>		
1. Remote Gate Shuttle Bus Service		1,067,066
2. Airport Environmental Services Program	1.00	315,686
3. Terminal Support Services		277,629
4. Terminal and Safety Management Staffing	2.00	193,001
5. Airport Enterprise Asset Management System Cloud Based Hosting Services		138,000
6. Airport Business Development Division Staffing	1.00	130,989
7. Building Trades Management Staffing	1.00	111,478
8. Airport Capital Project Delivery Staffing	1.00	108,341
9. Airport Debt Administration Staffing	1.00	102,904
<b>Total Budget Proposals Recommended</b>	<b>7.00</b>	<b>2,445,094</b>
<b>2017-2018 Proposed Budget Total</b>	<b>211.00</b>	<b>72,428,429</b>

# Airport Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

Proposed Budget Changes	Positions	All Funds (\$)
<b>1. Remote Gate Shuttle Bus Service</b>		<b>1,067,066</b>
<i>Transportation and Aviation Services CSA Airport Operations Core Service Terminals Operations Program</i>		
<p>This action adds funding for the new remote gate shuttle bus service in the amount \$1.1 million from the Airport Maintenance and Operation Fund. This action funds the lease and maintenance of six shuttle buses and 6,600 additional bus service hours to provide shuttle bus service on the north and south ends of the airfield as required to meet increased flight demands. Gates are currently at maximum capacity during peak periods of the day and to meet flight demands, alternatives to boarding are necessary. (Ongoing costs: \$1,067,066)</p>		
<b>2. Airport Environmental Services Program</b>	<b>1.0</b>	<b>315,686</b>
<i>Transportation and Aviation Services CSA Airport Planning and Capital Development Core Service Airport Planning and Capital Development Program</i>		
<p>This action adds 1.0 Environmental Services Program Manager position and \$250,000 in one-time funding from the Airport Maintenance and Operation Fund to retain an environmental consultant to formulate a plan to enhance the environmental efficiency of the airport. The consultant will evaluate Airport's current environmental programs and identify any deficiencies as well as suggest improvements. The consultant will also determine new programs to add to increase the Airport's environmental responsibility. As this plan is being prepared, a new position, the Environmental Services Program Manager, will be recruited to prepare the Airport for implementation of the plan, maintenance of the programs, and manage the environmental compliance staff. The Environmental Services Program Manager position is effective January 2018. (Ongoing costs: \$131,371)</p>		
<b>3. Terminal Support Services</b>		<b>277,629</b>
<i>Transportation and Aviation Services CSA Airport Operations Core Service Terminals Operations Program</i>		
<p>This action adds non-personal/equipment funding from the Airport Maintenance and Operation Fund to provide terminal support services to meet customer service needs at the airport through contractual services. These services include line control management at security checkpoints, baggage handling assistance, customer survey distribution, and customer service assistance at curbside and terminal areas. Currently, City staff are reassigned to respond to customer service needs, including management of security checkpoint line control and performing baggage handling during peak periods of the day. Overtime and staff adjustments are no longer sufficient to meet the increased need for services. In addition, the distribution and collection of customer service surveys is vital to ensuring services and amenities provided are on target with customer expectations. (Ongoing costs: \$277,629)</p>		

# Airport Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

Proposed Budget Changes	Positions	All Funds (\$)
<b>4. Terminal and Safety Management Staffing</b>	<b>2.0</b>	<b>193,001</b>

**Transportation and Aviation Services CSA**  
**Airport Operations Core Service**  
*Terminals Operations, Airside Operations Programs*

This action adds 2.0 Airport Operations Supervisor positions, effective September 2017, from the Airport Maintenance and Operation Fund to re-establish a Terminal Management section in the Airport Operations Division. Currently, there is one Airport Operations Supervisor assigned to the day shift in Terminal Management; however, the Airport does not have a supervisor assigned to the swing shift permanently, as other positions in the Operations Division cover this shift on an as-needed basis. Because of the significant activity increase Airport has experienced, it has become increasingly difficult to reassign positions in other sections to cover this shift and there is now a need for a permanent Airport Operations Supervisor position assigned to the swing shift in the Terminal Management section to manage airline gate assignments, terminal management issues, noise complaint and curfew issues, and prepare for potential airfield ground boarding processes. In addition to providing additional support for coverage, the second Airport Operations Supervisor will implement a new Safety Management System (SMS) as required by federal regulations. The Federal Aviation Administration (FAA) has finalized the requirements for the SMS program and the Airport is currently working on a Request for Proposal to bring on a consultant to begin the development of the SMS plan. The Airport Operations Supervisor will be working directly with the consultant and will implement, manage, and monitor the system as required by the FAA. (Ongoing costs: \$231,601)

<b>5. Airport Enterprise Asset Management System Cloud Based Hosting Services</b>		<b>138,000</b>
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**Transportation and Aviation Services CSA**  
**Airport Facilities Core Service**  
*Airport Facilities Administration Program*

This action adds funding from the Airport Maintenance and Operation Fund for a Software as a Service (SaaS) agreement to migrate the Airport's Enterprise Asset Management system from self-hosted infrastructure to cloud-based hosting services. This upgrade will allow mobile solutions to be implemented, increasing staff efficiency as well as providing additional data on management and repair activities. One-time costs of \$138,000 will be used to migrate and purchase equipment and ongoing funding of \$68,453 is recommended for subscription services. (Ongoing costs: \$68,453)

<b>6. Airport Business Development Division Staffing</b>	<b>1.0</b>	<b>130,989</b>
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**Transportation and Aviation Services CSA**  
**Airport Business Development Core Service**  
*Airport Business Development Program*

This action adds 1.0 Public Information Manager position, effective September 2017, from the Airport Maintenance and Operation Fund to the Airport Business Development Division focused on attracting more passengers to SJC to fill currently available and future expected growth in airline seat capacity, as airlines add more flights to and from SJC. In 2016, 780,000 seats were added, and it is expected that 1,000,000 seats will be added in 2017. Currently, there is an available seat capacity of 32%, and

# Airport Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

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Proposed Budget Changes	Positions	All Funds (\$)
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### 6. Airport Business Development Division Staffing

it is the intention for both the airlines and the Airport to fill these vacant seats and drive the available seat capacity down. This position will be responsible for outreach efforts with community groups and stakeholders as well as manage digital and electronic media programs to help with this major effort. This position will also collect, analyze, and use data to understand the market and trends affecting the Airport and advise senior staff and stakeholders accordingly to increase market share. In addition, this position will allow for the expansion of passenger experience initiatives, such as the SJC Robots, the Airport's new customer service agents, and key community partnerships including with the East Side Union High School District for community art in the terminals, to enhance the overall experience at the airport and create a sense of place for travelers. These efforts will help the Airport not only acquire additional passengers, but also enhance customer service and improve the passenger experience. (Ongoing costs: \$157,187)

### 7. Building Trades Management Staffing 1.0 111,478

#### **Transportation and Aviation Services CSA**

#### **Airport Facilities Core Service**

*Airport Facilities Parking and Roadways Maintenance, Airside Maintenance, Airport Facilities Administration, Airport Terminals Maintenance Programs*

This action adds 1.0 Building Maintenance Superintendent position, effective September 2017, from the Airport Maintenance and Operation Fund to oversee the trades sections within Facilities and Engineering Division including HVAC, Electricians, and Airport Terminal Equipment Mechanics. This position will report directly to the Building Management Administrator and handle the day-to-day activities and projects that fall under the trades groups. The addition of this position is in line the addition of a Maintenance Superintendent in the Airport Staffing Plan approved by the City Council on January 24, 2017. Both Superintendent positions begin to restore the middle management support to the Facilities Division and reduce the span of control to senior staff, allowing for management to focus on technical solutions to support Airport's long range planning, analyzing electrical data and energy management, and providing ongoing plan reviews. (Ongoing costs: \$133,773)

### 8. Airport Capital Project Delivery Staffing 1.0 108,341

#### **Transportation and Aviation Services CSA**

#### **Airport Planning and Capital Development Core Service**

*Airport Planning and Capital Development Program*

This action adds 1.0 Associate Engineer position, effective September 2017, from the Airport Maintenance and Operation Fund to the Planning and Development Division. This position will be responsible for developing capital projects' scope and estimating and negotiating with design consultants. The Associate Engineer position will also manage the capital project design process, which includes engaging with project owners and stakeholders, managing bid documents and responses, as well as coordinating construction activities. This division currently has one permanent Associate Engineer; however, with the addition of more capital projects, the Airport has brought on a temporary employee to address the increased workload. As the Airport continues to receive grant funding from the Federal Aviation Administration to upgrade and expand Airport facilities to meet capacity needs, it is critical to add an Associate Engineer in this division to meeting growing demands. (Ongoing costs: \$130,009)

# Airport Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

Proposed Budget Changes	Positions	All Funds (\$)
<b>9. Airport Debt Administration Staffing</b>	<b>1.0</b>	<b>102,904</b>
<i>Transportation and Aviation Services CSA Strategic Support Core Service Airport Financial Management Program</i>		
<p>This action adds 1.0 Senior Analyst position, effective September 2017, from the Airport Maintenance and Operation Fund to the Airport Finance Division to provide capacity for debt administration, financing expertise, monitoring and analysis of bond funds, building the bench, cross training, and responding to the increased demands resulting from growing activity levels. The Senior Analyst position will be responsible for all debt management functions related to the Airport's bond and commercial paper programs. Additionally, significant monitoring of bond proceeds is necessary to ensure appropriate usage and record keeping. In addition, this position will assist with financial modeling analysis, maintaining and developing Cost Per Enplanement (CPE) data, and dashboard applications, as needed. As passenger and airline activity levels increase, greater levels of evaluation and modeling are necessary to ensure a fiscally responsible course. With this addition, the complex debt management functions will be consolidated under one position rather than distributed across the existing Capital Senior Analyst and two Senior Accountants positions. (Ongoing costs: \$123,485)</p>		
<b>2017-2018 Proposed Budget Changes Total</b>	<b>7.00</b>	<b>2,445,094</b>






# Airport Department

## Performance Summary

### Airport Business Development

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Air service market share	13.9%	14.5%	14.4%	15.0%
 % of customers reporting satisfaction with availability of flights and destinations that meet their travel needs	N/A <sup>1</sup>	90%	N/A <sup>2</sup>	90%
 % of residents reporting satisfaction with the quality and variety of Airport shops and restaurants	N/A <sup>1</sup>	85%	N/A <sup>2</sup>	85%

<sup>1</sup> 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 Adopted Budget.

<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

#### Activity and Workload Highlights


	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total regional air service market (passengers)	73.2M	75.0M	77.7M	80.8M
Total number of annual Airport passengers	10.2M	10.2M	11.2M	11.6M

# Airport Department

## Performance Summary

### Airport Facilities Maintenance

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of residents rating the physical condition of the Airport as good or excellent	N/A <sup>1</sup>	90%	N/A <sup>2</sup>	90%

<sup>1</sup> 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 Adopted Budget.

<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of facilities maintenance work orders completed	26,505	35,000	27,223	28,040
Number of hours spent addressing Federal Aviation Regulation Part 139 (FAR 139) issue work orders	246	58 <sup>1</sup>	286	301


<sup>1</sup> The methodology for classifying FAR 139 issue work orders changed in the Airport's Computerized Maintenance Management System.

# Airport Department

## Performance Summary

### Airport Operations

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of on-time flights	82.51%	85.00%	79.74%	85.00%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of annual operations (take offs and landings)	131,561	134,878	140,395	144,607
Total number of environmental noise complaints	8,061	8,200	250,000 <sup>1</sup>	100,000 <sup>1</sup>
Total number of non-compliant curfew intrusions	40	30	65	42


<sup>1</sup> Noise complaints have increased from prior years because the Federal Aviation Administration (FAA) 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 Operations staff will continue to communicate and work with commercial air carrier and cargo air carrier management regarding flight schedules and continue striving to minimize noise impacts to affected communities. In 2016, Airport Operations staff, elected officials, and the public met with FAA to discuss alternate routes into the Bay Area. Airport Operations continues to communicate with the FAA about the noise impacts to the surrounding communities.

# Airport Department

## Performance Summary

### Airport Planning and Capital Development

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of capital projects contingent upon grant funding	53.8%	65.2%	61.4%	71.3%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Airport Capital Program				
- Construction Projects	\$13.4M	\$14.4M <sup>1</sup>	\$69.8M <sup>1</sup>	\$24.4M
- Non-Construction Projects	\$1.6M	\$0.6M	\$16.9M	\$2.5M
Percent of Airport locations that received fewer than three discrepancies in the County of Santa Clara Hazardous Materials Inspection	N/A <sup>2</sup>	95%	N/A <sup>2</sup>	95%

<sup>1</sup> 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 10 year call date. The Airport targeted high impact projects with completion dates by summer 2017 to make the best use of the funds.






<sup>2</sup> There was no County inspection in 2015-2016. An inspection is scheduled for 2016-2017.

# Airport Department

## Performance Summary

### Strategic Support

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Airline cost per enplaned passenger <sup>1</sup>	\$10.48	\$10.90	\$10.20	\$10.99
 Food and beverage sales per enplaned passenger <sup>1</sup>	\$6.46	\$6.76	\$6.73	\$6.86
 Retail sales per enplaned passenger <sup>1</sup>	\$3.09	\$2.83	\$3.27	\$3.34
 Parking revenue per enplaned passenger <sup>1</sup>	\$5.78	\$5.91	\$5.28	\$4.54
 Rental car gross revenue per enplaned passenger <sup>1</sup>	\$31.03	\$30.87	\$28.54	\$28.54

<sup>1</sup> Enplaned passengers are those passengers boarding an aircraft in scheduled service, including originating, stop-over, or connecting service.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total airline cost	\$53.9M	\$56.3M	\$58.0M	\$60.4M

# Airport Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Accountant II	1.00	1.00	-
Accounting Technician	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	3.00	3.00	-
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	17.00	3.00
Analyst I/II	6.00	7.00	1.00
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	3.00	2.00
Associate Engineering Technician	1.00	0.00	(1.00)
Aviation Security and Permit Specialist	0.00	4.00	4.00
Building Maintenance Superintendent	0.00	1.00	1.00
Building Management Administrator	1.00	1.00	-
CADD Technician	1.00	0.00	(1.00)
Contract Compliance Coordinator	0.00	0.00	-
Dept Information Tech Manager	0.00	1.00	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 I/II	1.00	2.00	1.00
Environmental Services Program Manager	0.00	1.00	1.00
Environmental Services Specialist	1.00	1.00	-
Facility Repair Worker	2.00	2.00	-
Geographic Systems Specialist II	0.00	0.00	-
Information Systems Analyst	1.00	1.00	-
Maintenance Contract Supervisor	1.00	1.00	-
Maintenance Superintendent	0.00	1.00	1.00
Maintenance Supervisor	1.00	0.00	(1.00)
Maintenance Worker I/II	21.00	24.00	3.00
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-
Office Specialist I/II	4.00	1.00	(3.00)
Painter	3.00	3.00	-
Planner I/II/III	1.00	1.00	-
Planner IV	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Property Manager	1.00	1.00	-
Program Manager I	2.00	2.00	-
Program Manager II	3.00	2.00	(1.00)
Property Manager I	0.00	1.00	1.00
Property Manager II	4.00	4.00	-

# Airport Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Public Information Representative I/II	1.00	2.00	1.00
Public Information Manager	1.00	2.00	1.00
Senior Account Clerk	4.00	4.00	-
Senior Accountant	4.00	4.00	-
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Airport Equipment Mechanic	1.00	1.00	-
Senior Airport Operations Specialist I/II/III	21.00	27.00	6.00
Senior Analyst	7.00	8.00	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	4.00	5.00	1.00
Senior Geographic Systems Specialist	1.00	1.00	-
Senior Maintenance Worker	3.00	4.00	1.00
Senior Office Specialist	1.00	1.00	-
Senior Property Manager I/II	1.00	2.00	1.00
Senior Systems Applications Programmer	1.00	1.00	-
Sign Shop Technician	1.00	1.00	-
Staff Specialist	7.00	6.00	(1.00)
Supervising Applications Analyst	1.00	1.00	-
Supervisor, Trades	1.00	2.00	1.00
Warehouse Supervisor	1.00	1.00	-
<b>Total Positions</b>	<b>187.00</b>	<b>211.00</b>	<b>24.00</b>

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**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*

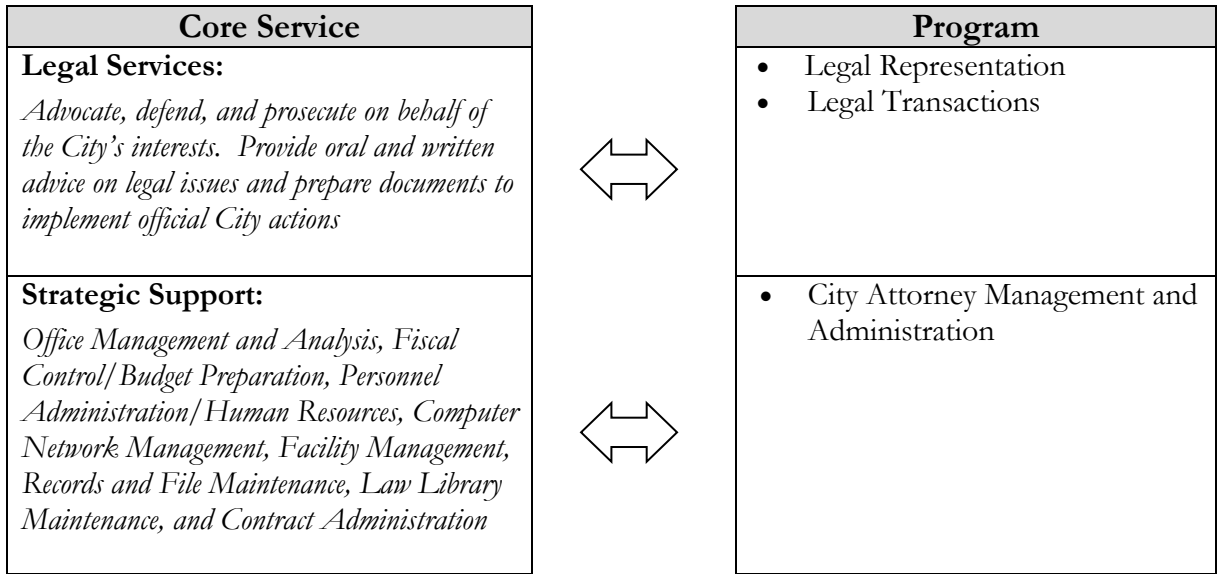
**Legal Services**

Advocate, defend, and prosecute on behalf of the City's interests. 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



# Office of the City Attorney

## Department Budget Summary

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### Expected 2017-2018 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 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 Coleman Soccer Fields, and Parkside Hall; and 4) capital construction projects and issues related to the Water Pollution Control Plant; and innovation efforts to improve City technology.
- Litigation defense services will continue to take priority over proactive suits by the City. Limited litigation attorney positions necessitates a more reactive approach to case handling.
- 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 2016-2017. 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.

### 2017-2018 Key Budget Actions

- Adds 1.0 Senior Deputy City Attorney position to support legal analysis and work related to rental rights, including the implementation of the Tenant Protection and Ellis Act ordinances.
- Shifts funding on a one-time basis for 2.2 positions from the General Fund to the Water Utility Fund for City Attorney staff work that will support the Municipal Water System.
- Adds one-time funding of \$200,000 to address unfair business practices, including actions against businesses and property owners who have taken advantage of flood victims.
- Continues 1.0 Legal Analyst II position on an ongoing basis to assist transactional attorneys supporting the Planning, Building and Code Enforcement Department.
- Continues one-time funding of \$90,000 for continued transition support for litigation attorney services and \$104,000 to fund a Legal Analyst II through June 30, 2018 to support Workers' Compensation Litigation matters.

### Operating Funds Managed

N/A

# Office of the City Attorney

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Legal Services	n/a	n/a	n/a	\$ 16,593,561
City Attorney Strategic Support	n/a	n/a	n/a	1,485,378
City Attorney Strategic Support - Other*	n/a	n/a	n/a	5,000,000
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 23,078,939</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 15,051,982	\$ 16,403,905	\$ 16,461,717	\$ 17,101,358
Overtime	41,163	0	0	0
Subtotal Personal Services	<u>\$ 15,093,145</u>	<u>\$ 16,403,905</u>	<u>\$ 16,461,717</u>	<u>\$ 17,101,358</u>
Non-Personal/Equipment	<u>1,202,775</u>	<u>1,024,381</u>	<u>977,581</u>	<u>977,581</u>
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 16,295,920</b>	<b>\$ 17,428,286</b>	<b>\$ 17,439,298</b>	<b>\$ 18,078,939</b>
<b>Other Costs *</b>				
City Attorney Other Dept - City-Wide	n/a	n/a	n/a	\$ 5,000,000
<b>Total Other Costs</b>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>\$ 5,000,000</u>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 23,078,939</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 19,595,636
Airport Maint & Oper	n/a	n/a	n/a	687,636
Comm Dev Block Grant	n/a	n/a	n/a	17,854
Home Invest Partnership	n/a	n/a	n/a	75,227
Housing Trust Fund	n/a	n/a	n/a	39,032
Integrated Waste Mgmt	n/a	n/a	n/a	47,193
Low/Mod Income Hsg Asset	n/a	n/a	n/a	742,406
Multi-Source Housing	n/a	n/a	n/a	290,052
Water Utility Fund	n/a	n/a	n/a	358,355
Sewer Svc & Use Charge	n/a	n/a	n/a	510,763
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	148,542
Workforce Development	n/a	n/a	n/a	183,932
Capital Funds	n/a	n/a	n/a	382,311
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 23,078,939</b>
<b>Authorized Positions by Core Service</b>				
Legal Services	n/a	n/a	n/a	71.40
City Attorney Strategic Support	n/a	n/a	n/a	7.10
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>78.50</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

# Office of the City Attorney

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Legal Services</b>					
Legal Representation	n/a	n/a	n/a	\$ 7,897,970	35.54
Legal Transactions	n/a	n/a	n/a	8,695,591	35.86
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 16,593,561</b>	<b>71.40</b>
<b>City Attorney Strategic Support</b>					
City Attorney Management & Administration					
	n/a	n/a	n/a	\$ 1,485,378	7.10
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,485,378</b>	<b>7.10</b>
<b>City Attorney Strategic Support - Other *</b>					
City Attorney Other Deptml - City-Wide					
	n/a	n/a	n/a	\$ 5,000,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,000,000</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 23,078,939</b>	<b>78.50</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

# Office of the City Attorney

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>77.50</b>	<b>17,428,286</b>	<b>14,139,522</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Workers' Compensation Legal Analyst Support	0.00	(110,000)	(110,000)
• Legal Transactions Staffing (1.0 Legal Analyst II)	(1.00)	(191,538)	(165,038)
• Litigation Division Staffing	0.00	(90,000)	(90,000)
• Legal Software Upgrade		(60,000)	(60,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(1.00)</b>	<b>(451,538)</b>	<b>(425,038)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		449,351	342,749
• Municipal Water System Litigation Staffing Funding Shift	0.00	0	401,256
• Legal Research Contractual Services		13,200	13,200
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>462,551</b>	<b>757,205</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>76.50</b>	<b>17,439,299</b>	<b>14,471,689</b>
<b>Budget Proposals Recommended</b>			
1. Unfair Business Practices Legal Staffing	0.00	200,000	200,000
2. Rental Rights and Referrals Program - Tenant Protection Ordinance and Ellis Act Ordinance Legal Staffing	1.00	139,339	0
3. Planning Division Legal Transactions Staffing	1.00	106,302	106,302
4. Workers' Compensation Legal Analyst Staffing	0.00	104,000	104,000
5. Planning and Environmental Services Legal Staffing	0.00	90,000	66,600
6. Municipal Water System Litigation Staffing	0.00	0	(352,955)
<b>Total Budget Proposals Recommended</b>	<b>2.00</b>	<b>639,641</b>	<b>123,947</b>
<b>2017-2018 Proposed Budget Total</b>	<b>78.50</b>	<b>18,078,940</b>	<b>14,595,636</b>

Office of the City Attorney

**Budget Changes By Department**  
**Personal Services and Non-Personal/Equipment**

<b>2017-2018 Proposed Budget Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>1. Unfair Business Practices Legal Staffing</b>	<b>0.00</b>	<b>200,000</b>	<b>200,000</b>
<b>Strategic Support CSA</b> <b>Legal Services Core Service</b> <i>Legal Representation Program</i>			
Provides one-time funding to address unfair business practices in San José, including actions against businesses and property owners who have taken advantage of flood victims and victims of rental rights violations. This funding will support, as necessary, Unfair Business Practices lawsuits pursuant to Sections 17200 and 17500 of the California Business and Professions Code. On March 28, 2017, the City Council directed the City Attorney to return through the budget process to identify funding required to perform these services. (Ongoing costs: \$0)			
<b>2. Rental Rights and Referrals Program – Tenant Protection Ordinance and Ellis Act Ordinance Legal Staffing</b>	<b>1.00</b>	<b>139,339</b>	<b>0</b>
<b>Strategic Support CSA</b> <b>Legal Services Core Service</b> <i>Legal Transactions Program</i>			
Offset by Rental Rights and Referral fee revenues, this action adds 1.0 Senior Deputy City Attorney position, August 1, 2017, to provide legal support for the expanded Rental Rights and Referral Program, a new Tenant Protection Ordinance, and a local Ellis Act Ordinance. On April 18, 2017, the City Council directed staff to return with a revised Tenant Protection Ordinance (TPO) and an Ellis Act Ordinance. The TPO will provide all tenants with just cause protections from no-cause evictions. The Ellis Act Ordinance will provide relocation benefits for residents displaced due to removal of apartments from the market under the Ellis Act. This action will support the work associated with legal issues relating to development and ongoing implementation of these rental rights ordinances. In addition, a proposal is included in the Housing Department to add 1.0 Information Systems Analyst and 1.0 Senior Analyst, while eliminating a Senior Development Officer to support the expanded rental housing program. (Ongoing costs: \$152,000)			
<b>3. Planning Division Legal Transactions Staffing</b>	<b>1.00</b>	<b>106,302</b>	<b>106,302</b>
<b>Strategic Support CSA</b> <b>Legal Services Core Service</b> <i>Legal Representation and Legal Transactions Programs</i>			
This action makes permanent 1.0 Legal Analyst II, to support attorneys working with the Planning Division of the Planning, Building, and Code Enforcement Department. The analyst provides review of resolutions and ordinances: coordinates Planning-related Public Records Act Requests and supports CEQA-related litigation. The position also coordinates the review and positing of Planning-related legal documents for the Planning Commission and City Council agendas as required by the City's Open Government regulations. (Ongoing costs: \$106,000)			

# Office of the City Attorney

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>4. Workers' Compensation Legal Analyst Staffing</b>  <i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation Program</i>  This action continues on a one-time basis 1.0 Legal Analyst II, limit-dated through June 30, 2018, to continue legal support to the Workers' Compensation attorneys' team. The position supports comprehensive case review and legal research, including the extensive review of medical records, developing case evidence, drafting legal correspondence, and monitoring case activity. The position provides temporary support to coincide with the workers' compensation program hybrid service delivery model evaluation and assessment period, which is scheduled for June 2018. (Ongoing costs: \$0)	0.00	104,000	104,000
<b>5. Planning and Environmental Services Legal Staffing</b>  <i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation and Legal Transactions Programs</i>  This action continues one-time funding of \$90,000 for temporary part-time attorney services to provide training and other transactional legal services related to Planning, the Regional Wastewater Facility, and Municipal Water programs, as well as provide as needed assistance for general legal assignments. Services include revision to the City's Sign Code and Zoning Code and various other provisions in the Municipal Code. Funding comes in part from the Water Utility Fund (6%) and the Sewer Service and Use Fund (20%) as the position will assist with Environmental issues such as the application for a State Revolving Loan from the California Water Resources Board for financing of treatment plant improvements. (Ongoing costs: \$0)	0.00	90,000	66,600
<b>6. Municipal Water System Litigation Staffing</b>  <i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation Program</i>  This action continues to shift funding on a one-time basis for 2.2 positions (1.0 Legal Analyst II and 1.2 Senior Deputy Attorney) in the City Attorney's Office from the General Fund to the Water Utility Fund. The funding shift provides for 2017-2018 costs related to legal support and services required for a class action lawsuit regarding water rates for the Municipal Water System. (Ongoing costs: \$0)	0.00	0	(352,955)
<b>2017-2018 Proposed Budget Changes Total</b>	2.00	639,641	123,947













# Office of the City Attorney

## Performance Summary

### Legal Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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	\$139	\$135	\$142	\$145
- Outside Legal Counsel average hourly rate	\$356	\$360	\$358	\$362
 % of time client is timely informed of significant developments in a case	73%	80%	73%	80%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	87%	90%	87%	90%
 % of time final documents accurately reflect the approval of City action	90%	100%	90%	100%
 % of time that advice identifies and analyzes legal issues and risks	91%	85%	91%	85%
 % of time that advice provides alternatives where appropriate	78%	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	\$139	\$135	\$142	\$145
- Outside Legal Counsel average hourly rate	\$356	\$360	\$358	\$362
 % of time client receives advice/document within mutually accepted time frames	81%	85%	80%	85%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	97%	90%	97%	90%

# Office of the City Attorney

## Performance Summary

### Legal Services

#### *Activity and Workload Highlights*

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of claims filed against the City	788	656	725	725
# of lawsuits filed against the City	176	252	180	215
# of lawsuits and administrative actions filed or initiated by the City	206	228	200	200
# of Council/Board/Manager memoranda:				
- Prepared	1,354	1,100	1,100	1,200
- Reviewed	1,068	1,025	900	800
# of formal Opinions issued	9	10	5	8
# of Resolutions	582	400	450	442
# of Ordinances	194	170	200	180
# of Agreements	2,392	2,540	2,000	2,236

# Office of the City Attorney

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	27.00	28.00	1.00
Senior Legal Analyst	3.00	3.00	-
<b>Total Positions</b>	<b>77.50</b>	<b>78.50</b>	<b>1.00</b>

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# Office of the City Auditor

Sharon Winslow Erickson, City Auditor

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**I**ndependently assess and report on City operations  
and services

*City Service Area*

**Strategic Support**

*Core Service*

**Audit Services**

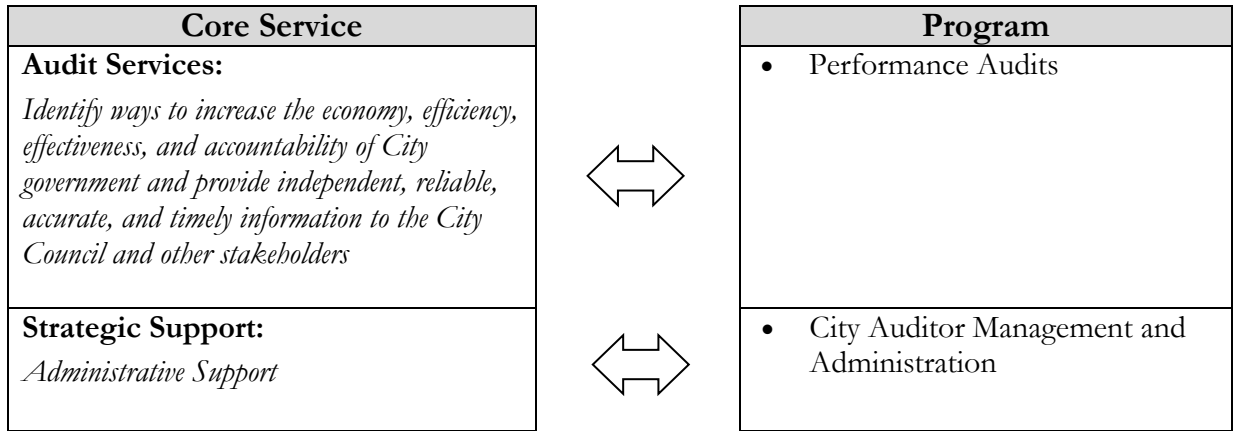
Identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

**Strategic Support:** Administrative Support

# Office of the City Auditor

## Service Delivery Framework

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# Office of the City Auditor

## Department Budget Summary

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### Expected 2017-2018 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 2017-2018 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2017 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.

### 2017-2018 Key Budget Actions

N/A

### Operating Funds Managed

N/A

# Office of the City Auditor

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Audit Services	n/a	n/a	n/a	\$ 2,299,427
City Auditor Strategic Support	n/a	n/a	n/a	151,132
Strategic Support - Other Cost*	n/a	n/a	n/a	475,000
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,925,559</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Personal Services	\$ 2,067,169	\$ 2,404,183	\$ 2,381,406	\$ 2,381,406
Overtime	15	0	0	0
Subtotal Personal Services	\$ 2,067,184	\$ 2,404,183	\$ 2,381,406	\$ 2,381,406
Non-Personal/Equipment	65,040	69,153	69,153	69,153
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 2,132,224</b>	<b>\$ 2,473,336</b>	<b>\$ 2,450,559</b>	<b>\$ 2,450,559</b>
<b>Other Costs *</b>				
City Auditor Other Dept - City-Wide	n/a	n/a	n/a	\$ 475,000
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 475,000</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,925,559</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 2,816,559
Airport Maint & Oper	n/a	n/a	n/a	78,250
Sewer Svc & Use Charge	n/a	n/a	n/a	30,750
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,925,559</b>
<b>Authorized Positions by Core Service</b>				
Audit Services	n/a	n/a	n/a	14.00
Strategic Support	n/a	n/a	n/a	1.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>15.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.



# Office of the City Auditor

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Audit Services</b>					
Performance Audits	n/a	n/a	n/a	\$ 2,299,427	14.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,299,427</b>	<b>14.00</b>
<b>Audit Strategic Support</b>					
City Auditor Management and Administration	n/a	n/a	n/a	\$ 151,132	1.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 151,132</b>	<b>1.00</b>
<b>Strategic Support - Other - Council Appointees</b>					
City Auditor Other Departmental - City-Wide	n/a	n/a	n/a	\$ 475,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 475,000</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,925,559</b>	<b>15.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

Office of the City Auditor

**Budget Reconciliation**

**Personal Services and Non-Personal/Equipment  
(2016-2017 Adopted to 2017-2018 Proposed)**




	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2016-2017):	0.00	2,473,336	2,473,336
<hr/> <b>Base Adjustments</b> <hr/>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		(22,777)	(22,777)
Technical Adjustments Subtotal:	0.00	(22,777)	(22,777)
2017-2018 Forecast Base Budget:	0.00	2,450,559	2,450,559
<hr/> <b>Budget Proposals Recommended</b> <hr/>			
NONE			
2017-2018 Proposed Budget Total:	0.00	2,450,559	2,450,559

# Office of the City Auditor

## Performance Summary

### Audit Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of audit recommendations implemented (cumulative over 10 years)	68%	80%	74%	80%
 Ratio identified monetary benefit to audit cost	\$2 to \$1	\$4 to \$1	\$1.28 to \$1	\$4 to \$1
 % of approved workplan completed or substantially completed during the fiscal year	63%	80%	64%	80%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of audit reports issued	19	18	16	18
# of audit recommendations adopted	77	50	65	50
# of audit reports per auditor	1.6 to 1	1.5 to 1	1.4 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings) <sup>1</sup>	\$5,000,000	\$8,000,000	\$3,170,000	\$8,000,000

<sup>1</sup> The 2015-16 identified monetary benefits amount is an estimate based on revenue enhancements and potential cost savings identified in the audits of Police Overtime, the Apartment Rent Ordinance, Mobile Devices, Our City Forest, and the Office of Equality Assurance.

# Office of the City Auditor

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	8.00	8.00	-
Senior Program Performance Auditor	5.00	5.00	-
<b>Total Positions</b>	<b>15.00</b>	<b>15.00</b>	<b>0.00</b>

Office of the  
City Clerk  
Toni J. Taber, City Clerk

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**M**aximize public access to municipal government

*City Service Area*

**Strategic Support**

*Core Service*

**City Clerk Services**

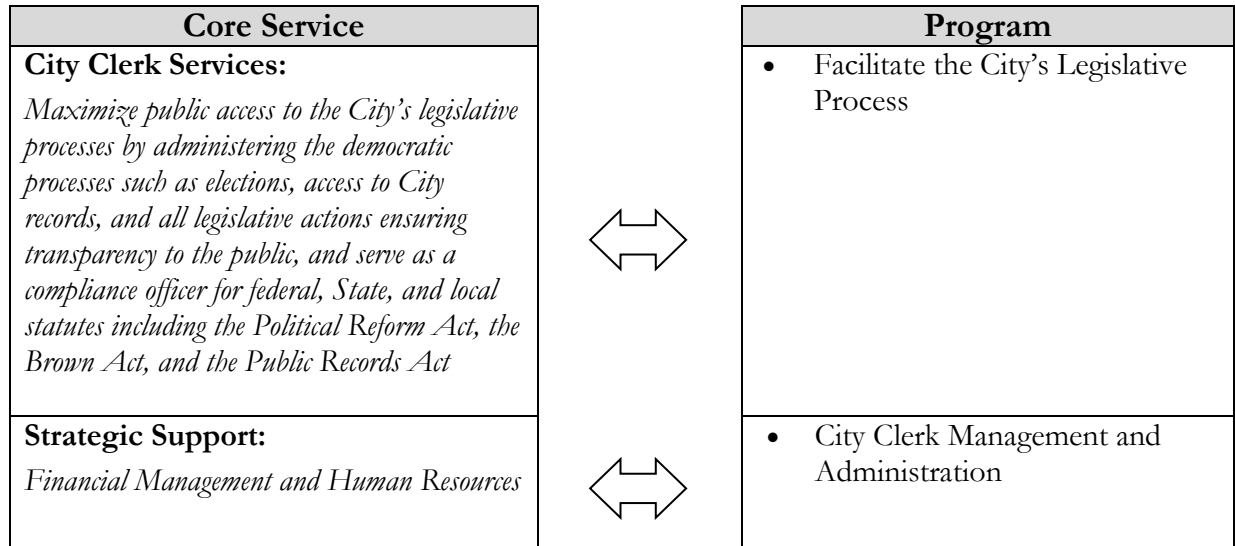
Maximize public access to the City's legislative processes by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public, and serve as a compliance officer and administrator for federal, State, and local statutes including 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

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# Office of the City Clerk

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Administer Sunshine/Open Government Reforms to provide transparent legislative services.
- Ensure the public has access to information regarding open meetings and open deliberations by creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings. Additionally, provide legislative services to all other Council Committees by writing and distributing minutes for these meetings.
- Deliver 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.
- Supply access to information law regarding government business records including the City's legislative records and documents.
- Administer access to information law regarding financial interests of officials and candidates by providing and improving 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.

### 2017-2018 Key Budget Actions

N/A

### Operating Funds Managed

N/A

# Office of the City Clerk

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
City Clerk Services	n/a	n/a	n/a	\$ 2,316,249
Strategic Support	n/a	n/a	n/a	253,590
Strategic Support - Other Costs*	n/a	n/a	n/a	2,281,437
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 4,851,276</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 1,896,760	\$ 2,185,357	\$ 2,323,145	\$ 2,323,145
Overtime	10,623	0	0	0
Subtotal Personal Services	<u>\$ 1,907,383</u>	<u>\$ 2,185,357</u>	<u>\$ 2,323,145</u>	<u>\$ 2,323,145</u>
Non-Personal/Equipment	195,147	549,930	226,694	226,694
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 2,102,530</b>	<b>\$ 2,735,287</b>	<b>\$ 2,549,839</b>	<b>\$ 2,549,839</b>
<b>Other Costs *</b>				
City Clerk Gifts	n/a	n/a	n/a	\$ 41,437
City Clerk Other				
Departmental - City-Wide	n/a	n/a	n/a	2,260,000
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,301,437</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 4,851,276</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 4,809,839
Gift Trust Fund	n/a	n/a	n/a	41,437
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 4,851,276</b>
<b>Authorized Positions by Core Service</b>				
Facilitate the City's Legislative Process	n/a	n/a	n/a	13.00
Strategic Support	n/a	n/a	n/a	2.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>15.00</b>

\* Departmental Fund Balance, Transfers and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.



# Office of the City Clerk

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>City Clerk Services</b>					
Facilitate the City's					
Legislative Process	n/a	n/a	n/a	2,316,249	13.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,316,249</b>	<b>13.00</b>
<b>City Clerk Strategic Support</b>					
City Clerk Management and					
Administration	n/a	n/a	n/a	253,590	2.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 253,590</b>	<b>2.00</b>
<b>Strategic Support - Other - Council Appointees</b>					
City Clerk Gifts					
City Clerk Other	n/a	n/a	n/a	41,437	
Departmental - City-Wide	n/a	n/a	n/a	2,240,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,281,437</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 4,851,276</b>	<b>15.00</b>

\* Departmental Fund Balance, Transfers and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

Office of the City Clerk

**Budget Reconciliation**

**Personal Services and Non-Personal/Equipment**

**(2016-2017 Adopted to 2017-2018 Proposed)**








	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>15.00</b>	<b>2,735,287</b>	<b>2,735,287</b>
<hr/> <b>Base Adjustments</b> <hr/>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Electronic Document Management System		(325,000)	(325,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(325,000)</b>	<b>(325,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		137,788	137,788
• MuniCode Software		1,764	1,764
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>139,552</b>	<b>139,552</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>15.00</b>	<b>2,549,839</b>	<b>2,549,839</b>
<hr/> <b>Budget Proposals Recommended</b> <hr/>			
<b>NONE</b>			
<b>2017-2018 Proposed Budget Total</b>	<b>15.00</b>	<b>2,549,839</b>	<b>2,549,839</b>

# Office of the City Clerk

## Performance Summary

### Facilitate the City's Legislative Process

#### *Performance Measures*

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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	\$2,809	\$3,175	\$3,053	\$3,095
 % of Public Records Act requests received and fulfilled by the Clerk's Office within 10 days of request	100%	98%	99%	100%
 % of City contracts that have all required documents after compliance check	99%	95%	95%	95%
 % of Council synopses completed and posted online within three business days after the Council meeting	95%	95%	90%	95%
 % of Resolutions/Ordinances posted online within 3 business days of receipt from the City Attorney's Office	89%	95%	99%	100%
 % of customers rating customer service experience with the Clerk's Office as good or excellent	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	100%

<sup>1</sup> Data collection and methodology are currently under review by the Office of the City Clerk.

<sup>2</sup> Data collection and methodology determined in 2016-2017, data collection began April 2017.

# Office of the City Clerk

## Performance Summary

### Facilitate the City's Legislative Process

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of meetings staffed <sup>1</sup>	174	175	175	175
# of board/commission applications processed	100	250	400	250
# of contracts processed <sup>2</sup>	1,905	1,700	2,000	2,000
# of grants processed (Council Office and Arena Community Fund)	584	700	700	700
# of Statements of Economic Interests/Family Gift Reports processed	3,108	3,000	3,000	3,000
# of campaign filings processed	669	500	650	800
# of ads placed in legal publications	344	300	300	300
# of Lobbyist Reports processed	238	200	250	250
# of Ordinances and Resolutions processed	489	500	500	500
# of Council Actions recorded, processed, and tracked	1,018	1,000	1,050	1,000
# of Public Records Act requests processed	972	1,000	1,000	1,000
# of internal requests for information/ documents processed	957	1,000	1,100	1,000

<sup>1</sup> Meetings defined as City Council meetings and study sessions; Council Committees; Civil Service, Elections, and Council Salary Setting Commissions; and Council Appointment Advisory Commission.

<sup>2</sup> Data includes contracts and grants processed.

# Office of the City Clerk

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
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	1.00	1.00	-
Senior Analyst	1.00	1.00	-
Staff Technician	3.00	3.00	-
<b>Total Positions</b>	<b>15.00</b>	<b>15.00</b>	<b>0.00</b>

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**Office of the  
City Manager**  
Norberto Dueñas, City Manager

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**P**rovide 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 Service*

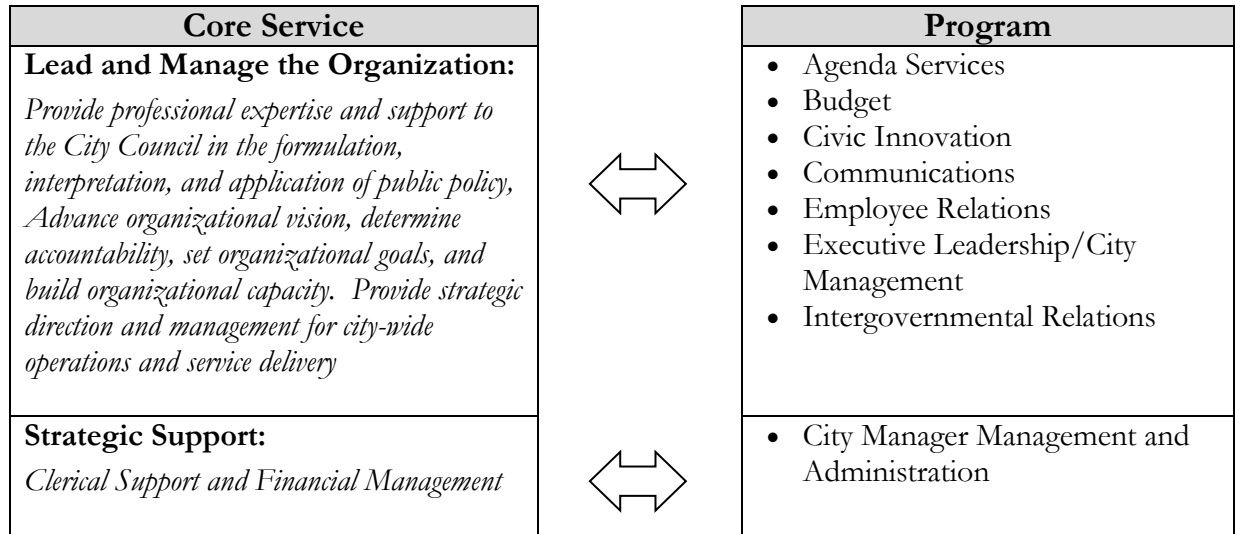
**LEAD AND MANAGE THE ORGANIZATION**

Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy. Advance organizational vision, determine accountability, set organizational goals, and build organizational capacity. 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

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### Expected 2017-2018 Service Delivery

- The City Manager's Office will provide strategic leadership and facilitate service delivery through executive management. The Office 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 also supports the City Council implementing fiscal sustainability and developing other potential ballot measures and initiatives.
- The City Manager's Office will continue to engage the workforce through ongoing structured communication, labor agreements 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 100 City funds and will develop the 2018-2019 Budget for City Council consideration that continues to expand and enhance program budgeting and reporting with the new budget system.
- The Office of Employee Relations will be engaged in a variety of labor relations with the City's 11 bargaining units as needed.
- The Office of Civic Innovation will continue to pursue 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 and support departmental efforts to facilitate the use of technology, data and evidence based decision making throughout the City.
- Intergovernmental Relations will 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 Communications Office will 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 will develop and implement programs to create a welcoming environment for immigrants and strategies that support the integration of various immigrant groups in San José.

### 2017-2018 Key Budget Actions

- Adds an ongoing Senior Executive Analyst position, along with \$375,000 in one-time contractual services funding, to support continued implementation of the Hyperion budgeting module of the Human Resources/Payroll/Budget System Project.
- Makes permanent funding of \$250,000 for the Office of Immigrant Affairs, providing support the priority goals contained in the "Welcoming San José Plan".

### Operating Funds Managed

- Ice Centre Revenue Fund
- San José Municipal Stadium Capital Fund

# Office of the City Manager

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Lead and Manage the Organization	n/a	n/a	n/a	\$ 15,309,464
Strategic Support	n/a	n/a	n/a	281,305
City Manager Other	n/a	n/a	n/a	3,814,979
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 19,405,748</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 11,398,756	\$ 12,408,656	\$ 13,389,759	\$ 13,490,433
Overtime	64,923	62,478	50,000	50,000
Subtotal Personal Services	<u>\$ 11,463,679</u>	<u>\$ 12,471,134</u>	<u>\$ 13,439,759</u>	<u>\$ 13,540,433</u>
Non-Personal/Equipment	<u>825,673</u>	<u>1,894,336</u>	<u>1,334,336</u>	<u>1,959,336</u>
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 12,289,352</b>	<b>\$ 14,365,470</b>	<b>\$ 14,774,095</b>	<b>\$ 15,499,769</b>
<b>Other Costs *</b>				
City Manager Gifts	n/a	n/a	n/a	\$ 2,479
City Manager Other	n/a	n/a	n/a	3,903,500
Departmental - City-Wide	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>\$ 3,905,979</u>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 19,405,748</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 19,254,189
Gift Trust Fund	n/a	n/a	n/a	2,479
Airport Maint & Oper	n/a	n/a	n/a	24,500
Low/Mod Income Hsg Asset	n/a	n/a	n/a	53,712
Sewer Svc & Use Charge	n/a	n/a	n/a	27,707
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	43,161
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 19,405,748</b>
<b>Authorized Positions by Core Service</b>				
Lead and Manage the Organization	n/a	n/a	n/a	63.45
Strategic Support	n/a	n/a	n/a	2.00
City Manager Other	n/a	n/a	n/a	0.65
Departmental - City-Wide	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>66.10</u>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>66.10</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

# Office of the City Manager

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed		2017-2018 Proposed FTE
<b>Dollars by Program</b>						
<b>Lead and Manage the Organization</b>						
Agenda Services	n/a	n/a	n/a	\$ 388,835		2.00
Budget Office	n/a	n/a	n/a	4,298,786		20.60
Office of Civic Innovation	n/a	n/a	n/a	937,097		4.00
Communications	n/a	n/a	n/a	1,727,439		6.22
Office of Employee Relations	n/a	n/a	n/a	2,215,788		13.00
Executive Leadership/City Management	n/a	n/a	n/a	4,698,174		14.63
Intergovernmental Relations	n/a	n/a	n/a	1,043,345		3.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 15,309,464</b>		<b>63.45</b>
<b>City Manager Strategic Support</b>						
City Manager Management and Administration	n/a	n/a	n/a	\$ 281,305		2.00
	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 281,305</b>		<b>2.00</b>
<b>City Manager Strategic Support - Other *</b>						
City Manager Gifts	n/a	n/a	n/a	2,479		
City Manager Other Departmental - City-Wide	n/a	n/a	n/a	3,737,500		0.65
City Manager Other Departmental - Grants				75,000		
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,814,979</b>		<b>0.65</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 19,405,748</b>		<b>66.10</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

# Office of the City Manager

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	n/a	14,365,470	14,220,924
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Web Content Management		(350,000)	(350,000)
• Information and Communications Technology Master Plan and Digital Strategy		(250,000)	(250,000)
• Vietnamese-American Community Center Planning and Fundraising (1.0 Executive Analyst I/II)	(1.00)	0	0
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(1.00)</b>	<b>(600,000)</b>	<b>(600,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations: - 1.0 Senior Executive Analyst to 1.0 Director, City Manager's Office - 1.0 Executive Analyst I/II to 1.0 Senior Executive Analyst		982,103	977,569
• Civic Innovation Non-Personal/Equipment funding transfer from City-Wide Organization Effectiveness Appropriation		50,000	50,000
• Retirement Prepayment Actuarial Services (Shift from City-Wide)		3,000	3,000
• Contractual Services Adjustment		(13,000)	(13,000)
• Overtime Budget		(12,478)	(12,478)
• Professional development program		(1,000)	(1,000)
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>1,008,625</b>	<b>1,004,091</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>(1.00)</b>	<b>14,774,095</b>	<b>14,625,015</b>
<b>Budget Proposals Recommended</b>			
1. City Manager's Budget Office Information Systems Staffing and Hyperion Budget System Phase II Implementation	1.00	475,674	475,674
2. Office of Immigrant Affairs		250,000	250,000
<b>Total Budget Proposals Recommended</b>	<b>1.00</b>	<b>725,674</b>	<b>725,674</b>
<b>2017-2018 Proposed Budget Total:</b>	<b>0.00</b>	<b>15,499,769</b>	<b>15,350,689</b>

# Office of the City Manager

## Budget Changes By Department Personal Services and Non-Personal/Equipment









2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>1. City Manager’s Budget Office Information System Staffing and Hyperion Budget System Phase II Implementation</b></p> <p><i>Strategic Support CSA Lead and Manage the Organization Core Service Budget Program</i></p> <p>This action adds 1.0 Senior Executive Analyst position to the City Manger's Budget Office to support further implementation of the Hyperion software budgeting module of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project. The position, effective July 1, 2017, will serve as a functional specialist to keep the Hyperion system properly maintained, train new users, and leverage the software’s functionality. In addition, the proposal includes \$375,000 in one-time non-personal/equipment contractual services funding to provide for the second phase of work to streamline the systems’ user interface, improve functionality, and enhance reporting and analysis efforts. (Ongoing costs: \$110,000)</p>	1.0	475,674	475,674
<p><b>2. Office of Immigrant Affairs</b></p> <p><i>Strategic Support CSA Lead and Manage the Organization Core Service Executive Leadership/City Management Program</i></p> <p>This action adds ongoing non-personal/equipment funding of \$250,000 to make permanent the City’s Office of Immigrant Affairs and in so doing support the priority goals contained in the “Welcoming San José Plan”. This action serves to meet the direction provided by the Mayor’s March Budget Message for Fiscal Year 2017-2018, as approved by the City Council. The City’s immigrant integration plan seeks to create a more informed, diverse, and welcoming experience for immigrants throughout San José and increase opportunities for shared prosperity and civic engagement by all community members. The funding will be used to continue efforts in the areas of translation and interpretation services, customer service training and civic engagement, as well as enhanced response to immigrant needs. The program works in coordination with the County of Santa Clara and various non-profit organizations. (Ongoing costs: \$250,000)</p>		250,000	250,000
<b>2017-2018 Proposed Budget Changes Total</b>	1.00	725,674	725,674

# Office of the City Manager

## Performance Summary

### Lead and Manage the Organization

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of employees who take the workforce engagement survey <sup>1</sup>	56%	65%	60%	65%
 Ratio of engaged employees for every one actively disengaged employee <sup>1</sup>	2.0 : 1	2.5 : 1	2.5 : 1	2.9 : 1
 Average employee rating of progress made on survey goals (1 to 5 scale) <sup>1</sup>	3.18	3.90	3.54	3.90
 % of core services meeting or exceeding levels established by the City Council	47.1%	63%	57.6%	63%
 % of core services meeting or exceeding their cycle time targets	37.7%	58%	45.2%	58%
 % of residents that are satisfied or very satisfied with the quality of City services	N/A <sup>1</sup>	65%	N/A <sup>1</sup>	65%
 % of residents contacting the City who say they are satisfied or very satisfied with the:				
- timeliness of City employees	N/A <sup>2</sup>	70%	N/A <sup>2</sup>	70%
- courtesy of City employees	N/A <sup>2</sup>	80%	N/A <sup>2</sup>	80%
- competency of City employees	N/A <sup>2</sup>	75%	N/A <sup>2</sup>	75%
 % of residents rating the quality of life in San José as good or excellent	N/A <sup>2</sup>	75%	N/A <sup>2</sup>	75%

<sup>1</sup> Data for these measures is collected biennial from the newly revamped Employee Survey, utilizing the Gallup Q12 methodology.

<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

# Office of the City Manager

## Performance Summary

### Lead and Manage the Organization

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of "Step 3" grievances received <sup>1</sup>	4	5	2	5
# of training sessions offered by the Office of Employee Relations	94	90	64	72
# of formal disciplines received	32	35	23	35
# of external fair employment complaints filed	5	5	1	5
# of City Council agenda reports approved	742	750	750	750
# of City Council referrals assigned	105	75	80	80
# of City-sponsored bills	5	5	6	8
# of legislative items reviewed	4,868	4,000	3,500	3,700
# of contracts/agreements approved	933	1,100	950	900

<sup>1</sup> 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

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	11.00	11.00	-
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, City Manager's Office	0.00	1.00	1.00
Director of Communication	1.00	1.00	-
Employee Relations Director	1.00	1.00	-
Executive Analyst I/II	6.00	4.00	(2.00)
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	1.00	1.00	-
Senior Executive Analyst	17.00	18.00	1.00
Senior Executive Analyst PT	0.60	0.60	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Technician	5.00	5.00	-
<b>Total Positions</b>	<b>66.10</b>	<b>66.10</b>	<b>0.00</b>



**City Manager -  
Office of  
Economic Development**  
Kim Welsh, Deputy City Manager

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**C**atalyze 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		Program
<p><b>Arts and Cultural Development:</b>  <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"> <li>• Arts and Cultural Development Administration</li> <li>• Cultural Grants</li> <li>• Cultural Facilities Operations and Maintenance</li> <li>• Outdoor Events</li> <li>• Public Art / Placemaking</li> </ul>
<p><b>Business Development and Economic Strategy:</b>  <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"> <li>• Business Outreach and Assistance</li> <li>• Downtown Management</li> <li>• Economic Policy Analysis/ Communications</li> </ul>
<p><b>Real Estate Services:</b>  <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"> <li>• City Lease Administration</li> <li>• City Property Acquisition and Sales</li> </ul>
<p><b>Regional Workforce Development:</b>  <i>Assist businesses in hiring a quality workforce through assessment, supportive services, and skills training</i></p>		<ul style="list-style-type: none"> <li>• Workforce Board Support and Administration</li> <li>• Workforce Development Services</li> </ul>
<p><b>Strategic Support:</b>  <i>Budget/Fiscal Management and Administrative Support</i></p>		<ul style="list-style-type: none"> <li>• Economic Development Management and Administration</li> </ul>

# City Manager – Office of Economic Development

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Engage and assist companies that can create jobs and expand the City's tax base, with 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 focus on revenue generation, cost minimization, and timely transaction services.

### 2017-2018 Key Budget Actions

- Continues one-time funding of \$200,000 to support business outreach and development, economic and policy analysis and development, and program marketing and expansion.
- Adds 1.0 limit-dated Events Coordinator II position to the Office of Cultural Affairs through June 30, 2018 to address the demand for outdoor event coordination, requests for information, and process improvements.
- Adds one-time funding of \$1,500,000 to continue the San José Works youth initiative, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$375,000 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 \$375,000 as a pass-through incentive for the 2018 U.S. Olympic Figure Skating Championships and for support to the Sports Authority to attract major sporting events, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$250,000 to launch a new Storefront Activation Grant Program to support storefront activation, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$50,000 in 2017-2018 and reserves one-time funding of \$50,000 in 2018-2019 to support the operation of Cinequest, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$50,000 for Economic Development Pre-Development Activities, as described in the City-Wide Expenses section of this document.
- Adds one-time funding of \$50,000 to continue to support the partnership formation, project design, and implementation services provided by the Silicon Valley Talent Partnership, as described in the City-Wide Expenses section of this document.

### 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   |

# City Manager - Office of Economic Development

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Arts and Cultural Development	n/a	n/a	n/a	\$ 35,078,966
Business Development and Economic Strategy	n/a	n/a	n/a	8,458,866
Real Estate Services	n/a	n/a	n/a	2,912,774
Regional Workforce Development	n/a	n/a	n/a	9,399,892
Strategic Support	n/a	n/a	n/a	2,506,877
Strategic Support - Other	n/a	n/a	n/a	941,063
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 59,298,438</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 9,060,225	\$ 10,279,026	\$ 10,769,328	\$ 10,856,484
Overtime	8,541	0	0	0
Subtotal Personal Services	\$ 9,068,766	\$ 10,279,026	\$ 10,769,328	\$ 10,856,484
Non-Personal/Equipment	681,665	1,564,667	772,167	972,167
	9,750,431	11,843,693	11,541,495	11,828,651
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 9,750,431</b>	<b>\$ 11,843,693</b>	<b>\$ 11,541,495</b>	<b>\$ 11,828,651</b>
<b>Other Costs *</b>				
Economic Development Capital	n/a	n/a	n/a	\$ 6,000,000
Economic Development Funds Workers' Comp	n/a	n/a	n/a	\$ 75,000
Economic Development Gifts	n/a	n/a	n/a	166,884
Economic Development Other Departmental - City-Wide	n/a	n/a	n/a	8,652,679
Other	n/a	n/a	n/a	32,575,224
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 47,469,787</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 59,298,438</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 14,187,633
Airport Maint & Oper	n/a	n/a	n/a	114,179
Arena Capital Reserve	n/a	n/a	n/a	1,501,000
Business Improvement Districts	n/a	n/a	n/a	3,784,937
Building & Structure Const Tax	n/a	n/a	n/a	370,325
Construction/Conveyance Tax	n/a	n/a	n/a	214,396
Construction Excise Tax	n/a	n/a	n/a	141,224
Convention/Cultural Facilities	n/a	n/a	n/a	13,685,000
General Purpose Parking	n/a	n/a	n/a	50,000
Gift Trust Fund	n/a	n/a	n/a	166,884
SJ Municipal Stadium Capital	n/a	n/a	n/a	35,000
Transient Occupancy Tax	n/a	n/a	n/a	17,109,955

# City Manager - Office of Economic Development

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Fund</b>				
Workforce Development	n/a	n/a	n/a	7,937,905
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 59,298,438</b>
<b>Authorized Positions by Core Service</b>				
Arts and Cultural Development	n/a	n/a	n/a	12.00
Business Development and Economic Strategy	n/a	n/a	n/a	12.92
Real Estate Services	n/a	n/a	n/a	6.05
Regional Workforce Development	n/a	n/a	n/a	17.67
Strategic Support	n/a	n/a	n/a	8.36
Strategic Support - Other	n/a	n/a	n/a	1.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>58.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use Funds Statements elsewhere in this document.

# City Manager - Office of Economic Development

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Art and Cultural Development</b>					
Arts and Cultural Development					
Administration	n/a	n/a	n/a	\$ 10,659,198	2.00
Cultural Grants	n/a	n/a	n/a	7,623,738	1.00
Cultural Facilities Operations and Maintenance	n/a	n/a	n/a	15,372,558	1.00
Outdoor Events	n/a	n/a	n/a	716,647	4.00
Public Art/Placemaking	n/a	n/a	n/a	706,825	4.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 35,078,966</b>	<b>12.00</b>
<b>Business Development and Economic Strategy</b>					
Business Outreach and Assistance					
	n/a	n/a	n/a	\$ 6,160,633	7.99
Downtown Management Economic Policy	n/a	n/a	n/a	1,760,095	2.00
Analysis/Communications	n/a	n/a	n/a	538,138	2.93
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 8,458,866</b>	<b>12.92</b>
<b>Real Estate Services</b>					
City Lease Administration					
	n/a	n/a	n/a	\$ 1,481,878	0.00
City Property Acquisition and Sales	n/a	n/a	n/a	1,430,896	6.05
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,912,774</b>	<b>6.05</b>
<b>Regional Workforce Development</b>					
Workforce Board Support and Administration					
	n/a	n/a	n/a	\$ 488,372	2.10
Workforce Development Services	n/a	n/a	n/a	8,911,520	15.57
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 9,399,892</b>	<b>17.67</b>
<b>Economic Development Strategic Support</b>					
Economic Development Mgmt and Administration					
	n/a	n/a	n/a	\$ 2,506,877	8.36
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,506,877</b>	<b>8.36</b>
<b>Economic Development Strategic Support - Other *</b>					
Economic Development Capital					
	n/a	n/a	n/a	\$ -	0.00
Economic Development Gifts	n/a	n/a	n/a	166,884	0.00

# City Manager - Office of Economic Development

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Economic Development Strategic Support - Other * (Cont'd.)</b>					
Economic Development					
Other Departmental - Grants	n/a	n/a	n/a	0	0.00
Economic Development					
Other Departmental - City-Wide	n/a	n/a	n/a	625,000	0.00
Economic Development					
Other Departmental - Administration	n/a	n/a	n/a	149,179	1.00
Economic Development					
Workers' Compensation	n/a	n/a	n/a	0	0.00
Economic Development					
Overhead	n/a	n/a	n/a	0	0.00
Economic Development					
Transfers	n/a	n/a	n/a	0	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 941,063</b>	<b>1.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 59,298,438</b>	<b>58.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use Funds Statements elsewhere in this document.

# City Manager - Office of Economic Development

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>57.00</b>	<b>11,843,693</b>	<b>5,794,764</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Document Imaging and Records Management System		(200,000)	(200,000)
• Rebudget: City Council District #06 Public Art Projects		(151,500)	(151,500)
• Rebudget: Branding and Marketing Campaign		(150,000)	(150,000)
• Rebudget: Business Ally Website		(50,000)	(50,000)
• Rebudget: Business Circle Improvements		(50,000)	(50,000)
• Business Development and Economic Strategy Activities		(200,000)	(200,000)
• Airport Public Art Oversight		(32,000)	0
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(833,500)</b>	<b>(801,500)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		535,902	342,190
• Non-personal/equipment adjustments in Public Art/Placemaking		(5,000)	0
• Professional development program		(600)	(500)
• Vehicle maintenance and operations		1,000	0
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>531,302</b>	<b>341,690</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>57.00</b>	<b>11,541,495</b>	<b>5,334,954</b>
<b>Budget Proposals Recommended</b>			
1. Business Development and Economic Strategy Activities		200,000	200,000
2. Office of Cultural Affairs Staffing	1.00	87,156	0
<b>Total Budget Proposals Recommended</b>	<b>1.00</b>	<b>287,156</b>	<b>200,000</b>
<b>2017-2018 Proposed Budget Total</b>	<b>58.00</b>	<b>11,828,651</b>	<b>5,534,954</b>



# City Manager – Office of Economic Development

## Budget Changes By Department Personal Services and Non-Personal/Equipment





2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Business Development and Economic Strategy Activities</b>  <i>Community and Economic Development CSA                      Business Development and Economic Strategy Core Service                      Business Outreach and Assistance Program</i>		200,000	200,000
<p>This action continues one-time funding of \$200,000 for business outreach and development, economic policy analysis and development, and program marketing and expansion. One-time funding of \$200,000 was continued in 2016-2017 for projects including: production and development of marketing materials (Why San José? ad series), event participation and sponsorship, hosting and travel expenses related to international relations (Sister City), consulting services for the Downtown Retail Study, photography/videography services, business support programs, and subscriptions. Additional planned projects for 2017-2018 include continuation of the Strategic Communications Initiative, technology reorganization and consolidation (Customer Relationship Management system), expansion of banner hardware into new areas of San José, and targeted marketing, outreach, and business development to attract new users to the Business Cooperation and Foreign Trade Zone programs. (Ongoing costs: \$0)</p>			
<b>2. Office of Cultural Affairs Staffing</b>	1.00	87,156	0
<p><i>Community and Economic Development CSA                      Arts and Cultural Development Core Service                      Outdoor Events Program</i></p> <p>This action adds one limit-dated Events Coordinator II position, effective September 1, 2017, to the Office of Cultural Affairs (OCA) through June 30, 2018, funded by the Transient Occupancy Tax Fund. OCA serves as a “one-stop shop” for outdoor special events, coordinating City services for all special events each year, which include festivals, commercial filming, and races. The annual number of events coordinated by OCA has increased from 248 events in 2000-2001 to 516 events during 2016-2017. This limit-dated position will assist OCA to meet the increased demand for events coordination services, increasing complexity of larger-scale events, and requests for information. It will also facilitate succession planning and interdepartmental process improvements and efficiencies that will be explored with assistance from the Office of Civic Innovation. (Ongoing costs: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	1.00	287,156	200,000

# City Manager – Office of Economic Development

## Performance Summary

### Arts and Cultural Development

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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	83%	80%	80%	75% <sup>1</sup>
 Total OCA grant awards	\$4.3 million	\$4.0 million	\$4.3 million	\$4.3 million
 % of responding funded cultural organizations rating the arts grants program good to excellent based on responsiveness and timeliness	100%	90%	90%	90%
 % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	N/A <sup>1</sup>	41%	N/A <sup>1</sup>	N/A <sup>2</sup>

<sup>1</sup> The reduced 2017-2018 Target reflects the impact of inclement weather during winter 2016-2017 and the increasing complexity of repairs for aging artworks. As of April 2017, 17 artworks require repair.

<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of arts and cultural grants awarded	115	95	110	110
# of public art works in the City's permanent collection	274	281	285	290
# of outdoor special events coordinated by OCA <sup>1</sup>	432	330	479	400
# of reported attendees at OCA coordinated events	2,000,000	1,400,000	2,200,000	2,000,000
Grant funding for special events	\$430,321	\$400,000	\$500,000	\$500,000




<sup>1</sup>The estimated number of events and attendees for 2016-2017 is expected to exceed forecast due to Cirque du Soleil performances and attendance, demonstrations that drew crowds of over 38,000 persons, and increasing events related to filming opportunities within the City.

# City Manager – Office of Economic Development

## Performance Summary

### Business Development and Economic Strategy

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Estimated jobs generated/retained by companies that received OED assistance	8,438	4,000	7,555	5,500
 Ratio of tax revenues (e.g. sales and business taxes, excludes property taxes) generated by assisted companies per estimated OED outreach expenditure	3.05:1	2:1	2.25:1	2.2:1
 Ratio of City's investments per job generated <sup>1</sup>	\$316:1	\$650:1	\$758:1	\$1,650:1

<sup>1</sup> 2016-2017 Estimated and 2017-2018 Target increases in the ratio of city investment per job generated are attributable to business size and City share of investment, indicating greater expected activity for smaller businesses with lower total employment.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of companies receiving permitting assistance	58	25	34	30
# of firms with which OED held meetings	361	250	388	350
# of establishments participating in business assistance programs (Foreign Trade Zone and Business Cooperation Program)	20	15	13	15

# City Manager – Office of Economic Development

## Performance Summary

### Real Estate Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
<b>\$</b> Revenue Generated:				
a) Leases	\$1,646,841	\$824,365	\$1,786,640	\$1,750,000
b) Telecom	\$1,167,133	\$524,295 <sup>1</sup>	\$1,018,260	\$975,000 <sup>2</sup>
c) Surplus property sales	\$3,847,700	\$1,035,000	\$1,300,000	\$800,000

<sup>1</sup>The lower revenue projection for 2016-2017 reflects telecommunication leases that expired in 2015-2016 and 2016-2017. Continued revenue expectations for 2016-2017 Estimated are based on sites for which leases have expired but tenants remain on a month-to-month basis.

<sup>2</sup>The 2017-2018 Target is projected to be lower than 2016-2017 Estimated as additional leases are set to expire in 2017-2018.

### Activity and Workload Highlights



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of properties managed	48	48	50	52
# of real estate transactions within 12 months	100	120	105	130

# City Manager – Office of Economic Development

## Performance Summary

### Regional Workforce Development

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Estimated % of clients placed in jobs <span style="float: right;">Goals set annually by State of CA</span>				
- Adults	56.65%	TBD <sup>1</sup>	57.5%	58.0%
- Dislocated workers	64.85%	TBD <sup>1</sup>	63.4%	64.0%
- Youth	73.58%	TBD <sup>1</sup>	62.4%	62.4%
 Estimated % of clients employed six months after initial placement <span style="float: right;">Goals set annually by State of CA</span>				
- Adults	83.48%	TBD <sup>1</sup>	55%	55%
- Dislocated workers	86.54%	TBD <sup>1</sup>	62%	62%

<sup>1</sup>Targets were negotiated with the Employment Development Department for 2016-2017 following issuance of the 2016-2017 Adopted Budget.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of business clients served by the Business Services Unit	317	250	300	225

## City Manager - Office of Economic Development

### Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Accountant II	2.00	2.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	5.00	5.00	-
Arts Programs Coordinator	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	1.00	1.00	-
Economic Development Officer	1.00	1.00	-
Events Coordinator II	1.00	2.00	1.00
Executive Analyst I/II	2.00	2.00	-
Executive Assistant	1.00	1.00	-
Public Information Manager	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	4.00	4.00	-
Senior Arts Program Coordinator	5.00	5.00	-
Senior Events Coordinator	1.00	1.00	-
Senior Executive Analyst	11.00	11.00	-
Staff Specialist	1.00	1.00	-
Staff Technician	3.00	3.00	-
Supervising Accountant	1.00	1.00	-
<b>Total Positions</b>	<b>57.00</b>	<b>58.00</b>	<b>1.00</b>

# Environmental Services Department

Kerrie Romanow, Director

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**D**elivering world class utility services and programs to improve our health, environment, and economy

## City Service Areas

### Environmental and Utility Services

#### Core Services

##### **Potable Water Delivery**

Develop, operate, and maintain the City's municipal potable water system

##### **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

##### **Recycling and Garbage Services**

Collect, process, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment

##### **Stormwater Management**

Protect the health of the South Bay watershed through regulatory programs that prevent pollution from entering the storm sewer system and waterways

##### **Sustainability and Environmental Health**

Promote enhanced air quality, environmentally responsible land use, sustainable energy practices, and conservation of water and energy resources

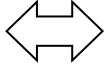
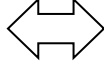
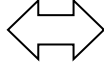
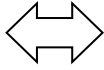
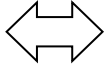
##### **Wastewater Management**

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

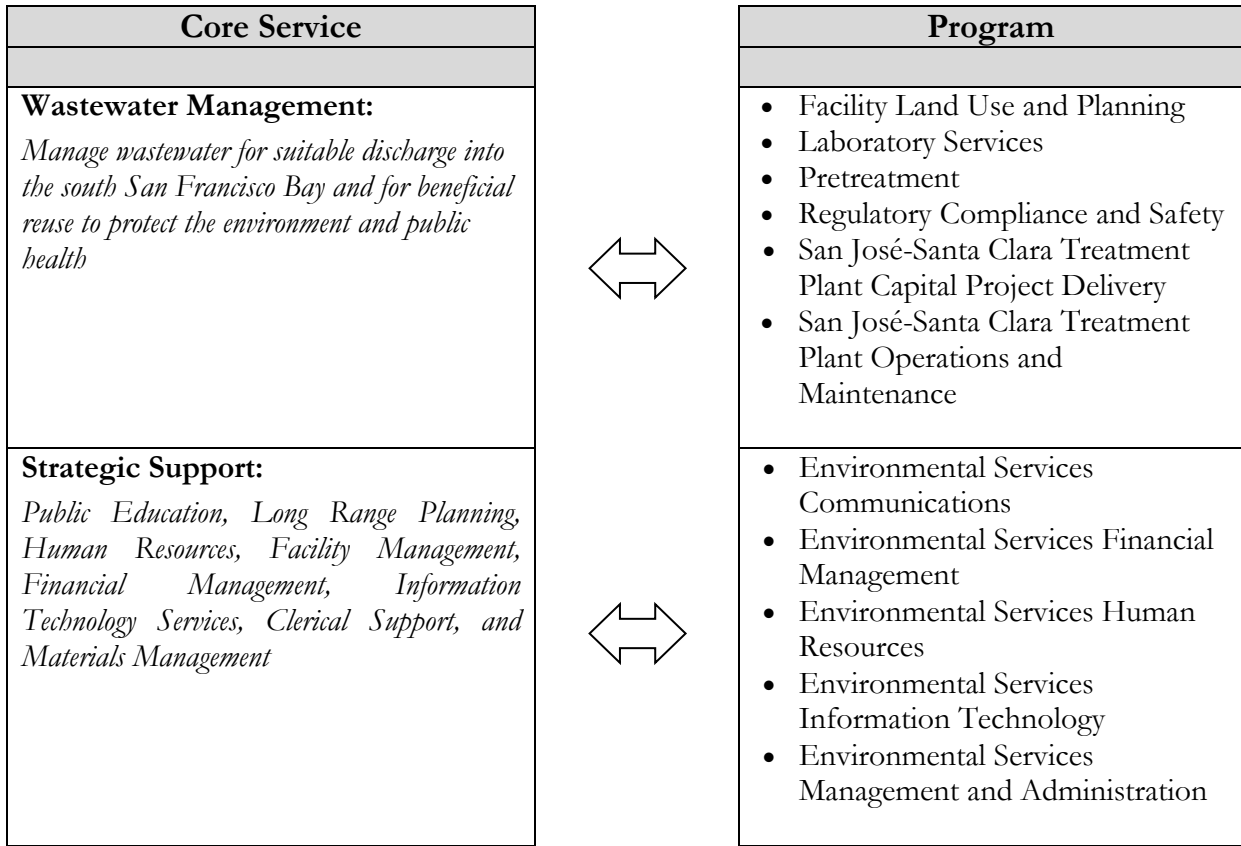
## Service Delivery Framework

Core Service		Program
<p><b>Potable Water Delivery:</b> <i>Develop, operate, and maintain the City's municipal potable water system</i></p>		<ul style="list-style-type: none"> <li>• Municipal Water System Operations and Maintenance</li> <li>• Municipal Water System Planning and Capital Project Delivery</li> </ul>
<p><b>Recycled Water Management:</b> <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"> <li>• South Bay Water Recycling Operations and Maintenance</li> <li>• South Bay Water Recycling Planning and Capital Project Delivery</li> </ul>
<p><b>Recycling and Garbage Services:</b> <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"> <li>• Civic/Other Solid Waste Collection Services</li> <li>• Commercial Solid Waste Collection Services</li> <li>• Recycling and Garbage Services Administration</li> <li>• Residential Solid Waste Collection Services</li> </ul>
<p><b>Stormwater Management:</b> <i>Protect the health of the South Bay watershed through regulatory programs that prevent pollution from entering the storm sewer system and waterways</i></p>		<ul style="list-style-type: none"> <li>• Stormwater Administration</li> <li>• Stormwater Enforcement</li> <li>• Stormwater Policy and Compliance</li> <li>• </li> </ul>
<p><b>Sustainability and Environmental Health:</b> <i>Promote enhanced air quality, environmentally responsible land use, sustainable energy practices, and conservation of water and energy resources</i></p>		<ul style="list-style-type: none"> <li>• Environmental Compliance and Safety</li> <li>• Policy, Legislative Advocacy and Education</li> </ul>



# Environmental Services Department

## Service Delivery Framework



# Environmental Services Department

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

- While the Sewer Service and Use Charge rate is proposed to increase by 7.0%, the Storm Sewer Service Charge rate will not change in 2017-2018.
- Recycle Plus rates are proposed to increase by 4.5% for single-family households and by 2.5% for multi-family households due to increased program costs and service enhancements, including back-end processing for all single-family residences, increasing the single-family recycling rate to 77%.
- The 2017-2018 Proposed Budget includes a 9.0% revenue adjustment to the Municipal Water System in order to offset increased operating costs.
- Adds funding for various operations, maintenance, and infrastructure projects, including for the South Bay Water Recycling System (\$2.4 million), as well as the Iron Salt Dosing Station (\$881,000) and Filter Maintenance (\$400,000) at the Water Pollution Control Plant (WPCP).
- Adds a Chief Sustainability Officer and a Public Representative position, as well as shifts funding for a portion of a current position, along with associated non-personal/equipment funding, to develop and implement the San José Environmental Sustainability Plan, offset the first two years by an award from the Pacific Gas and Electric Company for the 2016-2017 Step Up and Power Down program.
- Adds 4.0 Maintenance Worker II positions, partially offset by a contractual services reduction, to the Illegal Dumping Rapid Response Team to reduce service request response times and significantly increase the number of preventative maintenance routes each month.
- Adds funding to expand the single-family junk pick-up program to be unlimited (3 items per pick-up), as well as support neighborhood-led beautification days.
- Creates a Stormwater Treatment Measure Inspection Program to support the City's compliance with the Stormwater National Pollution Discharge Elimination System permit by ensuring the proper operation and maintenance of all "green infrastructure" installed within the City.

### 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

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed
<b>Dollars by Core Service</b>				
Potable Water Delivery	n/a	n/a	n/a	39,085,183
Recycled Water Management	n/a	n/a	n/a	7,081,697
Recycling and Garbage Services	n/a	n/a	n/a	130,416,940
Stormwater Management	n/a	n/a	n/a	9,190,359
Sustainability and Environmental Health	n/a	n/a	n/a	1,385,046
Wastewater Management	n/a	n/a	n/a	84,507,022
Strategic Support	n/a	n/a	n/a	13,857,192
Strategic Support - Other*	n/a	n/a	n/a	26,668,909
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 312,192,348</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 64,908,622	\$ 78,709,302	\$ 83,653,760	\$ 84,828,322
Overtime	1,965,961	973,314	973,314	973,314
Subtotal Personal Services	\$ 66,874,583	\$ 79,682,616	\$ 84,627,074	\$ 85,801,636
Non-Personal/Equipment	154,256,285	178,070,645	181,278,234	191,215,459
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 221,130,868</b>	<b>\$ 257,753,261</b>	<b>\$ 265,905,308</b>	<b>\$ 277,017,095</b>
<b>Other Costs *</b>				
ESD Overhead	n/a	n/a	n/a	\$ 24,480,471
ESD Other Departmental - City-Wide	n/a	n/a	n/a	1,186,438
ESD Funds Workers' Compensation	n/a	n/a	n/a	1,109,000
Other	n/a	n/a	n/a	8,399,344
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 35,175,253</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 312,192,348</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 3,830,139
Integrated Waste Mgmt	n/a	n/a	n/a	133,360,200
Sewer Svc & Use Charge	n/a	n/a	n/a	11,710,251
Sewage Plant Connect Fee	n/a	n/a	n/a	420,000
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	101,812,612
Storm Sewer Operating	n/a	n/a	n/a	15,233,316
Water Utility	n/a	n/a	n/a	41,208,175
Capital Funds	n/a	n/a	n/a	4,617,655
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 312,192,348</b>

# Environmental Services Department

## Department Budget Summary

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	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed
<b>Authorized Positions by Core Service</b>				
Potable Water Delivery	n/a	n/a	n/a	37.25
Recycled Water Management	n/a	n/a	n/a	14.80
Recycling and Garbage Services	n/a	n/a	n/a	43.70
Stormwater Management	n/a	n/a	n/a	39.92
Sustainability and Environmental Health	n/a	n/a	n/a	9.97
Wastewater Management	n/a	n/a	n/a	341.77
Strategic Support	n/a	n/a	n/a	64.59
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>552.00</b>

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\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Environmental Services Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Potable Water Delivery</b>					
Municipal Water System Operations and Maintenance	n/a	n/a	n/a	\$ 38,243,281	31.95
Municipal Water System Planning and Capital Project Delivery	n/a	n/a	n/a	841,902	5.30
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 39,085,183</b>	<b>37.25</b>
<b>Recycled Water Management</b>					
South Bay Water Recycling Operations and Maintenance	n/a	n/a	n/a	\$ 7,081,697	14.80
South Bay Water Recycling Planning and Capital Project Delivery	n/a	n/a	n/a	0	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,081,697</b>	<b>14.80</b>
<b>Recycling and Garbage Services</b>					
Civic/Other Solid Waste Collection Services	n/a	n/a	n/a	\$ 2,955,080	14.12
Commercial Solid Waste Collection Services	n/a	n/a	n/a	0	0.00
Recycling and Garbage Services Administration	n/a	n/a	n/a	121,334,059	29.58
Residential Solid Waste Collection Services	n/a	n/a	n/a	6,127,801	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 130,416,940</b>	<b>43.70</b>
<b>Stormwater Management</b>					
Stormwater Administration	n/a	n/a	n/a	\$ 1,286,060	3.59
Stormwater Enforcement	n/a	n/a	n/a	7,416,688	34.00
Stormwater Policy and Compliance	n/a	n/a	n/a	487,611	2.33
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 9,190,359</b>	<b>39.92</b>
<b>Sustainability and Environmental Health</b>					
Environmental Compliance and Safety	n/a	n/a	n/a	\$ 1,367,253	9.72
Policy, Legislative Advocacy, and Education	n/a	n/a	n/a	17,793	0.25
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,385,046</b>	<b>9.97</b>

# Environmental Services Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Wastewater Management</b>					
Facility Land Use and Planning	n/a	n/a	n/a	\$ 1,090,110	5.70
Laboratory Services	n/a	n/a	n/a	4,686,334	28.67
Pretreatment	n/a	n/a	n/a	6,175,589	36.74
Regulatory Compliance and Safety	n/a	n/a	n/a	1,809,378	9.61
San José-Santa Clara Treatment Plant Capital Project Delivery	n/a	n/a	n/a	3,849,115	27.20
San José-Santa Clara Treatment Plant Operations and Maintenance	n/a	n/a	n/a	66,896,496	233.85
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 84,507,022</b>	<b>341.77</b>
<b>Environmental Services Strategic Support</b>					
Environmental Services Communications	n/a	n/a	n/a	\$ 1,671,514	9.00
Environmental Services Management and Administration	n/a	n/a	n/a	10,932,397	48.00
Environmental Services Financial Management	n/a	n/a	n/a	1,177,812	7.59
Environmental Services Information Technology	n/a	n/a	n/a	69,597	0.00
Environmental Services Human Resources	n/a	n/a	n/a	5,872	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 13,857,192</b>	<b>64.59</b>
<b>Environmental Services Strategic Support - Other *</b>					
Environmental Services Other Departmental - Grants	n/a	n/a	n/a	\$ 814,438	0.00
Environmental Services Other Departmental - City-Wide	n/a	n/a	n/a	265,000	0.00
Environmental Services Overhead	n/a	n/a	n/a	24,480,471	0.00
Environmental Services Workers' Compensation	n/a	n/a	n/a	1,109,000	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 26,668,909</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 312,192,348</b>	<b>552.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Environmental Services Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>540.00</b>	<b>257,753,261</b>	<b>1,372,274</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: San José Sustainability Plan		(50,000)	(50,000)
• Illegal Dumping Rapid Response Program		(300,000)	0
• Water Pollution Control Plant Administrative Claims and Master Agreement Negotiations		(300,000)	0
• Municipal Water Billing System Licensing		(298,000)	0
• Neighborhood-Led Beautification Days		(180,000)	(180,000)
• Water Pollution Control Plant Staffing		(100,000)	0
• Public Outreach for Neighborhood Beautification Efforts		(50,000)	(50,000)
• South Bay Water Recycling and Municipal Water Regulatory Compliance Staffing		(40,000)	0
• South Bay Water Recycling Vehicle		(36,000)	0
• Enterprise Asset Management Team Support and Portable Generators Replacement		(20,100)	0
• Watershed Protection Staffing		(1,500)	0
• Water Supply and Conservation Staffing	0.00	0	(50,078)
• Elimination of June 30, 2017 limit-dated positions:			
- 1.0 Public Information Representative II	(1.00)	(86,591)	0
- 1.0 Supervising Environmental Services Specialist	(1.00)	(118,251)	0
<b>One-Time Prior Year Expenditures Subtotal:</b>	<b>(2.00)</b>	<b>(1,580,442)</b>	<b>(330,078)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		5,300,897	(38,299)
- 9.0 Water Systems Technician to 9.0 Water Systems Operator I/II			
- 3.0 Senior Water Systems Technician to 3.0 Water Systems Operations Foreperson I/II			
- 1.0 Maintenance Superintendent to 1.0 Water Systems Operations Manager			
- 2.0 Maintenance Supervisor to 2.0 Water Systems Operations Superintendent I/II			
- 3.0 Water Meter Reader to 3.0 Water Systems Assistant Operator I/II			
• Single-Family Dwelling garbage contract		1,763,591	0
• Multi-Family Dwelling garbage contract		1,043,107	0
• Wholesale water		700,000	0
• Yard Trimmings/Street Sweeping contract		446,147	0
• Clean Creeks, Habitat Restoration, and Water Quality Improvements (shift from City-Wide Expenses)		200,000	200,000
• Illegal Dumping (shift from City-Wide Expenses)		150,000	150,000
• City facilities waste collection		52,000	52,000
• Street Sweeping Services		38,877	0
• Trash Reduction funding shifts	0.00	0	631,878

# Environmental Services Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Base Adjustments</b>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Vehicle maintenance and operations		148,207	(9,813)
• Gas and electricity		41,260	0
• Vacancy factor adjustment		(148,597)	0
• Professional development program		(3,000)	0
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>9,732,489</b>	<b>985,766</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>538.00</b>	<b>265,905,308</b>	<b>2,027,962</b>
<b>Budget Proposals Recommended</b>			
1. Single-Family Dwelling Waste Materials Processing - Phase IV		4,700,000	0
2. South Bay Water Recycling System Infrastructure Improvements		2,400,000	0
3. Iron Salt Dosing Station		881,000	0
4. Single-Family Dwelling Junk Pick-Up Program		450,000	0
5. Water Pollution Control Plant Filter Maintenance		400,000	0
6. Municipal Water System Billing System Licensing		298,000	0
7. Stormwater Treatment Inspection Program Staffing	2.00	295,861	0
8. Water Pollution Control Plant Capital Improvement Program Staffing	3.00	289,029	0
9. San José Environmental Sustainability Plan Implementation Staffing	2.00	282,038	306,030
10. Illegal Dumping Rapid Response Team Staffing	4.00	276,326	(11,837)
11. Baykeeper Consent Decree Compliance Program	0.00	250,000	122,049
12. BeautifySJ Days		180,000	180,000
13. South Bay Water Recycling Program Staffing	1.00	108,404	0
14. Storm Water Permit Compliance Staffing	1.00	100,634	19,497
15. Geographic Information System Staffing	1.00	80,495	0
16. Nine Par Landfill Groundwater Remediation		80,000	0
17. Water Pollution Control Plant Vehicle Lease Buy-Outs		40,000	0
18. Water Pollution Control Plant Fats, Oils, and Grease Commercial Inspection Program Funding Shift	0.00	0	0
<b>Total Budget Proposals Recommended</b>	<b>14.00</b>	<b>11,111,787</b>	<b>615,739</b>
<b>2017-2018 Proposed Budget Total</b>	<b>552.00</b>	<b>277,017,095</b>	<b>2,643,701</b>



# Environmental Services Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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<b>1. Single-Family Dwelling Waste Materials Processing – Phase IV</b>		<b>4,700,000</b>	<b>0</b>
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*Environmental and Utility Services CSA  
Recycling and Garbage Services Core Service  
Residential Solid Waste Collection Services Program*

This action provides ongoing funding of \$4.7 million from the Integrated Waste Management Fund 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 fourth and final phase of this effort will implement this service in the remaining portion of the City. This phase will cover single-family residences in the southwest portion 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 implemented in 2014-2015 increased diversion in hauler District B locations from 37% to 83% since implementation, while Phases II and III implemented in 2015-2016 and 2016-2017 increased diversion in hauler District A locations from 24% to an estimated 76% by the end of 2016-2017. With this proposed funding, overall residential diversion is estimated to grow from 53%, as it was prior to back-end processing, to approximately 84% by the end of 2017-2018. The cost will be partially offset by a \$1.6 million reduction in disposal cost (recognized separately as part of the Integrated Waste Management Source and Use of Funds Statement). (Ongoing costs: \$4,700,000)

<b>2. South Bay Water Recycling System Infrastructure Improvements</b>		<b>2,400,000</b>	<b>0</b>
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*Environmental and Utility Services CSA  
Recycled Water Management Core Service  
South Bay Water Recycling Operations and Maintenance Program*

This action provides one-time funding of \$2.4 million from the San José-Santa Clara Treatment Plant Operating Fund for South Bay Water Recycling infrastructure projects, which are needed to implement reliability improvements for existing system infrastructure, as recommended in the 2010 Condition Assessment and 2014 Strategic Master Plan (Master Plan). These analyses provided the recommendations for infrastructure reliability improvements that will maintain the structural integrity of Recycled Water Infrastructure Assets, minimize emergency repair and service disruption, and maximize system efficiency. This additional funding will be sourced solely from recycled water revenue, and will allow implementation of key Master Plan recommendations including, but not limited to, Valve Repair and Replacement, Communications and Control Upgrades, and Pump Station Retrofits. (Ongoing costs: \$0)

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>3. Iron Salt Dosing Station</b></p> <p><i>Environmental and Utility Services CSA Wastewater Management Core Service San José-Santa Clara Treatment Plant Operations and Maintenance Program</i></p> <p>This action provides ongoing funding from the San José-Santa Clara Treatment Plant Operating Fund for the purchase of ferric chloride and polymer year-round, needed for continuous dosing of raw sewage to control the emission of hydrogen sulfide in digester gas, which will improve the primary treatment process, and as regulated per Title V (Clean Air Act) and monitored by Bay Area Air Quality Management. These chemicals will be used at the Iron Salt and Polymer Dosing Station at the Water Pollution Control Plant, which is currently under construction and scheduled to be operational in July 2017. (Ongoing costs: \$881,000)</p>		<b>881,000</b>	<b>0</b>
<p><b>4. Single-Family Dwelling Junk Pick-Up Program</b></p> <p><i>Environmental and Utility Services CSA Recycling and Garbage Services Core Service Residential Solid Waste Collection Services Program</i></p> <p>This action provides ongoing funding of \$450,000 from the Integrated Waste Management Fund to allow unlimited three-item junk pick-up collections for Single-Family Dwellings, beginning January 1, 2018. This reflects an increase from the two collections (six items total) per year currently allowed. With this expansion of service, the city-wide Neighborhood Clean-Up Program events, as described in the Planning, Building and Code Enforcement Department section of this document, are also proposed to be eliminated and permanently replaced with BeautifySJ Days events, as included later in this section. Because participation and tons collected at city-wide Neighborhood Clean-Up Program events, which only occurred in each neighborhood once every three years, have been declining in recent years, the shifting of resources to allow for unlimited curb-side junk pick-up will result in more effective and efficient collection of unwanted items, and it is anticipated that allowing more individual junk pick-ups will decrease illegal dumping throughout the City. Additionally, BeautifySJ Days clean-up events have been shown to be a more popular and effective use of funding for the City's beautification efforts. (Ongoing costs: \$900,000)</p>		<b>450,000</b>	<b>0</b>
<p><b>5. Water Pollution Control Plant Filter Maintenance</b></p> <p><i>Environmental and Utility Services CSA Wastewater Management Core Service San José-Santa Clara Treatment Plant Operations and Maintenance Program</i></p> <p>This action provides funding from the San José-Santa Clara Treatment Plant Operating Fund to rehabilitate up to four of the 16 tertiary filters used in the normal course of wastewater treatment and recycled water production as part of a multi-year effort. Replacing the filter media in these large specialized filters are critical in the sewage treatment process, as they remove any remaining suspended solids before the disinfection process and subsequent discharge to the San Francisco Bay. These dual media filters require replacement every ten years; the first group of four filters was approved to be replaced in 2015-2016. (Ongoing costs: \$0)</p>		<b>400,000</b>	<b>0</b>

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>6. Municipal Water System Billing System Licensing</b>  <i>Environmental and Utility Services CSA</i> <b>Potable Water Delivery Core Service</b> <i>Municipal Water System Operations and Maintenance Program</i>		<b>298,000</b>	<b>0</b>
<p>This action provides one-time funding of \$298,000 from the Water Utility Fund to keep the Municipal Water System's old billing system software license active throughout 2017-2018. Due to the transition to the new Customer Information System 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 originally budgeted beyond 2015-2016. However, use of the old system has been necessary in 2016-2017, and is likely to be needed beyond that timeframe to fully access past records, as necessary. (Ongoing costs: \$0)</p>			
<b>7. Stormwater Treatment Inspection Program Staffing</b>	<b>2.00</b>	<b>295,861</b>	<b>0</b>
<i>Environmental and Utility Services CSA</i> <b>Stormwater Management Core Service</b> <i>Stormwater Enforcement Program</i>			

This action adds 1.0 Senior Environmental Inspector and 1.0 Environmental Inspector II positions, effective September 1, 2017, funded by the Storm Sewer Operating Fund, to comply with the City's Stormwater National Pollutant Discharge Elimination System (NPDES) Permit requirements by creating and implementing a Stormwater Treatment Measure (STM) Inspection Program (Program). The addition of inspection staff to levels commensurate with the capacity demands necessary to develop and implement a STM (a.k.a. "green infrastructure") inspection program will meet prescriptive regulatory-required minimum inspection frequencies and case-closure timelines amidst a rapidly expanding (public and private) STM inventory; ensure proper operation and maintenance of all STMs installed within San José in perpetuity and reduce pollution and erosion in City's waterways; and develop and maintain comprehensive and consistent protocols and procedures for STM inspections that encompass the increasing types and numbers of STMs installed as part of new and redevelopment projects in San José. (Ongoing costs: \$245,458)

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. <b>Water Pollution Control Plant Capital Improvement Program Staffing</b>	3.00	289,029	0

***Environmental and Utility Services CSA  
Wastewater Management Core Service***

*San José-Santa Clara Treatment Plant Capital Project Delivery, and San José-Santa Clara Treatment Plant Operations and Maintenance Programs*

This action adds 1.0 Principal Engineer position, effective August 1, 2017, funded by the San José-Santa Clara Treatment Plant Operating and Capital Funds, to the Water Pollution Control Plant (WPCP) Capital Improvement Program Engineering Division to support the delivery of the \$1.4 billion 10-year capital improvement program. This position will provide technical leadership and direct oversight of the Facilities Package, which consists of several large infrastructure projects with a combined total estimate of \$250 million. Projects to be completed under this package will improve operational reliability, efficiency, and flexibility; reduce maintenance and emergency repair burdens on operations and maintenance staff; enhance worker environment and safety; and protect the environment. These projects are essential for efficient and safe operations at the WPCP, and serve to provide important connectivity between the various unit treatment processes and support virtually every operational area at the WPCP.

Also, this action adds 3.0 Wastewater Operator III positions, effective September 1, 2017, funded by the San José-Santa Clara Treatment Plant Operating Fund, and deletes 1.0 Wastewater Mechanical Supervisor II position at the WPCP for construction and commissioning activities 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: \$353,113)

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>9. San José Environmental Sustainability Plan Implementation Staffing</b>	2.00	282,038	306,030

***Environmental and Utility Services CSA  
 Recycling and Garbage Services Core Service  
 Potable Water Delivery Core Service  
 Wastewater Management Core Service  
 Stormwater Management Core Service  
 Sustainability and Environmental Health Core Service***

*Recycling and Garbage Services Administration, Municipal Water System Operations and Maintenance, Facility Land Use and Planning, Stormwater Policy and Compliance, Environmental Compliance and Safety, and Policy, Legislative Advocacy, and Education Programs*

This action adds 1.0 Deputy Director (as the City’s Chief Sustainability Officer (CSO)) and 1.0 Public Information Representative II positions, effective January 1, 2018, funds existing support staff (0.25 Environmental Services Program Manager position), and adds additional non-personal/equipment funding of \$158,000 to develop and implement the San José Environmental Sustainability Plan (ESP). The CSO will coordinate implementation of the ESP measures related to energy, water, and mobility, and will lead the pursuit of partnerships, grants, and other funding opportunities to advance the ESP. While these positions and funding are being added to the General Fund, 2017-2018 and 2018-2019 costs will be covered by the PG&E Step Up and Power Down award from 2016-2017. Other funding sources will be aggressively pursued to minimize future General Fund obligations for ESP implementation. (Ongoing costs: \$253,875)

<b>10. Illegal Dumping Rapid Response Team Staffing</b>	4.00	276,326	(11,837)
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***Environmental and Utility Services CSA  
 Recycling and Garbage Services Core Service  
 Civic/Other Solid Waste Collection Services Program***

This action adds 4.0 Maintenance Worker II (MWII) positions, effective September 1, 2017, and two trucks to the Illegal Dumping Rapid Response Team (IDRRT). Two of the MWII positions will be funded from the General Fund, offset by a reduction of contractual funding, while the other two MWII positions and the two trucks will be funded from the Integrated Waste Management Fund. The IDRRT was first created in 2015-2016 to provide a more concerted city-wide response to illegal dumping and divert materials from landfills. This team responds to all reports of materials not in the public right-of-way (73 percent of calls). In addition, the IDRRT coordinates all city-wide illegal dumping-related activities, including hot spot cleanup, coordination with contracted haulers, work with the Transportation Department on residential/commercial street sweeping and public right-of-way response, and coordination with the City’s Homeless Encampment Team. Adding four MWIIs to the team will:

- Have an immediate impact on response time. The current response time of the IDRRT is 5 days; the proposed additions will improve the response time average to approx. 1-2 days.
- Allow the IDRRT to more than double its preventative maintenance efforts of performing neighborhood sweeps and hot-spot routes six days/week.
- Expand the City’s use of the Santa Clara County Weekend Work Program, which provides critical augmentation to the IDRRT by transforming a single City staff member into a multi-person illegal dumping response crew.

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**10. Illegal Dumping Rapid Response Team Staffing**

- Allow for more cost-effective preventive maintenance to be conducted on Saturdays by using a City crew in place of contractor staff, by re-directing General Fund non-personal/equipment contractual services funding to provide for the addition of two of the four MWII positions. It is estimated that a two-person City crew can complete three times the preventive maintenance routes on Saturdays (600 hot spots/month compared to 200 hot spots/month) at approximately the same cost that is currently being used for contracted work. (Ongoing costs: \$181,591)

<b>11. Baykeeper Consent Decree Compliance Program</b>	<b>0.00</b>	<b>250,000</b>	<b>122,049</b>
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***Environmental and Utility Services CSA  
Recycled Water Management Core Service  
Stormwater Management Core Service***

*South Bay Water Recycling Operations and Maintenance, Stormwater Enforcement, and Stormwater Policy and Compliance Programs*

This action shifts funding of 0.50 Environmental Services Program Manager position in the South Bay Water Recycling program in the Water Resources Division to the Watershed Protection Division (split equally between the Storm Sewer Operating Fund and the General Fund) and adds funding of \$250,000 to support compliance with the Consent Decree between the City and San Francisco Baykeeper. The position will plan, track, and actively facilitate the implementation of the terms of the 10-year settlement; provide technical support on the assessment of stormwater revenue alternatives; and ensure continued alignment of relevant activities and compliance with the City's Stormwater Permit. The additional funding will provide for revenue evaluation and revenue measure implementation (\$100,000 from the General Fund), as well as development of a Comprehensive Load Reduction Plan (\$150,000 from the Storm Sewer Operating Fund), which will identify the projects and funding levels needed to comply with specific stormwater quality requirements of the Consent Decree and support the City's green infrastructure planning efforts. (Ongoing costs: \$0)

<b>12. BeautifySJ Days</b>		<b>180,000</b>	<b>180,000</b>
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***Environmental and Utility Services CSA  
Recycling and Garbage Services Core Service  
Civic/Other Solid Waste Collection Services Program***

This action makes permanent funding of \$180,000 to provide for neighborhood-led BeautifySJ Days for each of the City's ten Council Districts. Each beautification event averages six - eight 40-cubic yard bins. BeautifySJ days are organized in collaboration with non-profit organizations to divert reusable and electronic items from the waste stream and repurpose otherwise discarded items. As staffing is provided by Council District staff and neighborhood groups, funding will be used for the collection bins, one-day tow-away permits, and other associated equipment needed for the collection of materials. (Ongoing costs: \$180,000)

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>13. South Bay Water Recycling Program Staffing</b>	<b>1.00</b>	<b>108,404</b>	<b>0</b>

***Environmental and Utility Services CSA  
Recycled Water Management Core Service  
South Bay Water Recycling Operations and Maintenance Program***

This action provides funding for 1.0 Senior Engineer position, effective September 1, 2017, funded by the San José-Santa Clara Treatment Plant Operating Fund, to lead the South Bay Water Recycling Program (SBWR). The SBWR Strategic Plan and Condition Assessment identified approximately \$45 million in infrastructure and reliability improvements. Due to the range and complexity of the identified projects, a Senior Engineer is required to lead the SBWR engineering team; the position will provide support to operations and maintenance, inspections, and capital improvement teams, and development-related services that ensure optimum operation of existing infrastructure. (Ongoing costs: \$130,085)

<b>14. Storm Water Permit Compliance Staffing</b>	<b>1.00</b>	<b>100,634</b>	<b>19,497</b>
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***Environmental and Utility Services CSA  
Stormwater Management Core Service  
Stormwater Policy and Compliance Program***

This action adds 1.0 Environmental Services Specialist position, effective September 1, 2017, funded by the Storm Sewer Operating Fund and the General Fund, to the Watershed Protection Division to support compliance with the City's Stormwater Permit (permit). The Department is responsible for the oversight of the City's permit which was most recently reissued by the San Francisco Bay Regional Water Quality Control Board (Water Board) under the Federal Clean Water Act in 2015 and became effective in 2016. The new permit builds on the previous permit, with several additional requirements in many of the provisions. The permit specifies actions necessary to reduce the discharge of pollutants into the municipal separate storm sewer system to protect local creeks and the Bay. The permit identifies trash as a highly visible pollutant of concern and the Water Board has listed many San José creeks, including Coyote Creek and the Guadalupe River as being impaired by trash. The new position would specifically be assigned to support the growing needs of existing and new permit requirements necessary to meet the permit-specified trash load reduction milestones of 70% by 2017 and 80% by 2019, with the goal of 100% reduction by 2022. The City is currently estimated to reach 72% reduction in 2016-2017, with a target of 75% in 2017-2018.

This position will refine the City's program planning and implementation for trash reduction in high impacted areas to ensure the City achieves mandatory trash reduction goals set forth in the permit, conduct field work and visual assessments of areas serviced by trash capture devices in accordance with the permit, and coordinate the implementation of the Trash Receiving Water Monitoring Plan and mapping of private impervious areas greater than 10,000 square-feet to support ongoing monitoring of areas that are equipped with full trash capture and/or control systems. Additional duties for this position will include coordination of the new Direct Discharge Program and support of ongoing cleanup activities at creeks and at the 32 trash hot spots around the City. (Ongoing costs: \$116,980)

# Environmental Services Department

## Budget Changes By Department

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
15. Geographic Information System Staffing	1.00	80,495	0

***Environmental and Utility Services CSA***

***Potable Water Delivery Core Service***

***Recycled Water Management Core Service***

*Municipal Water System Operations and Maintenance, and South Bay Water Recycling Operations and Maintenance Programs*

This action adds 1.0 Geographic Systems Specialist position, effective September 1, 2017, from the Water Utility Fund and the San José-Santa Clara Treatment Plant Operating Fund, to provide Geographic Information System (GIS) support to the Municipal Water System and the Water Pollution Control Plant. This position will provide continued support for data migration and will be required to integrate, store, edit, analyze, share, and display geographic information for informed decision making. The position will also support ongoing data management, provide coordination with planners and development staff, perform quality control and assurance, disseminate data over the internet, and provide key support for GIS data migration. (Ongoing costs: \$93,594)

16. Nine Par Landfill Groundwater Remediation		80,000	0
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***Environmental and Utility Services CSA***

***Sustainability and Environmental Health Core Service***

*Environmental Compliance and Safety Program*

This action provides funding from the San José-Santa Clara Treatment Plant Operating Fund to retain an environmental consultant to implement the first year of a full-scale remediation of the contaminated groundwater at the former Nine Par Landfill. During the redevelopment of the former Nine Par Landfill for construction of the Zero Waste to Energy Development (ZWED) Facility, groundwater contaminated with solvents was discovered on the northern portion of the landfill in 2011. The contamination was reported to the State Regional Water Quality Control Board (RWQCB), which then asked the City to remediate the contamination. For the past several years, the Department has performed investigations to determine the extent of contamination and piloted a remediation study to determine effective cleanup technology. Over the next five years, the Department plans to implement full-scale remediation of the contaminated groundwater. The full-scale remediation will include installation of approximately 30 to 60 groundwater wells where the organic substrate will be injected and then monitored for efficiency. In 2017-2018, funds will be used for pre-remediation investigations and to develop a work plan; funding for future work efforts will be brought forward when estimates for those years are better known. (Ongoing costs: \$0)



# Environmental Services Department

## Budget Changes By Department



2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>17. Water Pollution Control Plant Vehicle Lease Buy-Outs</b>  <i>Environmental and Utility Services CSA                      Wastewater Management Core Service                      San José-Santa Clara Treatment Plant Operations and Maintenance Program</i>  This action provides funding for the Water Pollution Control Plant (WPCP) Capital Improvement Program (CIP) and Operations and Maintenance (O&M) Divisions from the San José-Santa Clara Treatment Plant Operating Fund to buy out four electric vehicle leases currently set to expire in June 2017, which is a less expensive option than purchasing new cars. The four electric vehicles have been assigned to the WPCP on a pilot basis since 2014 and currently serve as pool vehicles among staff located there. These vehicles support CIP and O&M staff day-to-day engineering, field, and administration work and provide staff with a readily available vehicle to attend meetings at various offsite locations, such as City Hall and the Central Service Yard, as well as perform field work and participate in field construction meetings in and around the WPCP's operational area. (Ongoing costs: \$0)	0	40,000	0
<b>18. Water Pollution Control Plant Fats, Oils, and Grease Commercial Inspection Program Funding Shift</b>  <i>Environmental and Utility Services CSA                      Wastewater Management Core Service                      Pretreatment Program</i>  This action shifts funding for 6.0 Environmental Inspector I/II, 1.0 Assistant Environmental Inspector, 1.0 Senior Environmental Inspector, and 0.5 Environmental Services Program Manager positions that support the Fats, Oils, and Grease (FOG) Commercial Inspection Program for Food Service Establishments (FSEs) at the Water Pollution Control Plant (WPCP) from the San José-Santa Clara Treatment Plant Operating Fund to the Sewer Service and Use Charge Fund, reflecting a re-focus of the program from the service area of the San José-Santa Clara Water Pollution Control Plant to the City's Sanitary Sewer Collection System. Of these 8.5 positions, three Environmental Inspector I/II positions will help address the backlog of inspections in San José in 2017-2018 and will be limit-dated through June 30, 2018. Following an audit by the U.S. Environmental Protection Agency of the City's Sewer System Management Plan in 2010, the City revamped its FOG Program to focus on the sanitary sewer collection system and prioritize and modify FSE inspections using a Sanitary Sewer Overflow (SSO) risk-based approach, which has resulted in a 74% reduction in SSOs in San José since then. Additionally, an evaluation of the FOG Program in 2016-2017 concluded that it has minimal benefit to the WPCP, but rather is of significant benefit to the sanitary sewer collection system. As a result, it is recommended that the FOG Program as it relates to the WPCP (including the City of Santa Clara and the tributary agencies) be discontinued, and funded solely through the City's Sewer Service and Use Charge Fund. The Statement of Source and Use of Funds for the San José-Santa Clara Treatment Plant Operating Fund will also reflect a decrease in reimbursements from those agencies. (Ongoing savings: \$514,988)	0.00	0	0
<b>2017-2018 Proposed Budget Changes Total</b>	<b>14.00</b>	<b>11,111,787</b>	<b>615,739</b>

# Environmental Services Department

## Performance Summary

### Sustainability and Environmental Health

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 (Energy) % of energy used at the Water Pollution Control Plant that is renewable	39%	38%	39%	40%
 (Water) % of Municipal Water System customers demonstrating water conservation knowledge <sup>1</sup>	85%	N/A <sup>1</sup>	N/A	88%

<sup>1</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

#### Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
City-Wide Renewable Energy Generation	31%	33%	33%	35%

# Environmental Services Department

## Performance Summary

### Potable Water Delivery

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of water samples meeting or surpassing State and federal water quality standards	99.9%	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 <sup>1</sup>	76%	<100%	77%	<100%
 % of customer service requests handled within 24 hours <sup>2</sup>	N/A	N/A <sup>2</sup>	N/A <sup>2</sup>	75%
 % of MWS customers rating service as good or excellent, based on reliability, water quality, and responsiveness <sup>2</sup>	N/A	N/A <sup>2</sup>	N/A <sup>2</sup>	75%

<sup>1</sup> San José water retailers include San José Water Company and Great Oaks Water Company.

<sup>2</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

#### Activity and Workload Highlights






	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Millions of gallons of water delivered per year to MWS customers	6,280	6,800	7,013	7,274
Total number of MWS customers	26,412	27,150	26,567	27,165

# Environmental Services Department

## Performance Summary

### Recycled Water Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Millions of gallons of recycled water delivered annually	4,451	4,509	4,668	4,953
 % 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 <sup>1</sup>	19%	19%	19%	19%
 Cost per million gallons of recycled water delivered	\$1,396	\$1,873	\$1,817	\$2,399
 % of recycled water customers rating service as good or excellent based on reliability, water quality, and responsiveness <sup>2</sup>	78%	N/A <sup>2</sup>	N/A	80%

<sup>1</sup> 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.

<sup>2</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

#### Activity and Workload Highlights



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of South Bay Water Recycling customers	818	840	855	865

# Environmental Services Department

## Performance Summary

### Recycling and Garbage Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 # of household hazardous waste disposal appointments available for San José				
- Residents	13,866	11,500	15,083	16,500
- Small Businesses	412	380	122	200
 % of customers rating recycling and garbage services as good or excellent, based on reliability, ease of system use, and lack of disruption <sup>1</sup>				
- Single-Family Dwelling	86%	N/A <sup>1</sup>	N/A <sup>1</sup>	90%
- Multi-Family Dwelling	67%	N/A <sup>1</sup>	N/A <sup>1</sup>	75%
- Commercial Facilities	N/A	N/A <sup>1</sup>	N/A <sup>1</sup>	75%

<sup>1</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total tons of residential solid waste diverted from landfills	332,317	361,400	362,090	395,000
Total tons of residential solid waste landfilled	137,096	141,002	136,836	106,000
Total number of residential households served	321,284	330,012	322,420	325,000
Average # of residential pickups not completed as scheduled per week <sup>1</sup>	118	250	90	100





<sup>1</sup> Pickups are completed the next day.

# Environmental Services Department

## Performance Summary

### Stormwater Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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 <sup>1</sup>	69%	N/A <sup>1</sup>	N/A <sup>1</sup>	70%
 % of trash reduced from the storm sewer system <sup>2</sup>	53%	70%	72%	75%
 % of Stormwater violations identified at industrial/commercial facilities resolved within ten business days	96%	99%	94%	99%

<sup>1</sup> Data for this measure is collected on a biennial basis via survey. The next survey is scheduled for 2017-2018. No survey will be conducted in 2016-2017.

<sup>2</sup> The next regulatory goal for trash load reduction is 80% by 2019.

#### Activity and Workload Highlights






	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Tons of trash/litter collected by City led creek cleanup efforts	1,090	799	679	1,134

# Environmental Services Department

## Performance Summary

### Wastewater Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Millions of gallons per day discharged to the Bay during average dry weather season State order: 120 mgd or less <sup>1</sup>	69 mgd	<120 mgd	73 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	0	0	0	0
 % of significant industrial facilities in consistent compliance with federal pretreatment requirements	91.85%	90.00%	93.00%	90.00%
 Cost per million gallons treated	\$1,375	\$1,580	\$1,517	\$1,542

<sup>1</sup> 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

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Average millions of gallons per day treated	94	93	100	100
Total population in service area <sup>1</sup>	1,452,122	1,461,033	1,469,252	1,486,603

<sup>1</sup> 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	2016-2017 Adopted	2017-2018 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	14.00	14.00	-
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	22.00	22.00	-
Associate Engineering Technician	10.00	10.00	-
Associate Environmental Services Specialist	3.00	3.00	-
Biologist	3.00	3.00	-
Chemist	9.00	9.00	-
Cross Connection Specialist	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	5.00	6.00	1.00
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	38.00	39.00	1.00
Environmental Inspector, Assistant	5.00	5.00	-
Environmental Inspector, Senior	5.00	6.00	1.00
Environmental Laboratory Manager	1.00	1.00	-
Environmental Laboratory Supervisor	3.00	3.00	-
Environmental Services Program Manager	8.00	8.00	-
Environmental Services Specialist	39.00	40.00	1.00
Environmental Sustainability Manager	1.00	1.00	-
Geographic Systems Specialist II	2.00	3.00	1.00
Groundswoker	1.00	1.00	-
Heavy Equipment Operator	5.00	5.00	-
Industrial Electrician	9.00	9.00	-
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	13.00	13.00	-
Laboratory Technician I/II	13.00	13.00	-
Maintenance Superintendent	1.00	0.00	(1.00)
Maintenance Supervisor	2.00	0.00	(2.00)
Maintenance Worker I	1.00	1.00	-
Maintenance Worker II	2.00	6.00	4.00
Microbiologist	1.00	1.00	-
Network Engineer	2.00	2.00	-



# Environmental Services Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Network Technician I/II/III	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	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Construction Inspector	1.00	1.00	-
Principal Engineer/Architect	3.00	4.00	1.00
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	-
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	15.00	1.00
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 Maintenance Worker	3.00	3.00	-
Senior Office Specialist	10.00	10.00	-
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	0.00	(3.00)
Staff Specialist	8.00	8.00	-
Staff Technician	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Supervising Environmental Services Specialist	16.00	15.00	(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	31.00	31.00	-
Wastewater Mechanical Supervisor I/II	7.00	6.00	(1.00)
Wastewater Operations Foreperson I/II	20.00	20.00	-
Wastewater Operations Superintendent I/II	7.00	7.00	-
Wastewater Operator I/II/III	33.00	36.00	3.00
Wastewater Senior Mechanic I/II	11.00	11.00	-
Water Meter Reader	3.00	0.00	(3.00)

# Environmental Services Department

## Departmental Position Detail

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<b>Position</b>	<b>2016-2017 Adopted</b>	<b>2017-2018 Proposed</b>	<b>Change</b>
Water Systems Assistant Operator I/II	0.00	3.00	3.00
Water Systems Operations Foreperson I/II	0.00	3.00	3.00
Water Systems Operations Manager	0.00	1.00	1.00
Water Systems Operations Superintendent I/II	0.00	2.00	2.00
Water Systems Operator I/II/III	0.00	9.00	9.00
Water Systems Technician	9.00	0.00	(9.00)
<b>Total Positions</b>	<b>540.00</b>	<b>552.00</b>	<b>12.00</b>

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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

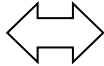
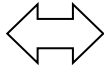
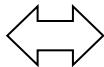
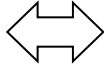
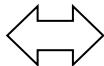
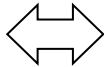
#### **Treasury Management**

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		Program
<b>Disbursements:</b> <i>Facilitate timely and accurate payment of the City's financial obligations</i>		<ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Payroll</li> </ul>
<b>Financial Reporting:</b> <i>Provide accurate and meaningful reporting on the City's financial condition</i>		<ul style="list-style-type: none"> <li>• General Accounting</li> <li>• Special Accounting</li> </ul>
<b>Purchasing and Risk Management:</b> <i>Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets</i>		<ul style="list-style-type: none"> <li>• Purchasing</li> <li>• Risk Management</li> </ul>
<b>Revenue Management:</b> <i>Bill and collect the City's resources to enhance the City's financial condition</i>		<ul style="list-style-type: none"> <li>• Accounts Receivable</li> <li>• Business Tax</li> <li>• Revenue Audit and Compliance</li> <li>• Utility Billing System</li> </ul>
<b>Treasury Management:</b> <i>Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition</i>		<ul style="list-style-type: none"> <li>• Banking Management</li> <li>• Cashiering and Payment Processing</li> <li>• Debt Management</li> <li>• Investment Management</li> </ul>
<b>Strategic Support:</b> <i>Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, and Administrative Support</i>		<ul style="list-style-type: none"> <li>• Finance Management and Administration</li> <li>• Finance Successor Agency to the Redevelopment Agency Administration</li> </ul>

# Finance Department

## Department Budget Summary

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### Expected 2017-2018 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.
- 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.

### 2017-2018 Key Budget Actions

- Adds 1.0 Senior Accountant position dedicated to the PeopleSoft payroll, time and labor, and absence management modules of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project. This position will provide continuous support and testing of the system to ensure data integrity.
- Adds one-time funding for a consultant to assist the Finance Department in updating the City's current disaster cost recovery manual to ensure consistency with federal legislation and that all FEMA requirements and guidelines are included so that all reimbursable costs can be recovered.
- Adds 1.0 temporary Deputy Director in the Finance Department's Purchasing Division for three months for succession planning.
- Adds ongoing funding of \$60,000 for the acquisition and implementation of Request for Proposal (RFP) software to streamline the City's purchasing process for contractual services in response to audit recommendations.
- Eliminates the transfer to the General Fund from the Community Facilities Revenue Fund in the amount of \$32,960 for insurance expenses for the Hayes Mansion property. This also realigns portions of two Finance positions that support Hayes Mansion activities to other departmental work. This is contingent upon the sale of the Hayes Mansion, anticipated in June 2017.

### 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

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Disbursements	n/a	n/a	n/a	\$ 2,169,850
Financial Reporting	n/a	n/a	n/a	2,247,610
Purchasing and Risk Management	n/a	n/a	n/a	3,312,621
Revenue Management	n/a	n/a	n/a	6,985,163
Treasury Management	n/a	n/a	n/a	18,847,854
Strategic Support	n/a	n/a	n/a	2,276,848
Strategic Support - Other	n/a	n/a	n/a	59,089,612
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,929,558</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 15,291,439	\$ 16,337,086	\$ 16,620,769	\$ 16,772,674
Overtime	71,480	48,615	48,615	48,615
Subtotal Personal Services	<u>\$ 15,362,919</u>	<u>\$ 16,385,701</u>	<u>\$ 16,669,384</u>	<u>\$ 16,821,289</u>
Non-Personal/Equipment	1,455,711	2,265,193	1,232,865	1,392,864
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 16,818,630</b>	<b>\$ 18,650,894</b>	<b>\$ 17,902,249</b>	<b>\$ 18,214,153</b>
<b>Other Costs *</b>				
Finance Funds Debt/ Financing Costs	n/a	n/a	n/a	\$ 64,144,000
Finance Other Departmental - City-Wide				9,934,040
Other	n/a	n/a	n/a	2,637,365
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 76,715,405</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,929,558</b>
<b>Dollars by Fund</b>				
City Hall Debt Service Fund	n/a	n/a	n/a	\$ 26,225,000
Community Facilities Rev Fnd	n/a	n/a	n/a	51,294
Conv Cntr Fac Dist Rev Fund	n/a	n/a	n/a	14,382,000
Emergency Reserve Fund	n/a	n/a	n/a	200,000
General Fund	n/a	n/a	n/a	47,023,314
Ice Centre Revenue Fund	n/a	n/a	n/a	4,481,071
Integrated Waste Mgmt	n/a	n/a	n/a	1,101,269
Low/Mod Income Hsg Asset	n/a	n/a	n/a	103,219
PW Program Support	n/a	n/a	n/a	56,156
Sewer Svc & Use Charge	n/a	n/a	n/a	630,176
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	348,235
Storm Sewer Operating	n/a	n/a	n/a	36,056

# Finance Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Fund</b>				
Water Utility	n/a	n/a	n/a	266,016
Capital Funds	n/a	n/a	n/a	25,752
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,929,558</b>
<b>Authorized Positions by Core Service</b>				
Disbursements	n/a	n/a	n/a	16.00
Financial Reporting	n/a	n/a	n/a	14.00
Purchasing and Risk Management	n/a	n/a	n/a	17.00
Revenue Management	n/a	n/a	n/a	42.00
Treasury Management	n/a	n/a	n/a	20.00
Strategic Support	n/a	n/a	n/a	9.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>118.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use Statements elsewhere in this document.

# Finance Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Disbursements</b>					
Accounts Payable	n/a	n/a	n/a	\$ 41,407	
Payroll	n/a	n/a	n/a	2,128,443	16.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,169,850</b>	<b>16.00</b>
<b>Financial Reporting</b>					
General Accounting	n/a	n/a	n/a	\$ 2,053,562	12.00
Special Accounting	n/a	n/a	n/a	194,048	2.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,247,610</b>	<b>14.00</b>
<b>Purchasing and Risk Management</b>					
Purchasing	n/a	n/a	n/a	\$ 2,298,924	15.00
Risk Management	n/a	n/a	n/a	1,013,697	2.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,312,621</b>	<b>17.00</b>
<b>Revenue Management</b>					
Accounts Receivable	n/a	n/a	n/a	\$ 2,521,423	14.00
Business Tax	n/a	n/a	n/a	86,771	
Revenue Audit and Compliance	n/a	n/a	n/a	2,951,085	20.00
Utility Billing System	n/a	n/a	n/a	1,425,884	8.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 6,985,163</b>	<b>42.00</b>
<b>Treasury Management</b>					
Banking Management	n/a	n/a	n/a	\$ 1,859,582	
Cashiering and Payment Processing	n/a	n/a	n/a	919,946	8.00
Debt Management	n/a	n/a	n/a	14,967,026	5.00
Investment Management	n/a	n/a	n/a	1,101,300	7.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 18,847,854</b>	<b>20.00</b>
<b>Strategic Support</b>					
Finance Successor Agency to the Redevelopment Agency Administration	n/a	n/a	n/a	\$ 261,658	3.00
Finance Management and Administration	n/a	n/a	n/a	2,015,190	6.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,276,848</b>	<b>9.00</b>
<b>Strategic Support - Other *</b>					
Finance Capital	n/a	n/a	n/a	-	
Finance Gifts	n/a	n/a	n/a	-	



# Finance Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Strategic Support - Other * (Cont'd.)</b>					
Finance Other Departmental - Grants	n/a	n/a	n/a	-	
Finance Other Departmental - City-Wide	n/a	n/a	n/a	\$ 6,875,000	
Finance Other Operational - Administration	n/a	n/a	n/a	2,437,365	
Finance Overhead	n/a	n/a	n/a	15,247	
Finance Transfers	n/a	n/a	n/a		
Finance Funds Debt/ Financing Costs	n/a	n/a	n/a	49,762,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 59,089,612</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,929,558</b>	<b>118.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use Statements elsewhere in this document.

# Finance Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>117.00</b>	<b>18,650,894</b>	<b>15,996,565</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Cash Management Technology Enhancements and Internal Financial Controls Evaluation		(377,000)	(377,000)
• General Liability Claims - Self-Insurance Actuarial Study		(80,000)	(80,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(457,000)</b>	<b>(457,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations: - 1.0 Administrative Assistant to 1.0 Staff Technician - 1.0 Program Manager II to 1.0 Principal Accountant - 1.0 Financial Analyst to 1.0 Senior Analyst		458,947	546,529
• Vacancy factor		(174,263)	(174,263)
• Business Tax System maintenance		36,771	36,771
• PRAG financial advisory consultant services		21,000	21,000
• Financial software upgrades and maintenance		15,900	15,900
• Reallocation of Non-Personal/Equipment funding to the Information Technology Department for Human Resources/ Payroll/Budget Systems maintenance		(600,000)	(600,000)
• Banking Services (Reallocation to City-Wide)		(49,000)	(49,000)
• Professional development program		(1,000)	(1,000)
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>(291,645)</b>	<b>(204,063)</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>117.00</b>	<b>17,902,249</b>	<b>15,335,502</b>
<b>Budget Proposals Recommended</b>			
1. Finance Department Information Systems Staffing	1.00	102,904	102,904
2. Disaster Cost Recovery Manual Update		100,000	100,000
3. Request for Proposal Software		60,000	60,000
4. Purchasing Division Management Succession Planning		49,000	49,000
<b>Total Budget Proposals Recommended</b>	<b>1.00</b>	<b>311,904</b>	<b>311,904</b>
<b>2017-2018 Proposed Budget Total</b>	<b>118.00</b>	<b>18,214,153</b>	<b>15,647,406</b>

# Finance Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>1. Finance Department Information Systems Staffing</b></p> <p><i>Strategic Support CSA Disbursements Core Service Payroll Program</i></p> <p>This action adds 1.0 Senior Accountant position, effective September 2017, dedicated to the newly upgraded PeopleSoft payroll, time and labor, and absence management modules of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project, and will provide continuous support and testing of the system to ensure data integrity. The Senior Accountant will create test plans, scripts, and procedures on how to approach periodic updates of the system, document any issues, and identify appropriate business solutions. This position will also be responsible for ensuring the PeopleSoft modules correctly account for FLSA changes. (Ongoing costs: \$102,904)</p>	1.00	102,904	102,904
<p><b>2. Disaster Cost Recovery Manual Update</b></p> <p><i>Strategic Support CSA Financial Reporting Core Service General Accounting Program</i></p> <p>This action adds one-time funding of \$100,000 for consulting services to update and modernize the City's disaster cost recovery manual. The Government Finance Officers Association recommends governing bodies update their disaster cost recovery manual every three years; however, the City's disaster cost recovery program has not been updated since 1999. Updates to the federal legislation as part of the Sandy Recovery Improvement Act of 2013 also must be incorporated into the City's policies and procedures. The consultant will identify procedures to be modified and ensure all FEMA requirements and guidelines are included, better positioning the City to maintain the appropriate documentation to recover all reimbursable costs. (Ongoing costs: \$0)</p>		100,000	100,000
<p><b>3. Request for Proposal Software</b></p> <p><i>Strategic Support CSA Purchasing and Risk Management Core Service Purchasing Program</i></p> <p>This action adds ongoing funding of \$60,000 for Request for Proposal (RFP) software, managed by the Finance Department's Purchasing Division. Once acquired, Purchasing staff will create and maintain templates in this tool to guide departments in creating a successful RFP. An audit of the City's current procurement process was conducted and recommendations were made to evaluate the current procurement resources. This RFP software will offer departments a step-by-step guide of what information is needed and will streamline the City's current process. Funding for the first year will allow the City to procure the software, and the ongoing funding will pay for subscription and maintenance costs. (Ongoing costs: \$60,000)</p>		60,000	60,000

# Finance Department

## **Budget Changes By Department Personal Services and Non-Personal/Equipment**

<b>Proposed Budget Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>4. Purchasing Division Management Succession Planning</b>		<b>49,000</b>	<b>49,000</b>
<i>Strategic Support CSA Purchasing and Risk Management Core Service Purchasing Program</i>			
<p>This action adds a temporary Deputy Director position for three months to help oversee the Finance Department's Purchasing Division and document procedures to allow for succession planning in this division. This position is responsible for the oversight of the City's procurement process for supplies, materials, equipment, information technology, and non-professional services. (Ongoing costs: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>1.0</b>	<b>311,904</b>	<b>311,904</b>

# Finance Department







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## Performance Summary

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### Disbursements

#### *Performance Measures*

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of disbursements paid accurately and timely	90%	93%	93%	93%
 % of reimbursements paid to employees accurately and timely	98%	100%	100%	100%
 % of payroll disbursements paid accurately and timely	96%	100%	100%	100%
 % of disbursements paid to vendors accurately and within 30 days	76%	79%	79%	79%
 Cost per payment	\$9.81	\$9.90	\$8.79	\$9.02
 Average number of days from invoice date to check issuance	27	27	27	27

#### *Activity and Workload Highlights*



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of payments made	248,855	250,162	254,626	260,537
Vendor invoices paid	79,417	80,000	81,800	84,253

# Finance Department

## Performance Summary

### Financial Reporting

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of financial reports that are produced accurately and timely	98%	98%	98%	98%
 Cost per financial report	\$582	\$577	\$601	\$601

#### Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of financial reports provided	3,300	3,413	3,491	3,666

# Finance Department

## Performance Summary

### Purchasing and Risk Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of cost savings achieved through the centralized purchasing process	5%	6%	7%	6%
 Cost of purchasing services as a percentage of the total dollars procured	1.58%	1.71%	1.75%	1.80%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	64%	100%	80%	80%
- 26 business days for POs > \$10K and ≤ \$100K	63%	100%	80%	80%
- 38 business days for POs > \$100K and ≤ \$250K	60%	100%	80%	80%
- 83 business days for POs > \$250K and ≤ \$1.0M	96%	100%	95%	95%
- 108 business days for POs > \$1.0M	100%	100%	85%	85%
 Percentage of contracts processed for insurance clearance within five days of receipt	81%	76%	75%	75%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total dollars procured	\$127.8M	\$127.6M	\$132.5M	\$135.9M
Total cost savings achieved through the centralized purchasing process	\$6.6M	\$8.0M	\$9.6M	\$8.0M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	428	458	471	458
- 26 business days for POs > \$10K and ≤ \$100K	438	486	482	486
- 38 business days for POs > \$100K and ≤ \$250K	65	71	72	71
- 83 business days for POs > \$250K and ≤ \$1.0M	48	43	53	43
- 108 business days for POs > \$1.0M	8	5	9	5
Total insurable value of the City's assets	\$3.9B	\$3.9B	\$3.9B	\$4.1B
Total number of contracts processed for insurance clearance	598	450	550	550

# Finance Department


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## Performance Summary

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### Revenue Management


#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Return on Investment: - Business Tax and Accounts Receivable	5.70	5.50 <sup>1</sup>	7.55 <sup>2</sup>	5.50

<sup>1</sup> Lower Business Tax and Accounts Receivable collection balances due to use of staff for Business Tax and Accounts Receivable System Implementation.

<sup>2</sup> 2016-2017 Estimated ROI is calculated as an average of the 2014-2015 Actual ROI and the 2015-2016 Actual ROI.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast <sup>1</sup>	2016-2017 Estimated <sup>1</sup>	2017-2018 Forecast <sup>1</sup>
 City's Aging Accounts Receivable Balance				
Current Receivables:				
0 - 30 days	\$2,356,356	\$2,779,276	\$2,659,514	\$2,507,935
31 - 60 days	\$1,410,171	\$2,945,519	\$2,367,624	\$1,888,898
61 - 90 days	\$2,658,663	\$566,170	\$1,609,267	\$2,133,965
Delinquent Receivables:				
91 - 120 days	\$5,210,432	\$713,982	\$389,589	\$300,010
121 - 365 days	\$2,632,746	\$3,192,570	\$2,982,984	\$2,807,865
366 - 730 days	\$5,080,150	\$9,677,981	\$9,512,042	\$7,296,096
731 - 999+ days	\$16,558,576	\$14,706,008	\$15,620,555	\$16,089,566

<sup>1</sup> 2016-2017 Forecast has been updated to reflect Business Tax aging receivable balances that were not previously included, including the Marijuana Business Tax.



# Finance Department




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## Performance Summary

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### Treasury Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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)	0.864%  0.433% 0.698%	.890%  N/A <sup>1</sup> N/A <sup>1</sup>	1.120%  0.682% 0.894%	1.350%  N/A <sup>1</sup> N/A <sup>1</sup>
 Cost of Investment Program as a percentage of the City's total investment portfolio	0.054%	0.055%	0.048%	0.051%

<sup>1</sup> 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

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total debt portfolio managed	\$4.446B	\$4.278B	\$4.188B	\$4.428B
Total of the City's investment portfolio	\$1.356B	\$1.350B	\$1.472B	\$1.472B

# Finance Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	0.00	(1.00)
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	8.00	-
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	4.00	(1.00)
Investigator Collector I/II	12.00	12.00	-
Investment Officer	1.00	1.00	-
Office Specialist	5.00	5.00	-
Principal Account Clerk	4.00	4.00	-
Principal Accountant	4.00	5.00	1.00
Program Manager I	3.00	3.00	-
Program Manager II	1.00	0.00	(1.00)
Risk Manager	1.00	1.00	-
Senior Account Clerk	15.00	15.00	-
Senior Accountant	7.00	8.00	1.00
Senior Analyst	4.00	5.00	1.00
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	1.00	1.00	-
Staff Specialist	2.00	2.00	-
Staff Technician	0.00	1.00	1.00
Supervising Accountant	1.00	1.00	-
<b>Total Positions</b>	<b>117.00</b>	<b>118.00</b>	<b>1.00</b>

# Fire Department

Curtis P. Jacobson, Fire Chief

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**T**o 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*

### **City-Wide Emergency Management**

Lead efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies

### **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

### **Fire Prevention**

Educate the community to reduce injuries, loss of life, and property damage from fires and other accidents; investigate fire cause; and 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, Equipment/Facilities, Information Technology, Strategic Planning, Multilingual Services, Safety/Wellness, and Training

# Fire Department

## Service Delivery Framework

Core Service		Program
<p><b>City-Wide Emergency Management:</b>  <i>Lead efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies</i></p>		<ul style="list-style-type: none"> <li>• Emergency Preparedness and Planning</li> <li>• Emergency Response and Recovery</li> </ul>
<p><b>Emergency Response:</b>  <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</i></p>		<ul style="list-style-type: none"> <li>• Fire and Emergency Medical Services Dispatch</li> <li>• Fire and Emergency Medical Services Response</li> <li>• Fire Stations/Apparatus Operations and Maintenance</li> <li>• Fire Sworn Training</li> <li>• Special Operations - Hazardous Incident Team</li> <li>• Special Operations - Urban Search and Rescue</li> <li>• Special Operations Airport Rescue &amp; Fire Firefighting</li> </ul>
<p><b>Fire Prevention:</b>  <i>Educate the community to reduce injuries, loss of life, and property damage from fires and other accidents; investigate fire cause; and provide regulatory enforcement of fire and hazardous materials codes through inspection activities</i></p>		<ul style="list-style-type: none"> <li>• Fire Cause Investigation</li> <li>• Fire Safety Education, Review, and Inspections</li> </ul>
<p><b>Fire Safety Code Compliance:</b>  <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"> <li>• Fire Development Services</li> </ul>
<p><b>Strategic Support:</b>  <i>Administration, Equipment/Facilities, Information Technology, Strategic Planning, Multilingual Services, Safety/Wellness, and Training</i></p>		<ul style="list-style-type: none"> <li>• Fire Management and Administration</li> <li>• Fire Financial Management</li> <li>• Fire Human Resources</li> <li>• Fire Information Technology</li> </ul>

# Fire Department

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

- Continues 1.0 Analyst II ongoing in the Office of Emergency Services (OES) to provide financial and grants management and adds one-time non-personal/equipment funding of \$265,000 to support OES and the Emergency Operations Center in the development or updating of plans to better prepare the City for a major event or disaster.
- Adds 1.0 Fire Prevention Inspector and overtime for after hours inspections to improve non-mandated and assemblies inspection performance, and non-personal/equipment funding for an annual two-week Fire Inspector Academy to the Fire Department Non-Development Fee Program. These resources will be offset by a recommended increase to Fire's Non-Development fees.
- Adds one-time non-personal/equipment contractual funding of \$150,000 to assist the Fire Department in identifying and advocating for the most promising emergency medical services (EMS) service delivery model in the City of San José and County of Santa Clara 911 EMS Provider Agreement contract negotiations.
- Adds one-time funding of \$130,000 to continue the Community Emergency Response Team (CERT) training program, adding 12 more 20-hour monthly neighborhood trainings.
- Adds one-time non-personal/equipment funding of \$114,000 to the Fire Development Fee Program to replace two inspector vehicles taken out of service due to extensive maintenance needs and to purchase 30 tablets and accessories for mobile fire inspection services. 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.
- Adds 1.0 Network Engineer, limit-dated to June 2019, to provide additional support to implement Emergency Medical Services technology projects and maintain emergency communication equipment, such as mobile computers/phones in fire apparatus.
- Eliminates one of the two annually budgeted Fire Fighter Recruit Academies for one year. With the current and projected Fire sworn vacancies, it is projected that only one Fire Fighter Recruit Academy will be necessary in 2017-2018.

### Operating Funds Managed

N/A

# Fire Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
City-Wide Emergency Mng	n/a	n/a	n/a	\$ 1,121,223
Fire Dept Emergency Resp	n/a	n/a	n/a	198,529,854
Fire Prevention	n/a	n/a	n/a	5,122,969
Fire Safety Code Compliance	n/a	n/a	n/a	5,355,568
Fire Strategic Support	n/a	n/a	n/a	6,888,874
Fire Strategic Support - Other	n/a	n/a	n/a	<del>189,688,146</del>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 230,551,614</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 169,607,296	\$ 185,201,229	\$ 200,561,863	\$ 199,932,131
Overtime	11,665,529	9,592,816	9,755,000	9,755,000
Subtotal Personal Services	<b>\$ 181,272,825</b>	<b>\$ 194,794,045</b>	<b>\$ 210,316,863</b>	<b>\$ 209,687,131</b>
Non-Personal/Equipment	8,577,629	8,619,517	8,230,902	8,923,317
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 189,850,454</b>	<b>\$ 203,413,562</b>	<b>\$ 218,547,765</b>	<b>\$ 218,610,448</b>
<b>Other Costs *</b>				
Fire Capital	n/a	n/a	n/a	\$ 3,400,000
Fire Gifts	n/a	n/a	n/a	16,826
Fire Other Departmental - City-Wide	n/a	n/a	n/a	8,524,340
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 11,941,166</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 230,551,614</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 230,000,288
Fire Const/Convey Tax Fd	n/a	n/a	n/a	534,500
Gift Trust Fund	n/a	n/a	n/a	16,826
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 230,551,614</b>
<b>Authorized Positions by Core Service</b>				
City-Wide Emergency Mng	n/a	n/a	n/a	4.50
Fire Dept Emergency Resp	n/a	n/a	n/a	731.98
Fire Prevention	n/a	n/a	n/a	18.10
Fire Safety Code Compliance	n/a	n/a	n/a	24.77
Fire Strategic Support	n/a	n/a	n/a	31.93
Fire Strategic Support - Other	n/a	n/a	n/a	13.20
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>824.48</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement.

# Fire Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>City-Wide Emergency Management</b>					
Emergency Preparedness & Planning	n/a	n/a	n/a	1,121,223	4.50
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,121,223</b>	<b>4.50</b>
<b>Fire Department Emergency Response</b>					
Fire & Emergency Medical Services Dispatch	n/a	n/a	n/a	7,266,965	46.48
Fire & Emergency Medical Services Response	n/a	n/a	n/a	177,929,053	664.55
Fire Stations/Apparatus Oper & Maintenance	n/a	n/a	n/a	5,824,293	0.50
Fire Sworn Training	n/a	n/a	n/a	3,838,364	8.45
Special Operations - Airport Rescue & Fire Fighting	n/a	n/a	n/a	2,987,555	11.34
Special Operations - Hazardous Incident Team	n/a	n/a	n/a	364,178	0.33
Special Operations - Urban Search & Rescue	n/a	n/a	n/a	319,446	0.33
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 198,529,854</b>	<b>731.98</b>
<b>Fire Prevention</b>					
Fire Cause Investigation	n/a	n/a	n/a	1,274,474	4.25
Fire Safety Education, Review & Inspections	n/a	n/a	n/a	3,848,495	13.85
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,122,969</b>	<b>18.10</b>
<b>Fire Safety Code Compliance</b>					
Fire Development Services	n/a	n/a	n/a	5,355,568	24.77
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,355,568</b>	<b>24.77</b>
<b>Fire Strategic Support - Community and Economic Development CSA</b>					
Fire Management and Administration	n/a	n/a	n/a	1,169,210	8.66
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,169,210</b>	<b>8.66</b>
<b>Fire Strategic Support - Public Safety CSA</b>					
Fire Financial Management	n/a	n/a	n/a		
Fire Human Resources	n/a	n/a	n/a	162,582	
Fire Information Technology	n/a	n/a	n/a	1,715,415	7.45
Fire Management & Admin	n/a	n/a	n/a	3,841,667	15.82
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,719,664</b>	<b>23.27</b>

# Fire Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Fire Strategic Support - Other *</b>					
Fire Capital	n/a	n/a	n/a	3,825,161	3.28
Fire Gifts	n/a	n/a	n/a	16,826	
Fire Workers' Compensation	n/a	n/a	n/a	8,300,000	
Fire Other Departmental - Grants	n/a	n/a	n/a	224,340	
Fire Other Operational - Administration	n/a	n/a	n/a	1,166,799	9.92
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 13,533,126</b>	<b>13.20</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 230,551,614</b>	<b>824.48</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement.



**Fire Department**  
**Budget Reconciliation**  
**Personal Services and Non-Personal/Equipment**  
**(2016-2017 Adopted to 2017-2018 Proposed)**

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>822.48</b>	<b>203,413,562</b>	<b>202,884,192</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Fire Engineer Academy		(122,000)	(122,000)
• Office of Emergency Services (1.0 Analyst)	(1.00)	(500,000)	(500,000)
• Emergency Preparedness		(130,000)	(130,000)
• Fire Development Fee Program		(100,000)	(100,000)
• Restoration of Fire Engines 30 and 34/Squad Unit Staffing Realignment		(90,000)	(90,000)
• Enterprise Asset Management Team Support and Portable Generators Replacement		(81,000)	(81,000)
• Emergency Mass Warning Study and Pilot Program		(42,000)	(42,000)
• Fire Department Strategic Diversity Recruitment		(20,000)	(20,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(1.00)</b>	<b>(1,085,000)</b>	<b>(1,085,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		15,821,834	15,926,043
• Emergency response overtime		162,184	162,184
• Vacancy factor		(149,380)	(149,380)
• Automated external defibrillator (AED) maintenance		23,000	23,000
• Personal Protective Equipment		15,000	15,000
• Reallocation of non-personal/equipment funding from the Public Works Department for AED maintenance		6,000	6,000
• Pulse Point software		3,000	3,000
• Vehicle operations and maintenance		280,000	280,000
• Water		35,065	35,065
• Gas and electricity		23,000	23,000
• Professional development program		(500)	(500)
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>16,219,203</b>	<b>16,323,412</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>821.48</b>	<b>218,547,765</b>	<b>218,122,604</b>

**Fire Department**  
**Budget Reconciliation**  
**Personal Services and Non-Personal/Equipment**  
**(2016-2017 Adopted to 2017-2018 Proposed)**

	Positions	All Funds (\$)	General Fund (\$)
<b>Budget Proposals Recommended</b>			
1. Fire Non-Development Fee Program	1.00	281,172	281,172
2. Office of Emergency Services Disaster Preparedness		265,000	265,000
3. Emergency Medical Services Service Delivery Model Analytical Support		150,000	150,000
4. Community Emergency Response Team Training Program		130,000	130,000
5. Fire Development Fee Program		114,000	114,000
6. Emergency Medical Services Response Time Improvement Technology Staffing	1.00	109,339	0
7. Office of Emergency Services Analytical Staffing	1.00	82,523	82,523
8. Communications Installation Staffing		20,415	20,415
9. Fire Fighter Recruit Academy Elimination		(1,089,766)	(1,089,766)
<b>Total Budget Proposals Recommended</b>	<b>3.00</b>	<b>62,683</b>	<b>(46,656)</b>
<b>2017-2018 Proposed Budget Total</b>	<b>824.48</b>	<b>218,610,448</b>	<b>218,075,948</b>

# Fire Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Fire Non-Development Fee Program	1.00	281,172	281,172

**Public Safety CSA**  
**Fire Prevention Core Service**  
*Fire Safety Education, Review, and Inspections Program*

The actions included in this section, funded by fee activity, support the Fire Non-Development Fee Program by improving service levels with moderate fee increases as described in the 2017-2018 Fees and Charges document.

- **Program Staffing:** This action adds 1.0 Fire Prevention Inspector, effective September 1, 2017, an associated vehicle and other non-personal/equipment (\$30,000), and overtime (\$57,000) for after hours inspections in the Fire Department's Non-Development Fee Program, offset by recommended increases in Fire Non-Development fee revenue. The addition of this position and overtime funding is expected to improve non-mandated and assemblies inspection performance from the projected 2016-2017 levels, with the percentage of non-mandated inspections completed increasing from approximately 48% to 80%, and assemblies inspections increasing from 82% to 100%. State mandated inspections (for both Bureau of Fire Prevention staff and line personnel) are expected at approximately 100%.
- **Fire Prevention Inspector Academy:** This action adds funding for an annual two-week comprehensive Fire Inspector Academy, offset by Fire Non-Development fee revenue. This Academy will allow Fire Inspectors to gain operational knowledge and understanding of inspection protocols to include initial/re-inspections, documentation, use of technological equipment, time reporting procedures, and familiarization of laws/statutes/ordinances in inspection activities. This academy will also help address staff turnover in this Program. (Ongoing costs: \$291,407)

2. Office of Emergency Services Disaster Preparedness		265,000	265,000
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**Public Safety CSA**  
**City-Wide Emergency Management Core Service**  
*Emergency Preparedness and Planning Program*

This action adds one-time non-personal/equipment funding of \$265,000 to support the Office of Emergency Services and the Emergency Operations Center. These funds will allow for the development of the following:

- Recovery Plan – this plan will increase the community's resilience to the impacts of a major event or disaster and better prepare the City to manage long-term recovery and redevelopment;
- Debris Management Plan – this plan will address the City's capabilities to facilitate and coordinate the management of debris caused by an emergency and comply with State and federal disaster guidelines;
- Crisis Communications Plan – this plan will augment the City's current communications organization, procedures, and resources by developing pre-scripted alerts, warnings, response and recovery messaging;
- Donations and Volunteer Plans – these plans will document the tremendous successes of what was accomplished with the most recent flood event, prepare policies and procedures so the recent success can be duplicated and enhanced, while addressing gaps identified; and

# Fire Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**2. Office of Emergency Services Disaster Preparedness**

- Damage Assessment Plan – this plan will outline City staff and stakeholder roles, responsibilities, authority, policies, and procedures to guide post-disaster assessment of damage to public and private property including residential housing units, commercial buildings, infrastructure, utilities, and public facilities, and shelter inventory to develop an inventory of sites (i.e. City facilities, non-profit organizations, and churches) that could be activated as shelters considering accessibility for those with mobility issues, animals, food service, and dormitory capabilities with the goal to identify at least five locations in each City Council District.

(Ongoing costs: \$0)

<b>3. Emergency Medical Services Service Delivery Model Analytical Support</b>	<b>150,000</b>	<b>150,000</b>
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**Public Safety CSA**  
**Strategic Support – Public Safety Core Service**  
*Fire Management and Administration Program*

This action adds one-time non-personal/equipment funding of \$150,000 for resources to assist the Fire Department in identifying and advocating for the most promising EMS service delivery model in the upcoming City of San Jose and County of Santa Clara 911 EMS Provider Agreement contract negotiations. The City and County of Santa Clara continue to work together to improve EMS response in the City of San Jose through a combination of service delivery improvements and technology enhancements. However, despite recent City investments and efforts to improve performance, there is more work to do to consistently exceed the 8-minute response time standard at least 90 percent of the time. In upcoming negotiations with the County, the City has the opportunity to encourage the County to consider an alternative EMS model, given the current contract appears inefficient relative to the leading jurisdictions. This funding will assist the Fire Department in identifying and advocating for the most promising delivery model during contract negotiations with the County. (Ongoing costs: \$0)

<b>4. Community Emergency Response Team Training Program</b>	<b>130,000</b>	<b>130,000</b>
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**Public Safety CSA**  
**City-Wide Emergency Management Core Service**  
*Emergency Preparedness and Planning Program*

This action continues one-time non-personal/equipment funding \$130,000 to support the delivery of the Community Emergency Response Team (CERT) training program. The CERT program develops and manages volunteers active in community preparedness prior to, during, and after an emergency. CERT members receive a 20-hour training course in emergency preparedness, disaster fire suppression, disaster medical operations, light search and rescue, and incident management. CERT training enables residents to prepare themselves, families, and neighbors to support the response to and recovery from large-scale, complex emergencies or disasters. With the reinstatement of the CERT Program in 2016-2017, funding was dedicated for 12 courses (one per month) for neighborhood organizations with trainings and materials in English, Spanish, and Vietnamese. This action will allow for the continuation of this effort in 2017-2018 by reaching 12 more neighborhoods with these monthly 20-hour CERT courses. (Ongoing costs: \$0)

# Fire Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Fire Development Fee Program		114,000	114,000

**Community and Economic Development CSA**  
**Fire Safety Code Compliance Core Service**  
*Fire Development Services Program*

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 fee increases.

- **Fire Development Fee Revenue:** Based on a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study, in order to maintain full cost recovery for the Fire Development Fee Program an increase to the hourly rates for Plan Check from \$206 to \$230 and Inspections from \$206 to \$259 is recommended. This rate change, combined with other adjustments to the permit fees, will bring estimated revenue to a total of \$8,645,000 for 2017-2018 compared to the 2017-2018 Base Revenue estimate of \$7,500,000, resulting in a net increase of \$1,145,000. This additional fee revenue will bring the Fire Development Fee Program closer to cost recovery relying less on the use of the reserve.
- **Non-Personal/Equipment:** This action adds one-time non-personal/equipment funding to replace two inspector vehicles that were taken out of service due to extensive maintenance needs and the purchase 30 tablets and accessories for mobile inspections. (Ongoing costs: \$14,000)

While not reflected in this section of the document, other actions partially funded by the Fire Department Development Fee Program include the following:

- **Document Imaging Technology Staffing:** This action adds 1.0 Supervising Applications Analyst position and associated non-personal/equipment to support the Development Services document imaging technology projects (total cost: \$122,482, Fire Development Fee Program's portion: \$14,698). The Imaging and Support Team uses multiple systems and software programs to input, store, and retrieve documents. The position will provide the needed management and coordination to complete the conversion to a new electronic content management system. Following the conversion, the position will maintain and coordinate continuous improvements to the imaging system, and establish process and procedures to seamlessly integrate electronic documents provided to the City by the outside scanning vendor or by customers using electronic plan review. In addition, this position will assist with assimilating data to and from the new Integrated Permitting System and assist management in evaluating process improvements such as cloud storage, bar coding, disaster recovery planning, as well as the most effective way to download and view vendor and customer provided documents. (Ongoing costs: \$17,415)
- **Information Technology Department Staffing Realignment:** This action eliminates 1.0 Information Systems Analyst (total savings: \$144,071, Fire Development Fee Program's portion: \$4,320) funded in part by the General Fund Development Fee Programs. The addition of the Information Systems Analyst was intended to support city-wide technology upgrades, including Virtual Desktop Infrastructure (VDI) and operating system upgrade to Windows 10. With an anticipated reduction in the scope of both projects, the Information Systems Analyst is no longer needed. (Ongoing savings: \$4,320)

# Fire Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**5. Fire Development Fee Program**

Fire Development Fee Program Reserve: This action increases the Fire Development Fee Program Reserve by \$1.1 million (from \$4.8 million to \$5.9 million) as a result of the recommended actions contained in this Proposed Operating Budget. It is important to note that while the recommended budget actions result in an increase of \$1.1 million to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$1.1 million of this reserve, resulting in a Base Budget decrease from \$5.9 million to \$4.8 million.

<b>6. Emergency Medical Services Response Time Improvement Technology Staffing</b>	<b>1.00</b>	<b>109,339</b>	<b>0</b>
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**Public Safety CSA**  
**Strategic Support Core Service**  
*Fire Information Technology Program*

This action adds 1.0 Network Engineer through June 2019, effective October 1, 2017, to provide additional support to implement Emergency Medical Services technology projects, including fire station alert systems (to improve dispatching time) and electronic patient care reporting systems. While an Information Systems Analyst was added in 2016-2017 to support these efforts, additional resources are needed to complete these technology projects that are designed to improve response times. In addition, this position will be responsible for implementation and maintenance of emergency communication equipment such as mobile computers/phones in fire response apparatus. Once these new systems have been implemented, the ongoing maintenance will be managed with existing resources. (Ongoing costs: \$131,206)

<b>7. Office of Emergency Services Analytical Staffing</b>	<b>1.00</b>	<b>82,523</b>	<b>82,523</b>
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**Public Safety CSA**  
**City-Wide Emergency Management Core Service**  
*Emergency Preparedness and Planning Program*

This action continues and makes permanent funding for 1.0 Analyst to provide financial and grants management support to the Office of Emergency Services, including budget development and monitoring, management of grant proposals, grant award processes, program deliverables, reimbursement requests, and grant management audits for various federal and State grants. (Ongoing costs: \$90,025)

<b>8. Communications Installation Staffing</b>		<b>20,415</b>	<b>20,415</b>
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**Public Safety CSA**  
**Fire Department Emergency Response Core Service**  
*Fire Stations/Apparatus Operations and Maintenance Program*

This action provides one-time non-personal/equipment funding for vehicle maintenance and operations costs related to the Communications Installation Staffing budget action, as described in the Public Works Department section of this document. This action continues 1.0 Communications Installer through June 30, 2018 to perform the installation, repair, and maintenance of mobile device units and

# Fire Department

## **Budget Changes By Department Personal Services and Non-Personal/Equipment**

<b>2017-2018 Proposed Budget Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>8. Communications Installation Staffing</b>			
dispatch consoles in preparation of the upcoming transition to the Silicon Valley Regional Communications System. (Ongoing costs: \$0)			
<b>9. Fire Fighter Recruit Academy Elimination</b>		<b>(1,089,766)</b>	<b>(1,089,766)</b>
<i>Public Safety CSA</i>			
<i>Fire Department Emergency Response Core Service</i>			
<i>Strategic Support Core Service</i>			
<i>Fire Sworn Training, Fire Human Resources – Public Safety Programs</i>			
This action eliminates funding for one of two Fire Fighter Recruit Academies budgeted annually, generating savings of \$1.1 million in 2017-2018. Given the current and projected Fire sworn vacancies, only one Fire Fighter Recruit Academy is projected to be necessary in 2017-2018. (Ongoing savings: \$0)			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>3.00</b>	<b>62,683</b>	<b>(46,656)</b>

# Fire Department











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## Performance Summary

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### Emergency Response

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of fires contained: - in room of origin - in structure of origin	70% 90%	85% 90%	75% 93%	85% 90%
 % of hazardous material releases contained to property of origin by Hazardous Incident Team (total # contained)	N/A <sup>1</sup> N/A <sup>1</sup>	80% N/A <sup>1</sup>	N/A <sup>1</sup> N/A <sup>1</sup>	80% N/A <sup>1</sup>
 Average cost of emergency response (budget/# of emergency responses)	\$2,001	\$1,955	\$2,050	\$2,130
 % of response time compliance - Priority 1 (<8 min) - Priority 2 (<13 min)	71% 90%	80% 80%	71% 91%	80% 80%
 % of response time breakdown for Priority 1 - Dispatch time (<2 min) - Turnout time (<2 min) - Travel time (<4 min)	87% 72% 47%	80% 80% 80%	85% 75% 47%	80% 80% 80%
 % of EMS response time compliance - EMS Code 3 (<8 min) - EMS Code 2 (<12 min)	89% 97%	90-95% 90-95%	90% 97%	90-95% 90-95%
 % of arson investigations with determination of cause	47%	65%	65%	65%
 % of inspections not requiring a follow-up inspection	80%	70%	80%	70%
 % of occupancies receiving an inspection <sup>2</sup> : - State-mandated - Assemblies - Non-mandated	78% 82% 48%	100% 100% 80%	78% 82% 48%	100% 100% 80%
 % of code violation complaint investigations initiated within 1 week	98%	100%	100%	100%

<sup>1</sup> The Department continues to review this measure and methodology to more efficiently capture data; an update to this measure and methodology may be presented in the 2018-2019 Proposed Budget.

<sup>2</sup> The Bureau of Fire Prevention continues to review its methodology to ensure accuracy capturing and reporting information. Any changes to methodologies will be submitted during the 2018-2019 Budget process.



# Fire Department

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## Performance Summary

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### Emergency Response

#### *Activity and Workload Highlights*

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
# of SJFD Emergency Incidents Dispatched	87,072	89,000	90,000	93,000
# of Priority 1 SJFD Responses (red lights/sirens)	69,767	71,300	72,000	74,400
# of Priority 2 SJFD Responses (no red lights/sirens)	16,863	17,400	17,400	18,000
# of other SJFD Calls (unclassified)	442	300	600	600
# of Squad Unit Responses	8,489	8,400	9,000	9,500
# of Emergencies by Type Found on Arrival	87,072	89,000	88,000	89,000
# Fires	2,295	2,100	2,300	2,300
- structure fires	404	400	400	400
- vehicle/aircraft fires	343	300	300	300
- vegetation fires	426	400	400	400
- other fires	1,122	1,000	1,200	1,200
- # of medical emergencies	53,658	55,100	55,000	56,000
- # of Rescue, Haz-Mat, USAR and non-fire hazards	6,757	7,200	7,000	7,200
- # of Service Requests & Good Intent	9,792	10,400	10,000	10,200
- # of False Alarm/False Call (malicious)	1,286	1,300	1,000	1,000
- # of No incident, wrong location, cancelled en route	7,364	7,200	6,700	6,300
- # of Uncategorized	5,920	5,700	6,000	6,000
Total estimated property fire loss (x \$1,000)	\$35,470	\$40,000	\$20,000	\$20,000

# Fire Department

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## Performance Summary

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### Fire Prevention

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Target
# of investigations conducted by Arson Unit	192	200	200	200
# of investigations resulting in arson determination	90	120	80	80
Total number of arson fires in structures	48	40	40	40
Total estimated dollar loss due to arson	\$12,193,000 <sup>1</sup>	\$3,500,000	\$4,022,000	\$4,000,000
Arson fires per 100,000 population	9	8	8	8
Plan reviews performed (special events)	388	470	400	400
# of initial inspections conducted by Firefighters:				
- State-mandated	8,975	4,600	9,000	9,000
# of initial inspections conducted by Bureau of Fire Prevention staff <sup>2</sup> :				
- State-mandated	1,218	1,130	1,350	1,500
- Assemblies	1,398	1,450	1,400	1,400
- Non-mandated	2,461	2,650	2,700	3,000
# of re-inspections <sup>2</sup> :				
- State-mandated	845	1,150	900	900
- Assemblies	627	950	800	800
- Non-mandated	790	1,000	1,000	1,000
Total annual permitted occupancies:				
- Hazardous Materials	2,973	2,900	3,000	3,000
- Fire Safety	4,525	4,350	4,500	4,500
# of complaints investigated	62	60	150	150

<sup>1</sup> Significant increase from 2014-2015 estimated loss of \$4.0 million due to approximately \$8.0 million estimated property loss in a strip mall in 2015-2016 due to arson.




<sup>2</sup> The Bureau of Fire Prevention continues to review its methodology to ensure accuracy capturing and reporting information. Any changes to methodologies will be submitted during the 2018-2019 Budget process.

# Fire Department

## Performance Summary

### Fire Safety Code Compliance

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Ratio of fee revenue to Development Fee Program cost (includes reserve funding)	100%	100%	100%	100%
 Selected cycle time measures for Development services:				
- Fire Plan Check processing targets met	90%	92%	90%	90%
- Fire inspections within 24 hours	100%	100%	100%	100%
 % of Development process participants rating service as good or excellent	88%	90%	91%	90%

#### Activity and Workload Highlights



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of new construction and tenant improvement plan checks performed	6,026	5,500	6,100	6,100
# of new construction and tenant improvement inspections performed	8,137	8,000	9,500	9,500

# Fire Department

## Performance Summary

### Strategic Support

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 # of Council Districts with at least 5 community members graduated from the 20-hour San José Prepared! course each year	0	1 <sup>1</sup>	0 <sup>2</sup>	10
 % of City employees trained in the State Mandated Standardized Emergency Management System (SEMS) and National Incident Management System (NIMS) <sup>2</sup>				
Senior Staff	7%	25%	6%	20%
All other City employees	5%	15%	5%	20%

<sup>1</sup> SEMS and NIMS training is provided to all employees every five years and new hires individually through online training.

<sup>2</sup> Successful response to the President's Day Flooding delayed action of these planned activities.

### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of residents completing 20-hour San José Prepared! training annually	0	20 <sup>1</sup>	0 <sup>2</sup>	240
# of residents attending 2 hour San José Prepared! training (short course)	56	0 <sup>1</sup>	0 <sup>1</sup>	0

<sup>1</sup> 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.

<sup>2</sup> Successful response to the President's Day Flooding delayed action of these planned activities.

# Fire Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Account Clerk II	2.00	2.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/ II	7.00	7.00	-
Analyst II C PT	0.00	0.00	-
Arson Investigator	3.00	3.00	-
Assistant Fire Chief	1.00	1.00	-
Associate Engineer	16.00	16.00	-
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	175.00	175.00	-
Fire Chief	1.00	1.00	-
Fire Division Chief	3.00	3.00	-
Fire Engineer	230.00	230.00	-
Fire Equipment Technician	2.00	2.00	-
Fire Fighter	257.00	257.00	-
Fire Prevention Inspector	11.00	12.00	1.00
Hazardous Materials Inspector II	6.00	6.00	-
Information Systems Analyst	2.00	2.00	-
Network Engineer	0.00	1.00	1.00
Network Technician I/II/III	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	4.00	4.00	-
Senior Engineer	4.00	4.00	-
Senior Geographic Systems Specialist	1.00	1.00	-
Senior Office Specialist	2.00	2.00	-
Senior Permit Specialist	3.00	3.00	-
Senior Public Safety Dispatcher	11.00	11.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	3.00	3.00	-
Supervising Applications Analyst	1.00	1.00	-
Supervising Public Safety Dispatcher	3.00	3.00	-
Training Specialist	2.00	2.00	-
<b>Total Positions</b>	<b>822.48</b>	<b>824.48</b>	<b>2.00</b>

**Note:** Of the 824.48 positions in the Fire Department in 2017-2018, 706 are sworn positions and 118.48 are civilian positions.

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# Housing Department

Jacky Morales-Ferrand, Director

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**T**o strengthen and revitalize our community through housing and neighborhood investment

*City Service Area*

**Community and Economic Development**

## *Core Services*

### **Affordable Housing Portfolio Management**

Manage and oversee the City's loan portfolio; provide loan servicing; and administer affordability requirements

### **Affordable Housing Production and Preservation**

Provide financing and technical assistance for the rehabilitation, development, and new construction of affordable apartments through loans and grants; provide homebuyer assistance; and administer Inclusionary and Housing Impact fee programs

### **Homelessness Interventions and Solutions**

Coordinate local and regional efforts to end homelessness; respond to encampment and community concerns; fund supportive services and subsidies for unhoused populations; and create interim and permanent housing opportunities

### **Neighborhood Capital Investment and Housing Services**

Invest in at-risk residents and neighborhoods; provide funding for housing and community development capital projects; and provide support to public service organizations




### **Rent Stabilization and Tenant Protection**

Provide programs and requirements that stabilize rents and that protect tenants in apartments and mobilehome parks; mitigate impacts of displacement; and prevent retaliation

**Strategic Support:** Planning and Policy Development, Public Education, Budget, Financial Management, Computer Services, Clerical Support, Human Resources, and Audit Supervision

# Housing Department



## Service Delivery Framework

Core Service		Program
<p><b>Affordable Housing Portfolio Management:</b>  <i>Manage and oversee the City's loan portfolio; provide loan servicing; and administer affordability requirements</i></p>		<ul style="list-style-type: none"> <li>• Loan Collections</li> <li>• Loan Compliance</li> <li>• Property Maintenance and Inspection</li> <li>• Rent and Tenant Eligibility</li> </ul>
<p><b>Affordable Housing Production and Preservation:</b>  <i>Provide financing and technical assistance for the rehabilitation, development, and new construction of affordable apartments through loans and grants; provide homebuyer assistance; and administer Inclusionary and Housing Impact fee programs</i></p>		<ul style="list-style-type: none"> <li>• Affordable Housing Development Loans</li> <li>• Affordable Housing Impact Fees</li> <li>• Homeownership Opportunities</li> <li>• Inclusionary Housing</li> <li>• Rehabilitation Loans and Grants</li> </ul>
<p><b>Homelessness Interventions and Solutions:</b>  <i>Coordinate local and regional efforts to end homelessness; respond to encampment and community concerns; fund supportive services and subsidies for unhoused populations; and create interim and permanent housing opportunities</i></p>		<ul style="list-style-type: none"> <li>• Homeless Outreach and Case Management</li> <li>• Interim Supportive Housing Development</li> <li>• Joint Encampment Response Team</li> <li>• Local and Regional Coordination/Policy Development to End Homelessness</li> <li>• Tenant Based Rental Assistance and Rapid Rehousing</li> </ul>



# Housing Department

## Service Delivery Framework

Core Service		Program
<p><b>Neighborhood Capital Investment and Housing Services:</b>  <i>Invest in at-risk residents and neighborhoods; provide funding for housing and community development capital projects; and provide support to public service organizations</i></p>		<ul style="list-style-type: none"> <li>• Community Development Block Grant - Infrastructure Investments</li> <li>• Neighborhood Stabilization</li> <li>• Non-Profit Service Grants to Support Housing and Community Development Needs</li> <li>• Place-Based Neighborhood Strategy</li> </ul>
<p><b>Rent Stabilization and Tenant Protection:</b>  <i>Provide programs and requirements that stabilize rents and that protect tenants in apartments and mobilehome parks; mitigate impacts of displacement; and prevent retaliation</i></p>		<ul style="list-style-type: none"> <li>• Apartment Rent Ordinance Administration</li> <li>• Housing Anti-Retaliation and Protection Administration</li> <li>• Mobilehome Rent Ordinance Administration</li> <li>• Tenant Protection Ordinance Administration</li> </ul>
<p><b>Strategic Support:</b>  <i>Planning and Policy Development, Public Education, Budget, Financial Management, Computer Services, Clerical Support, Human Resources, and Audit Supervision</i></p>		<ul style="list-style-type: none"> <li>• Housing Management and Administration</li> <li>• Housing Planning and Policy Development</li> </ul>

# Housing Department

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Assist in the creation and preservation of affordable housing by committing \$28 million to provide financing for 183 newly constructed affordable rental apartments, including up to 88 homeless units and another 95 units for other vulnerable populations.
- Begin implementing the Ellis Act and Tenant Protection Ordinances 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 continue 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:
  - Continuing mobile response services such as street outreach, mobile hygiene services, and inclement weather centers to meet the needs of vulnerable populations throughout the City while also continuing encampment response and deterrent measures;
  - Creating interim housing alternatives, including bridge housing communities, hotel/motel master-leasing or conversion, and other alternative housing types;
  - Overseeing a tenant-based rental assistance program to help working families and individuals transition from homelessness to economic independence;
  - Continue coordinating with Destination: Home, the County of Santa Clara Office of Supportive Housing, the Housing Authority of Santa Clara County, and other community partners on the implementation of regional measures including:
    - The Community Plan to End Homelessness;
    - The “All the Way Home” campaign to end veterans’ homelessness;
    - A homelessness prevention initiative for at-risk families; and
    - An employment initiative for formerly homeless residents in housing programs.
- 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.

### 2017-2018 Key Budget Actions

- Continues 1.0 Senior Development Officer (limit-dated through June 2019) to provide additional capacity to support the Homeless Production Program, including several homeless housing projects.
- Adds 1.0 Information Systems Analyst, 1.0 Senior Analyst, and eliminates 1.0 Senior Development Officer to implement actions approved by the City Council on April 18, 2017 related to the Tenant Protection and Ellis Act Ordinances.
- Makes permanent 1.0 Staff Specialist, funded by the City-Wide Expenses Homeless Response Team appropriation, to assist with homeless encampment services coordination.
- Reallocates 1.0 Senior Development Officer from the City-Wide Homeless Response Team appropriation to the Homeless Rapid Rehousing appropriation, funded by the Multi-Source Housing Fund through June 30, 2019, to better align staff with project needs.

### 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, source of funds, full-time equivalent (FTE) position count, and program name and activity are described. Tenant Based Rental Assistance and Rapid Rehousing

Fund	Source of Funds	Positions (FTE)	Program/Activity
<b>General Fund</b> (Fund 001) Total Fund Budget: \$294,533	General Fund	6.50	Neighborhood Engagement - Implement place-based strategy  Homeless Response Team* - Clean-up homeless encampments - Tenant Based Rental Assistance and Rapid Rehousing  * Funding in City-Wide Expenses
<b>Housing Trust Fund</b> (Fund 440) Total Fund Budget: \$3,602,392	Bond Administration Fees  Tax Credit Review Fees	3.50	Grants for homeless programs/activities
<b>Community Development Block Grant Fund</b> (Fund 441) Total Fund Budget: \$15,471,638	Federal CDBG Funding	7.34	Grant Management - Grants to non-profits - Place-based strategy - Infrastructure - Code Enforcement  Housing Rehabilitation Loans and Grants  Land Acquisition
<b>Home Investment Partnership Program Trust Fund</b> (Fund 445) Total Fund Budget: \$13,144,948	Federal HOME Investment Partnership Funding	0.80	Loans/Grants - 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	Source of Funds	Positions (FTE)	Program/Activity
<b>Multi-Source Housing Fund</b> (Fund 448) Total Fund Budget: \$65,841,628	Other Federal/Entitlement Programs:  Emergency Shelter Grants (ESG)  Housing Opportunities for Persons with AIDS (HOPWA)	1.21	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  Homeless Rapid Rehousing
	Fees from Mobilehome Park Owners/Residents  Fees from Apartment Owners	7.35	Mediation and arbitration services to landlords and tenants living in rent-controlled apartments  Referral and arbitration services to mobilehome owners and mobilehome park owners
	State Funding:  CalHome  BEGIN	1.20	Affordable Homeownership Programs - First Time Homebuyer down payment loans - Home Rehabilitation - Down payment assistance loans

# Housing Department

## Department Budget Summary

Fund	Source of Funds	Positions (FTE)	Program/Activity
<b>Low and Moderate Income Housing Asset Fund</b> (Fund 346) Total Fund Budget: \$95,406,885	Loan Repayments	4.5	Executive Office Information Technology Policy
	Interest		- Data collection and report preparation
	Affordable Housing Impact Fees		- Planning/policy development and support
			- Legislative analysis and advocacy
		2.9	Project Development - Acquisitions - New construction
		16.7	Asset Management – Single Family - Single family loan portfolio management - Homebuyer assistance - Repayments/refinancing - Affordability restriction monitoring - Homeowner transactions
		11.00	Asset Management – Multi-Family - Multi-Family rental portfolio management - Project transactions - Income/rent compliance - Loan repayment collections - Physical building inspections
		3.00	Housing Rehabilitation - Small projects - Acquisition/rehabilitation/resale of single family homes

# Housing Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Affordable Housing Portfolio Development	n/a	n/a	n/a	\$ 1,736,456
Affordable Housing Prod and Preservation	n/a	n/a	n/a	26,998,690
Homelessness Interventions and Solutions	n/a	n/a	n/a	12,089,058
Neighborhood Capital Invst and Housing Services	n/a	n/a	n/a	11,057,209
Rent Stabilization and Tenant Protection	n/a	n/a	n/a	1,397,535
Housing Strategic Support - Community & Economic Development	n/a	n/a	n/a	3,367,178
Housing Strategic Support - Other Community & Economic Development	n/a	n/a	n/a	5,015,836
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 61,661,962</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 7,657,780	\$ 9,176,023	\$ 9,730,529	\$ 9,873,390
Overtime	39,270	24,831	24,831	24,831
Subtotal Personal Services	\$ 7,697,050	\$ 9,200,854	\$ 9,755,360	\$ 9,898,221
Non-Personal/Equipment	1,342,417	1,586,712	1,311,712	1,326,212
<b>Total</b>	<b>\$ 9,039,467</b>	<b>\$ 10,787,566</b>	<b>\$ 11,067,072</b>	<b>\$ 11,224,433</b>
<b>Other Costs *</b>				
Housing Funds Debt/Financing	n/a	n/a	n/a	\$ 1,885,865
Housing Overhead	n/a	n/a	n/a	1,966,760
Housing Other Departmental - City-Wide	n/a	n/a	n/a	7,800,000
Housing Other Departmental - Loans and Grants	n/a	n/a	n/a	35,089,904
Housing Workers' Compensation	n/a	n/a	n/a	100,000
Other	n/a	n/a	n/a	3,595,000
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 50,437,529</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 61,661,962</b>

# Housing Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 4,094,533
Comm Dev Block Grant	n/a	n/a	n/a	12,402,682
Home Invest Partnership	n/a	n/a	n/a	5,453,824
Housing Trust Fund	n/a	n/a	n/a	1,781,611
Low/Mod Income Hsg Asset	n/a	n/a	n/a	26,390,031
Multi-Source Housing	n/a	n/a	n/a	11,539,281
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 61,661,962</b>
<b>Authorized Positions by Core Service</b>				
Affordable Housing Portfolio				
Development	n/a	n/a	n/a	10.00
Affordable Housing Prod and Preservation	n/a	n/a	n/a	11.90
Homelessness Interventions and Solutions	n/a	n/a	n/a	7.50
Neighborhood Capital Invst and Housing Services	n/a	n/a	n/a	10.05
Rent Stabilization and Tenant Protection	n/a	n/a	n/a	7.35
Housing Strategic Support - Community & Economic Development	n/a	n/a	n/a	19.20
Housing Strategic Support - Other Community & Economic Development	n/a	n/a	n/a	0.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>66.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Housing Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Affordable Housing Portfolio Management</b>					
Loan Compliance	n/a	n/a	n/a	\$ 1,736,456	10.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,736,456</b>	<b>10.00</b>
<b>Affordable Housing Production and Preservation</b>					
Affordable Housing Dev Loans	n/a	n/a	n/a	\$ 23,852,717	5.70
Homeownership Opportunities	n/a	n/a	n/a	2,260,000	
Inclusionary Housing Program				338,138	2.00
Rehabilitation Loans and Grants	n/a	n/a	n/a	547,835	4.20
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 26,998,690</b>	<b>11.90</b>
<b>Homeless Interventions and Solutions</b>					
Homelessness Outreach and Case Management Programs	n/a	n/a	n/a	\$ 1,339,058	4.50
Interim Supportive Housing Dev Joint Encampment Response Team	n/a	n/a	n/a	1,600,000	
Tenant Based Rental Assistance and Rapid Rehousing Prog	n/a	n/a	n/a	1,382,607	2.00
	n/a	n/a	n/a	7,767,393	1.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 12,089,058</b>	<b>7.50</b>
<b>Neighborhood Capital Investment and Housing Services</b>					
Community Dev Block Grant Prog - Infrastructure Invest	n/a	n/a	n/a	\$ 7,280,063	7.34
Neighborhood Stabilization Programs	n/a	n/a	n/a	1,000,000	
Non-Profit Service Grants to Support Housing and Community Dev Needs	n/a	n/a	n/a	2,452,613	0.21
Place-Based Neighborhood Strategy	n/a	n/a	n/a	324,533	2.50
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 11,057,209</b>	<b>10.05</b>
<b>Rent Stabilization and Tenant Protection</b>					
Apartment Rent Ordinance Administration	n/a	n/a	n/a	\$ 1,165,715	5.30
Mobile Home Rent Ordinance Administration	n/a	n/a	n/a	231,820	2.05
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,397,535</b>	<b>7.35</b>



# Housing Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program (Cont'd.)</b>					
<b>Housing Strategic Support</b>					
Housing Management & Administration	n/a	n/a	n/a	\$ 3,048,819	16.70
Housing Planning & Policy Dev	n/a	n/a	n/a	318,359	2.50
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,367,178</b>	<b>19.20</b>
Housing Capital	n/a	n/a	n/a	0	0.00
Housing Funds Debt/Financing	n/a	n/a	n/a	\$ 1,885,865	
Housing Gifts	n/a	n/a	n/a	0	
City-Wide	n/a	n/a	n/a	0	
Housing Other Departmental - Grants	n/a	n/a	n/a	80,000	
Housing Other Operational - Administration	n/a	n/a	n/a	983,211	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,015,836</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 61,661,962</b>	<b>66.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Housing Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>65.00</b>	<b>10,787,566</b>	<b>326,593</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Outreach Materials and Technology Needs		(95,000)	0
• Housing Loan Portfolio Management		(190,000)	0
• Modified Apartment Rent Ordinance Implementation		(100,000)	0
• Homeless Project Development (1.0 Senior Development Officer)	(1.00)		0
• Santee Neighborhood Community Services		(80,000)	0
• Santee Neighborhood Code Legal Support		(60,000)	(60,000)
• Homeless Encampment Service Coordination and Bio Waste Staffing (1.0 Staff Specialist)	(1.00)	0	0
<b>One-Time Prior Year Expenditures Subtotal:</b>	<b>(2.00)</b>	<b>(525,000)</b>	<b>(60,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		554,506	27,940
• Consulting services		250,000	0
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>804,506</b>	<b>27,940</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>63.00</b>	<b>11,067,072</b>	<b>294,533</b>
<b>Budget Proposals Recommended</b>			
1. Housing Production Program - Homeless Projects	1.00	155,322	0
2. Rental Rights and Referrals Program - Tenant Protection Ordinance and Ellis Act Ordinance Housing Staffing	1.00	2,039	0
3. Homeless Services Staff Realignment	1.00	0	0
<b>Total Budget Proposals Recommended</b>	<b>3.00</b>	<b>157,361</b>	<b>0</b>
<b>2017-2018 Proposed Budget Total</b>	<b>66.00</b>	<b>11,224,433</b>	<b>294,533</b>

# Housing Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Housing Production Program – Homeless Projects</b>  <i>Community and Economic Development CSA Affordable Housing Production and Preservation Core Service Affordable Housing Development Loans Program</i>  This action continues 1.0 Senior Development Officer position, funded by the Low and Moderate Income Housing Asset Fund, through June 30, 2019 to enable the Housing Production Program to advance several homeless housing projects. The projects include Evans Lane Interim Housing development, Balbach and Mesa/Gallup sites, the Villas, Quetzal Apartments, and others still in development. (Ongoing costs: \$155,322)	1.00	155,322	0
<b>2. Rental Rights and Referrals Program – Tenant Protection Ordinance and Ellis Act Ordinance Housing Staffing</b>  <i>Community and Economic Development CSA Rent Stabilization and Tenant Protection Core Service Apartment Rent Ordinance Administration, Mobile Home Rent Ordinance Administration Programs</i>  Offset by Rental Rights and Referral fee revenues, this action adds 1.0 Information Systems Analyst through June 2018, adds 1.0 Senior Analyst ongoing, and eliminates 1.0 Senior Development Officer to support the expanded Rental Rights and Referral Program that will administer the Modified Apartment Rent Ordinance, a new Tenant Protection Ordinance, and a local Ellis Act Ordinance. On April 18, 2017, the City Council directed staff to return with a revised Tenant Protection Ordinance (TPO) and an Ellis Act Ordinance. The TPO will provide all tenants with just cause protections from no-cause evictions. The Ellis Act Ordinance will provide relocation benefits for residents displaced due to removal of apartments from the market under the Ellis Act. The Information Systems Analyst position will develop and support the new technology configurations that are needed to track apartment unit lease non-renewals and evictions. The position will also create an on-line Rent Registry system that will facilitate the effective implementation of rent limits established in the Modified Apartment Rent Ordinance. The Senior Analyst will develop communications materials in multiple languages and oversee the daily interactions with owners and tenants. In addition, a proposal is included in the City Attorney’s Office to add 1.0 Sr. Deputy City Attorney to support the expanded rental housing program. (Ongoing savings: \$111,760)	1.00	2,039	0
<b>3. Homeless Services Staff Realignment</b>  <i>Community and Economic Development CSA Homelessness Interventions and Solutions Core Service Joint Encampment Response Team Program</i>  This action makes permanent a 1.0 Staff Specialist, funded by the City-Wide Expenses Homeless Response Team appropriation. The position was added as a limit-dated position through June 30, 2017 in the 2016-2017 Adopted Budget to coordinate encampment clean-ups and secure contractual services for the disposal of bio-waste from homeless encampments. Because there is an ongoing need for these services and this position has been instrumental in performing this work, this Staff Specialist position is now recommended to be ongoing. Additionally, this action reallocates 1.0 Senior Development Officer from the City-Wide Homeless Response Team appropriation to the	1.00	0	0

# Housing Department

## **Budget Changes By Department Personal Services and Non-Personal/Equipment**

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<b>2017-2018 Proposed Budget Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>3. Homeless Services Staff Realignment</b>			
Homeless Rapid Re-Housing appropriation, funded by the Multi-Source Housing Fund through June 30, 2019, to align with the work performed by this position, which includes management and coordination of rapid rehousing funding, strategies, and programs designed to connect homeless and formerly homeless individuals with services and subsidies necessary with the transition to self-sufficiency and economic independence. (Ongoing costs: \$0)			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>3.00</b>	<b>157,361</b>	<b>0</b>



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# Housing Department

## Performance Summary

### Community Development and Investment

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Reduction in the number of homeless individuals from prior two years <sup>1</sup>	707	500	100	165
 % of tenant/landlord mediations that resulted in mutual agreement	81%	88%	78%	90%

<sup>1</sup> This number is collected on a biennial basis.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Estimated number of homeless individuals <sup>1</sup> :				
- chronically homeless	1,409	1,300	1,250	1,300
- non-chronically homeless	2,654	2,600	2,550	2,600
# of homeless individuals who secured new permanent housing:				
- chronically	145	200	250	300
- non-chronically	749	700	700	700
# of unduplicated mobilehome and apartment clients served by the Rental Rights and Referrals Program	3,493 <sup>2</sup>	2,500	1,825	2,600

<sup>1</sup> This number is collected on a biennial basis.





<sup>2</sup> Increase was due to the Apartment Rent Ordinance modification

# Housing Department

## Performance Summary

### Housing Development and Preservation

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of annual target achieved for production of affordable housing/# of units	194% (136)	100% (211)	166% (350)	100% (183)
 % of all rehab program funds that are loaned versus granted	100%	100%	90%	90%
 Cumulative ratio of non-City funds to City funds over the last five years in the New Construction Program	3.72:1	2.60:1	2.86:1	2.60:1
 % of rehabilitation and mobilehome clients satisfied or very satisfied based on overall service	N/A <sup>1</sup>	85%	90%	85%

<sup>1</sup> The Department did not receive any survey feedback from its clients

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of homebuyer loans closed:				
- CalHome BEGIN	13	15	20	4
- Other downpayment assistance	16	10	23	8
Total	29	25	43	12
# of unduplicated households assisted by the homebuyer program <sup>1</sup>	17	15	23	15
# of affordable housing units completed in the fiscal year	280	171	458 <sup>2</sup>	313
Average per-unit subsidy in funding commitments for new construction projects (\$)	\$114,016	\$200,000	\$178,199	\$255,000
# of rehabilitation projects completed:				
- Rehabilitation projects	4	10	5	10
- Minor repair	259	140	160	175
Total	263	150	165	185

<sup>1</sup> Some homebuyers received multiple loans.





<sup>2</sup> The increase in affordable housing units estimated to be completed in 2016-2017 includes non-subsidized affordable housing, which were not included in the 2016-2017 Target.

# Housing Department

## Performance Summary

### Neighborhood Development and Stabilization

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of CDBG-funded projects meeting all stated outcomes:				
- City projects	80%	90%	90%	90%
- Non-City projects	86%	90%	90%	90%
 % of CDBG invoices processed within 30 days of receipt of all required documentation	98%	90%	95%	90%
 % of CDBG contracts completed by July 1	0%	80%	0% <sup>1</sup>	70%
 % of all non-mobilehome rehabilitation project funds approved within place-based neighborhoods	0%	20%	25% <sup>2</sup>	25% <sup>1</sup>

<sup>1</sup> Due to delays in the Request for Proposals (RFP) process, no contracts were completed by July 1, 2016; however, approximately 50% of the contracts are expected to be completed by July 1, 2017.

<sup>2</sup> The non-mobilehome rehabilitation program, which was set to be completed, was temporarily reactivated to assist with flood efforts. The majority of the flooded areas were within place-based neighborhoods.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of single family Loan Management transactions (refinances, subordinations, assumptions, payoffs)	120	120	160	120
# of non-mobilehome rehabilitation projects completed in targeted neighborhood areas	2	4	4	6 <sup>1</sup>



<sup>1</sup> The non-mobilehome rehabilitation program, which was set to be completed, was temporarily reactivated to assist with flood efforts. The majority of the flooded areas were within place-based neighborhoods.

# Housing Department

## Performance Summary

### Strategic Support

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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	76%	80%	65% <sup>1</sup>	75%

<sup>1</sup> Due to vacancies within the department, inspection staff was unavailable for the majority of the year.

### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Size of Housing Department loan portfolio by category:				
Total loan principal (\$):				
1. Project Loans	718,904,916	665,115,000	672,300,000	687,000,000
2. Rehabilitation Loans	14,000,000	15,000,000	13,000,000	10,000,000
3. Homebuyer Loans	68,500,000	70,000,000	63,000,000	55,000,000
Total	801,404,916	750,115,000	748,300,000	752,000,000
Total number of loans:				
1. Project Loans	172	180	174	172
2. Rehabilitation Loans	365	300	320	275
3. Homebuyer Loans	1,544	1,225	1,100	900
Total	2,081	1,705	1,594	1,347
# of major projects in loan portfolio inspected annually				
- Projects	114	85	12 <sup>1</sup>	50
- Units	1,698	1,550	261	930
# of City facilitated affordable rental units	15,934	17,500	17,912	18,225
# of deed restricted for-sale homes	1,750	1,750	1,750	1,750

<sup>1</sup> Due to vacancies within the department, inspection staff was unavailable for the majority of the year.



# Housing Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	9.00	9.00	-
Building Rehabilitation Inspector II	3.00	3.00	-
Building Rehabilitation Supervisor	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	2.00	2.00	-
Development Officer	10.00	10.00	-
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	2.00	2.00	-
Information Systems Analyst	0.00	1.00	1.00
Office Specialist II	3.00	3.00	-
Program Manager II	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	0.00	1.00	1.00
Senior Development Officer	8.00	7.00	(1.00)
Senior Systems Applications Programmer	1.00	1.00	-
Staff Specialist	6.00	6.00	-
Student Intern PT	1.00	1.00	-
<b>Total Positions</b>	<b>65.00</b>	<b>66.00</b>	<b>1.00</b>

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# Human Resources Department

Joe Angelo, Director

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**T**o 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

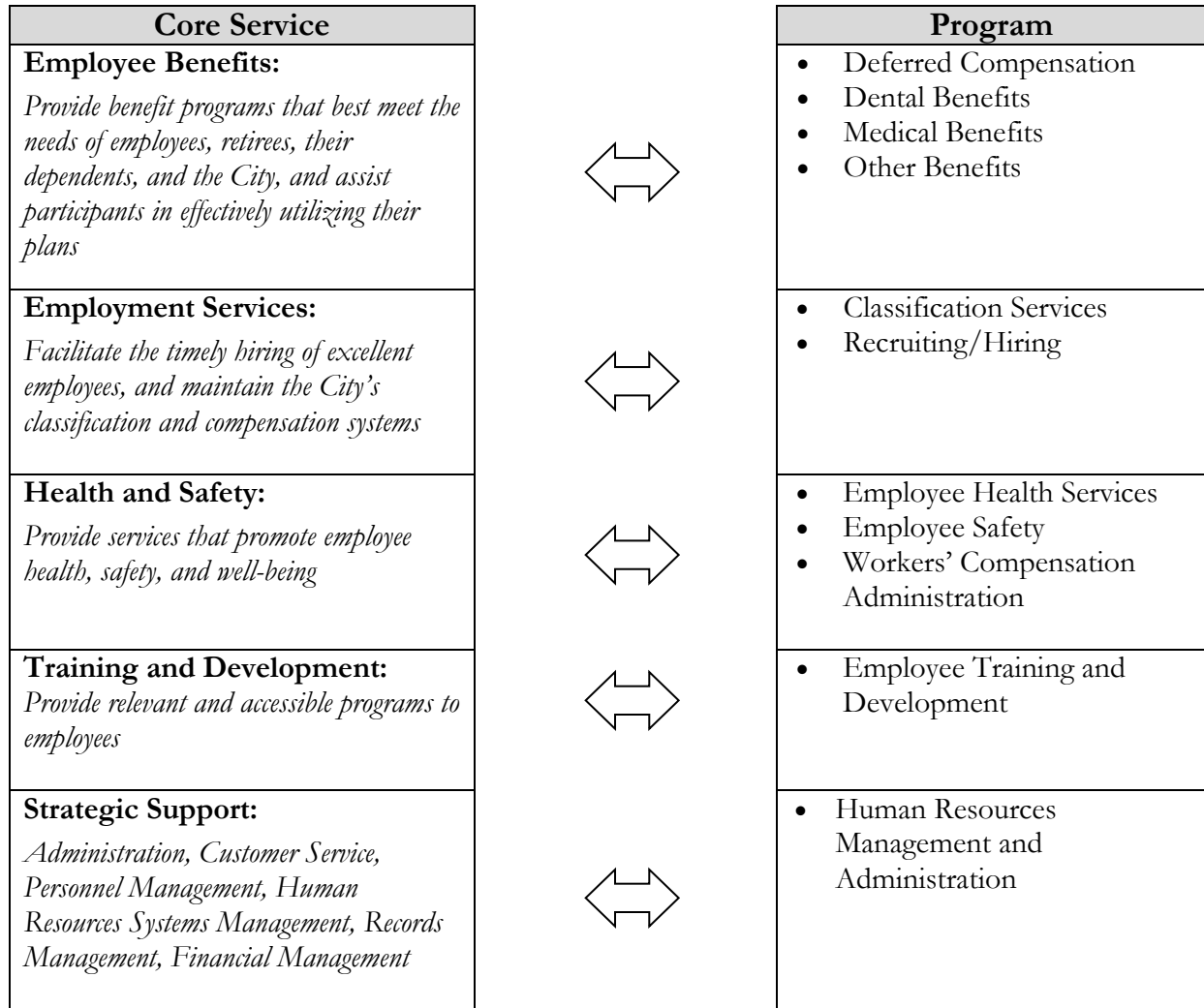
##### **Training and Development**

Provide relevant and accessible programs to employees

**Strategic Support:** Administration, Customer Service, Personnel Management, Human Resources Systems Management, Records Management, Financial Management

# Human Resources Department

## Service Delivery Framework



# Human Resources Department

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

- Adds one-time funding of \$330,720 to continue 3.0 Workers' Compensation Adjuster II temporary positions in the Workers' Compensation Unit through June 30, 2018 to manage caseloads and allow staff to focus on program compliance issues in response to 2016 State Audit findings.
- Adds 1.0 Senior Analyst to oversee technical upgrades, changes, and new implementation projects for Human Resources-related modules and Taleo hiring system employment modules as part of the recently implemented Human Resources/Payroll/Budget Systems upgrade project.
- Eliminates a part-time Physician in the Employee Health Services Program and reallocates the related funding to make permanent contractual physician services.
- Continues \$200,000 in Talent Recruitment Initiative funding, where under the leadership of the City Manager's Office, overtime support, additional temporary staffing and/or professional services, and contracts to directly support implementation of improved recruiting processes and methods will be pursued to fill position vacancies with high performers as described in the City-Wide Expenses section of this document.

### Operating Funds Managed

- Benefit Fund – Benefit Fund
- Benefit Fund – Dental Insurance Fund
- Benefit Fund – Life Insurance Fund
- Benefit Fund – Self Insured Medical Fund
- Benefit Fund – Unemployment Insurance Fund

# Human Resources Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Employee Benefits	n/a	n/a	n/a	\$ 92,609,157
Employment Services	n/a	n/a	n/a	2,631,283
Health and Safety	n/a	n/a	n/a	5,788,806
Training & Development	n/a	n/a	n/a	178,000
Strategic Support	n/a	n/a	n/a	1,345,050
Strategic Support - Other	n/a	n/a	n/a	1,299,538
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 103,851,834</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 5,693,094	\$ 6,934,762	\$ 6,902,911	\$ 6,905,815
Overtime	11,987	13,018	13,018	13,018
Subtotal Personal Services	\$ 5,705,081	\$ 6,947,780	\$ 6,915,929	\$ 6,918,833
Non-Personal/Equipment	3,080,882	3,417,091	3,776,743	4,207,463
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 8,785,963</b>	<b>\$ 10,364,871</b>	<b>\$ 10,692,672</b>	<b>\$ 11,126,296</b>
<b>Other Costs *</b>				
HR Funds Workers' Comp	n/a	n/a	n/a	\$ 925,000
HR Gifts	n/a	n/a	n/a	0
HR Overhead	n/a	n/a	n/a	299,538
HR Other Departmental - City-Wide	n/a	n/a	n/a	1,278,000
HR Other Departmental - Employee/Retiree Benefits	n/a	n/a	n/a	88,999,000
Other	n/a	n/a	n/a	1,224,000
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 92,725,538</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 103,851,834</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 10,921,763
Benefit Fund	n/a	n/a	n/a	64,096,045
Deferred Compensation Trust Fui	n/a	n/a	n/a	136,971
Dental Insurance	n/a	n/a	n/a	12,204,430
Integrated Waste Mgmt	n/a	n/a	n/a	25,904
Library Parcel Tax	n/a	n/a	n/a	78,187
Life Insurance	n/a	n/a	n/a	1,335,488
Low/Mod Income Hsg Asset	n/a	n/a	n/a	24,881
PW Program Support	n/a	n/a	n/a	120,015
Sewer Svc & Use Charge	n/a	n/a	n/a	27,548
Self Insured Medical Fund	n/a	n/a	n/a	13,760,573
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	293,680

# Human Resources Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Fund</b>				
Storm Sewer Operating	n/a	n/a	n/a	49,185
Unemployment Insurance	n/a	n/a	n/a	689,360
Water Utility Fund	n/a	n/a	n/a	14,396
Vehicle Maint & Opers	n/a	n/a	n/a	73,408
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 103,851,834</b>
<b>Authorized Positions by Core Service</b>				
Employee Benefits	n/a	n/a	n/a	11.50
Employment Services	n/a	n/a	n/a	16.00
Health and Safety	n/a	n/a	n/a	15.00
Training & Development	n/a	n/a	n/a	0.00
Strategic Support	n/a	n/a	n/a	8.00
Strategic Support - Other	n/a	n/a	n/a	0.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>50.50</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Human Resources Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Employee Benefits</b>					
Deferred Compensation	n/a	n/a	n/a	\$ 1,956,563	3.00
Dental Benefits	n/a	n/a	n/a	12,130,852	1.80
Medical Benefits	n/a	n/a	n/a	66,073,119	4.30
Other Benefits	n/a	n/a	n/a	12,448,623	2.40
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 92,609,157</b>	<b>11.50</b>
<b>Employment Services</b>					
Classification Services	n/a	n/a	n/a	\$ 0	0.00
Recruiting/Hiring	n/a	n/a	n/a	2,631,283	16.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,631,283</b>	<b>16.00</b>
<b>Health and Safety</b>					
Employee Health Services	n/a	n/a	n/a	\$ 632,703	3.00
Employee Safety	n/a	n/a	n/a	303,759	2.00
Workers' Compensation Administration	n/a	n/a	n/a	4,852,344	10.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,788,806</b>	<b>15.00</b>
<b>Training and Development</b>					
Employee Training and Development	n/a	n/a	n/a	\$ 178,000	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 178,000</b>	<b>0.00</b>
<b>Strategic Support (Strategic Support CSA)</b>					
Human Resources Management and Administration	n/a	n/a	n/a	\$ 1,345,050	8.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,345,050</b>	<b>8.00</b>
<b>Strategic Support - Other (Strategic Support CSA)</b>					
Human Resources Capital	n/a	n/a	n/a	\$ 0	0
Human Resources Gifts	n/a	n/a	n/a	0	0
Human Resources Other Departmental - City-Wide	n/a	n/a	n/a	0	0
Human Resources Other Departmental - Grants	n/a	n/a	n/a	0	0
Human Resources Other Operational - Administration	n/a	n/a	n/a	0	0
Human Resources Overhead	n/a	n/a	n/a	299,538	0
Human Resources Transfers	n/a	n/a	n/a	0	0.00



# Human Resources Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Strategic Support - Other (Strategic Support CSA) (Cont'd.)</b>					
Workers Compensation					
Claims - Other	n/a	n/a	n/a	1,000,000	0.00
<b>Sub-Total</b>	n/a	n/a	n/a	<b>\$ 1,299,538</b>	<b>0.00</b>
<b>Strategic Support - Fund Balance &amp; Reserves (Strategic Support CSA)</b>					
Human Resources					
Earmarked Reserves	n/a	n/a	n/a	\$ 0	0.00
Human Resources Ending					
Fund Balance	n/a	n/a	n/a	0	0.00
<b>Sub-Total</b>	n/a	n/a	n/a	<b>\$ 0</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 103,851,834</b>	<b>50.50</b>

\* Departmental Fund Balance and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement.

# Human Resources Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>53.90</b>	<b>10,364,871</b>	<b>7,999,815</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Classification and Compensation Study		(58,000)	(58,000)
• Rebudget: Employment Analyst		(46,000)	(46,000)
• Rebudget: Taleo Project Implementation		(46,000)	(46,000)
• Rebudget: Human Resources/Payroll Stabilization		(35,000)	(35,000)
• Workers' Compensation Claims Administration Backlog		(393,000)	(393,000)
• Employment Services Division Recruitment Staffing (1.0 Analyst II and 1.0 Senior Office Specialist)	(2.00)	(164,203)	(164,203)
• Human Resources Department Service Delivery and Strategic Analysis Staffing		(132,871)	(132,871)
• Benefits Division New Medical Plans Temporary Staffing (1.0 Senior Analyst)	(1.00)	(104,098)	0
• Employment Services Division Job Class Specification Updates (1.0 Analyst I)	(1.00)	(100,000)	(100,000)
• Employment Services Division Management Succession Planning		(85,000)	(85,000)
• Medical Benefits Software Purchase and Customization		(82,000)	0
• Career Fair		(25,000)	(25,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(4.00)</b>	<b>(1,271,172)</b>	<b>(1,085,074)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		391,202	332,798
• Workers' Compensation Third Party Administrator		1,093,000	1,093,000
• Workers' Compensation System		115,000	115,000
• Employment Services - Professional and Consultant Svcs (Fingerprinting)		40,200	22,000
• Employee Benefits - Professional and Consultant Services (Medical Actuary)		15,000	0
• Employee Benefits - Deferred Compensation		2,350	2,350
• Employment Services - Professional and Consultant Svcs (Exit Interviews)		(50,000)	(50,000)
• Strategic Support - Adjustments to offset Communications, Rent-Equipment, and Employment Services Fingerprinting		(3,000)	(3,000)
• Employee Benefits - Decrease Supplies/Materials, Print/ Advertising, and Personal Benefits and increase Training		(2,979)	(2,979)
• Professional development program		(1,800)	(1,800)
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>1,598,973</b>	<b>1,507,369</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>49.90</b>	<b>10,692,672</b>	<b>8,422,110</b>

# Human Resources Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Budget Proposals Recommended</b>			
1. Workers' Compensation Program Temporary Staffing		330,720	330,720
2. Human Resources Department Information Systems Staffing	1.00	102,904	102,904
3. Employee Health Services Physician Staffing	(0.40)	0	0
<b>Total Budget Proposals Recommended</b>	<b>0.60</b>	<b>433,624</b>	<b>433,624</b>
<b>2017-2018 Proposed Budget Total</b>	<b>50.50</b>	<b>11,126,296</b>	<b>8,855,734</b>

# Human Resources Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Workers' Compensation Program Temporary Staffing		330,720	330,720

**Strategic Support CSA**

**Health and Safety Core Service**

*Workers' Compensation Administration Program*

This action adds one-time funding of \$330,720 to continue 3.0 Workers' Compensation Adjuster II temporary positions. This funding is partially offset by the rebudget of \$90,000 in anticipated 2016-2017 savings from third-party administrator (TPA) contractual services. Continuation of these resources will assist the Workers' Compensation Program in achieving a reduction in adjuster caseloads by enabling current in-house staff to focus on compliance issues in response to 2016 State Audit findings as the program is subject to re-audit in December 2018. It should be noted that the Workers' Compensation Program is currently administered through a hybrid service delivery model that uses a combination of in-house staff for Police Department cases and a TPA for all other department cases. This hybrid service delivery model is subject to evaluation by June 2018, and a permanent service delivery recommendation should be brought forward in the 2018-2019 Proposed Operating Budget for City Council consideration. (Ongoing costs: \$0)

2. Human Resources Department Information Systems Staffing	1.00	102,904	102,904
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**Strategic Support CSA**

**Strategic Support Core Service**

*Human Resources Management and Administration Program*

This action adds 1.0 Senior Analyst position to support the newly upgraded PeopleSoft payroll, time and labor, and absence management modules of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project, and the employment modules of the new Taleo hiring system. The position, starting September 1, 2017, will develop, implement, and maintain system configurations and rules for benefit plan and workforce administration, and troubleshoot and fix issues in the payroll, time and labor, and absence management modules. This position will also ensure system compliance with local, state, and federal policies and reporting requirements. (Ongoing costs: \$123,485)

# Human Resources Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Employee Health Services Physician Staffing	(0.40)	0	0
<i>Strategic Support CSA</i> <i>Health and Safety Core Service</i> <i>Employee Health Services Program</i>			
<p>This action eliminates a 0.4 Physician PT position in the Employee Health Services Division and reallocates the position savings of \$100,000 to contractual physician services. The 2017-2018 Base Budget for this program includes 3.4 positions (1.0 Senior Medical Assistant, 1.0 Nurse Practitioner, 1.0 Medical Assistant, and 0.4 Physician PT) and non-personal/equipment funding for the medical clinic lease costs, supplies, and contractual medical services. In 2016-2017, \$283,000 was reallocated from personal services to non-personal/equipment to fund 2.40 temporary positions (1.0 Nurse Practitioner, 1.0 Medical Assistant, and 0.4 Physician,), pending a service delivery evaluation. The Human Resources Department evaluated this service and determined that a hybrid model best meets the needs of the City. Under this permanent hybrid model, the budgeted positions except the Physician PT would be filled with City staff and contractual services would replace the services previously provided by the Physician based on the hours of coverage needed. Under this model, no change to employees would occur with this recommendation, having access to services at the City's clinic located on Blossom Hill Road. (Ongoing costs: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>0.60</b>	<b>433,624</b>	<b>433,624</b>

# Human Resources Department

## Performance Summary

### Employee Benefits

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
<b>\$</b> Cost of benefits administration per FTE	\$318	\$340	\$385 <sup>1</sup>	\$370

<sup>1</sup> 2016-2017 estimated increased from 2016-17 target due to new Senior Analyst position created in 2016-2017, an overstrength Senior Analyst from September 2016 - June 2017, salary increases, and a Tier 1 hire in March 2017.

#### Activity and Workload Highlights




	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Annual contributions to Deferred Compensation	\$26.9M	\$27M	\$26.4M	\$27.1M
% of employees contributing to Deferred Compensation	68.2%	69%	69%	69.5%
# of Human Resources Information Systems Transactions	25.1K	30K	28.3K	30K

# Human Resources Department

## Performance Summary

### Employment Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of employee performance reviews completed on schedule	77%	78%	77%	80%
 Average # of business days for recruitment <sup>1</sup>	53	54	50	47
 Average # of working days to reclassify an occupied position	136	150	135	100

<sup>1</sup> Includes standard and expedited recruitments. Non-standard recruitments (e.g. positions requiring backgrounding, specialized testing, and executive recruitments) are not captured here.

#### Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of positions filled from recruitments:				
- Full-time	1050	850	1071	1200
- Part-time	787	400	452	600

# Human Resources Department

## Performance Summary

### Health and Safety

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 # of Workers' Compensation claims per 100 FTEs <sup>1</sup>	18.0	14.0	14.0	14.0
 # of Workers' Compensation disability hours	129,174	150,000	179,000	150,000
 # of Workers' Compensation disability hours per claim <sup>2</sup>	118	120	207	188
 Expenditures for Workers' Compensation per \$100 of total City salaries, benefits, and retirement <sup>3</sup>	\$3.93	\$4.50	\$3.59	\$3.65

<sup>1</sup> Injuries increased to 1,097 during 2015-2016, including "Information Only" type injuries not requiring medical treatment or significant cost.

<sup>2</sup> The estimated 2016-2017 increase in Workers' Compensation disability hours per claim is representative of out-of-work hours for reasonable and necessary medical treatment and recuperation. Analysis of claims trends indicates a reduction in disability hours for 2017-2018.

<sup>3</sup> The methodology for calculating 2016-2017 Estimated and 2017-2018 Target expenditures per \$100 of total City salaries, benefits, and retirement was updated to account for all applicable benefits. Prior estimates included only health benefits.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of open Workers' Compensation claims	3,565	3,300	3,500	3,300
# of new Workers' Compensation claims	1,097	800	865	800
# of employees trained in safety	1,323	1,000	1,295	1,000
Total Workers' Compensation claims costs	\$19.5M	\$23.3M	\$20.0M	\$22.6M



# Human Resources Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	16.00	14.00	(2.00)
Assistant Director	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	0.00	0.00	-
Office Specialist II	1.00	1.00	-
Office Specialist II PT	0.50	0.50	-
Physician	0.40	0.00	(0.40)
Physician PT	0.00	0.00	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Senior Analyst	11.00	11.00	-
Senior Medical Assistant	1.00	1.00	-
Senior Office Specialist	6.00	5.00	(1.00)
Staff Technician	3.00	3.00	-
Workers' Compensation Claims Adjuster II	4.00	4.00	-
<b>Total Positions</b>	<b>53.90</b>	<b>50.50</b>	<b>(3.40)</b>

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Office of the  
Independent Police Auditor  
Shivaun Nurre, Interim 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*

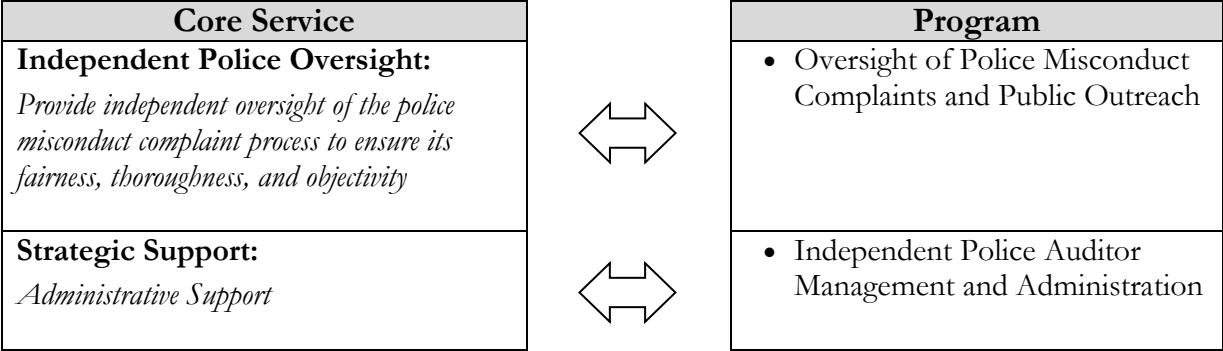
**Independent Police Oversight**

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

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### Expected 2017-2018 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.
- Distribute newly revised edition of the *Student's Guide to Police Practices*.

### 2017-2018 Key Budget Actions

N/A

### Operating Funds Managed

N/A

# Office of the Independent Police Auditor

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Independent Police Oversight	n/a	n/a	n/a	\$ 1,161,674
Strategic Support	n/a	n/a	n/a	151,090
Strategic Support - Other Costs*	n/a	n/a	n/a	2,152
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,314,916</b>
<b>Dollars by Category</b>				
<i>Personal Services and Non-Personal/Equipment</i>				
Personal Services				
Salaries/Benefits	\$ 1,026,567	\$ 1,226,431	\$ 1,272,149	\$ 1,272,149
Overtime	289	1,000	1,000	1,000
Subtotal Personal Services	<b>\$ 1,026,856</b>	<b>\$ 1,227,431</b>	<b>\$ 1,273,149</b>	<b>\$ 1,273,149</b>
Non-Personal/Equipment				
	36,755	32,975	39,615	39,615
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 1,063,611</b>	<b>\$ 1,260,406</b>	<b>\$ 1,312,764</b>	<b>\$ 1,312,764</b>
<i>Other Costs *</i>				
Independent Police Auditor				
Gifts	n/a	n/a	n/a	\$ 2,152
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,152</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,314,916</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 1,312,764
Gift Trust Fund	n/a	n/a	n/a	\$ 2,152
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,314,916</b>
<b>Authorized Positions by Core Service</b>				
Independent Police Oversight	n/a	n/a	n/a	5.50
Strategic Support	n/a	n/a	n/a	0.50
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>6.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

# Office of the Independent Police Auditor

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Independent Police Oversight</b>					
Oversight of Police Misconduct					
Complaints and Public Outreach	n/a	n/a	n/a	1,161,674	5.50
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,161,674</b>	<b>5.50</b>
<b>Independent Police Auditor Strategic Support</b>					
Management and Administration	n/a	n/a	n/a	151,090	0.50
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 151,090</b>	<b>0.50</b>
<b>Independent Police Auditor Strategic Support - Other *</b>					
Independent Police Auditor					
Gifts	n/a	n/a	n/a	2,152	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,152</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,314,916</b>	<b>6.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement elsewhere in this document.

# Office of the Independent Police Auditor

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>6.00</b>	<b>1,260,406</b>	<b>1,260,406</b>
<hr/> <b>Base Adjustments</b>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocation: - 1.0 Analyst II, Independent Police Auditor to 1.0 Senior Analyst, Independent Police Auditor		45,718	45,718
• Law enforcement civilian oversight and software training		5,440	5,440
• Cell phone stipend and calltree communications		1,200	1,200
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>52,358</b>	<b>52,358</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>6.00</b>	<b>1,312,764</b>	<b>1,312,764</b>
<hr/> <b>Budget Proposals Recommended</b>			
NONE			
<b>2017-2018 Proposed Budget Total</b>	<b>6.00</b>	<b>1,312,764</b>	<b>1,312,764</b>






# Office of the Independent Police Auditor

## Performance Summary

### Independent Police Oversight

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 # of IPA recommendations to change policy or procedure made to the Internal Affairs Commander/Police Chief/City Council	10	12	4	8
 % of residents rating confidence with the independent police review/oversight process as good or excellent <sup>1</sup>	N/A	N/A	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	99%	96%	96%	96%

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
% of complainants filing their complaint at the IPA office rather than at Internal Affairs	47%	46%	51%	51%
# of classified complaints	273	260	210	182
# of total cases	303	310	229	200
# of outreach presentations/events <sup>1</sup> :				
- Total <sup>2</sup>	137	130	100	101
- To youth	51	35	41	36
- To immigrant and minority communities	120	70	50	68
# of persons receiving community outreach services	6,404	5,500	5,900	5,043
# of agencies/community organizations that received outreach materials from the IPA:				
- Total <sup>2</sup>	98	55	60	60
- To youth	47	21	34	28
- To immigrant and minority communities	40	30	44	32

<sup>1</sup> An outreach presentation/event may involve youth and immigrant and minority communities concurrently.

<sup>2</sup> 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

<b>Position</b>	<b>2016-2017 Adopted</b>	<b>2017-2018 Proposed</b>	<b>Change</b>
Analyst II, Independent Police Auditor	2.00	1.00	(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	1.00	2.00	1.00
<b>Total Positions</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>

# Information Technology Department

Rob Lloyd, Chief Information Officer

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**E**nable the service delivery of our customers  
through the integration of city-wide technology  
resources

## *City Service Area*

### **Strategic Support**

### *Core Services*

#### **Customer Contact Center**

Provide the City Customer Contact Center as the primary point of City information for residents, businesses, utilities customers, and employees.

Support amazing customer experiences through open data, mobile application, online, social, and public network platforms

#### **Enterprise Technology Systems and Solutions**

Deliver technology solutions that support superior municipal services and achieve the City of San José Smart City Vision. Execute projects that successfully achieve business goals. Sustain and optimize the City's technology portfolio. Enable continuous innovation throughout the organization through civic technologies and partnerships





#### **Information Technology Infrastructure**

Support municipal services through reliable, high-performance, and secure technology services. Provide technology infrastructure, data analytics, data and voice communications, planning, and coordinated technical services that sustain departmental operations

**Strategic Support:** Budget, fiscal, personnel, performance, and audit management, general administrative support. City-wide technology planning, and products-projects management

# Information Technology Department

## Service Delivery Framework

Core Service		Program
<p><b>Customer Contact Center:</b>  <i>Provide the City Customer Contact Center as the primary point of City information for residents, businesses, utilities customers, and employees. Support amazing customer experiences through open data, mobile applications, online, social, and public network platforms</i></p>		<ul style="list-style-type: none"> <li>• Customer Contact Center</li> </ul>
<p><b>Enterprise Technology Systems and Solutions:</b>  <i>Deliver technology solutions that support superior municipal services and achieve the City of San José Smart City Vision. Execute projects that successfully achieve business goals. Sustain and optimize the City’s technology portfolio. Enable continuous innovation throughout the organization through civic technologies and partnerships</i></p>		<ul style="list-style-type: none"> <li>• Technical Business Analysis</li> <li>• Enterprise Business Applications Administration</li> <li>• Technology Database Administration</li> <li>• Technology Applications Development</li> </ul>
<p><b>Information Technology Infrastructure:</b>  <i>Support municipal services through reliable, high-performance, and secure technology services. Provide technology infrastructure, data analytics, data and voice communications, planning, and coordinated technical services that sustain departmental operations</i></p>		<ul style="list-style-type: none"> <li>• City-Wide Telecommunications Administration</li> <li>• Customer Care</li> <li>• Information Security</li> <li>• Voice and Data Network Infrastructure</li> <li>• Enterprise Servers and Storage Administration</li> <li>• Desktop/Virtual Desktop Infrastructure</li> <li>• Open Data</li> </ul>
<p><b>Strategic Support:</b>  <i>Budget, fiscal, personnel, performance, and audit management, general administrative support. City-wide technology planning, and products-projects management</i></p>		<ul style="list-style-type: none"> <li>• Information Technology Management and Administration</li> <li>• Information Technology Financial Management</li> <li>• Information Technology Human Resources</li> </ul>

# Information Technology Department

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Implement the Cybersecurity Office to administer the City's evolving cybersecurity risks, compliance requirements, and business resumption needs. Complete the City's 2017 Cybersecurity Work Plan. Begin planning cyberdisaster readiness with the Office of Emergency Services.
- Complete and operationalize critical IT modernization projects such as the Hyperion Budget System; mySanJose Mobile App, Online Portal, Service Dashboards, and CRM Platform; Financial Management System Upgrade; and Enterprise Content Management, Discovery, and Legal Hold processes (Phase 1).
- Begin implementation and migration to a new modern compute/storage/virtualization environment to support citywide use, cloud services capabilities, and superior cost-to-performance.
- Partner with City departments to complete the implementation and migration of the Business Tax System and Secure Registration Solution; Revenue Results System; Integrated Permitting System/ Amanda Permitting and Development Review System; and the City's internet and intranet website migrations.
- Complete successful innovation partnership projects, including the Facebook Terragraph Gig-Speed Wireless global demonstration project; East Side Union High School District wireless inclusion initiative; and Dell EMC Open Data Communities Architecture and Smart Cities Platform innovation demonstration.
- Manage Customer Contact Center activities as staff transitions to the use of new CRM tools, which will help resolve audit findings related to call handling, metrics, and knowledgebase documentation.

### 2017-2018 Key Budget Actions

- Rebudgets and adds funding to refresh the City's aging servers and storage environment. The City will pursue converged or hyper-converged infrastructure (CI/HCI) technologies in a model that will support efficient citywide use, scalability as the City grows, and use of connected internet/cloud-based services.
- Creates a Cybersecurity Office to respond to the City's growing cybersecurity risks, build business continuity and resilience for the organization, and administer increasing security compliance and controls requirements citywide. This action adds 1.0 Deputy Director (City Information Security Officer) and 1.0 Information Systems Analyst (Security Analyst) and deletes 1.0 Network Engineer and provides funding of \$353,000 for training and Virtual Security Operations Center services.
- Adds \$80,000 one-time funding for the development of and licenses for the Customer Relationship Management Maintenance and Feature Additions project.
- Extends one limit-dated Senior Office Specialist position in the Customer Contact Center for six months to support general customer inquiries and questions regarding water and billing services.
- Creates a Portfolio and Product-Project Management Office (PPMO) to ensure that critical City technology projects are managed and implemented. This action adds 2.0 Information Systems Analyst (Product-Project Managers) and deletes 2.0 Supervising Applications Analyst and 1.0 Network Engineer.
- Deletes 1.0 Information Systems Analyst and 1.0 Network Engineer to reflect the reorganization of the Infrastructure Division due to the anticipated reduction in support for the Environmental Services, Airport, and Public Works Departments, and General Fund Development Fee Programs.

### Operating Funds Managed

N/A

# Information Technology Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Customer Contact Center	n/a	n/a	n/a	\$ 1,833,035
Enterprise Technology Systems & Solutions	n/a	n/a	n/a	6,945,004
IT Infrastructure	n/a	n/a	n/a	11,836,050
Strategic Support	n/a	n/a	n/a	2,168,387
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 22,782,476</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 10,915,723	\$ 13,993,116	\$ 14,444,037	\$ 14,115,357
Overtime	63,340	128,664	128,664	128,664
Subtotal Personal Services	\$ 10,979,063	\$ 14,121,780	\$ 14,572,701	\$ 14,244,021
Non-Personal/Equipment	10,167,120	8,143,327	6,980,455	8,538,455
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 21,146,183</b>	<b>\$ 22,265,107</b>	<b>\$ 21,553,156</b>	<b>\$ 22,782,476</b>
<b>Other Costs *</b>				
Information Technology Other Departmental - City-Wide	n/a	n/a	n/a	0
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 0</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 22,782,476</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 20,648,742
Airport Maint & Oper	n/a	n/a	n/a	28,815
General Purpose Pkg	n/a	n/a	n/a	18,457
Integrated Waste Mgmt	n/a	n/a	n/a	816,423
Public Works Program Support	n/a	n/a	n/a	53,742
Sewer Svc & Use Charge	n/a	n/a	n/a	163,655
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	117,629
Storm Sewer Operating	n/a	n/a	n/a	135,303
Water Utility	n/a	n/a	n/a	799,710
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 22,782,476</b>
<b>Authorized Positions by Core Service</b>				
Customer Contact Center	n/a	n/a	n/a	12.50
Enterprise Technology Systems & Solutions	n/a	n/a	n/a	20.00

# Information Technology Department

## Department Budget Summary

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	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Authorized Positions by Core Service</b>				
IT Infrastructure	n/a	n/a	n/a	34.00
Strategic Support	n/a	n/a	n/a	12.00
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>78.50</b>

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\* Departmental Fund Balance, Transfers and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement.

# Information Technology Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Customer Contact Center</b>					
Customer Contact Center Program	n/a	n/a	n/a	\$ 1,833,035	12.50
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,833,035</b>	<b>12.50</b>
<b>Enterprise Technology Systems and Solutions</b>					
Enterprise Business					
Applications Administration	n/a	n/a	n/a	\$ 4,231,605	11.00
Technical Business Analysis	n/a	n/a	n/a		
Technology Applications Development	n/a	n/a	n/a	352,953	2.00
Technology Database Administration	n/a	n/a	n/a	2,360,447	7.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 6,945,004</b>	<b>20.00</b>
<b>Information Technology Infrastructure</b>					
City-Wide Telecommunications					
Administration	n/a	n/a	n/a	\$ 849,255	3.00
Customer Care	n/a	n/a	n/a	1,099,369	4.00
Desktop/Virtual Desktop Infrastructure	n/a	n/a	n/a	2,125,732	9.00
Enterprise Servers and Storage Administration	n/a	n/a	n/a	3,521,549	8.00
Information Security	n/a	n/a	n/a	684,819	1.00
Open Data	n/a	n/a	n/a		
Voice and Data Network Infrastructure	n/a	n/a	n/a	3,555,325	9.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 11,836,050</b>	<b>34.00</b>
<b>Strategic Support (Strategic Support CSA)</b>					
Information Technology					
Financial Management	n/a	n/a	n/a	0	
Information Technology Human Resources	n/a	n/a	n/a	0	
Information Technology Management and Administration	n/a	n/a	n/a	\$ 2,168,387	12.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,168,387</b>	<b>12.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 22,782,476</b>	<b>78.50</b>

\* Departmental Fund Balance, Transfers and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement.



# Information Technology Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	n/a	22,265,107	19,251,093
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Professional Services		(300,000)	(300,000)
• Rebudget: Customer Relationship/Service Request Management		(125,000)	(125,000)
• Rebudget: Office 365 Employee Training		(100,000)	(100,000)
• Rebudget: Network Infrastructure Upgrades		(75,000)	(75,000)
• Virtual Desktop Infrastructure and Windows Upgrades		(500,000)	(500,000)
• Remote Facilities Network Upgrades		(500,000)	(500,000)
• Secondary Data Center Buildout		(250,000)	(250,000)
• City Servers Replacements		(200,000)	(200,000)
• Customer Contact Center Staffing Realignment (2.0 Senior Office Specialist)	(2.00)	(238,066)	0
• Information Technology Department Analytical Staffing (1.0 Senior Analyst)	(1.00)	(112,557)	(112,557)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(3.00)</b>	<b>(2,400,623)</b>	<b>(2,162,557)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		802,544	1,158,688
• Professional development program		(1,000)	(1,000)
• Reallocation of non-personal/equipment funding (\$600,000) from the Finance Department and additional resources for the Human Resources/Budget/Payroll system maintenance		800,000	800,000
• Business Tax database and environment		22,102	22,102
• Oracle PeopleSoft customer relationship management		33,974	33,974
• Checkpoint firewall management		33,502	33,502
• Oracle databases licenses		16,180	16,180
• Coresite software licenses		12,000	12,000
• TOAD software licenses		4,000	4,000
• Hurricane Electric software licenses		3,700	3,700
• VMWare software licenses		2,480	2,480
• Cayenta managed services		1,404	1,404
• Foglight Oracle analytical tool		45	45
• Call center and IBS reductions		(42,259)	0
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>1,688,672</b>	<b>2,087,075</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>79.50</b>	<b>21,553,156</b>	<b>19,175,611</b>

# Information Technology Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

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	Positions	All Funds (\$)	General Fund (\$)
<hr/> <b>Budget Proposals Recommended</b> <hr/>			
1. Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure		1,125,000	1,125,000
2. Cybersecurity Office	1.00	477,695	477,695
3. Customer Relationship Management Maintenance and Feature Additions		80,000	80,000
4. Customer Center Staffing	1.00	39,449	15,780
5. Portfolio and Project Management Office	(1.00)	(222,851)	(57,621)
6. Information Technology Department Staffing Realignment	(2.00)	(269,973)	(167,723)
<b>Total Budget Proposals Recommended</b>	<b>(1.00)</b>	<b>1,229,320</b>	<b>1,473,131</b>
<hr/>			
<b>2017-2018 Proposed Budget Total</b>	<b>78.50</b>	<b>22,782,476</b>	<b>20,648,742</b>

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# Information Technology Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>1. Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure</b></p> <p><i>Strategic Support CSA Information Technology Infrastructure Core Service Enterprise Servers and Storage Administration Program</i></p> <p>This action rebudgets and reallocates funding of \$610,000 approved in the 2016-2017 Budget from the Information Technology Desktop Modernization, Secondary Data Center Buildout and Virtual Desktop Infrastructure, and Windows Upgrade projects and adds funding of \$515,000, for a total project cost of \$1,125,000 to replace the Information Technology Department's (ITD) central aging computers, storage, and virtualization equipment to converged or hyper-converged infrastructure (CI/HCI) technologies. The funding would displace the piecemeal replacement practices currently in use and modernize the City's server compute and storage environment. Infrastructure hardware in place cannot support departmental needs for support, growth, business resumption, and reliability. The (CI/HCI) approach facilitates scalability to new needs and would position the City to realize cost savings based on the superior cost-to-performance ratios, as well as enable better cloud computing usage. Simultaneously, the refresh will allow ITD to implement stronger, cohesive security and business resumption in the management of technology infrastructure. Currently, approximately 70% of the City's infrastructure hardware is at the end of engineered lifecycles. As the infrastructure continues to age, the number of outages, costs for support, and catastrophic failure risks rise; therefore, this equipment replacement funding is recommended. (Ongoing costs: \$225,000)</p>		1,125,000	1,125,000
<p><b>2. Cybersecurity Office</b></p> <p><i>Strategic Support CSA Information Technology Infrastructure Core Service Strategic Support Core Service Information Security and Information Technology Management and Administration Programs</i></p> <p>This action adds 1.0 Deputy Director (City Information Security Officer) and 1.0 Information Systems Analyst, effective October 1, 2017, and deletes 1.0 Network Engineer. The position additions will create a Cybersecurity Office within the Information Technology Department to respond to the City's growing cybersecurity risks, build business continuity and resilience for the organization, and administer increasing security compliance and controls requirements city-wide. Because of past resource constraints, the City lacks the dedicated Information Systems Security/Cybersecurity personnel, tools, and services required today. The City's risk profile must be managed well due to the effectiveness of cybercriminals, the prominence of the City, the size of the City's budget, and the large number of data and systems (with associated potential vulnerabilities) used across City departments. This action also includes ongoing funding of \$353,000 for Cybersecurity Awareness Training (all City employees), Cybersecurity training for Cybersecurity Office staff, Virtual Security Operations Center services, and Payment Card Industry Compliance training. (Ongoing costs: \$558,497)</p>	1.00	477,695	477,695

# Information Technology Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>3. Customer Relationship Management Maintenance and Feature Additions</b></p> <p><i>Strategic Support CSA Enterprise Technology Systems and Solutions Core Service Technology Applications Development Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$80,000 for the development of and licenses for the Customer Relationship Management Maintenance and Feature Additions project. Funding will support dashboard features to facilitate responses to requests from City Council Offices, City departments, and the community; additional language support consistent with new City policies; a small set of new feature and license additions identified in final testing; and extended maintenance and support. Improvements from dashboard and analysis features aim to allow the City to gain efficiencies through merging related requests, as well as displaying service patterns for proactive response by departments when possible. (Ongoing costs: \$0)</p>		80,000	80,000
<p><b>4. Customer Contact Center Staffing</b></p> <p><i>Strategic Support CSA Customer Contact Center Core Service Customer Contact Center Program</i></p> <p>This action continues 1.0 Senior Office Specialist limit-dated through December 31, 2017, funded by the General Fund (40%), Water Utility Fund (35%), and Integrated Waste Management Fund (25%) to support general customer and water service and billing related inquiries. Customer Contact Center call data demonstrates that there are a significant number of calls from residents with questions concerning water service bills and general inquiries. The Information Technology and Environmental Services Departments will continue to monitor call activity and will reevaluate staffing needs as part of the 2017-2018 Mid-Year Budget Review. Continuing this limit-dated position for six months will ensure that average caller wait times do not exceed the current levels of approximately three minutes. (Ongoing costs: \$0)</p>	1.00	39,449	15,780
<p><b>5. Portfolio and Project Management Office</b></p> <p><i>Strategic Support CSA Enterprise Technology Systems and Solutions Core Service Information Technology Infrastructure Core Service Strategic Support Core Service Enterprise Business Applications Administration, Voice and Data Network Infrastructure and Information Technology Management and Administration Programs</i></p> <p>This action adds 2.0 Information Systems Analyst (Project Managers), effective October 1, 2017, and deletes 2.0 Supervising Applications Analyst and 1.0 Network Engineer to focus on products-projects management. The reorganization of the Applications Division is necessary to change the organizational structure and to have the skill sets and background necessary to develop and implement the Information Technology Department's (ITD) strategic initiatives. This action provides funding for the City to create a Portfolio and Project Management Office (PPMO) within ITD to ensure</p>	(1.00)	(222,851)	(57,621)

# Information Technology Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment




2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>5. Portfolio and Project Management Office</b>			
<p>that critical City technology projects are managed and implemented within required time, cost, scope, and customer satisfaction targets. Product-Project Managers will help build project execution capacity in the City organization through professional project practices; training of personnel assigned to projects in how to work towards successful outcomes; prompt validation and communication of project status; prioritization of initiatives; expertly managing change order costs; and limiting/optimizing the use of expensive consultants for project work where maximum value is rendered. A strong PPMO will allow the City to develop the capability to succeed on projects consistently, avoid excessive overruns and time delays documented with past projects. There is no service level impact anticipated from the eliminated positions as these positions have either been vacant or were newly added and never filled; the PPMO has been determined to be a higher priority need for ITD and the City. (Ongoing savings: \$151,109)</p>			
<b>6. Information Technology Department Staffing Realignment</b>	<b>(2.00)</b>	<b>(269,973)</b>	<b>(167,723)</b>
<p><b>Strategic Support CSA</b>  <b>Information Technology Infrastructure Core Service</b>  <i>Customer Care and Desktop/Virtual Desktop Infrastructure Programs</i></p>			
<p>This action deletes 1.0 Information Systems Analyst and 1.0 Network Engineer funded in part by the General Fund, General Fund Development Fee Programs, Airport Maintenance and Operations Fund, Public Works Program Support Fund to reflect the reorganization of the Infrastructure Division due to the anticipated reduction in support for the Environmental Services, Airport, and Public Works Departments. The addition of the Information Systems Analyst was intended to support city-wide technology upgrades, including Virtual Desktop Infrastructure (VDI) and operating system upgrade to Windows 10. With an anticipated reduction in the scope of both projects, the Information Systems Analyst is no longer needed. Because the Network Engineer position has been vacant for a long period of time, no service level impact is anticipated from the position elimination. (Ongoing savings: \$272,723)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>(1.00)</b>	<b>1,229,320</b>	<b>1,473,131</b>

# Information Technology Department

## Performance Summary

### Customer Contact Center

#### *Performance Measures*

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of Customer Contact Center calls Answered <sup>1</sup>	55%	80%	61%	63%
 % of calls/inquiries resolved within the Customer Contact Center <sup>2</sup>	90%	80%	80%	82%
 % of Technology Service Desk inquiries resolved	94%	95%	96%	97%

<sup>1</sup> This percentage is based on Contact Center Calls answered and excludes calls answered by the City's afterhours and weekend call service.

<sup>2</sup> This percentage is based on Contact Center Calls resolved and excludes calls resolved by the City's afterhours and weekend call service.

#### *Activity and Workload Highlights*

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of Customer Contact Center calls received	246,017	200,000	162,000	167,000
Average Wait Time <sup>1</sup>	2.5 minutes	3 minutes	2 minutes	2.5 minutes
# of Technology Service Desk inquiries <sup>2</sup>	15,083	25,000	19,155	19,347

<sup>1</sup> The increase to average wait time in 2017-2018 is anticipated due to the implementation of the new CRM application. Staff will be learning how to utilize the new CRM application and online tools which may impact the average wait time.



<sup>2</sup> 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

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of requested custom business solutions delivered	99%	98%	91%	93%
 % of customers rating data availability and quality of data as good or excellent				
- availability	72%	75%	75%	75%
- quality	71%	75%	75%	75%

#### Activity and Workload Highlights



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of centralized E-mail mailboxes	7,079	7,100	7,400	7,500
# of FMS users	529	515	500	505
# of PeopleSoft users (HR/Payroll)	7,360	7,300	7,500	7,650
# of application repair requests	2,244	2,500	2,141	2,163
# of custom business solutions requested	70	100	103	105

# Information Technology Department

## Performance Summary

### Information Technology Infrastructure

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of network services available 24x7				
- Core Network <sup>1</sup>	99.93%	99.90%	99.89%	99.91%
- Telephones	99.99%	99.99%	100%	100%
- Enterprise Servers <sup>1</sup>	99.92%	99.90%	99.99%	99.99%
- Active Directory <sup>1</sup>	100%	99.95%	100%	100%
 % of customers rating customer support as good or excellent based on:				
- timeliness of response	70%	75%	75%	75%
- satisfaction with resolution	74%	80%	80%	80%

<sup>1</sup> 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

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of network outages	4	4	16 <sup>1</sup>	12 <sup>1</sup>
# of network outages during normal business hours	1	2	2	1
Average time of network outages during normal business hours	2.91 hours	.25 hour	.25 hour	.25 hour
# of telephones (Centrex)	564	300	570	570
# of managed services IP phones	8,110	6,800	8,720	8,807
# of telecommunication repair orders	1,817	1,950	1,413 <sup>2</sup>	1,427

<sup>1</sup> Due to aging infrastructure a high number of outages are estimated in 2016-2017 and 2017-2018. After the infrastructure refresh implementation and stabilization it is anticipated that the network outages will decrease.

<sup>2</sup> Decrease in telecom repair orders due to the complete migration of phones to hosted solution in 2015-2016.



# Information Technology Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	-
Deputy Director	0.00	1.00	1.00
Director of Information Technology	1.00	1.00	-
Division Manager	2.00	2.00	-
Enterprise Technology Manager	3.00	3.00	-
Information Systems Analyst	15.00	17.00	2.00
Network Engineer	15.00	12.00	(3.00)
Network Technician I/II/III	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	2.00	1.00	(1.00)
Senior Office Specialist	10.00	9.00	(1.00)
Senior Systems Application Programmer	4.00	4.00	-
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	9.00	7.00	(2.00)
<b>Total Positions</b>	<b>82.50</b>	<b>78.50</b>	<b>(4.00)</b>

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# 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

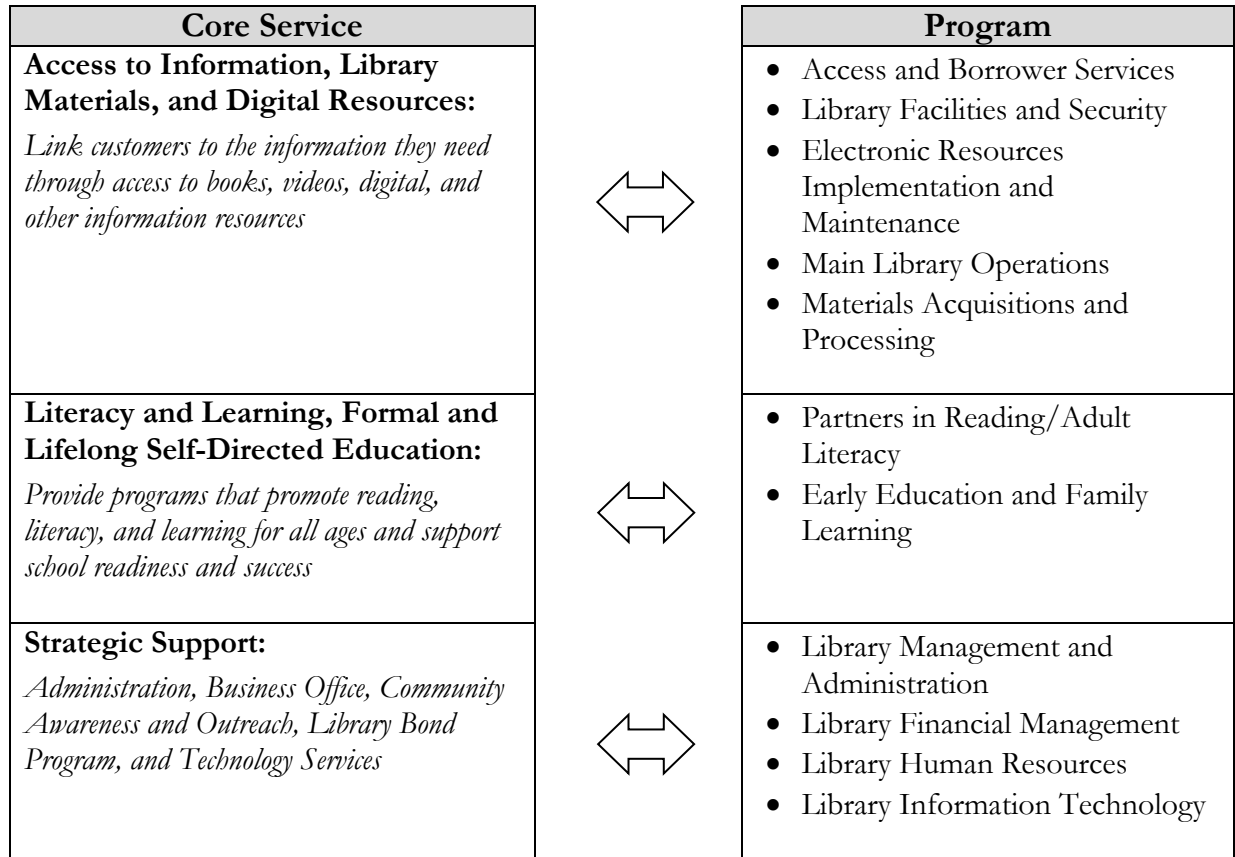
#### **Literacy and Learning, Formal and Lifelong Self-Directed Education**

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

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### Expected 2017-2018 Service Delivery

- 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 Dr. Martin Luther King, Jr. (MLK) Library will retain its weekly operating schedule of 77 hours, seven days per week.
- The Library will operate its mobile learning lab, the Maker[Space]Ship (MSS), in neighborhoods throughout the city. The MSS brings hands-on applied learning and experience with innovative technologies, STEAM education, and Wi-Fi access to underserved communities through partnerships and special events.
- The Library will meet the need for improved access to informational resources in our diverse communities, while supporting our commitment to the Language Access Policy through investments in digital collections, international language resources, and production of translated original content.
- The Library will enhance availability of unique historic, primary source materials that preserve and document the cultural narrative of the San José community and broader region through archival preservation and digitization efforts of the California Room at the MLK Library.
- The Library will continue its summer meals and snacks program by partnering with the Summer Meal Coalition to enhance the annual SJPL Summer Reading Challenge programming and fill a critical need left when free and reduced school meal programs are closed during the summer.

### 2017-2018 Key Budget Actions

- Adds 2.5 positions to support educational services for children and teens at MLK Library, provide funding for six instructors for the Summer Bridge Program for Developing and Struggling Readers, and meet the outstanding need for adult literacy services in the Partners in Reading program, which has maintained a waiting list of more than 50 learners per year.
- Adds a 1.0 Library Clerk position to the MLK California Room, which will allow the Library to respond to demands for library material archival support for City and community partners. This action will contribute to preserving and providing access to historic materials that document the cultural narrative and history of San José's communities.
- Utilizes funds to augment international language collections, expedite cataloging and processing through vendor services, and increase production of translated resources to meet community demand.
- Adds 0.5 Library Clerk PT position to maximize the efficiency of Library facilities management, coordinate with partners such as San José State University (SJSU) and the Department of Public Works, and provide oversight of system wide security efforts.
- Adds \$150,000 in one-time leverage funding for SJ Promise as described in the City-wide Expenses section of this document.

### Operating Funds Managed

- Library Parcel Tax Fund

# Library Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Access to Information, Library Materials, and Digital Resources	n/a	n/a	n/a	\$ 34,776,608
Literacy and Learning, Formal and Lifelong Self- Directed Education	n/a	n/a	n/a	1,642,125
Strategic Support	n/a	n/a	n/a	6,555,252
Strategic Support - Other	n/a	n/a	n/a	1,188,779
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 44,162,764</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 29,372,114	\$ 32,674,941	\$ 34,056,671	\$ 34,331,301
Overtime	68,540	36,796	36,796	36,796
Subtotal Personal Services	<u>\$ 29,440,654</u>	<u>\$ 32,711,737</u>	<u>\$ 34,093,467</u>	<u>\$ 34,368,097</u>
Non-Personal/Equipment	<u>6,178,850</u>	<u>6,022,555</u>	<u>6,259,323</u>	<u>6,506,353</u>
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 35,619,504</b>	<b>\$ 38,734,292</b>	<b>\$ 40,352,790</b>	<b>\$ 40,874,450</b>
<b>Other Costs *</b>				
Library Capital	n/a	n/a	n/a	\$ 2,600,000
Library Gifts	n/a	n/a	n/a	521,314
Library Other Departmental - City-Wide	n/a	n/a	n/a	167,000
Library Other Departmental - Housing Loans and Grants	n/a	n/a	n/a	0
Other	n/a	n/a	n/a	0
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,288,314</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 44,162,764</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 32,494,384
Library Parcel Tax	n/a	n/a	n/a	10,646,600
Capital Funds	n/a	n/a	n/a	500,466
Gift Trust Fund	n/a	n/a	n/a	521,314
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 44,162,764</b>

# Library Department

## Department Budget Summary

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	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Authorized Positions by Core Service</b>				
Access to Information, Library Materials, and Digital Resources	n/a	n/a	n/a	311.15
Formal and Lifelong Self- Directed Education	n/a	n/a	n/a	13.01
Strategic Support	n/a	n/a	n/a	37.01
Strategic Support - Other	n/a	n/a	n/a	2.70
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>363.87</b>

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\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Library Resources Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Access to Information, Library Materials, and Digital Resources</b>					
Access and Borrower Services	n/a	n/a	n/a	\$ 25,678,636	277.1
Electronic Resources	n/a	n/a	n/a	1,528,710	12.5
Implementation and Maintenance					
Library Facilities and Security	n/a	n/a	n/a	143,074	1.5
Main Library Operations	n/a	n/a	n/a	2,717,648	1
Materials Acquisitions and Processing	n/a	n/a	n/a	4,708,540	19
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 34,776,608</b>	<b>\$ 311.15</b>
<b>Literacy and Learning, Formal and Lifelong Self-Directed Education</b>					
Early Education and Family Learning	n/a	n/a	n/a	\$ 790,413.00	6.01
Partners in Reading/Adult Literacy	n/a	n/a	n/a	851,712	7.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,642,125</b>	<b>13.01</b>
<b>Strategic Support (Neighborhood Services CSA)</b>					
Library Financial Management	n/a	n/a	n/a	\$ 663,390	3.75
Library Human Resources	n/a	n/a	n/a	448,140	2.00
Library Information Technology	n/a	n/a	n/a	2,386,044	13.5
Library Management and Administration	n/a	n/a	n/a	3,057,678	17.76
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 6,555,252</b>	<b>37.01</b>
<b>Strategic Support - Other (Neighborhood Services CSA)</b>					
Library Capital	n/a	n/a	n/a	\$ 500,465	2.70
Library Gifts	n/a	n/a	n/a	521,314	
Library Other Departmental - City-Wide	n/a	n/a	n/a	150,000	
Library Other Departmental - Grants	n/a	n/a	n/a	0	
Library Other Operational - Administration	n/a	n/a	n/a	17,000	
Library Overhead	n/a	n/a	n/a	0	
Library Transfers	n/a	n/a	n/a	0	
Library Workers' Compensation	n/a	n/a	n/a	0	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 1,188,779</b>	<b>2.70</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 44,162,764</b>	<b>363.87</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.



# Library Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>359.87</b>	<b>38,734,292</b>	<b>30,678,634</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• San José Public Library Foundation		(100,000)	-
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(100,000)</b>	<b>0</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		1,379,629	983,590
- 1.0 Librarian I/II PT to 1.0 Librarian I/II			
- 1.0 Senior Librarian to 1.0 Community Programs Administrator			
- 1.0 Librarian II to 1.0 Literacy Program Specialist			
- 1.0 Librarian II to 1.0 Literacy Program Specialist			
- 2.0 Librarian II PT to 2.0 Librarian II			
• Library Fines and Fees Reduction Offset	0.00	135,000	135,000
• Living wage		80,745	62,736
• Vacancy factor		(30,988)	-
• Library Branch Hours Expansion to Six Days a Week (Shift 20% of personal services and non-personal/equipment costs to General Fund)	0.00	0	482,467
• San José State/City of San José joint agreement for Dr. Martin Luther King, Jr. library operating costs		57,640	57,640
• Books Aloud		1,000	1,000
• Gas and electricity		63,697	63,697
• Water		19,775	19,775
• Vehicle maintenance and operations		12,000	12,000
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>1,718,498</b>	<b>1,817,905</b>
 <b>2017-2018 Forecast Base Budget:</b>	 <b>359.87</b>	 <b>40,352,790</b>	 <b>32,496,539</b>

# Library Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Budget Proposals Recommended</b>			
1. King Library California Room Staffing	1.00	110,270	0
2. Library Technical Services Unit Materials Processing		107,544	0
3. King Library Public Reference and Resources Staffing	1.00	102,904	0
4. Partners in Reading Adult Literacy Program	1.50	91,199	0
5. Library Promotional Materials Translation Services		50,000	0
6. Early Education Summer Bridge Program for Developing and Struggling Readers		32,210	0
7. Library Branch Facilities Building and Equipment Unit Staffing	0.50	27,533	0
8. Library Fines and Fees Restructuring Offset	0.00	0	(260,293)
<b>Total Budget Proposals Recommended</b>	<b>4.00</b>	<b>521,660</b>	<b>(260,293)</b>
<b>2017-2018 Proposed Budget Total</b>	<b>363.87</b>	<b>40,874,450</b>	<b>32,236,246</b>

# Library Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. King Library California Room Staffing</b>  <i>Neighborhood Services CSA</i> <b>Access to Information, Library Materials, and Digital Resources Core Service</b> <i>Main Library Operations Program</i>  <p>This action adds 1.0 Library Clerk, effective September 2017, and non-personal/equipment funding of \$57,276 from the Library Parcel Tax Fund to support the California Room at the Dr. Martin Luther King, Jr. (MLK) Library. The California Room currently has one full-time Librarian and one half-time Library Clerk responsible for digital collections, including generating digital materials along with their metadata as well as managing “born-digital” objects. The addition of a Library Clerk would allow more time for digitization as well as generating metadata, which allows collections to be aggregated and shared by other State and federal agencies, without detracting from public access and reference services. Because King Library is also reaching storage capacity for archival collections, funding will improve the structure and layout of vault collections to better use the space available. (Ongoing costs: \$120,869)</p>	1.00	110,270	0
<b>2. Library Technical Services Unit Materials Processing</b>  <i>Neighborhood Services CSA</i> <b>Access to Information, Library Materials, and Digital Resources Core Service</b> <i>Materials Acquisitions and Processing Program</i>  <p>This action adds non-personal/equipment funding of \$107,544 from the Library Parcel Tax Fund for the Technical Services Unit to use additional vendor services for the processing of materials as well as purchase of supplies to replace broken items (e.g., CD and DVD cases) and to repackage materials that arrive unprocessed by vendors. (Ongoing costs: \$107,544)</p>		107,544	0
<b>3. King Library Public Reference and Resources Staffing</b>  <i>Neighborhood Services CSA</i> <b>Access to Information, Library Materials, and Digital Resources Core Service</b> <i>Main Library Operations Program</i>  <p>This action adds 1.0 Senior Librarian, effective September 2017, to the King Library funded by the Library Parcel Tax Fund. During 2016-2017, several services were added to the King Library. TeenHQ, the teen center, opened in fall 2016 and includes a maker space as well as a public service area. SJPL Works, the small business and workforce development center, has been offering programming and will launch an expanded service area and small group work space in March 2017. Both programs are currently part of the King Public Reference and Resources Unit (KPRR) and their implementation has resulted in additional programming for the KPRR Manager to oversee. The Senior Librarian would provide management support for these efforts. (Ongoing costs: \$123,485)</p>	1.00	102,904	0

# Library Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>4. Partners in Reading Adult Literacy Program</b></p> <p><i>Neighborhood Services CSA Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service Partners in Reading/Adult Literacy Program</i></p> <p>This action adds 1.0 Principal Office Specialist and 0.5 Library Clerk PT, effective September 2017, funded by the Library Parcel Tax Fund, for the Partners in Reading Adult Literacy Program (PAR). Funding from California Library Literacy Services (CLLS) for Partners in Reading adult and family literacy programming depends in large part on the ability to meet the State's grant reporting requirements. Continuous accurate and timely reporting for grants and library partnerships heavily depends on having a staffed position for these responsibilities and an accurate database. These positions will assist customers and volunteer coordination, fulfill the requirements of data and information reporting for annual funding from CLLS, which totals approximately \$70,000 to \$80,000, track participant data for the Career Online High School program, track referrals to SJPL Works, and maintain program software. (Ongoing costs: \$95,787)</p>	1.50	91,199	0
<p><b>5. Library Promotional Materials Translation Services</b></p> <p><i>Neighborhood Services CSA Strategic Support Core Service Library Management and Administration Program</i></p> <p>This action adds non-personal/equipment funding of \$50,000, funded by the Library Parcel Tax Fund, to augment international language collections, expedite cataloging and processing through vendor services, and increase production of translated resources to meet community demand. Additional funding for interpreter services would ensure brochures, flyers, event descriptions, announcements, etc. are available in other languages, such as Spanish and Vietnamese, to provide limited English proficient persons with meaningful access to information, programs, and activities at the Library. (Ongoing costs: \$50,000)</p>		50,000	0
<p><b>6. Early Education Summer Bridge Program for Developing and Struggling Readers</b></p> <p><i>Neighborhood Services CSA Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service Early Education and Family Learning Program</i></p> <p>This action continues, on an ongoing basis, non-personal/equipment funding of \$32,210 from the Library Parcel Tax Fund for six temporary positions (instructors) in the Summer Bridge Program for Developing and Struggling Readers. The Summer Bridge Program for Developing and Struggling Readers fulfills the Library's strategic priorities of connecting the community to high-quality opportunities and tools for learning and aligning with the Campaign for Grade-Level Reading initiative. The Campaign for Grade-Level Reading initiative is a collaborative effort by foundations, non-profit partners, business leaders, government agencies, states, and communities across the nation to ensure that more children in low-income families succeed in school. This program will be provided at four library branches with Family Learning Centers – Hillview, Bascom, Alum Rock and Biblioteca from June to August. (Ongoing costs: \$32,210)</p>		32,210	0

# Library Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment









2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>7. Library Branch Facilities Building and Equipment Unit Staffing</b>	<b>0.50</b>	<b>27,533</b>	<b>0</b>
<i>Neighborhood Services CSA Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service Early Education and Family Learning Program</i>			
<p>This action adds 0.5 Library Clerk PT, effective September 2017, funded from the Library Parcel Tax Fund to support the Library Branch Facilities Building and Equipment Unit. The Facilities Building and Equipment (B&amp;E) Unit currently supports 23 branch library sites totaling approximately 431,000 square feet. B&amp;E is also responsible for managing special capital projects at all branches. Work orders and special projects require daily or weekly site visits, daily verbal and written communication, and coordination of site meetings with required library staff, Public Works staff, and/or contract use staff. The current staffing consists of a full-time Library Assistant with limited back-up support by the Facilities Manager. Given the workload demands, the existing staff is not able to complete requests in a timely manner. The additional position will improve coordination and reduce service delays. (Ongoing costs: \$19,388)</p>			
<b>8. Library Fines and Fees Restructuring Offset</b>	<b>0.00</b>	<b>0</b>	<b>(260,293)</b>
<i>Neighborhood Services CSA Access to Information, Library Materials, and Digital Resources Core Service Materials Acquisition and Processing Program</i>			
<p>This action shifts \$260,293 in funding for 1.5 Library Page PT positions from the General Fund to the Library Parcel Tax Fund to offset the General Fund impact of an ongoing reduction in library fines and fees revenue. With the significant restructuring of library fines and fees in 2016-2017 (e.g., reduced the Overdue Materials Fine from \$0.50 per day/\$20 max. per item to \$0.25 per day/\$5 max. per item, eliminated the Held Materials Fine of \$3, and reduced the handling fee from \$20 to \$10 for Damaged Materials and Lost Materials and Equipment), fines and fees revenue has dropped significantly and is projected to fall below the budgeted estimate of \$135,000, with a total annual impact of \$260,293 bringing fines and fees revenues to \$675,000. No service level impacts will result from this funding shift. (Ongoing savings: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>4.00</b>	<b>521,660</b>	<b>(260,293)</b>

# Library Department

## Performance Summary

### Access to Information, Library Materials, and Digital Resources

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of customers finding materials or information	86%	85%	86%	87%
 % of customers able to access basic services through self-service	90%	90%	89%	90%
 % of residents with a library card used within the last year	15%	30%	20%	20%
 % of searches/requests for information/materials completed within customer time requirements	87%	85%	88%	88%
 % of customers rating staff assistance as good or excellent	92%	90%	93%	93%
 % 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 <sup>1</sup> (customers)	79%	75%	80%	80%
- City-Wide (residents)	N/A <sup>2</sup>	65%	65%	65%
 % of customers/residents that agree or strongly agree that library services are good or excellent				
- Point of Service <sup>1</sup> (customers)	93%	90%	92%	93%
- City-Wide (residents)	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
 % of customers/residents rating facilities as good or excellent				
- in terms of hours				
- Point of Service <sup>1</sup> (customers)	75%	80%	75%	80%
- City-Wide (residents)	N/A <sup>2</sup>	45%	N/A <sup>2</sup>	N/A <sup>2</sup>
- in terms of condition				
- Point of Service <sup>1</sup> (customers)	88%	80%	87%	88%
- City-Wide (residents)	N/A <sup>2</sup>	80%	N/A <sup>2</sup>	N/A <sup>2</sup>
- in terms of location				
- Point of Service <sup>1</sup> (customers)	93%	85%	91%	92%
- City-Wide (residents)	N/A <sup>2</sup>	85%	N/A <sup>2</sup>	N/A <sup>2</sup>

<sup>1</sup> Point of Service means customer surveys conducted directly at the Library branches.





<sup>2</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

# Library Department

## Performance Summary

### Access to Information, Library Materials, and Digital Resources

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % customers stating their inquiries were answered correctly	94%	90%	93%	94%
 % customers stating that the information provided was valuable	93%	90%	92%	93%
 % of customers rating the availability and accessibility of a variety of electronic materials (e.g. downloadable/online eBooks and music) as good or excellent	85%	25%	81%	83%
 % of customers rating technology (e.g. computers, internet access, and WIFI) in facility as good or excellent	88%	80%	86%	88%

#### Activity and Workload Highlights






	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of items purchased	292,251	250,000	300,000	300,000
# of items checked out	9,730,584	10,000,000	9,230,000	9,230,000
# of reference questions	550,000	450,000	500,000	500,000
# of visits to Library website	2,598,412	2,600,000	2,750,777	2,900,000
# of residents with library card used in the last year	152,946	200,000	150,865	175,000
Cost per capita to provide access to information, library materials, and digital resources (80% of Library budget)	\$26.66	\$31.00	\$27.00	\$31.00
# of public access computer sessions at library facilities	1,239,519	1,400,000	1,240,000	1,250,000
# of visitors to main and branch libraries	6,855,000	7,000,000	6,786,977	7,000,000
# of volunteer hours	84,829	83,000	86,000	87,000
# of volunteers	2,976	2,800	3,000	3,100

# Library Department

## Performance Summary

### Formal and Lifelong Self-Directed Education

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of literacy program participants in Family Learning Centers who improve their reading, writing, or speech skills	97%	85%	85%	85%
 Average cost per participant in library literacy and learning programs	\$21.70	N/A <sup>1</sup>	\$22.00	\$22.00
 % of Partners in Reading (PAR) program participants that succeed in achieving self-defined learning goals	NEW	80%	90%	90%
 % of library program/class participants whose knowledge or skills have increased or improved	NEW	80%	80%	80%
 % of participants reported reading an average of 20 minutes per day during the Summer Reading Program	94%	90%	94%	94%

<sup>1</sup> 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

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of attendees at early literacy programs	136,368	90,000	110,000	100,000
# of attendees at literacy programs in Family Learning Centers:				
- Pre-School	2,461	1,000	2,500	2,500
- School Age	2,864	800	2,500	2,500
- Young Adult	433	100	400	400
- Adult	10,565	7,000	10,000	10,000
# of K-12 students attending Library class visit	12,691	12,000	12,000	12,000
# of participants in Summer Reading Program	25,876	20,000	25,000	25,000
Cost per capita to promote lifelong learning and educational support (20% of Library budget)	\$6.05	\$5.00	\$6.00	\$8.00
# of schools, after school programs, and community events visited by Library staff	260	350	300	350



# Library Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	3.00	4.00	1.00
Division Manager	3.00	3.00	-
Librarian I/II	55.00	56.00	1.00
Librarian I/II PT	17.80	14.80	(3.00)
Library Aide PT	34.67	34.67	-
Library Assistant	31.00	31.00	-
Library Clerk	42.00	43.00	1.00
Library Clerk PT	30.50	31.50	1.00
Library Page PT	70.40	70.40	-
Literacy Program Specialist	8.00	10.00	2.00
Network Engineer	5.00	5.00	-
Network Technician I/II/III	6.00	6.00	-
Network Technician I/II/III PT	0.50	0.50	-
Office Specialist II	2.00	2.00	-
Office Specialist II PT	0.50	0.50	-
Principal Office Specialist	0.00	1.00	1.00
Public Information Representative II	1.00	1.00	-
Security Officer PT	0.00	0.00	-
Senior Account Clerk	3.00	3.00	-
Senior Librarian	18.00	18.00	-
Senior Library Clerk	2.00	2.00	-
Senior Office Specialist	1.00	1.00	-
Senior Public Information Representative	1.00	1.00	-
Senior Security Officer	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	-
<b>Total Positions</b>	<b>359.87</b>	<b>363.87</b>	<b>4.00</b>

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# Mayor and City Council

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**T**he 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 “Chappie” Jones**  
District 1

**Devora “Dev” Davis**  
District 6

**Sergio Jimenez**  
District 2

**Tam Nguyen**  
District 7

**Raul Peralez**  
District 3

**Sylvia Arenas**  
District 8

**Lan Diep**  
District 4

**Donald Rocha**  
District 9

**Magdalena Carrasco**  
District 5 (Vice Mayor)

**Johnny Khamis**  
District 10

# Mayor and City Council

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

N/A

### Operating Funds Managed

N/A

# Mayor and City Council

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast <sup>1</sup> 3	2017-2018 Proposed 4	% Change (2 to 4)
<b>Dollars by Program</b>					
Office of the Mayor	\$ 3,089,302	\$ 4,553,394	\$ 3,761,078	\$ 3,761,078	(17.4%)
City Council					
Council District #1	660,171	844,920	738,262	738,262	(12.6%)
Council District #2	689,771	855,420	798,575	798,575	(6.6%)
Council District #3	656,912	816,620	739,896	739,896	(9.4%)
Council District #4	517,494	877,020	726,467	726,467	(17.2%)
Council District #5	501,162	981,720	740,000	740,000	(24.6%)
Council District #6	659,454	764,420	726,208	726,208	(5.0%)
Council District #7	694,582	761,420	789,918	789,918	3.7%
Council District #8	681,511	900,420	733,373	733,373	(18.6%)
Council District #9	651,909	1,035,920	740,841	740,841	(28.5%)
Council District #10	733,343	767,420	739,131	739,131	(3.7%)
Council General	71,478	90,000	65,000	65,000	(27.8%)
<b>Total</b>	<b>\$ 9,607,089</b>	<b>\$ 13,248,694</b>	<b>\$ 11,298,749</b>	<b>\$ 11,298,749</b>	<b>(14.7%)</b>
<b>Dollars by Category</b>					
Operating Expenditures	\$ 9,607,089	\$ 13,248,694	\$ 11,298,749	\$ 11,298,749	(14.7%)
<b>Total</b>	<b>\$ 9,607,089</b>	<b>\$ 13,248,694</b>	<b>\$ 11,298,749</b>	<b>\$ 11,298,749</b>	<b>(14.7%)</b>
<b>Dollars by Fund</b>					
General Fund	\$ 9,607,089	\$ 13,248,694	\$ 11,298,749	\$ 11,298,749	(14.7%)
<b>Total</b>	<b>\$ 9,607,089</b>	<b>\$ 13,248,694</b>	<b>\$ 11,298,749</b>	<b>\$ 11,298,749</b>	<b>(14.7%)</b>
<b>Authorized Positions<sup>2</sup></b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>	<b>27.00</b>	<b>0.0%</b>

<sup>1</sup> For the 2017-2018 Forecast column, the Office of the Mayor and the City Council District budgets are detailed below:

### 2017-2018 Forecast

#### Office of the Mayor (\$3,761,078)

- Salary and benefits for the Mayor (\$161,049), Mayor's Office classified staff (\$536,443), unclassified staff, and non-personal/equipment expenses (\$3,038,586).
- Constituent Outreach (\$25,000).

#### City Council (\$7,472,671)

- Salary and benefits for each City Council Member (average \$124,242) and City Council Office classified staff (average \$99,182). Each City Council District also receives a base allocation of \$523,843 for non-personal/equipment and unclassified staff expenditures.
- Constituent Outreach (\$10,000).

#### Council General (\$65,000)

- The ongoing Council General allocation pays for central expenses for the Mayor and Council Districts such as photocopiers or other office resources.

<sup>2</sup> Does not include unclassified staff for Office of the Mayor and City Council Districts.

# Mayor and City Council

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>27.00</b>	<b>13,248,694</b>	<b>13,248,694</b>
<hr/> <b>Base Adjustments</b> <hr/>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: City Council 2015-2016 Expenditure Savings		(1,391,100)	(1,391,100)
• Rebudget: Office of the Mayor 2015-2016 Expenditure Savings		(963,100)	(963,100)
• Rebudget: Council General 2015-2016 Expenditure Savings		(25,000)	(25,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(2,379,200)</b>	<b>(2,379,200)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations: - 4.0 Administrative Assistant to 4.0 Executive Assistant - 1.0 Office Specialist II to 1.0 Senior Office Specialist		429,255	429,255
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>429,255</b>	<b>429,255</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>27.00</b>	<b>11,298,749</b>	<b>11,298,749</b>
<hr/> <b>Budget Proposals Recommended</b> <hr/>			
<b>NONE</b>			
<b>2017-2018 Proposed Budget Total</b>	<b>27.00</b>	<b>11,298,749</b>	<b>11,298,749</b>

# Mayor and City Council

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Administrative Assistant	10.00	6.00	(4.00)
Councilmember	10.00	10.00	-
Executive Assistant	1.00	5.00	4.00
Mayor	1.00	1.00	-
Office Specialist II	2.00	1.00	(1.00)
Principal Office Specialist	1.00	1.00	-
Senior Office Specialist	1.00	2.00	1.00
Staff Technician	1.00	1.00	-
<b>Total Positions<sup>1</sup></b>	<b>27.00</b>	<b>27.00</b>	<b>0.00</b>

<sup>1</sup> 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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**T**o build healthy communities through people,  
parks and programs

*City Service Area*

**Neighborhood Services**

*Core 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

**Community Facilities Development**

Create uniquely San José places that foster relationships with people and nature and offer a civic presence

**Recreation and Community Services**

Through recreation, promote play and health, strengthen communities and enrich lives

**Strategic Support:** Budget and Financial Management Services, Contracting Services, Employee Services, and Marketing and Public Information

# Parks, Recreation and Neighborhood Services Department

## Service Delivery Framework

Core Service		Program
<p><b>Parks Maintenance and Operations:</b>  <i>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</i></p>		<ul style="list-style-type: none"> <li>• Family Camp</li> <li>• Happy Hollow Park &amp; Zoo</li> <li>• Neighborhood Parks and Regional Parks</li> <li>• Park Rangers</li> <li>• Sports Fields Maintenance &amp; Reservations</li> <li>• Volunteer, Adopt a Park, and Community Gardens</li> <li>• Municipal Golf Courses</li> <li>• Parks Administration</li> </ul>
<p><b>Community Facilities Development:</b>  <i>Create uniquely San José places that foster relationships with people and nature and offer a civic presence</i></p>		<ul style="list-style-type: none"> <li>• Minor Parks Capital Improvement Projects</li> <li>• Major Capital Improvement Projects Management</li> </ul>
<p><b>Recreation and Community Services:</b>  <i>Through recreation, promote play and health, strengthen communities and enrich lives</i></p>		<ul style="list-style-type: none"> <li>• Anti-Graffiti &amp; Anti-Litter</li> <li>• Aquatics</li> <li>• Community Center Operations</li> <li>• Park Activation/Placemaking</li> <li>• PRNS Re-Use</li> <li>• Senior Services</li> <li>• Youth Services</li> <li>• Youth Gang Prevention and Intervention</li> <li>• RCS Administration</li> </ul>
<p><b>Strategic Support:</b>  <i>Budget and Financial Management Services, Contracting Services, Employee Services, and Marketing and Public Information</i></p>		<ul style="list-style-type: none"> <li>• PRNS Management and Administration</li> <li>• Capital Budget Management</li> <li>• PRNS Financial Management</li> <li>• PRNS Human Resources</li> </ul>

# Parks, Recreation and Neighborhood Services Department

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Maintain clean and safe parks and trails, and provide extra attention to parks with the lowest assessment ratings across the City.
- Update the Greenprint, a long-term strategic plan, which guides the future expansion of San José's parks, recreation facilities and community services following extensive public engagement.
- Provide residents of all ages access to community, health and recreational programs at 10 "hub" community centers, one hybrid center, Grace Community Center, and 39 Re-Use facilities.
- Protect, preserve, and enhance the natural and cultural resources of parks, trails, watersheds, and open spaces through the Park Ranger Program.
- Continue sustainability efforts to ensure ongoing placemaking and park activation programs such as Viva CalleSJ, Summer in St. James Park, Plaza de Cesar Chavez, and ¡Viva Parks!
- Continue providing the Summer Aquatics program at six City locations (Alviso, Biebrach, Camden, Mayfair, and Rotary Ryland pools, and the Fair Swim Center). Develop a long-term strategy for the management of the Citywide Aquatics Program.
- Conclude the community input process and adopt and implement a new Mayor's Gang Prevention Task Force Strategic Plan.

### 2017-2018 Key Budget Actions

- Continues Senior Nutrition Program reimbursement funding from the County of Santa Clara to help provide 920 meals per day for the senior population at 13 City sites.
- Adds 9.0 park maintenance positions to supplement existing maintenance activities, which will enable extra maintenance attention to neighborhood parks with the lowest assessment ratings.
- Continues one-time funding to support placemaking efforts, including Viva CalleSJ, ¡Viva Parks!, and Plaza de Cesar Chavez activations, which will be partially offset by grant funding.
- Offset by fee revenue, adds 8.5 positions to support the Leisure and Recreation of City Kids (ROCK) programs, by providing additional daily oversight for 22 programs at 20 sites. Also, provides leadership for the leisure and aquatics programs.
- Offset by fee revenue, adds 4.0 positions and non-personal/equipment funding to support corporate rentals and in anticipation of the addition of a new jaguar at Happy Hollow Park & Zoo.
- Adds 1.0 Program Manager I position through June 2018 to assist with the planning and coordination of multi-year flood-related parks capital projects.
- Continues 4.0 positions and temporary staffing, until December 2017, to support operation of the Vietnamese-American and Gardner Community Centers until reuse partners can be found.
- Continues Aquatics program scholarship for swim lessons at City owned and operated pools and provides camp and membership scholarships at the Lake Cunningham Action Sports Park.
- Permanently suspends parking fees at two Alum Rock Park parking lots based on community concerns regarding parking in neighborhoods.
- Adds \$1.0 million in one-time funding for SJLearns to invest in an after school program infrastructure to academically focus after school programs for children in grades K-3 with the most needs as described in City-Wide Expenses.
- Adds \$200,000 in one-time funding for BeautifySJ grants to provide additional beautification and community-building efforts in neighborhoods as described in City-Wide Expenses.
- Rebudgets \$100,000 of San José BEST funding for the purchase of tattoo removal equipment as part of the Clean Slate/Tattoo Removal program as described in City-Wide Expenses.

### Operating Funds Managed

- Municipal Golf Course Fund
- St. James Park Management District Fund

# Parks, Recreation and Neighborhood Services Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Parks Maintenance and Operations	n/a	n/a	n/a	\$ 44,745,710
Community Facilities Development	n/a	n/a	n/a	2,649,447
Recreation and Community Services	n/a	n/a	n/a	37,643,773
Strategic Support	n/a	n/a	n/a	7,280,783
Strategic Support - Other	n/a	n/a	n/a	2,452,379
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$94,772,092</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 41,748,925	\$ 53,247,634	\$ 56,060,624	\$ 57,881,813
Overtime	722,400	260,101	260,101	260,101
Subtotal Personal Services	42,471,326	53,507,735	56,320,725	58,141,914
Non-Personal/Equipment	19,734,126	22,472,166	22,421,727	25,059,038
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 62,205,452</b>	<b>\$ 75,979,901</b>	<b>\$ 78,742,452</b>	<b>\$ 83,200,951</b>
<b>Other Costs *</b>				
PRNS Gifts	n/a	n/a	n/a	1,979,676
PRNS Other Departmental - City-Wide Administration	n/a	n/a	n/a	6,990,465
Administration	n/a	n/a	n/a	1,101,000
PRNS Workers' Compensation	n/a	n/a	n/a	1,500,000
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 11,571,141</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,772,092</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 83,421,294
Airport Maint & Oper	n/a	n/a	n/a	71,448
Comm Fac District No. 14	n/a	n/a	n/a	358,406
Gift Trust Fund	n/a	n/a	n/a	2,131,838
Municipal Golf Course Fund	n/a	n/a	n/a	1,101,000
St. James Park Management District Fund	n/a	n/a	n/a	368,382
Capital Funds	n/a	n/a	n/a	7,319,724
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,772,092</b>

# Parks, Recreation and Neighborhood Services Department

## Department Budget Summary

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	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Authorized Positions by Core Service</b>				
Parks Maintenance and Operations	n/a	n/a	n/a	327.29
Community Facilities Development				21.58
Recreation and Community Services	n/a	n/a	n/a	293.97
Strategic Support	n/a	n/a	n/a	40.29
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>683.13</b>

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# Parks, Recreation and Neighborhood Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Parks Maintenance and Operations</b>					
Family Camp	n/a	n/a	n/a	\$ 819,226	7.6
Happy Hollow Park & Zoo	n/a	n/a	n/a	7,940,312	99.93
Municipal Golf Courses	n/a	n/a	n/a	1,101,000	
Neighborhood Parks and Regional Parks	n/a	n/a	n/a	28,497,796	173.25
Park Rangers	n/a	n/a	n/a	2,571,363	21.77
Parks Administration	n/a	n/a	n/a	2,284,922	13.26
Sports Fields Maintenance & Reservations	n/a	n/a	n/a	810,594	7.24
Volunteer, Adopt a Park, and Community Gardens	n/a	n/a	n/a	720,497	4.24
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 44,745,710</b>	<b>327.29</b>
<b>Community Facilities Development</b>					
Minor Parks Capital Improvement Projects	n/a	n/a	n/a	\$ 1,215,613	9.46
Major Capital Improvement Projects Management	n/a	n/a	n/a	1,433,834	12.12
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,649,447</b>	<b>21.58</b>
<b>Recreation and Community Services</b>					
Anti-Graffiti & Anti-Litter	n/a	n/a	n/a	\$ 1,690,356	4.17
Aquatics	n/a	n/a	n/a	456,704	4.66
Community Center Operations	n/a	n/a	n/a	18,379,652	199.16
Park Activation/Placemaking	n/a	n/a	n/a	872,245	8.75
PRNS Re-Use	n/a	n/a	n/a	1,667,814	11.60
RCS Administration	n/a	n/a	n/a	2,109,130	16.98
Senior Services	n/a	n/a	n/a	3,627,884	2.40
Youth Services	n/a	n/a	n/a	1,000,000	0.00
Youth Gang Prevention and Intervention	n/a	n/a	n/a	7,839,988	46.25
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 37,643,773</b>	<b>293.97</b>
<b>Strategic Support (Neighborhood Services CSA)</b>					
Capital Budget & Project Management	n/a	n/a	n/a	\$ 2,813,894	14.64
PRNS Financial Management	n/a	n/a	n/a	2,580,990	16.15
PRNS Human Resources	n/a	n/a	n/a	795,025	5.21
PRNS Management & Administration	n/a	n/a	n/a	1,090,874	4.29
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,280,783</b>	<b>40.29</b>

# Parks, Recreation and Neighborhood Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Strategic Support - Other (Neighborhood Services CSA)</b>					
PRNS Gifts	n/a	n/a	n/a	652,378	
PRNS Other Departmental - City-Wide	n/a	n/a	n/a	300,000	
PRNS Workers' Compensation	n/a	n/a	n/a	1,500,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,452,378</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 94,772,092</b>	<b>683.13</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Parks, Recreation and Neighborhood Services Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>653.27</b>	<b>75,979,901</b>	<b>68,232,018</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Placemaking		(113,000)	(113,000)
• Rebudget: Park Ranger Non-Personal and Equipment		(82,000)	(82,000)
• Rebudget: Senior Nutrition Program		(76,000)	(76,000)
• Senior Nutrition and Programming		(1,521,528)	(1,521,528)
• Parks Rehabilitation Strike and Capital Infrastructure Team		(607,170)	-
• Placemaking and Parks Activation		(330,000)	(330,000)
• Cadillac Neighborhood		(209,000)	(209,000)
• Vietnamese-American Community Center (2.0 Recreation Leader PT, 1.0 Recreation Program Specialist, and 1.0 Senior Recreation Leader)	(4.00)	(205,100)	(205,100)
• Access to Pools and Swim Lessons		(116,000)	(116,000)
• Corporation Connections		(90,000)	(90,000)
• Grace Community Center		(68,000)	(68,000)
• Gardner Community Center		(60,000)	(60,000)
• Lake Cunningham Dog Park (0.25 Maintenance Assistant PT and 0.50 Park Ranger PT)	(0.75)	(57,000)	(57,000)
• San José Parks Foundation		(50,000)	(50,000)
• Positive Coaching Alliance		(15,000)	(15,000)
• Park Rangers for Homeless Response Team (2.0 Park Ranger)	(2.00)	0	0
• Enterprise Asset Management Team Support and Portable Generators Replacement		(39,400)	(39,400)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(6.75)</b>	<b>(3,639,198)</b>	<b>(3,032,028)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		3,361,029	2,713,651
- 1.0 Associate Construction Inspector to 1.0 Senior Construction Inspector			
- 2.0 Community Activity Worker PT to 2.0 Community Activity Worker FT			
- 1.0 Gerontology Specialist to 1.0 Recreation Program Specialist			
- 1.0 Groundswoker to 1.0 Park Maintenance Repair Worker I			
- 1.0 Maintenance Supervisor to 1.0 Parks Facilities Supervisor			
- 0.75 Recreation Leader PT to 0.75 Community Activity Worker PT			



# Parks, Recreation and Neighborhood Services Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

Base Adjustments	Positions	All Funds (\$)	General Fund (\$)
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
- 1.0 Recreation Program Specialist to 1.0 Youth Outreach Specialist			
- 1.0 Recreation Superintendent to 1.0 Parks Manager			
- 1.0 Program Manager I to 1.0 Public Information Manager			
• Deletion of 0.5 Recreation Leader PT and addition of 0.75 Senior Recreation Leader PT for expansion of Digital Arts teen and youth program (City Council approval October 18, 2016)	0.25	0	0
• Deletion of 0.5 Analyst II PT, addition of 1.0 Analyst II, 1.0 Groundswoker, 0.25 Recreation Leader PTU, and addition of \$235,000 non-personal/equipment funding for St. James Management District Fund (City Council approval March, 21, 2016)	1.75	368,382	
• Living wage		125,746	125,746
• Water		2,000,000	2,000,000
• Parks and Recreation Facilities maintenance and operations annualization		60,380	60,380
• Anti-Graffiti agreement		45,368	45,368
• Security Alert and First Alarm		24,000	24,000
• Happy Hollow Park and Zoo maintenance and operations		16,920	16,920
• Bayscape Landscaping agreement		14,426	14,426
• Happy Hollow Park and Zoo supplies for general operations		13,000	13,000
• Happy Hollow Park and Zoo dues and subscriptions		5,620	5,620
• Portable Toilets		1,350	1,350
• Gas and electricity		279,500	279,500
• Senior Nutrition		114,000	114,000
• Vehicle maintenance and operations		(25,972)	(25,972)
• Professional development program		(2,000)	(2,000)
<b>Technical Adjustments Subtotal:</b>	<b>2.00</b>	<b>6,401,749</b>	<b>5,385,989</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>648.52</b>	<b>78,742,452</b>	<b>70,585,979</b>

# Parks, Recreation and Neighborhood Services Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

Budget Proposals Recommended	Positions	All Funds (\$)	General Fund (\$)
1. Senior Nutrition Program		1,596,799	1,596,799
2. Neighborhood Park Maintenance	9.00	609,881	609,881
3. Placemaking and Parks Activation	6.00	493,668	493,668
4. Leisure and Recreation of City Kids (ROCK) Programs	8.50	511,775	511,775
5. Happy Hollow Park & Zoo Corporate Rentals	3.00	422,507	422,507
6. New Parks and Recreation Facilities Maintenance and Operations	2.50	347,346	347,346
7. Flood-Related Parks Capital Projects Manager	1.00	132,716	-
8. Vietnamese-American Community Center	4.00	114,892	114,892
9. Lake Cunningham Action Sports Park	0.60	111,045	111,045
10. Happy Hollow Park and Zoo Animal Staffing	1.00	71,158	71,158
11. Aquatics Program		66,000	66,000
12. Gardner Community Center		55,168	55,168
13. Therapeutics Program	(0.32)	(74,456)	(74,456)
14. Alum Rock Park Parking Fees Offset	(0.67)	-	-
<b>Total Budget Proposals Recommended</b>	<b>34.61</b>	<b>4,458,499</b>	<b>4,325,783</b>
<b>2017-2018 Proposed Budget Total</b>	<b>683.13</b>	<b>83,200,951</b>	<b>74,911,762</b>

# Parks, Recreation and Neighborhood Services Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Senior Nutrition Program</b>  <i>Neighborhood Services CSA                      Recreation and Community Services Core Service                      Senior Services Program</i>		1,596,799	1,596,799
<p>This action continues one-time non-personal/equipment funding of \$1,596,799 to account for the County of Santa Clara's portion of Senior Nutrition Program costs. This funding from the County of Santa Clara Department of Aging and Adult Services covers two-thirds of the cost of the program and will be used to reimburse the City's vendor for the cost of meals for seniors at all 13 senior nutrition sites from July 2017 to June 2018. The City pays for the remaining one-third of the cost of the meals. The Senior Nutrition Program provides over 200,000 meals for the senior population on an annual basis at the City's community centers. The proposal allows the program to maintain the current service level of 920 meals per day for the senior population of 13 City sites. (Ongoing costs: \$0)</p>			
<b>2. Neighborhood Park Maintenance</b>  <i>Neighborhood Services CSA                      Parks Maintenance and Operations Core Service                      Neighborhood Parks and Regional Parks Program</i>	9.00	609,881	609,881
<p>This action adds 2.0 Park Maintenance Repair Worker I and 7.0 Groundworkers, effective September 2017, and non-personal/equipment funding of \$25,000 to supplement the existing park maintenance budget in order to improve the overall appearance of the City's neighborhood park system. The Department's 2017-2018 Base Budget water allocation increase of \$2 million combined with the priority filling of 24 park maintenance vacancies will be the first steps to improve park conditions system-wide. Once filled, these positions will add 49,920 hours to the 225,000 current park maintenance hours including drive time (an increase of 22%). The addition of the proposed staff will provide an additional 18,700 hours annually (a further increase of 7%), equating to approximately 360 additional hours of maintenance per week city-wide, allowing extra attention to be paid to parks with the lowest parks assessment ratings across all ten City Council Districts. (Ongoing costs: \$726,857)</p>			
<b>3. Placemaking and Parks Activation</b>  <i>Neighborhood Services CSA                      Recreation and Community Services Core Service                      Parks Activation/Placemaking Program</i>	6.00	493,668	493,668
<p>This action continues funding for 1.0 Recreation Superintendent, 2.0 Recreation Program Specialist, and 2.0 Recreation Leader PT positions, effective July through October 2017, and 1.0 Recreation Program Specialist, effective July through June 2018, and non-personal/equipment funding of \$280,000, which is partially offset by grant revenues. The full year Recreation Specialist, which was only funded through October 2016 last year, would support placemaking activities this year as well as focus only on ¡Viva Parks! preparation, planning, and researching funding opportunities for the following year, pending budget approval for 2018-2019 events. In 2017-2018, Viva CalleSJ will be fully funded by grants from the County of Santa Clara (\$25,000) and the State of California (\$221,500). Funding will also support ¡Viva Parks!, and Plaza de Cesar Chavez events, which are partially offset by a grant from the Youth Connections Foundation (\$10,000). This action conveys the City's commitment to the process of creating quality places where people want to live, work, play and learn.</p>			

# Parks, Recreation and Neighborhood Services Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**3. Placemaking and Parks Activation**

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. Viva CalleSJ will occur on September 17, 2017. Viva Parks! events are safe and fun for the community and approximately 25 events will be held throughout the summer at various parks. Viva Parks! 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. The positions 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. It is also anticipated that the department will receive additional grant revenues to support these programs that will be recognized later this year. (Ongoing costs: \$0)

<b>4. Leisure and Recreation of City Kids (ROCK) Programs</b>	<b>8.50</b>	<b>511,774</b>	<b>511,774</b>
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**Neighborhood Services CSA**  
**Recreation and Community Services Core Service**  
*Community Center Operations and Aquatics Programs*

Offset by fee revenues, this action adds 1.0 Recreation Supervisor position, 7.5 Senior Recreation Leader PT positions, effective September 2017, and non-personal/equipment funding as well as reallocates 5.0 Recreation Leader PT, effective September 2017, to new ROCK sites to augment program management and daily oversight and address increased activity in the Leisure and Recreation of City Kids (ROCK) programs. The Recreation Supervisor will provide dedicated oversight, planning, and strategic development of the PRNS Leisure programming (e.g., marketing, market analysis, and outreach) across 14 PRNS sites and will also assist with overseeing the Aquatics Program as these programs do not have a dedicated supervisor. The part-time Senior Recreation Leaders will serve as the lead staff person at the ROCK sites with each position serving as the lead at two sites and will take on the duties from 5.0 part-time Recreation Leader PT positions that are being reallocated to address increased activity associated with three new ROCK sites. Additional fee revenue is projected based on increased activity and prices. The ROCK program has grown from 17 programs at 16 different sites to 22 programs at 20 sites. PRNS raised ROCK prices by 11% for school-year registrations (from \$1,737 to \$1,935) and 10-day punch passes last fall (from \$125 to \$139). Additionally, summer camp fee increases of 5% - 6%, effective summer 2017, combined with projected enrollment to growth of 3% will help offset the additional costs, for a net-zero impact on the General Fund. (Ongoing costs: \$643,391)

<b>5. Happy Hollow Park &amp; Zoo Corporate Rentals</b>	<b>3.00</b>	<b>422,507</b>	<b>422,507</b>
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**Neighborhood Services CSA**  
**Parks Maintenance and Operations Core Service**  
*Happy Hollow Park and Zoo Program*

This action adds 1.0 Event Coordinator, 1.0 Food Service Coordinator, and 1.0 Recreation Leader PT, effective September 2017, and non-personal/equipment funding of \$251,000, offset by corporate fee revenue, to support corporate rentals at Happy Hollow Park & Zoo (HHPZ). In 2016, Kaiser Permanente rented out HHPZ for an employee event, raising \$215,000 with 4,941 attendees. Because

# Parks, Recreation and Neighborhood Services Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**5. Happy Hollow Park & Zoo Corporate Rentals**

there has been additional interest in corporate rentals and other private events (e.g., high school proms, company picnics, etc.), funding for permanent staffing and supplies, such as tables and chairs, will allow these events to take place, while also securing a new revenue stream for HHPZ. It is anticipated that 10 events will take place in 2017-2018 with one large scale event similar to previous year's Kaiser event and 9 smaller scale events with an average 500-1,000 attendees. (Ongoing costs: \$456,809)

<b>6. New Parks and Recreation Facilities Maintenance and Operations</b>	<b>2.50</b>	<b>347,346</b>	<b>347,346</b>
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**Neighborhood Services CSA**  
**Parks Maintenance and Operations Core Service**  
*Neighborhood Parks and Regional Parks Program*

This action adds 1.1 Maintenance Assistant PT and 0.25 Events Coordinator PT, effective August 2017, 0.85 Recreation Leader PT and 0.3 Park Ranger PT, effective September 2017, and non-personal/equipment funding of \$262,120 to cover operating and maintenance costs associated with new facilities coming online in 2017-2018. These facilities include Del Monte Phase II, Elaine Richardson Park, Pueblo de Dios (land), Agnews (storm pump), Alum Rock & 31st Park Phase I, Happy Hollow Park and Zoo (animals and animal food for the wallabies), Vista Montana Park Blossom River Ramp (trail), Lower Silver Creek (trail) and Five Wounds (trail). This funding was anticipated in the 2018-2022 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, and Reserves section of this document. (Ongoing costs: \$388,832)

<b>7. Flood-Related Parks Capital Projects Manager</b>	<b>1.00</b>	<b>132,716</b>	<b>0</b>
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**Neighborhood Services CSA**  
**Strategic Support Core Service**  
*Capital Budget and Project Management Program*

This action adds 1.0 Program Manager I, limit-dated from July 2017 through June 2018, for flood-related parks capital projects. With potentially \$15 to \$20 million in flood-related capital projects to deliver over the next few years, this position will serve to advance urgent flood projects, such as FEMA claim applications, management of reimbursement qualification for key facilities (Watson Park, Selma Park, Happy Hollow Park and Zoo, etc.) and assist with the planning of those projects that will be implemented over a multi-year period. (Ongoing costs: \$0)

<b>8. Vietnamese-American Community Center</b>	<b>4.00</b>	<b>114,892</b>	<b>114,892</b>
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**Neighborhood Services CSA**  
**Recreation and Community Services Core Service**  
*Community Center Operations Program*

This action continues 2.0 Recreation Leader PT, 1.0 Recreation Program Specialist, and 1.0 Senior Recreation Leader positions, limit-dated from July 2017 through December 31, 2017, to support operations for the Vietnamese-American Community Center at the Shirakawa Community Center that began in 2016-2017. Although, this center is in the Community Center Reuse Program, the department has not been successful in securing a re-use operator; therefore, the City will continue to be the lead

# Parks, Recreation and Neighborhood Services Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>8. Vietnamese-American Community Center</b>			
operator, work to find and transition this center to a reuse model, and partner with non-profits to deliver services to the Vietnamese-American community for the next six months . By the end of December 2017, PRNS will report to Council with a status update. (Ongoing costs: \$0)			
<b>9. Lake Cunningham Action Sports Park</b>	<b>0.60</b>	<b>111,045</b>	<b>111,045</b>
<b><i>Neighborhood Services CSA</i></b> <b><i>Parks Maintenance and Operations Core Service</i></b> <i>Neighborhood Parks and Regional Parks Program</i>			
Offset by fee revenue, this action adds 1.0 Office Specialist position and deletes 0.4 Account Clerk PT, effective September 2017, and adds ongoing funding of \$70,000 for scholarships to support the Lake Cunningham Action Sports Park, with the Bike Park expected to come on-line in September 2017. It is anticipated that 3,000 scholarships will be available for camps and memberships, with eligibility based on income. The proposed position and scholarships will be funded from park admission fees that are recommended to change from the current skate park fee of \$3 for youth and \$5 for adult fees to a flat rate of \$7 per entry. The new \$7 fee gives the entrant access to the entire Lake Cunningham Action Sports Park, including the Skate Park and the new Bike Park. (Ongoing costs: \$123,257)			
<b>10. Happy Hollow Park and Zoo Animal Staffing</b>	<b>1.00</b>	<b>71,158</b>	<b>71,158</b>
<b><i>Neighborhood Services CSA</i></b> <b><i>Parks Maintenance and Operations Core Service</i></b> <i>Happy Hollow Park and Zoo Program</i>			
Offset by fee revenue, this action adds 1.0 Zoo Keeper position, effective August 2017, and non-personal/equipment funding of \$11,000 to Happy Hollow Park and Zoo (HHPZ) for veterinarian and animal food costs in anticipation of the addition of a new jaguar by December 2017, the potential partner for Sophia, HHPZ's current jaguar. HHPZ's accreditation by the Association of Zoos and Aquariums (AZA) is critical to the success of HHPZ's operations, which includes participating in a program that rotates different animals between AZA accredited zoos. This program provides the public with information, education, and awareness about different animals and promotes conservation. (Ongoing costs: \$76,627)			
<b>11. Aquatics Program</b>		<b>66,000</b>	<b>16,000</b>
<b><i>Neighborhood Services CSA</i></b> <b><i>Recreation and Community Services Core Service</i></b> <i>Aquatics Program</i>			
This action continues one-time funding of \$16,000 for swim lesson scholarships to provide recreation, health, and safety benefits to over 200 youth in economically disadvantaged communities. Scholarships would be available for swim lessons at City owned and operated pools. The action also rebudgets \$50,000 of the \$100,000 added in 2016-2017 for the leasing of high school pools in disadvantaged neighborhoods and redirects that funding for the operation of Ryland pool by City staff as an outside operator has not been secured for 2017. Only one East Side Union High School District (ESUHSD) pool is available for leasing (summer 2017 and summer 2018), thereby making available temporary funding for the Ryland pool operations while an operator is found for 2018. (Ongoing costs: \$0)			

# Parks, Recreation and Neighborhood Services Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment



2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>12. Gardner Community Center</b>		<b>55,168</b>	<b>55,168</b>
<p><i>Neighborhood Services CSA Recreation and Community Services Core Service Community Center Operations Program</i></p> <p>This action continues funding for temporary positions (1.0 Senior Recreation Leader and 1.0 Recreation Leader PT) through December 31, 2017 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 extension 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 2017, PRNS will report to Council with a status update. (Ongoing costs: \$0)</p>			
<b>13. Therapeutics Program</b>	<b>(0.32)</b>	<b>0</b>	<b>0</b>
<p><i>Neighborhood Services CSA Recreation and Community Services Core Service Community Center Operations Program</i></p> <p>This action adds 1.0 Recreation Supervisor, effective September 2017, to support programs at Grace Community Center, offset by the elimination of 1.0 vacant Therapeutic Specialist and 0.32 vacant Senior Recreation Leader to align duties and assignments for this program. This position will address the need for on-site supervision at the Art and Wellness Center and assume supervisory responsibilities including facility management, program and staff scheduling, oversight of curriculum development, and pursuing donations, sponsorships, and grants. (Ongoing costs: \$0)</p>			
<b>14. Alum Rock Park Parking Fees Offset</b>	<b>(0.67)</b>	<b>0</b>	<b>0</b>
<p><i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Neighborhood Parks and Regional Parks Program</i></p> <p>This action permanently suspends parking fees at two Alum Rock Park parking lots, offset by the elimination of 0.67 vacant Recreation Leader PT, that was defunded in 2016-2017, for a net-zero impact on the General Fund. Following community concerns regarding parking impacts on surrounding neighborhoods near the Penitencia Creek Road entrance to Alum Rock Park, an Alum Rock parking pilot program suspended parking fees at two parking lots within Alum Rock Park, which was aimed at alleviating residential street parking. PRNS conducted a 4-month pilot in 2016, suspending parking fees at the Rustic Lands and Eagle Rock parking lots. The pilot program was successful and resulted in an overall reduction of residential street parking in the surrounding neighborhoods; therefore, the program is recommended to be made permanent. (Ongoing costs: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>34.61</b>	<b>4,458,499</b>	<b>4,325,783</b>

# Parks, Recreation and Neighborhood Services Department

## Performance Summary

### Parks Maintenance and Operations

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Maintenance dollars per developed park acre maintained (includes regional and neighborhood parks, trails, community center and civic grounds, and community gardens)	\$10,100	\$11,347	\$10,862	\$13,100
 % of customer concerns completed within time standards established by PRNS	51%	56%	50%	55%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of developed neighborhood and regional parks	199	206	204	208
# of developed acres maintained (includes regional and neighborhood parks, trails, community center and civic grounds, and community gardens)	1761	1,768	1,768	1,780
# of regional and neighborhood park restrooms maintained	101	103	101	102
# of customer concerns	2,124	1,800	1,316	1,300
















# Parks, Recreation and Neighborhood Services Department

## Performance Summary

### Recreation and Community Services

#### Performance Measures


	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of surveyed youth customers (BEST) who report experiencing change for the better due to youth services programs	73%	78%	75%	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	100%	100%	94%	94%
 % of Safe School Campus Initiative customers surveyed rating services good or better	90%	86%	90%	90%
 % of customers who are repeat or returning customers (leisure classes)	72%	75%	75%	75%
 % of community center customers rating overall Satisfaction/Services as good or better	90%	90%	90%	90%
 % of gang or other offensive graffiti service requests completed by graffiti eradication vendor within 24 hours (service requests reported by the public)	75%	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)	N/A <sup>1</sup>	80% <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
 % of graffiti service requests in the Reactive Zones (1-5) completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	N/A <sup>1</sup>	75% <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
 % of graffiti service requests completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	78%	75%	75%	75%
 % of Clean Slate Tattoo Removal program participants who complete the Life Skills Sessions classes	N/A	80%	85%	80%
 % of customers who register online for leisure classes	37%	38%	37%	38%
 % of youth participants that make healthier decisions as a result of their participation in summer camps and after school programs	72%	80%	80%	80%

# Parks, Recreation and Neighborhood Services Department

## Performance Summary

### Recreation and Community Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of customers who state that participation in programs has helped them increase their physical activity level to at least 60 minutes per day	79%	25% <sup>2</sup>	70%	70%

<sup>1</sup> The Anti-Graffiti Program no longer tracks graffiti based on proactive or reactive zones as of 2015-2016. This was presented in the approved December 15, 2016 report to Public Safety, Finance, and Strategic Support Committee.

<sup>2</sup> This question was not included in the 2015-2016 survey. For 2016-2017, the question was 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

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of surveyed youth customers (BEST) who report experiencing change for the better due to youth services programs	2,396	2,886	2,475	2,574
# of leisure class participant surveys completed with "2 <sup>nd</sup> time or more" answer selected	236	200	225	225
# of Safe Schools Campus Initiative customers rating City efforts at keeping schools safe as good or better	75	65	76	76
# of incidents on Safe School Campus Initiative School Sites responded to within 30 minutes	468	450	450	450
# of school conflicts resolved with re-establishment of safe learning environment within two weeks	468	450	425	425
# of Safe Schools Campus Initiative school sites	75	76	76	76
# of BEST youth service program participants	3,282	3,700	3,300	3,300
# of gang or other offensive graffiti service requests completed by graffiti eradication vendor within 24 hours (service requests reported by the public)	923	600	750	750
# of graffiti service requests in the Proactive Zones (1-5) completed within 48 hours by graffiti eradication vendor (service requests reported by the public)	N/A <sup>1</sup>	10,000 <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
# of graffiti service requests in the Reactive Zones (1-5) completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	N/A <sup>1</sup>	9,000 <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
# of graffiti work orders assigned to graffiti eradication vendor (service requests reported by the public)	28,028	22,000	22,000	22,000
# of Clean Slate Tattoo Removal program participants who complete the Life Skills Sessions classes	N/A	100	106	100
# of Anti-Litter Program clean-up events coordinated (neighborhood, business, and community litter clean-up events)	N/A	36	100	100
# of Anti-Litter Program clean-up locations coordinated (neighborhood, business, and community litter clean-up events)	N/A	30	100	100

<sup>1</sup> The Anti-Graffiti Program no longer tracks graffiti based on proactive or reactive zones as of 2015-2016. This was presented in the approved December 15, 2016 report to Public Safety, Finance, and Strategic Support Committee.

# Parks, Recreation and Neighborhood Services Department

## Performance Summary

### Recreation and Community Services

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of bags of litter collected by the Anti-Litter Program	10,692	6,500	9,000	9,000
# of customers who register online for leisure classes	25,581	23,000	23,000	23,000
# of customers who state that participation in programs has helped them increase their physical activity level to at least 60 minutes per day	1,194	75 <sup>1</sup>	1,000	1,000
# of youth participants that make healthier decisions as a result of their participation in summer camps and after school programs	530	300	300	300


<sup>1</sup> This question was not included in the 2015-2016 survey. For 2016-2017, the question was 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

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of grant agreements ready for agency signature by the grant agreement start dates (SJ BEST: September 1 <sup>st</sup> ; Safe Summer Initiative Grant (SSIG): June 1 <sup>st</sup> ; Senior Health & Wellness: October 1 <sup>st</sup> )	56%	80%	60%	80%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of grant agreements ready for agency signature by the grant agreement start dates (SJ BEST: September 1 <sup>st</sup> ; Safe Summer Initiative Grant (SSIG): June 1 <sup>st</sup> ; Senior Health & Wellness: October 1 <sup>st</sup> )	31	54	36	43
The size (in mileage) of the trail network in each phase:				
- construction	1.79	4.51	0.90	2.14
- open	57.54	58.23	60.04	60.04

# Parks, Recreation and Neighborhood Services Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Account Clerk II	2.00	2.00	-
Account Clerk I/II PT	3.12	2.72	(0.40)
Accounting Technician	3.00	3.00	-
Administrative Officer	1.00	1.00	-
Amusement Park Supervisor	1.00	1.00	-
Analyst I PT	0.00	0.00	-
Analyst I/II	17.00	17.00	-
Analyst II PT	2.00	2.00	-
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	0.00	(1.00)
Associate Engineering Technician	1.00	1.00	-
Associate Structure Landscape Designer	1.00	1.00	-
Class Instructor PT	25.50	25.50	-
Community Activity Worker	5.00	7.00	2.00
Community Activity Worker PT	2.75	1.50	(1.25)
Community Coordinator	6.00	6.00	-
Community Services Aide PT	22.80	22.80	-
Community Services Supervisor	2.00	2.00	-
Cook PT	3.75	3.75	-
Deputy Director	3.00	3.00	-
Director, Parks, Recreation and Neighborhood Services	1.00	1.00	-
Division Manager	4.00	4.00	-
Entertainment Coordinator	1.00	1.00	-
Events Coordinator I	0.00	1.00	1.00
Events Coordinator I PT	0.75	1.00	0.25
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	1.00	2.00	1.00
Food Service Coordinator PT	1.00	1.00	-
Gardener	23.00	23.00	-
Gerontology Specialist	9.00	8.00	(1.00)
Golf Course Manager	1.00	1.00	-
Groundskeeper	5.00	5.00	-
Groundswoker	40.00	46.00	6.00
Heavy Equipment Operator	3.00	3.00	-
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	2016-2017 Adopted	2017-2018 Proposed	Change
Maintenance Assistant	22.00	22.00	-
Maintenance Assistant PT	22.26	23.11	0.85
Maintenance Supervisor	1.00	0.00	(1.00)
Maintenance Worker I	2.00	2.00	-
Office Specialist I/II	4.00	5.00	1.00
Park Ranger	18.00	16.00	(2.00)
Park Ranger PT	7.79	7.59	(0.20)
Parks Facilities Supervisor	11.00	12.00	1.00
Parks Maintenance Repair Worker I/II	15.00	18.00	3.00
Parks Manager	5.00	6.00	1.00
Planner III	1.00	1.00	-
Planner IV	1.00	1.00	-
Program Manager I	6.00	6.00	-
Public Information Manager	0.00	1.00	1.00
Public Information Representative II	2.00	2.00	-
Puppeteer PT	1.50	1.50	-
Recreation Leader PT	140.52	142.13	1.61
Recreation Program Specialist	41.00	44.00	3.00
Recreation Specialist	2.00	2.00	-
Recreation Superintendent	3.00	3.00	-
Recreation Supervisor	13.00	15.00	2.00
Regional Park Aide PT	9.36	9.36	-
Rides and Attractions Safety Coordinator	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 Construction Inspector	0.00	1.00	1.00
Senior Engineering Technician	1.00	1.00	-
Senior Maintenance Worker	13.00	13.00	-
Senior Office Specialist	3.00	3.00	-
Senior Park Ranger	1.00	1.00	-
Senior Recreation Leader	19.00	19.00	-
Senior Recreation Leader PT	1.17	9.42	8.25
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	12.00	11.00	(1.00)

# Parks, Recreation and Neighborhood Services Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Volunteer Coordinator	1.00	1.00	-
Youth Outreach Specialist	6.00	7.00	1.00
Youth Outreach Worker I	13.00	13.00	-
Youth Outreach Worker I PT	0.10	0.10	-
Youth Outreach Worker II	6.00	6.00	-
Zoo Curator	1.00	1.00	-
Zoo Education Specialist	1.00	1.00	-
Zoo Educator	2.00	2.00	-
Zoo Educator PT	0.50	0.50	-
Zoo Keeper	9.00	10.00	1.00
Zoo Keeper PT	2.50	2.50	-
Zoo Manager	1.00	1.00	-
<b>Total Positions</b>	<b>653.27</b>	<b>681.38</b>	<b>28.11</b>



# Planning, Building and Code Enforcement Department

Harry Freitas, Director

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**F**acilitate 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*

### **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





### **Code Enforcement**

Enforce and promote compliance with local and State codes to ensure a safe, healthy, and attractive community

**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		Program
<p><b>Development Plan Review and Building Construction Inspection:</b> <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"> <li>• Building Development Services</li> <li>• Planning Development Services</li> <li>• Development Services Administration</li> </ul>
<p><b>Long Range Land Use Planning:</b> <i>Develop land use plans and policies to guide the future physical growth of the City</i></p>		<ul style="list-style-type: none"> <li>• Long Range Planning</li> <li>• Planning Environmental Review and Historic Preservation</li> <li>• Planning Administration</li> </ul>
<p><b>Code Enforcement:</b> <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"> <li>• Community Code Enforcement</li> <li>• Solid Waste Enforcement Fee</li> <li>• Multiple Housing Code Enforcement</li> <li>• Code Enforcement Administration</li> </ul>
<p><b>Strategic Support:</b> <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"> <li>• PBCE Management and Administration</li> <li>• PBCE Financial Management</li> <li>• PBCE Human Resources</li> <li>• PBCE Information Technology</li> </ul>

# Planning, Building and Code Enforcement Department

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Complete plans for the East Santa Clara, West San Carlos, and South Bascom Urban Villages.
- Complete the plans, Area Development Policy, and Environmental Impact Report (EIR) for Stevens Creek, Santana Row, and Winchester Urban Villages and bring to Council for consideration.
- Complete proposed zoning modifications to the East Santa Clara, Roosevelt Park, Little Portugal, and The Alameda Urban Villages to facilitate development consistent with the approved Urban Village Plans.
- Complete the Downtown Strategy 2040 EIR and increase development capacity for residential and office development in Downtown.
- Draft Sign Ordinance amendments and options for City Council consideration that will allow electronic digital off-site advertising sign or billboard installations.
- Explore municipal ordinance changes that could allow medical marijuana distributors, manufacturers, and testing labs to operate in San José.
- Make use of innovative technology by implementing the fully Integrated Permitting System, which includes electronic plan submittal review, mobile inspections, and the improved public portal on the Development Services website.
- Provide 90% of all Building Division field inspections within 48 hours of request.
- Continue to increase the knowledge base and experience of Building Inspectors and the capacity for combination inspections of single family, duplex, multi-family, and solar installation projects.
- Continue to provide free public outreach events, such as the annual Building Safety Month events.
- Phase out the city-wide Neighborhood Clean-Up Program at the end of 2017, with resources shifting to provide for the more effective and efficient program of unlimited curbside junk pick-up.
- Assist the Police Department in regulating the estimated 300 massage parlors in San José.
- Restore the resources for the Building Code Compliance Program to address up to 350 building code cases requiring building permits, many of which include potentially unsafe structures.

### 2017-2018 Key Budget Actions

- Adds 9.0 Planner positions through June 30, 2019 for needed oversight (continues 2.0 Planner IV positions) and to support planning application review (adds 1.0 Planner IV position, 2.0 Planner III, and 2.0 Planning Technician positions and continues 2.0 Planner II positions) in Development Services and the Permit Center.
- Adds 1.0 Planner III through June 30, 2019 to review and prepare federal and State environmental documents for the Housing Department projects.
- Continues 1.0 Planner II through June 30, 2019 to review and prepare all environmental clearance documents related to the Regional Wastewater Facility.
- Adds 1.0 Principal Planner to support the planning needs of the multi-year implementation of major transportation investments planned for San José, including High Speed Rail, Bay Area Rapid Transit (BART), Bus Rapid Transit, and the Airport People mover.
- Adds one-time funding of \$375,000 to update the Greenhouse Gas Reduction Strategy, which is required by the State of California to be completed by 2020.
- Provides one-time funding of \$200,000 to review and improve development permit processes.
- Provides one-time funding of \$150,000 to support land use policy and ordinance changes.
- Adds 1.0 Code Enforcement Inspector, through June 30, 2019, for expanded inspection and enforcement of the Massage Parlor Permit and Regulation Program.
- Adds 1.0 Building Inspector for a restored Building Code Compliance program.
- Adds 1.0 Code Enforcement Supervisor to support the Code Enforcement component of the Integrated Permit System implementation.

### Operating Funds Managed

N/A

# Planning, Building and Code Enforcement Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Community Code Enforcement	n/a	n/a	n/a	\$ 11,913,664
Development Plan Review and Building Construction Inspection	n/a	n/a	n/a	36,333,580
Long Range Land Use Planning	n/a	n/a	n/a	3,562,101
Strategic Support	n/a	n/a	n/a	3,005,307
Strategic Support - Other	n/a	n/a	n/a	933,468
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 55,748,120</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal</b>				
Salaries/Benefits	\$ 41,344,137	\$ 45,919,816	\$ 48,842,117	\$ 50,288,376
Overtime	928,137	181,622	181,622	181,622
Subtotal Personal Services	<u>\$ 42,272,274</u>	<u>\$ 46,101,438</u>	<u>\$ 49,023,739</u>	<u>\$ 50,469,998</u>
Non-Personal/Equipment	5,141,344	6,992,420	3,801,571	5,009,042
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 47,413,618</b>	<b>\$ 53,093,858</b>	<b>\$ 52,825,310</b>	<b>\$ 55,479,040</b>
<b>Other Costs *</b>				
PBCE Other Departmental - City-Wide	n/a	n/a	n/a	\$ 223,000
Other	n/a	n/a	n/a	46,080
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 269,080</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 55,748,120</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 53,298,597
Airport Maint & Oper	n/a	n/a	n/a	46,091
Comm Dev Block Grant	n/a	n/a	n/a	1,101,866
Integrated Waste Mgmt	n/a	n/a	n/a	691,977
Low/Mod Income Hsg Asset	n/a	n/a	n/a	111,925
Sewer Svc & Use Charge	n/a	n/a	n/a	97,457
Storm Sewer Operating	n/a	n/a	n/a	60,364
Capital Funds	n/a	n/a	n/a	339,843
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 55,748,120</b>

# Planning, Building and Code Enforcement Department

## Department Budget Summary

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	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Authorized Positions by Core Service</b>				
Community Code Enforcement	n/a	n/a	n/a	74.08
Development Plan Review and Building Construction Inspection	n/a	n/a	n/a	203.28
Long Range Land Use Planning	n/a	n/a	n/a	16.99
Strategic Support	n/a	n/a	n/a	22.65
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>317.00</b>

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\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Planning, Building and Code Enforcement

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Code Enforcement</b>					
Code Enforcement Administration	n/a	n/a	n/a	\$ 260,699	0.88
Community Code Enforcement	n/a	n/a	n/a	6,179,320	37.54
Multiple Housing Code Enforcement	n/a	n/a	n/a	3,721,809	24.38
Solid Waste Enforcement Fee	n/a	n/a	n/a	1,751,836	11.28
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 11,913,664</b>	<b>74.08</b>
<b>Development Plan Review and Building Construction Inspection</b>					
Building Development Services	n/a	n/a	n/a	\$ 25,758,262	133.76
Development Services Administration	n/a	n/a	n/a	4,231,369	27.1
Planning Development Services	n/a	n/a	n/a	6,343,949	42.42
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 36,333,580</b>	<b>203.28</b>
<b>Long Range Land Use Planning</b>					
Long Range Planning	n/a	n/a	n/a	\$ 2,862,978	11.63
Planning Administration	n/a	n/a	n/a	82,203	0.42
Planning Environmental Review and Historic Preservation	n/a	n/a	n/a	616,920	4.94
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,562,101</b>	<b>16.99</b>
<b>Strategic Support</b>					
PBCE Financial Management	n/a	n/a	n/a	\$ 4,727	0.05
PBCE Human Resources	n/a	n/a	n/a	0	
PBCE Information Technology	n/a	n/a	n/a	0	
PBCE Management and Administration	n/a	n/a	n/a	3,000,580	18.60
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,005,307</b>	<b>18.65</b>

# Planning, Building and Code Enforcement

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Strategic Support - Other</b>					
PBCE Capital	n/a	n/a	n/a	\$ 0	
PBCE Gifts	n/a	n/a	n/a	0	
PBCE Grants	n/a	n/a	n/a	226,259	1.00
PBCE Other City-Wide	n/a	n/a	n/a	707,209	3.00
PBCE Other Operational - Administration	n/a	n/a	n/a	0	
PBCE Workers' Compensation	n/a	n/a	n/a	0	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 933,468</b>	<b>4.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 55,748,120</b>	<b>317.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Planning, Building and Code Enforcement Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

**(2016-2017 Adopted to 2017-2018 Proposed)**

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>319.00</b>	<b>53,093,858</b>	<b>50,498,489</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Geographic Information System Implementation		(381,000)	(381,000)
• Rebudget: North San José Area Development Policy and Environmental Impact Report		(310,000)	(310,000)
• Rebudget: Code Enforcement Replacement Vehicles		(215,000)	(215,000)
• Rebudget: Urban Village Master Planning		(180,000)	(180,000)
• Rebudget: Workspace Improvement Project		(166,000)	(166,000)
• Rebudget: Update Downtown Environmental Impact Report		(120,000)	(120,000)
• Rebudget: Multiple Housing Code Enforcement Permit System		(110,000)	(110,000)
• Rebudget: Metropolitan Transportation Commission Planning Grant		(68,700)	(68,700)
• Rebudget: Envision San José 2040 General Plan Four-Year Major Review		(31,900)	(31,900)
• Rebudget: Library Digital File Conversion		(8,300)	(8,300)
• Building Development Fee Program			
- Peak Staffing		(400,000)	(400,000)
- Building Code Adoption Training and Materials		(91,000)	(91,000)
- Vehicles		(90,000)	(90,000)
- Building Inspector Computers		(15,000)	(15,000)
- Permit Center Staffing		(8,700)	(8,700)
• Planning Development Fee Program			
- Development Review Staffing/Planning (2.0 Planner I/II/III, 1.0 Planner IV)	(3.00)	(328,196)	(328,196)
- Permit Center Staffing/Planning (1.0 Planner IV)	(1.00)	(130,114)	(130,114)
- Technology Improvements		(29,500)	(29,500)
• Metropolitan Transportation Commission Planning Grant (1.0 Planner I/II/III)	(1.00)	(311,400)	(311,400)
• Medical Marijuana Program CEQA Review		(250,000)	(250,000)
• Policy and Ordinance Assistance		(250,000)	(250,000)
• Expanded Code Enforcement of Top Apartment Violators (1.0 Code Enforcement Inspector)	(1.00)	(111,000)	(111,000)
• Long Range Planning Project Staffing (1.0 Planner I/II/III)	(1.00)	(96,899)	(96,899)
• Water Pollution Control Plant Environment Review Staffing (1.0 Planner I/II/III)	(1.00)	(96,899)	(96,899)
• Code Inspector Mobile Devices		(57,600)	(57,600)
• Public Information Outreach		(52,000)	(52,000)
• Integrated Permit System Implementation (for Development Partners and Code Enforcement)		(3,149)	(3,149)
• Enterprise Asset Management Team Support and Portable Generators Replacement		(2,500)	(2,500)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(8.00)</b>	<b>(3,914,857)</b>	<b>(3,914,857)</b>



# Planning, Building and Code Enforcement Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

Base Adjustments	Positions	All Funds (\$)	General Fund (\$)
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		3,435,656	3,445,107
- 1.0 Building Inspector Combination Certified I to 1.0 Building Inspector Combination Certified II			
- 1.0 Program Manager I to 1.0 Department Information Technology Manager			
- 1.0 Senior Office Specialist to 1.0 Staff Specialist			
• Living wage		149,303	29,622
• Postage		30,000	30,000
• Copy machine maintenance contractual services		15,000	15,000
• Vehicle maintenance and operations		13,350	14,500
• Professional development program		3,000	3,000
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>3,646,309</b>	<b>3,537,229</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>319.00</b>	<b>52,825,310</b>	<b>50,120,861</b>
<b>Budget Proposals Recommended</b>			
1. Planning Development Fee Program	15.12	2,069,864	2,069,864
2. Urban Village Planning Staffing	1.00	474,590	474,590
3. Greenhouse Gas Reduction Strategy		375,000	375,000
4. Business Permit Process Improvement Bootcamp		200,000	200,000
5. San Jose Regional Transportation Hub Project- Planning Staffing	1.00	150,000	150,000
6. Policy and Ordinance Support Staffing		150,000	150,000
7. Building Code Compliance Staffing	1.00	137,467	137,467
8. Housing Projects Environmental Review Staffing	1.00	122,778	0
9. Massage Parlor Permit Enforcement Staffing	1.00	119,569	119,569
10. Integrated Permit System-Code Enforcement Support	1.00	112,277	112,277
11. Wastewater Treatment Plant Projects Environmental Review	1.00	101,370	0
12. Fire and Public Works Development Fee Programs and Other Fee Programs	0.18	34,547	34,547
13. Neighborhood Clean-Up Program Phase-Out	(11.00)	(525,154)	0
14. Building Development Fee Program	(5.30)	(868,578)	(868,578)
<b>Total Budget Proposals Recommended</b>	<b>6.00</b>	<b>2,653,730</b>	<b>2,954,736</b>
<b>2017-2018 Proposed Budget Total</b>	<b>325.00</b>	<b>55,479,040</b>	<b>53,075,597</b>

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Planning Development Fee Program	15.12	2,069,864	2,069,864

*Community and Economic Development CSA  
Development Plan Review and Building Construction Inspection Core Service  
Strategic Support – Community & Economic Development Core Service  
Planning Development Services and PBCE Information Technology Programs*

The actions included in this section, funded by fee activity and the use of reserves, support the Planning Development Fee Program.

- **Planning Staff Realignment:** This action shifts 6.0 Planner (5.14 Planner II and .86 Planner III) positions (\$979,315) from being funded by Building Fees to Planning Fees to properly align costs with revenues. Based on a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study, capturing the costs of these positions that review building plans during the plan check process to ensure they meet City planning requirements is better aligned to the Planning Development Fee Program rather than the Building Development Fee Program. (Ongoing costs: \$994,982)
- **Development Review Staffing:** This action continues 1.0 Planner IV position and 2.0 Planner II positions, effective July 1, 2017, and adds 1.0 Planner IV, 2.0 Planner III, and 2.0 Planning Technician positions, effective September 1, 2017 through June 30, 2019, and associated non-personal/equipment funding in the Planning Development Fee Program (\$782,568). Continued high demand on development review services in 2017-2018, with a number of large, key signature projects anticipated to be submitted within the next six to eight months, will require significant and complex development review. The Planner IV positions in Development Review will provide oversight of these 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. Planner III positions in the Development Review Division are lead project managers on privately-initiated development projects. The Planning Technician positions will perform the administrative type work involved in reviewing development projects, allowing the planner positions to focus on the technical review and project management. These position additions will result in planner workload that is closer to industry standards and faster turnaround time for project review. (Ongoing costs: \$852,002)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

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2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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### 1. Planning Development Fee Program

- **Permit Center Oversight Staffing:** This action continues 1.0 Planner IV position, effective July 1, 2017, and associated non-personal/equipment funding in the Planning Services section of the Permit Center through June 30, 2019 (\$130,783). As part of the 2016-2017 Adopted Operating Budget, the limit-dated position was approved to support increased development activity in the Permit Center. Currently in the Permit Center, there is one permanent Planner IV and one limit-dated Planner IV. Both Planner IV's supervise a total of 8.0 Planner I/II/III and 1.0 Permit Specialist positions. The Planner IV positions share in managing and supervising the Permit Center planner staff, focus on improving services, and provide a high level of assistance on complex projects. The Permit Center is a fast paced environment that requires on the spot decisions on complex inquiries and higher level oversight on legal non-conforming verifications, administrative permit reviews comprising adjustments, single family house permits, dead tree removal permits, unsuitable tree removal permits, and conformance plan review. Due to an anticipated continued high demand for Permit Center activities for the next two years, a Planner IV is needed to balance supervision and work assignments, be a resource for review recommendations, and align service expectations and practices to ensure project completion. (Ongoing costs: \$130,783)
- **Microfiche Films to Digital Files Conversion:** This action adds one-time funding of \$150,000 to convert Planning Division microfiche films to digital files. The Planning Division has a library that holds important historical documents and reference materials as well as archived plans of old buildings built in San José. Some of the microfiche films have deteriorated over time and quality has degraded due to wear and tear from use. Additionally, requests to access these records from the public and internal departments can be time consuming because of needing to locate the microfiche amidst many storage files and to use an outdated microfiche reader to read and print the requested information. The funding will provide for 1) storage for all the converted microfiche films in either a cloud or on-site server allowing better access of the documents for staff which will decrease research time; 2) the ability of the public to access, view, and print records from their home or office, aligning with the Mayor's Smart City Vision to have data easily accessible for public viewing; and 3) the preservation of documents contained on aging microfiche films. (Ongoing costs: \$0)
- **Document Imaging Technology Staffing:** This action adds 1.0 Supervising Applications Analyst position, effective September 1, 2017, and associated non-personal/equipment funding (funded 70% by Building Development Fee Program, 12% by Planning Development Fee Program, 12% by Fire Development Fee Program, 6% by Public Works Development Fee Program) to support Development Services document imaging technology projects (\$122,482, Planning Development Fee Program's portion: \$14,698). The Imaging and Support Team uses multiple systems and software programs to input, store, and retrieve documents. The position will provide the needed management and coordination to complete the conversion to a new electronic content management system. Following the conversion, the position will maintain and coordinate continuous improvements to the imaging system, and establish process and procedures to seamlessly integrate electronic documents provided to the City by the outside scanning vendor or by customers using electronic plan review. In addition, this position will assist with assimilating data to and from the new Integrated Permitting System and assist management in evaluating process improvements such as cloud storage, bar coding, disaster recovery planning, as well as the most effective way to download and view vendor and customer provided documents. (Ongoing costs: \$145,129, Planning Development Fee Program's portion: \$17,415)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

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2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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### 1. Planning Development Fee Program

- **Integrated Permit System-Revenue Process Redesign:** This action adds one-time funding of \$50,000 (funded 50% by Building Development Fee Program, 25% by Planning Development Fee Program, and 25% by Code Enforcement Fees) for a temporary analytical position to support daily operations while an experienced staff person works on revenue process changes identified in a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study (\$50,000, Planning Development Fee Program's portion: \$12,500). One outcome of the study was the need to revise the City's approach to recognizing development fee revenue and the refund process. To be consistent with generally accepted accounting practices, development fee revenue should be recognized when it is earned as opposed to the current practice of recognizing all revenue when the fees are collected. To make the change, an experienced staff person will work with subject-matter-experts in the Planning and Building processes to develop milestones to recognize collected fees as earned revenue and incorporate the established milestones as part of the Integrated Permit System (IPS) upgrade project. A temporary position will provide the staffing required to support the daily analytical functions of the department and allow experienced staff to redesign the revenue recognition process and ensure success of the high priority IPS upgrade project. (Ongoing costs: \$0)

While not reflected in this section of the document, other additions partially funded by the Planning Development Fee Program include the following:

- **Information Technology Department Staff Realignment:** This action eliminates 1.0 Information Systems Analyst (total savings: \$144,071, Public Works Development Fee Program's portion: \$4,320) funded in part by the General Fund Development Fee Programs. The addition of the Information Systems Analyst was intended to support city-wide technology upgrades, including Virtual Desktop Infrastructure (VDI) and operating system upgrade to Windows 10. With an anticipated reduction in the scope of both projects, the Information Systems Analyst is no longer needed. (Ongoing savings: \$4,320)

Planning Development Fee Program Reserve: An increase to the Reserve of \$1.2 million (from \$575,000 to \$1.8 million) is included as a result of the recommended actions contained in this Proposed Operating Budget. It is important to note that while the recommended budget actions result in an increase of \$1.2 million to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$1.7 million of this reserve, resulting in a Base Budget decrease from \$2.3 million to \$575,000. Additionally, based on a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study, in order to maintain full cost recovery for the Planning Development Fee Program an increase to permit fees is recommended, as discussed in the 2017-2018 Fees and Charges document, and will result in an increase in revenue of \$3,230,000. The revenue from these adjustments to the fees is discussed in more detail in the General Fund Revenue section of this document.

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Urban Village Planning Staffing	1.00	474,590	474,590

*Community and Economic Development CSA  
Long Range Land Use Planning Core Service  
Long Range Planning Program*

This action continues 1.0 Planner III, effective July 1, 2017 to June 30, 2018, (\$111,590) and adds one-time funding for consultant services (\$363,000) for the development of additional urban village plans. The concept of urban villages was established in the Envision San José 2040 General Plan that was adopted in 2011. The policy intends to create a framework that directs sustainable job and housing growth within walkable and bike-friendly areas that have good access to transit and other infrastructure and facilities. Urban Village staff currently consists of a permanent Planner IV, Planner III, and a limit dated Planner III, which expires on June 30, 2017. During 2016-2017, this team completed grant funded work for the West San Carlos and South Bascom Urban Village resulting in draft Plans, which will soon be presented to the City Council for adoption. The Alameda Urban Village Plan was completed and adopted by the City Council in December 2016. This position continuation is funded by a Metropolitan Transportation Commission (MTC) grant that expires in May 2018. Another MTC grant for urban villages is in the process of being executed and will cover this position's expenses for one more month, through June 2018. (Ongoing costs: \$0)

3. Greenhouse Gas Reduction Strategy Update		375,000	375,000
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*Community and Economic Development CSA  
Long Range Land Use Planning Core Service  
Long Range Planning Program*

This action adds one-time funding of \$375,000 for consultant services to update the Greenhouse Gas (GHG) Reduction Strategy. The update process, which is anticipated to take eighteen months, is required by the State of California to be completed by 2020. The City of San José adopted a GHG Reduction Strategy in conjunction with the Envision San José 2040 General Plan Update consistent with the implementation requirements of Assembly Bill 32 (AB32), the Global Warming Solutions Act of 2006. AB32 requires the State of California as a whole to reduce GHG emissions to 1990 levels by the year 2020, and this funding will ensure the City will be in compliance with this mandate. The Strategy was adopted by the City Council as an appendix to the Envision Plan on November 1, 2011. This action is supported by existing funds in the General Plan Update Reserve from 2016-2017. (Ongoing costs: \$0)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. <b>Business Permit Process Improvement Bootcamp</b>		200,000	200,000

*Community and Economic Development CSA  
Development Plan Review and Building Construction Inspection Core Service  
Building Development Services and Planning Development Services Programs*

As directed in the Mayor's March Budget Message for 2017-2018, as approved by the City Council, this action adds \$200,000 of non-personal/equipment funding to develop a process-improvement bootcamp that provides immediate and continuous improvements to the City's development permitting process. This bootcamp will build on the recent positive steps of expanding the Small Business Ally program and implementation of the on-line permit issuance for restaurants. Targets for quantifiable process improvements will be developed, with a focus on reducing permitting delays. This addition is supported by a transfer from the General Purpose Parking Fund. (Ongoing costs: \$0)

5. <b>San José Regional Transportation Hub Project- Planning Staffing</b>	1.00	150,000	150,000
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*Community and Economic Development CSA  
Long Range Land Use Planning Core Service  
Long Range Planning Program*

This action adds 1.0 Principal Planner position, effective July 1, 2017, and associated non-personal/equipment funding to support the planning needs for the following projects: Diridon Station Area Plan Implementation, High Speed Rail (HSR), BART Phase II, and the Airport People Mover. The combined projects have the potential to dramatically transform Downtown San José, the City's long-term economic prospects, and mobility across the City and region. The Principal Planner position will focus on design guidelines, standards, and zoning for the Diridon Station area, refining items including land use, urban design, and parking guidelines. Additionally, the position will make needed changes to General Plan policies, various codes, and be identified as the Planning Division's point of contact responsible for issues related to the projects. A grant that is anticipated to be awarded by June 2017 has been used to offset the cost of the position in 2017-2018, but if grant funding is not received, an alternative funding source will be identified. (Ongoing costs: \$121,254)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>6. Policy and Ordinance Support Staffing</b>		<b>150,000</b>	<b>150,000</b>

*Community and Economic Development CSA  
Long Range Land Use Planning Core Service  
Long Range Planning Program*

This action adds one-time funding of \$150,000 for temporary staffing 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 be used to draft 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, simplifying the application process for legal, nonconforming uses, Urban Village financing, and streamlining the permit process for sale of alcohol at grocery stores. (Ongoing costs: \$0)

<b>7. Building Code Compliance Staffing</b>	<b>1.00</b>	<b>137,467</b>	<b>137,467</b>
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*Neighborhood Services CSA  
Community Code Enforcement Core Service  
Community Code Enforcement Program*

This action adds 1.0 Building Inspector Combination Certified position, effective September 1, 2017, and associated non-personal/equipment funding to the Code Enforcement Division in order to ensure building code compliance. This dedicated position would replace the current Building Inspector from the Building Division that assumes this role, as resources allow. On a complaint-driven basis, the Building Inspector will inspect the subject property to confirm if there has been construction work performed without permits, conduct research on the structure's permit history, meet with the property owner to explain procedures for achieving compliance, and review and assist with plan set review and approval of the scope of work for the submittal process and permit. Most of the cases involve residential structures that have been altered and are currently occupied, potentially creating a safety issue for the residents living in them. The Building Inspector will then work with property owners to ensure that all unpermitted work is addressed on the plan submitted prior to permit issuance. The cost of this action will be funded by revenues from a new Building Code Compliance fee charged to property owners who are required to address unpermitted construction, and is described in the General Fund Revenues section of this document. (Ongoing costs: \$124,501)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>8. Housing Projects Environmental Review Staffing</b>	<b>1.00</b>	<b>122,778</b>	<b>0</b>

***Community and Economic Development CSA***  
*Planning Environmental Review and Historic Preservation Program*

This action adds 1.0 Planner III effective, September 1, 2017 through June 30, 2019, and associated non-personal/equipment funding dedicated to environmental review of Housing Department projects. Because the Housing Department continues to have a number of upcoming projects that will need environmental review, this position is needed for two additional years to review and prepare federal and State documents (e.g. HUD Clearance Forms and NEPA and CEQA review) based on the analysis of potential environmental impacts of new housing projects as well as be responsible for the analysis and review of technical reports prepared by environmental consultants, research of regulatory and technical issues and other analytical work, and management of environmental consultant work. This position will be funded by the Low and Moderate Income Housing Asset Fund and Community Development Block Grant Fund. (Ongoing costs: \$128,628)

<b>9. Massage Parlor Permit Enforcement Staffing</b>	<b>1.00</b>	<b>119,569</b>	<b>119,569</b>
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***Neighborhood Services CSA***  
***Community Code Enforcement Core Service***  
*Community Code Enforcement Program*

This action adds 1.0 Code Enforcement Inspector, effective September 1, 2017, and associated non-personal/equipment funding for inspection and enforcement services in support of the expanded Massage Parlor Permit and Regulation Program. There are over 300 known unpermitted massage parlors in the City of San José. The Code Enforcement Inspector will assist the Police Department's Vice Unit with ensuring that non-permitted massage parlor businesses either obtain the proper permits from the Police Department (or cease their operation) and conduct inspections of permitted massage parlors to ensure compliance with State and local regulations. The cost of this position will be funded by the Massage Parlor Permit fee, and in the first year, anticipated fine revenue from businesses that do not either obtain the proper permits or cease operations. (Ongoing costs: \$104,636)



# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>10. Integrated Permit System-Code Enforcement Support</b>	<b>1.00</b>	<b>112,277</b>	<b>112,277</b>

***Neighborhood Services CSA***  
***Strategic Support – Neighborhood Services Core Service***  
*PBCE Information Technology Program*

This action adds 1.0 Code Enforcement Supervisor, effective August 1, 2017 through June 30, 2019, and associated non-personal/equipment funding to support daily operations while an experienced staff person assists with the Integrated Permit System (IPS) upgrade project. The IPS (AMANDA) is used by all Development Services Partners (Building, Planning, Fire, and Public Works) and Code Enforcement, along with other departments (Environmental Services and Transportation) in the City. Code Enforcement fee programs using the current version of AMANDA include Multiple Housing, Tobacco Retail License, Off-Sale Alcohol, and Solid Waste Enforcement. Experienced staff are needed to support the design, testing, training, and successful transition to the new permitting and case management systems. This position will provide the staffing required to support the critical tasks for daily Code Enforcement operations, especially health and safety issues, and allow experienced staff to focus on the progress and ensure success of the high priority IPS upgrade project. The cost of this position will be funded by the Code Enforcement Fee Program. (Ongoing costs: \$115,843)

<b>11. Wastewater Treatment Plant Projects Environmental Review</b>	<b>1.00</b>	<b>101,370</b>	<b>0</b>
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***Community and Economic Development CSA***  
***Long Range Land Use Planning Core Service***  
*Planning Environmental Review and Historic Preservation Program*

This action continues 1.0 Planner II, effective September 1, 2017 through June 30, 2019, and associated non-personal/equipment funding within the Environmental Review Unit of the Planning Division. This position will be funded by various Environmental Services Department 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: \$100,152)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
12. Fire and Public Works Development Fee Programs and Other Fee Programs	.18	34,547	34,547

*Community and Economic Development CSA  
Strategic Support Core Service  
PBCE Information Technology Program*

*Neighborhood Services CSA  
Strategic Support Core Service  
PBCE Information Technology Program*

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.

- **Document Imaging Technology Support:** This action adds 1.0 Supervising Applications Analyst position, effective September 1, 2017, and associated non-personal/equipment funding (funded 70% by Building Development Fee Program, 12% by Planning Development Fee Program, 12% by Fire Development Fee Program, 6% by Public Works Development Fee Program) to support Development Services document imaging technology projects (\$122,482, Fire Development Fee Program's portion: \$14,698, Public Works Development Fee Program's portion: \$7,349) . The Imaging and Support Team uses multiple systems and software programs to input, store, and retrieve documents. The position will provide the needed management and coordination to complete the conversion to a new electronic content management system. Following the conversion, the position will maintain and coordinate continuous improvements to the imaging system, and establish process and procedures to seamlessly integrate electronic documents provided to the City by the outside scanning vendor or by customers using electronic plan review. In addition, this position will assist with assimilating data to and from the new Integrated Permitting System and assist management in evaluating process improvements such as cloud storage, bar coding, disaster recovery planning, as well as the most effective way to download and view vendor and customer provided documents. (Ongoing costs: \$145,129, Fire Development Fee Program's portion: \$17,415, Public Works Development Fee Program's portion: \$8,708)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>12. Fire and Public Works Development Fee Programs and Other Fee Programs</b>			
<ul style="list-style-type: none"> <li>- <b>Integrated Permit System-Revenue Process Redesign:</b> This action adds one-time funding of \$50,000 (funded 50% by Building Development Fee Program, 25% by Planning Development Fee Program, and 25% by Code Enforcement Fees) for a temporary analytical position to support daily operations while an experienced staff person works on revenue process changes identified in a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study (\$50,000, Code Enforcement Fee Program's portion: \$12,500). One outcome of the study was the need to revise the City's approach to recognizing development fee revenue and the refund process. To be consistent with generally accepted accounting practices, development fee revenue should be recognized when it is earned as opposed to the current practice of recognizing all revenue when the fees are collected. To make the change, an experienced staff person will work with subject-matter-experts in the Planning and Building processes to develop milestones to recognize collected fees as earned revenue and incorporate the established milestones as part of the Integrated Permit System (IPS) upgrade project. A temporary position will provide the staffing required to support the daily analytical functions of the department and allow experienced staff to redesign the revenue recognition process and ensure success of the high priority IPS upgrade project. (Ongoing costs: \$0)</li> </ul>			
<b>13 Neighborhood Clean-Up Program Phase-Out</b>	<b>(11.00)</b>	<b>(525,154)</b>	<b>0</b>

**Neighborhood Services CSA**  
**Community Code Enforcement Core Service**  
*Community Code Enforcement Program*

This action phases out the Neighborhood Clean-Up Program, effective January 1, 2018, in the Integrated Waste Management Fund and includes the elimination of 8.0 Regional Park Aide PT and 3.0 Code Enforcement Inspector positions. Because participation and tons collected at city-wide Neighborhood Clean-Up Program events, which only occurred in each neighborhood once every three years, have been declining in recent years, as described in the Environmental Services Department (ESD) section of this document, the shifting of resources to allow for unlimited curb-side junk pick-up is expected to result in more effective and efficient collection of unwanted items, and it is anticipated that allowing more individual junk pick-ups will decrease illegal dumping throughout the City. Additionally, also described in the ESD section, the ongoing addition of Beautify SJ Days clean-up events that were added in 2016-2017 have been shown to be a more popular and effective use of funding for the City's beautification efforts. (Ongoing savings: \$1,050,308)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
14. Building Development Fee Program	(5.30)	(868,578)	(868,578)

*Community and Economic Development CSA  
Development Plan Review and Building Construction Inspection Core Service  
Strategic Support Core Service  
Building Development Services and PBCE Information Technology Programs*

The actions included in this section, funded by fee activity and the use of reserves, support the Building Development Fee Program.

- **Planning Staff Realignment:** This action shifts 6.0 Planner (5.14 Planner II and .86 Planner III) positions (\$979,315) from being funded by Building Fees to Planning Fees to properly align costs with revenues. Based on a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study, capturing the costs of these positions that review building plans during the plan check process to ensure they meet City planning requirements is better aligned to the Planning Development Fee Program rather than the Building Development Fee Program. (Ongoing savings: \$994,982)
  
- **Document Imaging Technology Support Staffing:** This action adds 1.0 Supervising Applications Analyst position and associated non-personal/equipment funding (funded 70% by Building Development Fee Program, 12% by Planning Development Fee Program, 12% by Fire Development Fee Program, 6% by Public Works Development Fee Program) to support Development Services document imaging technology projects (\$122,482, Building Development Fee Program's portion: \$85,737). The Imaging and Support Team uses multiple systems and software programs to input, store, and retrieve documents. The position will provide the needed management and coordination to complete the conversion to a new electronic content management system. Following the conversion, the position will maintain and coordinate continuous improvements to the imaging system, and establish process and procedures to seamlessly integrate electronic documents provided to the City by the outside scanning vendor or by customers using electronic plan review. In addition, this position will assist with assimilating data to and from the new Integrated Permitting System and assist management in evaluating process improvements such as cloud storage, bar coding, disaster recovery planning, as well as the most effective way to download and view vendor and customer provided documents. (Ongoing costs: \$145,129, Building Development Fee Program's portion: \$101,590)

# Planning, Building and Code Enforcement Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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### 14. Building Development Fee Program

- **Integrated Permit System-Revenue Process Redesign:** This action adds one-time funding of \$50,000 (funded 50% by Building Development Fee Program, 25% by Planning Development Fee Program, and 25% by Code Enforcement Fees) for a temporary analytical position to support daily operations while an experienced staff person works on revenue process changes identified in a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study (\$50,000, Building Development Fee Program’s portion: \$25,000). One outcome of the study was the need to revise the City’s approach to recognizing development fee revenue and the refund process. To be consistent with generally accepted accounting practices, development fee revenue should be recognized when it is earned as opposed to the current practice of recognizing all revenue when the fees are collected. To make the change, an experienced staff person will work with subject-matter-experts in the Planning and Building processes to develop milestones to recognize collected fees as earned revenue and incorporate the established milestones as part of the Integrated Permit System (IPS) upgrade project. A temporary position will provide the staffing required to support the daily analytical functions of the department and allow experienced staff to redesign the revenue recognition process and ensure success of the high priority IPS upgrade project. (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:

- **Information Technology Department Staff Realignment:** This action eliminates 1.0 Information Systems Analyst (total savings: \$144,071, Public Works Development Fee Program’s portion: \$11,521) funded in part by the General Fund Development Fee Programs. The addition of the Information Systems Analyst was intended to support city-wide technology upgrades, including Virtual Desktop Infrastructure (VDI) and operating system upgrade to Windows 10. With an anticipated reduction in the scope of both projects, the Information Systems Analyst is no longer needed. (Ongoing savings: \$11,521)

**Building Development Fee Program Reserve:** An increase to the Reserve of \$4.7 million (from \$7.4 million to \$12.2 million) is included as a result of the recommended actions contained in this Proposed Operating Budget. It is important to note that while the recommended budget actions result in an increase of \$4.7 million to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$9.2 million of this reserve, resulting in a Base Budget decrease from \$16.6 million to \$7.4 million. Additionally, based on a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study, in order to maintain full cost recovery for the Building Development Fee Program an increase to permit fees is recommended, as discussed in the 2017-2018 Fees and Charges document, and will result in an increase in revenue of \$4,000,000. The revenue from these adjustments to the fees is discussed in more detail in the General Fund Revenue section of this document.








<b>2017-2018 Proposed Budget Changes Total</b>	<b>6.00</b>	<b>2,653,730</b>	<b>2,954,736</b>
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# Planning, Building and Code Enforcement Department

## Performance Summary

### Community Code Enforcement

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of neighborhoods in "good" or better condition, based on a city-wide survey	64%	70%	N/A <sup>1</sup>	70%
 % of violations resolved through voluntary compliance, based on complexity of case types	91%	92%	91%	92%
 Cost per violation for: - proactive enforcement <sup>2</sup>	\$274	\$260	\$268	\$268
- complaint-based enforcement	\$764	\$800	\$800	\$800
 % of violations resolved within estimated processing standards, based on type and complexity of violations	55%	65%	65%	65%
 % of annual fee-based inspections completed on schedule, including multi-year programs	23% <sup>3</sup>	45%	30% <sup>3</sup>	45%
 % of residents who feel their neighborhood is in the same or better condition compared to previous year (annual Code Enforcement survey)	N/A <sup>4</sup>	70%	73%	70%
 % of customers who feel they received courteous treatment and timely service from their interaction with Code Enforcement staff	N/A <sup>4</sup>	70%	63%	70%

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.

<sup>2</sup> 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.

<sup>3</sup> Continuous vacancies have occurred and recruitments are ongoing.

<sup>4</sup> Data for this measure is collected through a survey conducted by Code Enforcement. The survey was not completed in 2015-2016 and actuals are not available. The survey was conducted in 2016-2017 with actuals to be included as part of the 2018-2019 budget.

# Planning, Building and Code Enforcement Department

## Performance Summary

### Community Code Enforcement

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Staff hours devoted to outreach/education/ prevention	220	200	250	250
# of multiple housing dwelling buildings proactively inspected	1,173	1,679	1,679	1,679
Neighborhood Clean-Ups	22	22	22	11 <sup>1</sup>
General Code Compliance Cases:				
Opened	6,047	5,100	5,100	5,200
Resolved	6,019	5,200	5,200	5,200
Multiple Housing Complaint Cases:				
Opened	442	480	420	480
Resolved	422	500	410	500
% of Violations Resolved:				
Warning	87%	88%	85%	88%
Citation	9%	7%	8%	7%
Compliance Order	4%	4%	6%	4%
Appeals Hearing Board/Litigation	1%	1%	1%	1%





<sup>1</sup> Neighborhood clean-ups for San José's neighborhoods will complete the calendar year schedule through December 2017, with program funds shifting to the Environmental Services Department to provide for the more effective and efficient unlimited curbside junk pick-up.

# Planning, Building and Code Enforcement Department

## Performance Summary

### Development Plan Review & Building Construction Inspection

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of projects that receive consistent feedback from staff throughout the course of project review:				
- Planning Permit Plan Review	68%	70%	74%	70%
- Building Permit Plan Review	81%	80%	80%	80%
- Building Inspectors Consistent With Building Plan Check	77%	80%	79%	80%
- Building Inspectors Consistent Among Multiple Inspectors	69%	80%	70%	80%
 Ratio of current year fee revenue to development fee program cost (includes reserve funding)	100%	100%	100%	100%
 Development projects completed within processing time targets:				
Planning Permit Process	74%	85%	69%	85%
Building Plan Check Process	78%	85%	80%	85%
Building Inspection Process				
- within 24 hours	33% <sup>1</sup>	75%	30% <sup>1</sup>	75%
- within 48 hours	54% <sup>1</sup>	92%	47% <sup>1</sup>	90%
 % of process participants rating service "good" or better				
Planning Permit Process	67%	80%	69%	80%
Building Plan Check Process	75%	85%	78%	85%
Building Inspection Process	81%	85%	81%	85%

<sup>1</sup> 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 continuous departure of existing staff and 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*

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of building permits issued	36,751	34,000	41,000	40,000
# of customers served in Permit Center	33,315 <sup>1</sup>	27,000	42,500	45,000
# of plan checks	8,300	8,000	9,000	8,200
# of field inspections	211,467	200,000	180,000	190,000
# of planning applications				
- Major	422	400	349	775
- Minor	909	750	1,212	1,400
# of planning adjustments	1,503	1,300	1,269	1,400




<sup>1</sup> As of October 2016, the Planning Division began counting customers served at the Assistance Desk (Reception), whereas the Building Division began counting these customers in February 2017.

# Planning, Building and Code Enforcement Department

## Performance Summary

### Long Range Land Use Planning

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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 <sup>1</sup>	85%	N/A <sup>1</sup>	85%

<sup>1</sup> Data for this measure is collected through a survey conducted by Long-Range Planning. The survey was not conducted in 2015-2016 or 2016-2017.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of Scheduled/Completed Specific/Area Policy Plans	0 of 10	7 of 10 <sup>1</sup>	4 of 9 <sup>1</sup>	3 of 5 <sup>1</sup>
# of planning policy studies	1 of 1	2 of 2 <sup>2</sup>	3 of 3 <sup>2</sup>	1 of 1
# of General Plan Amendments	11	15	17 <sup>3</sup>	25

<sup>1</sup> In 2016-2017, the Alameda Urban Village Plan has been adopted by the City Council, and three Urban Village Plans are currently in draft form and anticipated to be completed (Winchester, Santana Row/Valley Fair, and Stevens Creek). Three more Urban Village Plans are anticipated to be completed in 2017-2018 (East Santa Clara, West San Carlos, and South Bascom). Two Urban Village Plans, North 1st Street and Berryessa/BART, still need to be developed and are anticipated for completion in 2018-2019. A tenth Urban Village Plan, Blossom Hill/Snell, has been discontinued because initial development was conducted by in-kind consultant services, and these resources are no longer available to complete the Plan. Development of the other nine Urban Village Plans have been or will be funded using grant proceeds. The Roosevelt Park and Little Portugal Urban Village Plans were adopted several years ago and are currently in the implementation phase.

<sup>2</sup> The Downtown Strategy update is scheduled for completion by December 2017. A policy for Riparian Corridor Protection and Bird-Safe Design was completed in June 2016, while policy work for Urban Agriculture Incentive Zoning, Super Graphics and Secondary Dwelling Units was completed in the fall of 2016.

<sup>3</sup> For the 2016-2017 General Plan annual review cycle, there were 17 text and land use amendments considered. For the 2017-2018 General Plan annual review cycle, it is anticipated that 25 private and City initiated land use amendments will be reviewed.

# Planning, Building and Code Enforcement Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	4.00	4.00	-
Assistant Director of Planning, Bldg and Code Enforcement	1.00	1.00	-
Associate Engineer	17.00	17.00	-
Building Inspection Manager	4.00	4.00	-
Building Inspector Combination Certified	1.00	2.00	1.00
Building Inspector Combination Certified I	59.00	58.00	(1.00)
Building Inspector Combination Certified II	1.00	2.00	1.00
Building Inspector Combination Certified III	1.00	1.00	-
Building Inspector, Supervisor	5.00	5.00	-
Building Inspector, Supervisor Certified I	10.00	10.00	-
Code Enforcement Inspector I/II	49.00	46.00	(3.00)
Code Enforcement Supervisor	5.00	6.00	1.00
Department Information Technology Manager	0.00	1.00	1.00
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	3.00	3.00	-
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/III	1.00	1.00	-
Permit Specialist	3.00	3.00	-
Planner I/II/III	28.00	30.00	2.00
Planner IV	12.00	13.00	1.00
Planning Technician	3.00	5.00	2.00
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	2.00	2.00	-
Principal Permit Specialist	4.00	4.00	-
Principal Planner	1.00	2.00	1.00
Program Manager I	3.00	2.00	(1.00)
Public Information Manager	1.00	1.00	-
Public Information Representative I	1.00	1.00	-
Regional Park Aide PT	10.00	2.00	(8.00)
Senior Account Clerk	2.00	2.00	-
Senior Analyst	3.00	3.00	-
Senior Engineer	7.00	7.00	-
Senior Office Specialist	25.00	24.00	(1.00)
Senior Permit Specialist	14.00	14.00	-
Senior Supervisor, Administration	4.00	4.00	-
Senior Systems Application Programmer	2.00	2.00	-
Staff Specialist	1.00	2.00	1.00

# Planning, Building and Code Enforcement Department

## Departmental Position Detail

<b>Position</b>	<b>2016-2017 Adopted</b>	<b>2017-2018 Proposed</b>	<b>Change</b>
Staff Technician	5.00	5.00	-
Supervising Applications Analyst	1.00	2.00	1.00
Supervising Environmental Services Specialist	1.00	1.00	-
Systems Applications Programmer II	1.00	1.00	-
<b>Total Positions</b>	<b>319.00</b>	<b>317.00</b>	<b>(2.00)</b>

# Police Department

Edgardo Garcia, Police Chief

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**C**reate safe places to live, work and learn through community partnerships

## City Service Areas

### Public Safety

#### Core Services

##### **Crime Prevention and Community Education**

Provide programs and services through community education and partnerships to reduce criminal activity and enhance public safety

##### **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

##### **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

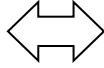
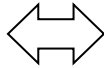
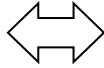
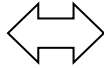
##### **Respond to Calls for Service and Patrol Support**

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

**Strategic Support:** Department Management, Public Information, Fiscal Integrity, Systems Availability, Recruiting/Training, Facilities and Vehicle Management, Wellness of the Workforce, and Safety

# Police Department

## Service Delivery Framework

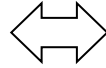
Core Service		Program
<p><b>Crime Prevention and Community Education:</b> <i>Provide programs and services through community education and partnerships to reduce criminal activity and enhance public safety</i></p>		<ul style="list-style-type: none"> <li>• School Safety</li> <li>• School Liaison/Truancy Abatement</li> <li>• Crime Prevention</li> <li>• Police Activities League</li> </ul>
<p><b>Investigative Services:</b> <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"> <li>• Internal Affairs</li> <li>• Special Investigations</li> <li>• Court Liaison</li> <li>• Robbery</li> <li>• Financial Crimes/Burglary</li> <li>• Crime Analysis</li> <li>• Juvenile/Missing Persons</li> <li>• Family Violence</li> <li>• Gang Investigations</li> <li>• Homicide/Crime Scene</li> <li>• Sexual Assaults</li> <li>• Assaults</li> <li>• Investigations Administration</li> </ul>
<p><b>Regulatory Services:</b> <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"> <li>• Gaming</li> <li>• Permits</li> <li>• Medical Marijuana</li> </ul>
<p><b>Respond to Calls for Service and Patrol Support:</b> <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"> <li>• 9-1-1 Call Taking &amp; Police Dispatch</li> <li>• Violent Crimes Enforcement</li> <li>• Airport Division</li> <li>• Field Patrol</li> <li>• Metro</li> <li>• Special Operations</li> <li>• Traffic Enforcement</li> <li>• Downtown Services</li> <li>• Air Support</li> <li>• Reserves/Volunteers</li> <li>• Field Operations Administration</li> </ul>

# Police Department

## Service Delivery Framework

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Core Service
<b>Strategic Support:</b> <i>Department Management, Public Information, Fiscal Integrity, Systems Availability, Recruiting/Training, Facilities and Vehicle Management, Wellness of the Workforce, and Safety</i>



Program
<ul style="list-style-type: none"><li>• Police Department Management and Administration</li><li>• Police Financial Management</li><li>• Police Human Resources</li><li>• Police Information Technology</li><li>• Police Research and Development</li><li>• Police Records</li><li>• Police Training and Academy</li></ul>

# Police Department

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

- Continues one-time overtime funding of \$500,000 to continue the Downtown Foot Patrol Program to enhance safety and security downtown.
- Adds one-time funding of \$325,000 and reallocates \$100,000 in Base Budget funding on a one-time basis (bringing total funding to \$550,000) to recruit candidates for the Police Officer Recruit Academies as well as for civilian vacancies such as Public Safety Communication Specialists, Public Safety Dispatchers and Community Service Officers.
- Postpones the hiring of 41.0 sworn positions, scheduled to start in February 2018, to June 2019 to allow time for the recruiting and hiring of existent vacant positions. Starting in June 2019, the authorized sworn staffing level will increase from 1,109 to 1,150.
- Continues funding for 1.0 Office Specialist II position, limit-dated through June 30, 2018, to support the Department's new Body Worn Camera program.
- Adds one-time non-personal/equipment funding of \$40,000 to support the acquisition and installation of 50 Automatic External Defibrillators machines in Field Patrol supervisor vehicles in order to support certain medical events until Emergency Medical Services personnel arrive on scene.
- Adds 1.0 Training Specialist position for the Police Academy to serve as the Academy Coordinator for the three annual Police Recruit Academies. Previously this service was provided by a contract with the South Bay Public Safety Training Consortium; however, the Department regained its own POST certificate and the duties are the now the responsibility of the Department. Therefore, funding is recommended to be reallocated to provide for City staff.
- Reallocates a portion of anticipated personal services vacancies consistent with prior year practices to continue one-time funding for background investigation staffing to meet workload demands to fill sworn and civilian vacancies.
- Adds ongoing non-personal funding of \$69,120, fully offset by Medical Marijuana Fee Program revenue, for GPS tracking devices and monthly monitoring for dispensaries that wish to include transportation to their business activities.
- Eliminates 2.25 School Crossing Guard PT positions and continues 1.0 School Safety Supervisor, limit-dated through June 30, 2018, to assist with additional outreach, recruiting, and retention efforts for the School Crossing Guard Program.
- Temporarily suspends the temporary street closure permit fees on the Fourth of July in consideration of the Fourth of July Block Party campaign for those who commit to no fireworks use in an effort to incentivize a safer holiday.

### Operating Funds Managed

- Edward Byrne Memorial Justice Assistance Grant
- Federal Drug Forfeiture Fund
- State Drug Forfeiture Fund
- Supplemental Law Enforcement Services Fund



# Police Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Crime Prevention and Community Education	n/a	n/a	n/a	5,981,228
Investigative Services	n/a	n/a	n/a	65,522,465
Regulatory Services	n/a	n/a	n/a	3,841,401
Respond to Calls for Service and Patrol Support	n/a	n/a	n/a	264,052,148
Strategic Support	n/a	n/a	n/a	40,105,250
Strategic Support - Other	n/a	n/a	n/a	10,689,221
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 390,191,713</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 302,421,447	\$ 300,839,117	\$ 339,924,549	\$ 337,713,329
Overtime	4,357,463	18,643,247	16,828,764	16,828,764
Subtotal Personal Services	\$ 306,778,910	\$ 319,482,364	\$ 356,753,313	\$ 354,542,093
Non-Personal/Equipment	25,680,819	27,495,593	25,554,574	25,025,903
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 332,459,729</b>	<b>\$ 346,977,957</b>	<b>\$ 382,307,887</b>	<b>\$ 379,567,996</b>
<b>Other Costs *</b>				
Police Workers' Comp	n/a	n/a	n/a	\$ 7,700,000
Police Gifts	n/a	n/a	n/a	274,164
Police Other Departmental - City-Wide	n/a	n/a	n/a	675,000
Other	n/a	n/a	n/a	1,974,553
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 10,623,717</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 390,191,713</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 387,873,248
Airport Maint & Oper	n/a	n/a	n/a	69,748
Edward Byrne Mem Just As	n/a	n/a	n/a	124,536
Gift Trust Fund	n/a	n/a	n/a	274,164
State Drug Forfeiture	n/a	n/a	n/a	271,210
Supp Law Enf Svcs	n/a	n/a	n/a	1,578,807
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 390,191,713</b>

# Police Department

## Department Budget Summary

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	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Authorized Positions by Core Service</b>				
Crime Prevention and Community Education	n/a	n/a	n/a	62.17
Investigative Services	n/a	n/a	n/a	282.50
Regulatory Services	n/a	n/a	n/a	20.00
Respond to Calls for Service and Patrol Support	n/a	n/a	n/a	1,092.50
Strategic Support	n/a	n/a	n/a	191.50
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>1,648.67</b>

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\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Police Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Crime Prevention and Community Education</b>					
Crime Prevention	n/a	n/a	n/a	\$ 1,656,608	13.00
Police Athletic League	n/a	n/a	n/a	602,784	2.00
School Liaison/Truancy				-	
Abatement	n/a	n/a	n/a	1,585,571	7.00
School Safety	n/a	n/a	n/a	2,136,265	40.17
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 5,981,228</b>	<b>62.17</b>
<b>Investigative Services</b>					
Assaults	n/a	n/a	n/a	\$ 2,751,132	13.00
Court Liaison	n/a	n/a	n/a	2,186,069	14.00
Crime Analysis	n/a	n/a	n/a	2,195,768	19.00
Family Violence	n/a	n/a	n/a	3,837,566	17.00
Financial Crimes/Burglary	n/a	n/a	n/a	4,093,101	21.00
Gang Investigations	n/a	n/a	n/a	5,095,050	23.00
Homicide/Crime Scene	n/a	n/a	n/a	8,073,193	30.00
Internal Affairs	n/a	n/a	n/a	4,697,250	17.00
Investigations Administration	n/a	n/a	n/a	8,484,548	26.00
Juvenile/Missing Persons	n/a	n/a	n/a	1,377,082	8.50
Robbery	n/a	n/a	n/a	3,755,297	15.00
Sexual Assaults	n/a	n/a	n/a	9,947,935	41.00
Special Investigations	n/a	n/a	n/a	9,028,474	38.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 65,522,465</b>	<b>282.50</b>
<b>Regulatory Services</b>					
Gaming	n/a	n/a	n/a	1,421,397	7.00
Permits	n/a	n/a	n/a	1,494,715	9.00
Medical Marijuana	n/a	n/a	n/a	925,289	4.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,841,401</b>	<b>20.00</b>
<b>Respond to Calls for Service and Patrol Support</b>					
<b>9-1-1 Call Taking &amp; Police</b>					
Dispatch	n/a	n/a	n/a	\$ 24,776,811	164.50
Air Support	n/a	n/a	n/a	1,896,459	5.00
Airport Division	n/a	n/a	n/a	3,406,770	11.00
Downtown Services	n/a	n/a	n/a	1,695,486	8.00
Field Operations					
Administration	n/a	n/a	n/a	3,526,800	15.00
Field Patrol	n/a	n/a	n/a	200,286,184	757.00
Metro	n/a	n/a	n/a	6,407,627	31.00
Reserves/Volunteers	n/a	n/a	n/a	994,226	4.00
Special Operations	n/a	n/a	n/a	8,342,545	35.00
Traffic Enforcement	n/a	n/a	n/a	9,115,116	48.00
Violent Crimes Enforcement	n/a	n/a	n/a	3,604,124	14.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 264,052,148</b>	<b>1,092.50</b>

# Police Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Strategic Support (Public Safety CSA)</b>					
Police Department Management and Administration	n/a	n/a	n/a	\$ 6,349,073	11.00
Police Employee Services	n/a	n/a	n/a	0	
Police Financial Management	n/a	n/a	n/a	2,571,570	15.00
Police Human Resources	n/a	n/a	n/a	6,663,193	29.00
Police Information Technology	n/a	n/a	n/a	6,411,496	22.00
Police Records	n/a	n/a	n/a	8,272,079	80.50
Police Research and Development	n/a	n/a	n/a	1,764,672	8.00
Police Training and Academy	n/a	n/a	n/a	8,073,167	26.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 40,105,250</b>	<b>191.50</b>
<b>Strategic Support - Other (Public Safety CSA)</b>					
Police Capital	n/a	n/a	n/a	0	
Police Funds Overhead	n/a	n/a	n/a	0	
Police Funds Transfers	n/a	n/a	n/a	0	
Police Gifts	n/a	n/a	n/a	274,164	
Police Other Departmental - City-Wide	n/a	n/a	n/a	806,210	
Police Other Departmental - Grants	n/a	n/a	n/a	1,908,847	
Police Other Operational - Administration	n/a	n/a	n/a	0	
Police Workers' Compensation	n/a	n/a	n/a	7,700,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 10,689,221</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 390,191,713</b>	<b>1,648.67</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the department Source and Use Statement.

# Police Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>1,649.92</b>	<b>346,977,957</b>	<b>344,058,888</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget and Technical Adjustment: Supplemental Law Enforcement (SLES) Grants		(1,137,842)	0
• Rebudget: Body Worn Cameras		(924,000)	0
• Rebudget: Computer Aided Dispatch (CAD) Business Intelligence		(315,000)	(315,000)
• Rebudget and Technical Adjustment: Edward Byrne Memorial Justice Assistance Grants (JAG)		(195,982)	0
• Rebudget: State of California Department of Justice Santa Clara County Specialized Enforcement Team		(125,754)	(125,754)
• Rebudget: Police Video Unit		(84,340)	(84,340)
• Rebudget: LEADS/CAPPS Pawn Slip Database		(55,000)	0
• Police Overtime		(5,000,000)	(5,000,000)
• Improve Response to Burglary and Neighborhood Crimes		(816,060)	(816,060)
• Downtown Foot Patrol Program		(580,000)	(580,000)
• Police Department AIR2 Helicopter Engine Replacement		(535,000)	-
• Police Business Permit and Licensing System		(480,000)	(480,000)
• Police Department Recruiting Program		(325,000)	(325,000)
• Body Worn Camera Program (1.0 Office Specialist II and 1.0 Training Specialist)	(2.00)	(173,799)	(173,799)
• License Plate Readers		(165,000)	(165,000)
• Fleet Program		(124,000)	(124,000)
• Crossing Guard Program		(100,000)	(100,000)
• Northern California High Intensity Drug Trafficking Area Grant		(67,753)	(67,753)
• Gang Investigations Technology Enhancements		(21,000)	(21,000)
• Crime Prevention Program Meeting Space		(10,000)	(10,000)
• Working Smarter to Reduce and Solve Crimes		(5,000)	(5,000)
• Police Department Bureau of Technology Services Civilian Management		(1,000)	(1,000)
<b>One-Time Prior Year Expenditures Subtotal:</b>	<b>(2.00)</b>	<b>(11,241,530)</b>	<b>(8,393,706)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		35,036,816	35,038,313
- 1.0 Supervising Applications Analyst to 1.0 Department Information Technology Manager			
- 1.0 Program Manager II to 1.0 Department Information Technology Manager			
- 1.0 Senior Account Clerk to 1.0 Principal Office Specialist			
- 1.0 Secretary to 1.0 Principal Office Specialist			
- 1.0 Senior Crime and Intelligence Analyst to 1.0 Police Forensic Analyst I			
- 1.0 Secretary to 1.0 Crime and Intelligence Data Administrator			

# Police Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Base Adjustments</b>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
- 3.0 Crime and Intelligence Analyst to 3.0 Crime and Intelligence Data Technician II			
- 1.0 Office Specialist II to 1.0 Police Data Specialist			
• Improve Police Response (1.0 Police Lieutenant, 7.0 Police Sergeant, 33.0 Police Officer)	41.00	3,690,534	3,690,534
• Overtime adjustment		3,872,186	3,872,186
• Vacancy factor		1,508,837	1,508,837
• Body Worn Camera Program annualization		414,500	414,500
• Contractual Services - County Crime Lab		133,000	133,000
• Data Processing - MDC connectivity		70,000	70,000
• Data Processing - Intergraph/CAD annual software maintenance		46,000	46,000
• Contractual Services - Sexual Assault and Rape Testing (SART)		38,000	38,000
• Contractual Services - Police Board-Ups		32,000	32,000
• Data Processing - Surveillance Technology maintenance		30,000	30,000
• Contractual Services - Body Worn Camera user increase		21,000	21,000
• Contractual Services - Crime Scene Cleaning services		15,000	15,000
• Data Processing - Crime Scene Digitizer annual maintenance		14,000	14,000
• Contractual Services - Domestic Violence Advocate		12,500	12,500
• Data Processing - Bridge Software annual maintenance		12,000	12,000
• Airport rent increase		6,400	6,400
• License Plate Reader Maintenance		4,000	4,000
• Supplies - Airport Services		2,200	2,200
• Truancy Abatement and Burglary Suppression (TABs) counseling cost-of-living adjustment		1,300	1,300
• Data Processing - Crime Analysis Software		1,100	1,100
• Alum Rock Counseling Ctr, Inc. (Crisis Intervention Program for Youth) cost-of-living adjustment		400	400
• Vehicle replacement		1,402,387	1,402,387
• Gas and electricity		189,000	189,000
• Vehicle operations and maintenance		17,300	17,300
• Professional development program		1,000	1,000
<b>Technical Adjustments Subtotal:</b>	<b>41.00</b>	<b>46,571,460</b>	<b>46,572,957</b>
<b>2017-2018 Forecast Base Budget</b>	<b>1,688.92</b>	<b>382,307,887</b>	<b>382,238,139</b>
<b>Budget Proposals Recommended</b>			
1. Downtown Foot Patrol Program		500,000	500,000
2. Police Department Recruiting Program		325,000	325,000
3. Medical Marijuana Transport Tracking Devices		69,120	69,120
4. Police Body Worn Camera Program	1.00	64,161	64,161
5. Communications Installation Staffing		47,634	47,634
6. Automated External Defibrillators		40,000	40,000
7. Police Academy Coordination Staffing	1.00	0	0

# Police Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Budget Proposals Recommended</b>			
8. Police Department Backgrounding Temporary Staffing		0	0
9. Police Department 41.0 Sworn Staffing Positions Postponement	(41.00)	(3,759,401)	(3,759,401)
10. School Crossing Guard Program	(1.25)	(26,405)	(26,405)
<b>Total Budget Proposals Recommended</b>	<b>(40.25)</b>	<b>(2,739,891)</b>	<b>(2,739,891)</b>
<b>2017-2018 Proposed Budget Total</b>	<b>1,648.67</b>	<b>379,567,996</b>	<b>379,498,248</b>

# Police Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Downtown Foot Patrol Program</b>		<b>500,000</b>	<b>500,000</b>
<i>Public Safety CSA</i> <i>Respond to Calls for Service and Patrol Support Core Service</i> <i>Field Patrol Program</i>			
<p>This action continues one-time funding of \$500,000 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 efforts, and allow specialized units such as the Downtown Services Unit to focus on high crime activity. Until Police sworn vacancies are filled, 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. (Ongoing costs: \$0)</p>			
<b>2. Police Department Recruiting Program</b>		<b>325,000</b>	<b>325,000</b>
<i>Public Safety CSA</i> <i>Strategic Support Core Service</i> <i>Police Human Resources Program</i>			
<p>This action continues one-time funding of \$325,000 for recruiting candidates for the upcoming Police Officer Recruit Academies as well as for civilian vacancies, such as Public Safety Communication Specialists and Public Safety Dispatchers in the 9-1-1 Emergency Communications Center as well as Community Service Officers. In addition, the Department, through prioritizing its existing non-personal/equipment resources, will reallocate \$100,000 in Base Budget funding on a one-time basis for recruitment activities. This additional recruitment funding will augment the 2017-2018 Base Budget allocation of \$125,000, bringing the total funding to \$550,000 for recruitment activities in 2017-2018. Recruitment funding will be used to attend job fairs and recruiting events; conduct targeted radio, print, and social media marketing; and conduct outreach in publications, community colleges, and military agencies. (Ongoing costs: \$0)</p>			
<b>3. Medical Marijuana Transport Tracking Devices</b>		<b>69,120</b>	<b>69,120</b>
<i>Public Safety CSA</i> <i>Regulatory Services Core Service</i> <i>Medical Marijuana Program</i>			
<p>This action increases non-personal/equipment funding by \$69,120, fully offset by a new fee recommended as part of the Medical Marijuana Fee Program, for GPS tracking devices and monthly monitoring for medical marijuana dispensaries that choose to add transportation of medical marijuana to their business activities. City Council approved the delivery of medical marijuana on October 8, 2016. (Ongoing costs: \$51,840)</p>			



# Police Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>4. Police Body Worn Camera Program</b></p> <p><i>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service Field Patrol Program</i></p> <p>This action continues 1.0 Office Specialist, limit-dated through June 30, 2018, to support the Body Worn Camera (BWC) Program in the Police Department. This position will continue to provide administrative support, such as managing increased phone calls, emails, and walk-in customers, as well as compile the BWC Procedure Manual, coordinate meetings for BWC Policy revisions, and coordinate the inaugural Santa Clara County BWC Symposium hosted by the Police Department. (Ongoing costs: \$0)</p>	1.00	64,161	64,161
<p><b>5. Communications Installation Staffing</b></p> <p><i>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service Field Patrol Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$47,634 for vehicle maintenance and operations costs related to the Communications Installation Staffing budget action, as described in the Public Works Department section of this document. This action continues 1.0 Communications Installer through June 30, 2018 to perform the installation, repair, and maintenance of mobile device units and dispatch consoles in preparation of the upcoming transition to the Silicon Valley Regional Communications System. (Ongoing costs: \$0)</p>		47,634	47,634
<p><b>6. Automated External Defibrillators</b></p> <p><i>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service Field Patrol Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$40,000, as directed by the 2017-2018 Mayor's March Budget Message, as approved by the City Council, for the acquisition and installation of Automated External Defibrillator (AED) machines in 50 Field Patrol supervisor vehicles. AED machines are lightweight portable devices that can deliver an electric shock through the chest to the heart to restore a normal heart rhythm in an emergency situation. As appropriate, these devices will support certain medical events until Emergency Medical Services personnel arrive on scene. (Ongoing costs: \$5,000)</p>		40,000	40,000
<p><b>7. Police Academy Coordination Staffing</b></p> <p><i>Public Safety CSA Strategic Support Core Service Police Training and Academy Program</i></p> <p>This action adds 1.0 Training Specialist, effective July 1, 2017, to continue the coordination of the Police Department recruit academies, allowing the Department to maintain its Police Officer Standards and Training (POST) state certification. The contract with South Bay Public Safety Training Consortium</p>	1.00	0	0

# Police Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>7. Police Academy Coordination Staffing</b>			
<p>previously provided this service; however as of the June 2016 Police Recruit Academy since the Department regained its own POST certificate, it is now the Department's responsibility to provide this POST-required Academy Coordinator role position. In 2016-2017, the coordination services were provided by a combination of sworn staff and a temporary Training Specialist position funded by personal services vacancy savings within the Department. Non-personal/equipment savings from the contract will be reallocated to fund this position for a net-zero impact on the General Fund. (Ongoing costs: \$0)</p>			
<b>8. Police Department Backgrounding Temporary Staffing</b>		<b>0</b>	<b>0</b>
<p><i>Public Safety CSA Strategic Support Core Service Police Human Resources Program</i></p> <p>This action reallocates a portion of anticipated personal services (salaries and benefits) vacancy savings of \$900,000 in 2017-2018, consistent with prior year practices, to continue one-time funding for temporary full-time and part-time background investigation staffing to meet workload demands for sworn and civilian position hiring. These resources would augment the ongoing 5.0 Background Investigator positions in the Police Department's Base Budget, bringing total backgrounding resources to approximately \$1.5 million. The Police Department currently has 177 vacant positions (as of April 2017) and will continue their aggressive efforts to hire for sworn positions (three Police Officer Recruit Academies), 9-1-1 Emergency Communications Center civilian positions, Community Service Officers, and other civilian position vacancies in the Department. (Ongoing costs: \$0)</p>			
<b>9. Police Department 41.0 Sworn Staffing Positions Postponement</b>	<b>(41.00)</b>	<b>(3,759,401)</b>	<b>(3,759,401)</b>
<p><i>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service Field Patrol Program</i></p> <p>This action postpones the addition of 41.0 sworn positions (33.0 Police Officer, 7.0 Police Sergeant, and 1.0 Police Lieutenant) to June 2019. These positions were added in 2016-2017 Adopted Budget with an anticipated Police Academy start date of February 2018. Although the Police Department is actively recruiting to fill sworn vacancies (as of April 6, 2017, there were 177 vacancies), it is currently anticipated that all positions will not be filled (including those that become vacant through attrition) until June 2019. Postponing the addition of these new sworn positions until that date will allow for the positions to now enter the June 2019 Police Academy, which would bring total budgeted sworn staffing to 1,150 positions at that time. (Ongoing savings: \$0)</p>			

# Police Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment





2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. School Crossing Guard Program	(1.25)	(26,405)	(26,405)
<i>Public Safety CSA</i>			
<i>Crime Prevention and Community Education Core Service</i>			
<i>School Safety Program</i>			
<p>This action adds 1.0 School Safety Supervisor (limit-dated through June 30, 2018), effective July 1, 2017, and eliminates 2.25 School Crossing Guards (limit-dated through June 30, 2018) to support the School Crossing Guard Program. In 2016-2017, 2.25 School Crossing Guard PT positions were added through June 30, 2018, to increase oversight of City intersections, per direction provided in the Mayor's June Budget Message for Fiscal Year 2016-2017, as approved by the City Council. Due to challenges in hiring and retaining School Crossing Guards, a total of 49 crossing guards (not full time equivalent positions) vacant as of April 2017, the hiring of the one-time 2.25 positions remains unlikely in 2017-2018. Therefore, as an alternative solution to staff more intersections, the addition of 1.0 School Safety Supervisor position will assist with additional outreach, recruiting, and retention efforts for existing budgeted positions, as well as help with the span of control of the guards allowing supervisors to attend to accidents or urgent matters in a timely manner. The Police Department will be issuing an Information Memorandum on the status of the School Crossing Guard Program and the prioritization of intersections to be staffed based on the Department of Transportation's criteria. (Ongoing savings: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>(40.25)</b>	<b>(2,739,891)</b>	<b>(2,739,891)</b>

# Police Department

## Performance Summary

### Crime Prevention and Community Education

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to the national crime rate (Index Crimes)	2,756.8 / 2,870.1 -3.9%	0%	N/A <sup>1</sup>	0%
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to the California crime rate (CCI)	2,756.8 / 3,044.6 -9.4%	0%	N/A <sup>1</sup>	0%
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to 12 similar cities (CCI)	2,756.8 / 4,490.2 -38.6%	0%	N/A <sup>1</sup>	0%
 % of requested crime prevention presentations scheduled within 30 days	48%	95%	92%	95%

<sup>1</sup> Report anticipated to be published by the FBI in fall 2017.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
# of patrol hours spent on proactive community policing	14,879	15,500	10,852	15,500
# of community presentations (excluding schools)	272	275	264	275
# of participants at community presentations (excluding schools)	6,440	6,500	5,970	6,500
# of school presentations	340	270	296	270
# of participants at school presentations	11,039	14,000	10,023	14,000

**Police Department**  
**Performance Summary**

**Investigative Services**

*Performance Measures*

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
🎯 % of cases assigned that result in criminal filings or are otherwise successfully resolved	53%	53%	49%	50%
🎯 % of change (increase or decrease) for # of cases assigned compared to the previous year	12.7%	12.7%	1.7%	0%

*Activity and Workload Highlights*

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of cases received	56,448	56,000	58,268	58,000
# of cases assigned <sup>1</sup>	22,680	22,500	23,070	23,000
# of cases that result in criminal filings	12,103	12,000	11,276	12,000
# of outstanding cases (cases currently open)	9,698	9,000	9,145	9,000
# of cases operationally closed due to lack of investigative resources	15,052	15,000	15,918	15,000
# of cases operationally closed <sup>2</sup>	54,825	54,000	57,252	57,000

<sup>1</sup> 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.

<sup>2</sup> 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

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## Performance Summary

### Regulatory Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 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 <sup>1</sup>	1.82:1	2.03:1	1.20:1	1.54:1

<sup>1</sup> Includes non-recoverable enforcement costs.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of gaming permit applications processed	1,196	1,200	1,204	1,200
# of cardroom/key employee license applications	46	50	30	30
# of denials and revocations – cardrooms only	11	0	0	0
# of denials overturned – cardrooms only	0	0	0	0
# of taxi cabs permitted	585	600	580	600
# of gaming permits issued	838	800	842	850













# Police Department

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## Performance Summary

### Respond to Calls for Service and Patrol Support

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of 9-1-1 calls that are answered within 10 seconds	76.91%	90%	73.43%	90%
 Average time in which emergency calls, including 9-1-1 calls, are answered (in seconds)	7.25	2.50	7.95	2.50
 Average time in which non-emergency calls, including 3-1-1 calls are answered (in seconds)	76.25	25.00	162.40 <sup>1</sup>	25.00
 Average time in which Telephone Reporting Automation Center (TRAC) calls are answered (in minutes)	8.11	6.00	N/A <sup>2</sup>	6.00
 Average response time (City-wide) - (in minutes) Priority One (present or imminent danger to life or major damage/loss of property) <sup>3</sup>	7.26	6.00	7.75	6.00
-Average call processing time	1.26	1.50	1.32	1.50
-Average call queuing time	1.46	0.50	1.49	0.50
-Average call driving-to-arrival time	4.55	4.00	4.98	4.00
 Average response time (City-wide) - (in minutes) Priority Two (injury or property damage or potential for either to occur) <sup>1</sup>	19.54	11.00	20.76	11.00
-Average call processing time	1.62	1.50	1.69	1.50
-Average call queuing time	10.62	3.50	11.56	3.50
-Average call driving-to-arrival time	7.63	6.00	7.79	6.00
 Annual cost of Police to respond to calls for service (in millions)	\$110.98	\$107.94	\$119.02	\$130.92
 Annual cost per call for Police service	\$123.68	\$119.28	\$125.75	\$138.33
 Billing estimate to actual cost billed (in thousands) for Secondary Employment	\$843/\$774	\$693/\$638	\$1,048/\$646	\$1,048/\$946
 Cost to event promoters for off-duty officers as compared to City costs for equivalent on-duty personnel (in thousands) for Secondary Employment	\$774/\$1,162	\$638/\$958	\$946/\$1,420	\$946/\$1,420
 % of change (increase or decrease) for # of DUI arrests compared to the previous year	-68%	No Change	15%	No Change
 Ratio of fatal collisions to total number of traffic collisions	1:223	1:250	1:78	1:250

<sup>1</sup> The increase in 2016-2017 Estimated 3-1-1 call times is due to the temporary reallocation of personnel to the emergency lines in order to maintain and improve 9-1-1 answering times due primarily to Public Safety Communications Specialist and Public Safety Dispatcher vacancies.

<sup>2</sup> Due to a 9-1-1 system upgrade in spring 2017, data is not currently available.

<sup>3</sup> 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 and Patrol Support

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of emergency calls received <sup>1</sup>	544,552	545,000	564,490	565,000
# of wireless 9-1-1 calls received	468,928	353,000	381,196	380,000
# of non-emergency calls received <sup>2</sup>	367,288	374,500	381,980	380,000
# of reports received by alternative means	19,728	20,000	21,108	21,000
# of officer-initiated calls received	70,160	70,000	64,122	65,000
# of hours of off-duty uniformed work at special events (includes security and traffic control)	28,063	28,000	18,416	18,500
# of special events coordinated by Secondary Employment Unit	502	450	458	450
# of officer work permits processed for Secondary Employment	348	350	214	350
Cost of providing Secondary Employment capability <sup>3</sup>	\$803,685	\$657,078	\$784,551	\$808,088
# of total traffic collisions	7,351	7,400	4,250	4,250
# of injury traffic collisions	2,940	2,500	1,628	1,600
# of fatal traffic collisions	33	60	54	50
# of neighborhood traffic enforcement requests received	3,196	3,750	5,138	5,200
# of DUI arrests (Traffic Enforcement generated)	22	60	26	30
# of moving violation citations issued by Traffic Enforcement Unit personnel (both hazardous and non-hazardous)	8,131	8,000	7,746	8,000

<sup>1</sup> Includes 9-1-1, 7 digit, wireless, and California Highway Patrol (CHP) transfers.

<sup>2</sup> Includes 3-1-1, 7 digit non-emergency, and Telephone Report Automated Center (TRAC) calls.

<sup>3</sup> Cost includes secondary employment administrative costs and excludes costs paid directly to off-duty Officers by secondary employers and event promoters.



# Police Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Account Clerk II	1.00	1.00	-
Accountant I/II	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	15.00	15.00	-
Assistant Chief of Police	1.00	1.00	-
Assistant Communications Manager	1.00	1.00	-
Background Investigator	5.00	5.00	-
Chief of Police	1.00	1.00	-
Community Service Officer I/II	64.00	64.00	-
Crime and Intelligence Analyst	18.00	15.00	(3.00)
Crime and Intelligence Data Administrator	0.00	1.00	1.00
Crime and Intelligence Data Technician	0.00	3.00	3.00
Crime Prevention Specialist	12.00	12.00	-
Crime Prevention Supervisor	1.00	1.00	-
Crisis Intervention Training Manager	1.00	1.00	-
Darkroom Technician	1.00	1.00	-
Department Information Technology Manager	0.00	2.00	2.00
Deputy Chief of Police	4.00	4.00	-
Deputy Director U	2.00	2.00	-
Division Manager	5.00	5.00	-
Information Systems Analyst	3.00	3.00	-
Latent Fingerprint Examiner II	3.00	3.00	-
Latent Fingerprint Examiner III	5.00	5.00	-
Maintenance Worker II	1.00	1.00	-
Messenger Clerk	1.00	1.00	-
Network Engineer	4.00	4.00	-
Network Technician I/II/III	3.00	3.00	-
Office Specialist II	15.00	16.00	1.00
Office Specialist II PT	0.50	0.50	-
Police Captain	8.00	8.00	-
Police Data Specialist	62.00	61.00	(1.00)
Police Data Specialist PT	1.50	1.50	-
Police Forensic Analyst	0.00	1.00	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	7.00	2.00
Program Manager I	1.00	1.00	-
Program Manager II	1.00	0.00	(1.00)
Public Safety Communication Specialist	58.00	58.00	-
Public Safety Communication Specialist PT	1.50	1.50	-
Public Safety Radio Dispatcher	79.00	79.00	-
Public Safety Radio Dispatcher PT	2.00	2.00	-

# Police Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
School Crossing Guard PT	37.42	35.17	(2.25)
School Safety Supervisor	3.00	4.00	1.00
Secretary	2.00	0.00	(2.00)
Senior Account Clerk	4.00	3.00	(1.00)
Senior Analyst	7.00	7.00	-
Senior Auditor	3.00	3.00	-
Senior Crime and Intelligence Analyst	4.00	3.00	(1.00)
Senior Community Service Officer	8.00	8.00	-
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	10.00	11.00	1.00
Staff Technician	3.00	2.00	(1.00)
Supervising Applications Analyst	2.00	1.00	(1.00)
Supervising Auditor	1.00	1.00	-
Supervising Community Services Officer	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	2.00	2.00	-
Video/Multimedia Producer	1.00	1.00	-
Video Unit Supervisor	1.00	1.00	-
<b>Total Positions</b>	<b>1,649.92</b>	<b>1,648.67</b>	<b>(1.25)</b>

**Note:** Of the 1,648.67 positions in the Police Department in 2017-2018, 1,107.00 are sworn positions and 541.67 are civilian positions.

# Public Works Department

Barry Ng, Director

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**T**o 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**

## Core Services

### **Animal Care and Services**

Promote and protect the health, safety, and welfare of animals and people in the City of San José

### **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

### **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, Materials Testing Laboratory, and Surveying Services

**Strategic Support:** Infrastructure and Mapping, Financial and Contractual Administration, Computer Services, Equality Assurance, and Human Resources

# Public Works Department

## Service Delivery Framework

Core Service		Program
<p><b>Animal Care and Services:</b> <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"> <li>• Animal Services Field Operations</li> <li>• Animal Licensing and Customer Services</li> </ul>
<p><b>Regulate/Facilitate Private Development:</b> <i>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</i></p>	↔	<ul style="list-style-type: none"> <li>• Public Works Development Services</li> </ul>
<p><b>Facilities Management:</b> <i>Provide safe, efficient, comfortable, attractive, and functional buildings and facilities</i></p>	↔	<ul style="list-style-type: none"> <li>• City Facilities Repairs and Minor Capital Improvements</li> <li>• Energy and Water Conservation</li> <li>• Facility Maintenance and Operations - City Hall</li> <li>• Facility Maintenance and Operations - Non City Hall</li> </ul>
<p><b>Fleet and Equipment Services:</b> <i>Manage operations which provide a safe and reliable fleet of vehicles and equipment</i></p>	↔	<ul style="list-style-type: none"> <li>• Fleet Maintenance and Operations</li> <li>• Fleet Replacement</li> <li>• Radio Communication</li> </ul>
<p><b>Plan, Design, and Construct Public Facilities and Infrastructure:</b> <i>Plan, design, and construct public facilities and infrastructure, Materials Testing Laboratory, and Surveying Services</i></p>	↔	<ul style="list-style-type: none"> <li>• Transportation and Storm Sewer Capital</li> <li>• City Facilities Architectural Services and Capital Project Administration</li> <li>• City Facilities Engineering and Inspection Services</li> </ul>
<p><b>Strategic Support:</b> <i>Infrastructure and Mapping, Financial and Contractual Administration, Computer Services, Equality Assurance, and Human Resources</i></p>	↔	<ul style="list-style-type: none"> <li>• Public Works Management and Administration</li> <li>• Public Works Financial Management</li> <li>• Public Works Human Resources</li> <li>• Public Works Information Technology</li> </ul>

# Public Works Department

## Department Budget Summary

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### Expected 2017-2018 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.

### 2017-2018 Key Budget Actions

- Adds 1.0 Senior Construction Inspector and 1.0 Principal Engineering Technician to support the Public Works Development Fee Program to 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 2017-2018 in the areas of document imaging technology projects. This action also deletes 1.0 Information Systems Analyst funded in part by the Public Works Development Fee Program. As described in the Planning, Building and Code Enforcement Department and Information Technology Department sections of this document.
- Adds 1.0 Senior Engineer to support the major regional rail projects coming online over the next ten years, including Diridon Station Area Plan Implementation, High Speed Rail, BART Phase II, and the Airport People Mover.
- Continues a 1.0 Communications Installer through June 30, 2018 to perform the installation, repair, and maintenance of mobile device units and dispatch consoles in preparation of the upcoming transition to the Silicon Valley Regional Communications System.
- Continues a 1.0 Supervising Environmental Services Specialist position through June 30, 2018 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

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Animal Care & Services	n/a	n/a	n/a	\$ 6,995,118
Facilities Management	n/a	n/a	n/a	30,525,577
Fleet & Equipment Services	n/a	n/a	n/a	31,027,445
Plan, Design, and Construct Public Facilities & Infrastr	n/a	n/a	n/a	37,197,389
Regulate/Facilitate Private Development	n/a	n/a	n/a	12,041,732
Strategic Support	n/a	n/a	n/a	8,218,146
Strategic Support - Other	n/a	n/a	n/a	17,948,126
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 143,953,533</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 71,733,162	\$ 77,976,238	\$ 83,314,139	\$ 83,711,209
Overtime	1,721,227	909,346	909,346	909,346
Subtotal Personal Services	\$ 73,454,389	\$ 78,885,584	\$ 84,223,485	\$ 84,620,555
Non-Personal/Equipment	21,404,476	15,766,687	15,069,302	\$ 15,114,302
Inventory	6,212,769	6,674,000	7,304,000	7,304,000
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 101,071,634</b>	<b>\$ 101,326,271</b>	<b>\$ 106,596,787</b>	<b>\$ 107,038,857</b>
<b>Other Costs *</b>				
Public Works Capital	n/a	n/a	n/a	\$ 11,000,000
Public Works Funds Workers' Compensation	n/a	n/a	n/a	975,000
Public Works Gifts	n/a	n/a	n/a	324,175
Public Works Overhead	n/a	n/a	n/a	1,391,681
Public Works Other Departmental - City-Wide	n/a	n/a	n/a	1,342,000
Public Works Other Operational - Housing Loans and Grants	n/a	n/a	n/a	-
Other	n/a	n/a	n/a	21,881,820
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 36,914,676</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 143,953,533</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 55,943,297
Airport Maint & Oper	n/a	n/a	n/a	230,239
Convention & Cultural Affairs	n/a	n/a	n/a	5,000
Gift Trust Fund	n/a	n/a	n/a	324,175
General Purpose Pkg	n/a	n/a	n/a	94,289
Integrated Waste Mgmt	n/a	n/a	n/a	129,329

# Public Works Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Fund</b>				
Low/Mod Income Hsg Asset	n/a	n/a	n/a	125,702
PW Program Support	n/a	n/a	n/a	17,404,558
Sewer Svc & Use Charge	n/a	n/a	n/a	2,456,306
Storm Sewer Operating	n/a	n/a	n/a	791,897
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	96,490
Vehicle Maint & Opers	n/a	n/a	n/a	30,166,729
Water Utility	n/a	n/a	n/a	39,547
Capital Funds	n/a	n/a	n/a	36,145,975
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 143,953,533</b>
<b>Authorized Positions by Core Service</b>				
Animal Care & Services	n/a	n/a	n/a	65.67
Facilities Management	n/a	n/a	n/a	80.85
Fleet & Equipment Services	n/a	n/a	n/a	71.15
Plan, Design and Construct Infrastructure	n/a	n/a	n/a	226.63
Regulate/Facilitate Private Development	n/a	n/a	n/a	76.38
Strategic Support	n/a	n/a	n/a	40.79
Strategic Support - Other	n/a	n/a	n/a	0.40
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>561.87</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Public Works Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Animal Care and Services</b>					
Animal Services Field Oper	n/a	n/a	n/a	\$ 2,821,872	23.00
Animal Licensing & Cust. Svc.	n/a	n/a	n/a	4,173,246	42.67
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 6,995,118</b>	<b>65.67</b>
<b>Regulate/Facilitate Private Development</b>					
Public Works Development Serv	n/a	n/a	n/a	\$ 12,041,732	76.38
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 12,041,732</b>	<b>76.38</b>
<b>Facilities Management</b>					
City Facilities Repairs & Minor Capital Improvements	n/a	n/a	n/a	\$ 9,056,454	17.85
Energy & Water Conserv	n/a	n/a	n/a	0	0.85
Facility Maintenance & Oper - City Hall	n/a	n/a	n/a	9,876,442	48.55
Facility Maintenance & Oper - Non City Hall	n/a	n/a	n/a	11,592,681	13.60
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 30,525,577</b>	<b>80.85</b>
<b>Fleet and Equipment Services</b>					
Fleet Maintenance & Oper				\$ 24,329,154	62.40
Fleet Replacement				4,877,820	0.00
Radio Communication	n/a	n/a	n/a	1,820,471	8.75
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 31,027,445</b>	<b>71.15</b>
<b>Plan, Design, and Construct Public Facilities and Infrastructure</b>					
City Facilities Architectural Srv & Capital Project Admin	n/a	n/a	n/a	\$ 7,385,925	44.87
City Facilities Engineering & Inspection Services	n/a	n/a	n/a	1,705,903	7.68
Transportation & Storm Sewer Capital	n/a	n/a	n/a	28,105,561	174.08
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 37,197,389</b>	<b>226.63</b>
<b>Public Works Strategic Support</b>					
Public Works Management and Administration	n/a	n/a	n/a	\$ 8,218,146	40.79
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 8,218,146</b>	<b>40.79</b>



# Public Works Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Public Works Strategic Support - Other *</b>					
Public Works Capital	n/a	n/a	n/a	\$ 4,850,000	0.00
Public Works Gifts	n/a	n/a	n/a	324,175	0.00
Public Works Funds Overhead	n/a	n/a	n/a	1,391,681	0.00
Public Works Funds Transfers	n/a	n/a	n/a	0	0.00
Public Works Workers' Comp	n/a	n/a	n/a	975,000	0.00
Public Works Other Departmental City-Wide	n/a	n/a	n/a	603,000	0.00
Public Works Other Departmental Grants	n/a	n/a	n/a	0	0.00
Public Works Other Operational Administration	n/a	n/a	n/a	9,804,270	0.40
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 17,948,126</b>	<b>0.40</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 143,953,533</b>	<b>561.87</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Public Works Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>558.87</b>	<b>101,326,271</b>	<b>42,039,215</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Master Address Database - Non-Personal/Equipment		(131,000)	(131,000)
• Master Address Database - Personal Services		(350,000)	(350,000)
• Portable Generators Replacement		(400,000)	0
• Animal Care and Services		(207,000)	(207,000)
• Wire Theft Mitigation		(145,000)	0
• Public Works Development Fee Program		(32,500)	(32,500)
• Enterprise Asset Management Team Support		(18,400)	(15,900)
• Energy Team Staffing (1.0 Supervising Environmental Services Specialist)	(1.00)	(29,336)	0
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(1.00)</b>	<b>(1,313,236)</b>	<b>(736,400)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		5,619,784	2,075,483
- 1.0 Senior Engineering Technician to 1.0 Engineer I/II			
- 1.0 Geographic Systems Specialist II to 1.0 Engineer I/II			
- 1.0 Electrician II to 1.0 Senior Electrician			
- 1.0 Senior Architect/Landscape Architect to 1.0 Division Manager			
- 1.0 Carpenter to 1.0 Plumber			
- 1.0 Information Systems Analyst to 1.0 Supervising Applications Analyst			
• Living Wage		6,942	6,942
• Vacancy factor		(129,489)	(100,106)
• Professional development program		1,000	4,750
• Fleet inventory		630,000	0
• Custodial contractual services		40,013	38,929
• Fleet maintenance and operation costs		138,000	0
• Fleet Assetworks database		15,000	0
• Trades contractual services		60,018	60,018
• Animal care and services medical supplies		23,840	23,840
• USA Locate annual membership		13,162	9,740
• Elevator maintenance contractual services		6,431	6,431
• Security services contract		2,300	2,300
• Reallocation of non-personal/equipment to the Fire Department for maintenance of defibrillators		(6,000)	(6,000)
• Gas and electricity		71,000	71,000
• Vehicle maintenance and operations		69,000	63,000
• Water		22,751	22,751
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>6,583,752</b>	<b>2,279,078</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>557.87</b>	<b>106,596,787</b>	<b>43,581,893</b>

# Public Works Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Budget Proposals Recommended</b>			
1. Public Works Development Fee Program	2.00	219,404	219,404
2. San José Regional Transportation Hub Project - Engineering Staffing	1.00	118,378	0
3. Communications Installation Staffing	0.00	85,061	0
4. Energy Team Staffing	1.00	19,227	0
<b>Total Budget Proposals Recommended</b>	<b>4.00</b>	<b>442,070</b>	<b>219,404</b>
<b>2017-2018 Proposed Budget Total</b>	<b>561.87</b>	<b>107,038,857</b>	<b>43,801,297</b>

# Public Works Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Public Works Development Fee Program	2.0	219,404	219,404

**Community and Economic Development CSA**  
**Regulate/Facilitate Private Development Core Service**  
*Public Works Development Services Program*

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 fee increases.

- **Development Fee Program Revenue:** Based on a recent City of San José Development Services Cost Recovery Analysis and Process Improvement Study, an increase to the fees is recommended to maintain full cost recovery for the Public Works Development Fee Program. The adjustments to the development fees are projected to generate \$1.3 million, and will bring estimated revenue to a total of \$11,585,000 for 2017-2018.
- **Program Staffing:** Adds 1.0 Senior Construction Inspector and 1.0 Principal Engineering Technician, effective September 1, 2017, to address the increased activity and workload anticipated in 2017-2018 and help the Utility Fee Program maintain service levels. (Ongoing costs: \$209,285)
- **Non-Personal/Equipment:** Adds one-time non-personal/equipment funding of \$42,500 to purchase one vehicle and supplies and materials for the recommended inspector position addition. (Ongoing costs: \$2,500)

While not reflected in this section of the document, other actions partially funded by the Public Works Development Fee Program include the following:

- **Document Imaging Technology Support:** This action adds 1.0 Supervising Applications Analyst position, effective September 1, 2017, and associated non-personal/equipment funding (funded 70% by Building Development Fee Program, 12% by Planning Development Fee Program, 12% by Fire Development Fee Program, 6% by Public Works Development Fee Program) to support Development Services document imaging technology projects (\$122,482, Public Works Development Fee Program's portion: \$7,349). The Imaging and Support Team uses multiple systems and software programs to input, store, and retrieve documents. The position will provide the needed management and coordination to complete the conversion to a new electronic content management system. Following the conversion, the position will maintain and coordinate continuous improvements to the imaging system, and establish process and procedures to seamlessly integrate electronic documents provided to the City by the outside scanning vendor or by customers using electronic plan review. In addition, this position will assist with assimilating data to and from the new Integrated Permitting System and assist management in evaluating process improvements such as cloud storage, bar coding, disaster recovery planning, as well as the most effective way to download and view vendor and customer provided documents. (Ongoing costs: \$145,129, Public Works Development Fee Program's portion: \$8,708)

# Public Works Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**1. Public Works Development Fee Program**

- **Information Technology Department Staffing Realignment:** This action eliminates 1.0 Information Systems Analyst (total savings: \$144,071, Public Works Development Fee Program's portion: \$4,291) funded in part by the General Fund Development Fee Programs. The addition of the Information Systems Analyst was intended to support city-wide technology upgrades, including Virtual Desktop Infrastructure (VDI) and operating system upgrade to Windows 10. With an anticipated reduction in the scope of both projects, the Information Systems Analyst is no longer needed. (Ongoing savings: \$4,291)

Public Works Development Fee Program Reserve: This action increases the Public Works Development Fee Program Reserve by \$1.0 million (from \$2.9 million to \$3.9 million) as a result of the recommended actions contained in this Proposed Operating Budget and this action appears in the General Fund Capital, Transfers and Revenues section of this document. It is important to note that while the recommended budget actions result in an increase of \$1.0 million to the reserve, the 2017-2018 base level of revenues and expenditures also necessitated the use of approximately \$2.2 million of this reserve, resulting in a Base Budget decrease from \$5.1 million to \$2.9 million.

- |   |             |                |          |
|---|-------------|----------------|----------|
| <b>2. San José Regional Transportation Hub Project - Engineering Staffing</b> | <b>1.00</b> | <b>118,378</b> | <b>0</b> |
|---|-------------|----------------|----------|

**Strategic Support CSA**  
**Plan, Design, and Construct Public Facilities and Infrastructure Core Service**  
*City Facilities and Architectural Services and Capital Project Administration Program*

This action adds 1.0 Senior Engineer, effective September 1, 2017, funded by the Construction Excise Tax Fund to support the major regional rail projects coming online over the next ten years, including: Diridon Station Area Plan Implementation, High Speed Rail, BART Phase II, and the Airport People Mover. This position will specialize in infrastructure planning, developer selections, design, zoning, development financing, community engagement, environmental clearance and alternatives, manage intermodal working group, station programming and design, and the Airport-Diridon connection plan. (Ongoing costs: \$142,053)

- |  |            |               |          |
|--|------------|---------------|----------|
| <b>3. Communications Installation Staffing</b> | <b>0.0</b> | <b>85,061</b> | <b>0</b> |
|--|------------|---------------|----------|

**Strategic Support CSA**  
**Fleet and Equipment Services Core Service**  
*Fleet Maintenance and Operations Program*

This action continues 1.0 Communications Installer, through June 30, 2018 in the Vehicle Maintenance and Operations Fund, to perform the installation, repair, and maintenance of mobile device units and dispatch consoles in preparation of the upcoming transition to the Silicon Valley Regional Communications System in December 2018. (Ongoing costs: \$0)

# Public Works Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment




2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Energy Team Staffing	1.00	19,227	0
<i>Strategic Support CSA</i> <i>Facilities Management Core Service</i> <i>Plan, Design, and Construct Public Facilities and Infrastructure Core Service</i> <i>Energy and Water Conservation and City Facilities Engineering and Inspection Services Programs</i>			
<p>This action continues 1.0 Supervising Environmental Services Specialist position through June 30, 2018. 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 2017-2018. The full position cost of \$128,178 will be largely funded (85%) by a rebudget of 2016-2017 Energy and Utility Conservation Measures Program funding anticipated to be included in the Adopted Budget located in the City-Wide Expenses section of this document. The remaining position costs (15%) are funded by the Public Works Program Support Fund. (Ongoing costs: \$0)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>4.00</b>	<b>442,070</b>	<b>219,404</b>

# Public Works Department

## Performance Summary

### Animal Care and Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % change in the number of animals licensed annually	(2%)	5%	(5%)	5%
 Animal Care Center live release rate	89%	90%	90%	92%
 % of Priority 1 calls with response time in one hour or less. (Priority 1: injured or aggressive animal, or public safety assist)	96%	95%	95%	95%

#### Activity and Workload Highlights









	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Animal licenses issued annually	62,926	67,500	60,000	63,000
# of animals adopted/rescued/returned	14,064	13,750	15,000	15,500
# of incoming animals	16,649	16,000	17,000	17,000
# of calls for service completed	23,021	24,000	23,000	23,000
# of low-cost spay/neuter surgeries provided to public	5,414	7,000	6,000	6,500

# Public Works Department

## Performance Summary

### Facilities Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of facilities with a condition assessment rating of good or better (3 or better on a 5-pt scale)	N/A <sup>1</sup>	84%	90%	90%
 % change in energy usage in all City Accounts from 2007 baseline	(0.7%) <sup>2</sup>	(12%)	(1%)	(1%)
 % of preventative maintenance work orders completed	91%	80%	80%	80%
 % of health and safety concerns mitigated within 24 hours	100%	100%	100%	100%
 % of non-health and safety work completed within time standards	60%	75%	70%	75%
 % of time a request for record retention item is delivered within one day	89%	95%	95%	95%
 % of customers who rate service as good or excellent based on timeliness of response and quality of work	80%	85%	85%	85%
 % of public who rate publicly accessed buildings as good or excellent	N/A <sup>3</sup>	65%	N/A <sup>3</sup>	65%

<sup>1</sup> 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 2016-2017 with results expected to be reported as part of the 2018-2019 Proposed Budget.

<sup>2</sup> Energy usage is anticipated to increase in 2016-2017 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 2018-2022 Proposed Water Pollution Control Capital Improvement Program includes projects to rehabilitate and repair the cogeneration facility and equipment.

<sup>3</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Adopted Budget.



# Public Works Department

## Performance Summary

### Facilities Management

#### Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of corrective and preventive work orders completed	24,627	20,000	20,000	20,000
kW of renewable energy installed at City-owned sites	5,166kW	6,466kW	6,281kW	6,281kW
Total cost for services - Materials Management Services	\$0.30M	\$0.35M	\$0.32M	\$0.32M
Total dollars recovered from surplus sales	\$1,268,352	\$300,000	\$1,275,000	\$500,000
# of record retention requests delivered within one day	5,889	5,500	5,500	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

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of fleet that is alternate fuel vehicles	43%	44%	44%	45%
 % of fleet in compliance with replacement cycle:				
Emergency Vehicles	100%	100%	100%	100%
General Fleet	88%	90%	88%	90%
 Cost per mile or hours, by class (of equipment):				
Police (miles)	\$0.32	\$0.35	\$0.33	\$0.35
Fire (miles)	\$2.89	\$2.50	\$2.07	\$2.50
General Fleet Light (miles)	\$0.36	\$0.34	\$0.44	\$0.40
General Fleet Heavy (miles)	\$1.73	\$1.80	\$1.84	\$1.80
Off Road Light (hours)	\$0.64	\$0.70	\$0.34	\$0.65
Off Road Heavy (hours)	\$1.17	\$1.00	\$0.65	\$1.00
 % of customers who rate service good or better based on:				
Timeliness	86%	90%	86%	88%
Convenience	93%	95%	92%	93%
Courtesy	97%	97%	96%	97%

#### Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Total number of repair and preventive work orders	21,748	22,000	22,300	22,000
Total number of vehicles and equipment	2,727	2,720	2,730	2,730

# Public Works Department

## Performance Summary

### Plan, Design, and Construct Public Facilities and Infrastructure

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of projects completed within the approved baseline budget <sup>1</sup>	86%	90%	92%	90%
 Departmental project delivery costs compared to target industry norm:				
Projects ≤ \$500,000	66%	68%	61%	65%
Projects > \$500,000	43%	46%	36%	48%
 % of projects designed and constructed by Public Works within approved baseline schedule <sup>2</sup>	76%	85%	75%	85%
 % of projects rated as good or excellent based on the achievement of project goals and the quality of the overall final product	95%	80%	88%	85%

<sup>1</sup> 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.

<sup>2</sup> Projects are considered to be “delivered” when they are available for the intended use; projects are considered “on schedule” if delivered within two months of the baseline schedule.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of construction projects delivered	50	75	63	54
Total construction cost of projects <sup>1</sup>	\$49,600,000	\$93,000,000	\$57,700,000 <sup>2</sup>	\$92,000,000 <sup>2</sup>

<sup>1</sup> For multi-year projects, the total construction costs are reflected in the year that the project is completed rather than spread over multiple years.




<sup>2</sup> The total construction cost of a project can be a couple of months after the project acceptance date due to close out items and the final release of retention. In order to capture these costs, the annual period will now be April to March in order to have costs for fiscal year reporting starting with the 2016-2017 Estimate and 2017-2018 Forecast. The 2016-2017 Estimated amount is less than the 2016-2017 Forecast due to the Estimated amount only including 8 months vs. 12 months in the Forecast amount.

# Public Works Department

## Performance Summary

### Regulate/Facilitate Private Development

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 Ratio of fee revenue to Development Fee Program cost (includes Development Fee Program Reserve funding)	100%	100%	100%	100%
 Selected cycle time measures for: Construction permit processing targets met	73%	85%	85%	85%
Planning processing targets met	83%	85%	85%	85%
 % of Development process participants rating service as good or excellent: Development Review	81%	80%	85%	85%

#### Activity and Workload Highlights


	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of underground service alert requests received	51,747	35,000	35,000	35,000
# of Public Works permit applications	558	500	500	500
Value of permitted public improvements	\$38,520,532	\$30,000,000	\$15,000,000	\$30,000,000
Value of accepted public improvements	\$17,196,954	\$16,000,000	\$8,000,000	\$16,000,000

# Public Works Department

## Performance Summary

### Strategic Support

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of reviewed projects that attain established labor compliance goals by project completion	93%	93%	98%	98%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of contracts with wage requirements	196	200	200	200
# of contracts with labor compliance violations Identified	31	15	10	10
Minimum wage compliance cases:				
# Opened	14	20	10	20
# Resolved	12	15	9	15
# of contractors' employees owed restitution	145	100	55	100
Total \$ amount of restitution owed to employees	\$42,000	\$50,000	\$40,000	\$50,000

# Public Works Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 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	47.00	47.00	-
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	4.00	(1.00)
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	5.00	1.00
Electrician II	11.00	10.00	(1.00)
Electrician Supervisor	1.00	1.00	-
Engineer I/II	41.00	41.00	-
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	2016-2017 Adopted	2017-2018 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	4.00	4.00	-
Information Systems Analyst	6.00	5.00	(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	3.00	1.00
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	3.00	4.00	1.00
Program Manager I	5.00	5.00	-
Public Outreach Representative II	0.00	0.00	-
Radio Communications Manager	1.00	1.00	-
Recreation Leader PT	1.00	1.00	-
Security Officer	3.00	3.00	-
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	4.00	(1.00)
Senior Auto Equipment Specialist	1.00	1.00	-
Senior Carpenter	1.00	1.00	-
Senior Communications Technician	1.00	1.00	-
Senior Construction Inspector	38.00	39.00	1.00
Senior Electrician	4.00	5.00	1.00
Senior Engineer	14.00	15.00	1.00
Senior Engineering Technician	25.00	25.00	-
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	2.00	2.00	-
Senior Mechanic	5.00	5.00	-
Senior Mechanical Parts Worker	1.00	1.00	-

# Public Works Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Senior Office Specialist	6.00	6.00	-
Senior Public Information Representative	1.00	1.00	-
Senior Security Officer	1.00	1.00	-
Senior Systems Applications Programmer	2.00	2.00	-
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	2.00	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	-
<b>Total Positions</b>	<b>558.87</b>	<b>561.87</b>	<b>3.00</b>



# Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

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**P**rovide quality services in the delivery of pension and related benefits and maintain financially sound pension plans

## *City Service Area*

### **Strategic Support**

### *Core Services*

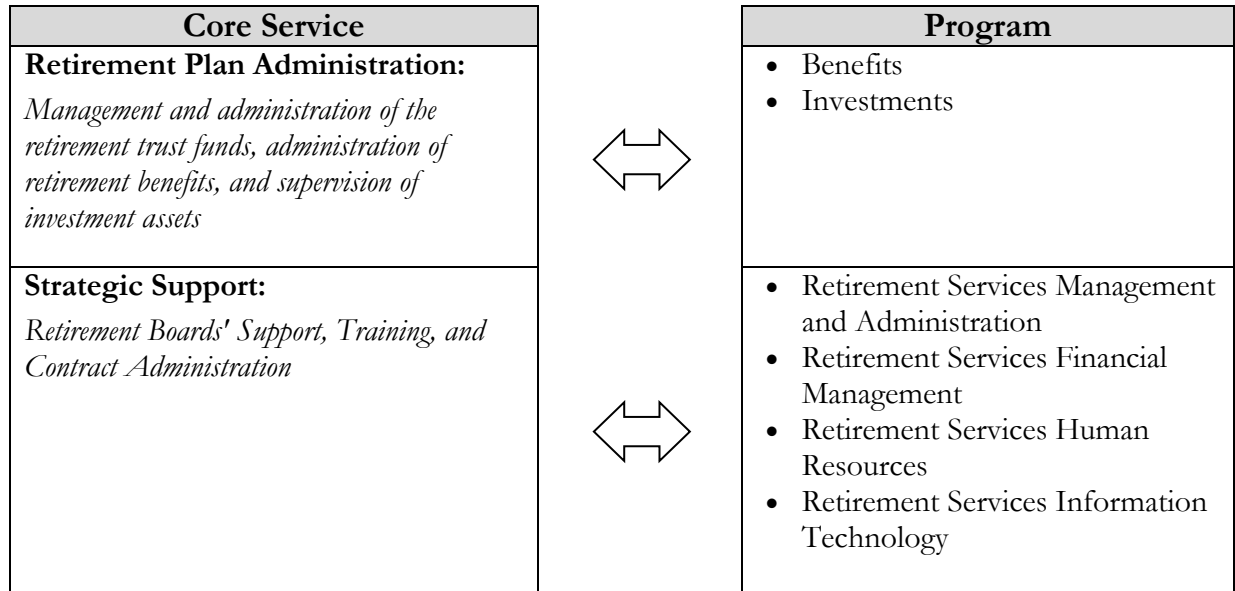
#### **Retirement Plan Administration**

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

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### Expected 2017-2018 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 remove risk from the plans, decrease volatility, and reduce intergenerational shifting of liabilities.
- Provide quality retirement planning, counseling, and financial reporting.

### 2017-2018 Key Budget Actions

N/A

### 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

	2015-2016 Actual 1	2016-2017 Adopted 2	2016-2017 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Retirement Plan				
Administration	n/a	n/a	n/a	\$ 3,236,214
Strategic Support	n/a	n/a	n/a	\$ 3,991,163
Strategic Support - Other	n/a	n/a	n/a	50,000
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,277,377</b>
<b>Dollars by Category</b>				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	\$ 5,861,849	\$ 6,551,984	\$ 7,077,377	\$ 7,077,377
Subtotal Personal Services	<b>\$ 5,861,849</b>	<b>\$ 6,551,984</b>	<b>\$ 7,077,377</b>	<b>\$ 7,077,377</b>
Non-Personal/Equipment	0	0	0	0
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 5,861,849</b>	<b>\$ 6,551,984</b>	<b>\$ 7,077,377</b>	<b>\$ 7,077,377</b>
<i>Other Costs *</i>				
Retirement Other				
Departmental - City-Wide	n/a	n/a	n/a	\$ 200,000
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 200,000</b>
<b>Total</b>	<b>\$ 5,861,849</b>	<b>\$ 6,551,984</b>	<b>\$ 7,077,377</b>	<b>\$ 7,277,377</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 200,000
Federated Retirement	n/a	n/a	n/a	3,539,686
Police & Fire Retirement	n/a	n/a	n/a	3,537,691
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,277,377</b>
<b>Authorized Positions by Core Service</b>				
Retirement Plan	n/a	n/a	n/a	16.70
Administration				
Strategic Support	n/a	n/a	n/a	23.05
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>39.75</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Office of Retirement Services

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Retirement Plan Administration</b>					
Benefits	n/a	n/a	n/a	\$ 2,308,681	10.25
Investments	n/a	n/a	n/a	927,533	6.45
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,236,214</b>	<b>16.70</b>
<b>Strategic Support (Strategic Support - Council Appointees CSA)</b>					
Retirement Services					
Human Resources	n/a	n/a	n/a	\$ 2,000	
Retirement Services					
Financial Management	n/a	n/a	n/a	991,146	4.45
Retirement Services					
Information Technology	n/a	n/a	n/a	2,293,903	14.40
Retirement Services					
Management and Administration	n/a	n/a	n/a	704,115	4.20
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,991,164</b>	<b>23.05</b>
<b>Strategic Support - Other (Strategic Support - Council Appointees CSA)</b>					
Retirement Services Gifts					
Retirement Services Capital	n/a	n/a	n/a		
Retirement Services Other					
Departmental - City-Wide	n/a	n/a	n/a	\$ 50,000	
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 50,000</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,277,377</b>	<b>39.75</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

Office of Retirement Services

**Budget Reconciliation**

**Personal Services and Non-Personal/Equipment**

**(2016-2017 Adopted to 2017-2018 Proposed)**

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	Positions	All Funds (\$)
Prior Year Budget (2016-2017):	39.75	6,551,984
<hr/> <b>Base Adjustments</b>		
<b>Technical Adjustments to Costs of Ongoing Activities</b>		
• Salary/benefit changes		525,393
Technical Adjustments Subtotal:	0.00	525,393
2017-2018 Forecast Base Budget:	39.75	7,077,377
<hr/> <b>Budget Proposals Recommended</b>		
NONE		
2017-2018 Proposed Budget Total	39.75	7,077,377




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# Office of Retirement Services

## Performance Summary

### Retirement Plan Administration

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of active members that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals	87%	100%	85%	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	81%	100%	85%	100%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of active and retired members surveyed	179	400	300	300
# of portfolios analyzed annually	174	178	190	190
# of agendized Board meetings	87	102	96	98
Investment committee work plan projects	41	45	40	48

# Office of Retirement Services

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Account Clerk II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Analyst I/II	6.00	6.00	-
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/III	1.00	1.00	-
Office Specialist II	1.00	1.00	-
Retirement Investment Analyst I/II	2.00	2.00	-
Retirement Investment Officer	4.00	4.00	-
Senior Account Clerk	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	2.00	2.00	-
Senior Auditor	1.00	1.00	-
Senior Retirement Investment Officer	1.00	1.00	-
Staff Technician	7.00	7.00	-
Staff Technician PT	0.75	0.75	-
<b>Total Positions</b>	<b>39.75</b>	<b>39.75</b>	<b>0.00</b>



# Transportation Department

Jim Ortbal, Director

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**T**he 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

#### **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

#### **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

#### **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

#### **Transportation Planning and Project Delivery**

Plan and develop the City's transportation system through local and regional programs

#### **Transportation Safety and 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

#### **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

#### **Storm Sewer Maintenance**

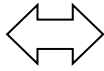
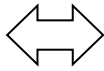
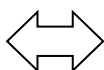
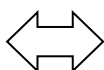
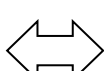
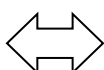
Maintain and operate the storm sewer system in a way that ensures proper flow and is environmentally sensitive to the regional water tributary system and to the South San Francisco Bay

#### **Strategic Support:**

Budget and Financial Services, Training and Safety, Personnel, and Information Technology

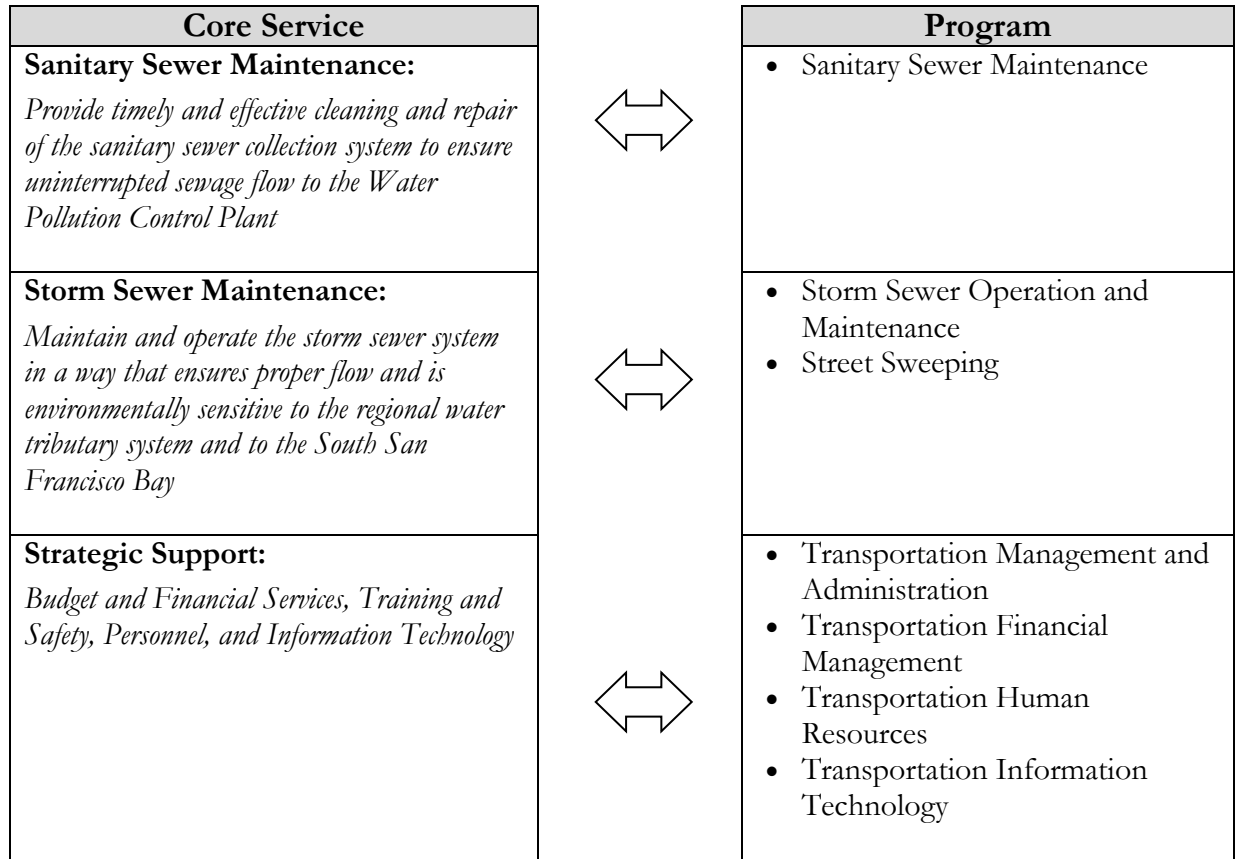
# Transportation Department

## Service Delivery Framework

Core Service		Program
<p><b>Parking Services:</b> <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"> <li>• Off-Street Parking</li> <li>• On-Street Downtown Operations</li> <li>• On-Street Parking</li> </ul>
<p><b>Pavement Maintenance:</b> <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"> <li>• Corrective Pavement Repair</li> <li>• Pavement Maintenance Administration and Project Delivery</li> </ul>
<p><b>Street Landscape Maintenance:</b> <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"> <li>• Special District Landscape Services</li> <li>• Streetscape Services</li> </ul>
<p><b>Traffic Maintenance:</b> <i>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</i></p>		<ul style="list-style-type: none"> <li>• Traffic Signal Maintenance</li> <li>• Traffic Signs and Markings Maintenance</li> <li>• Traffic Streetlight Maintenance</li> </ul>
<p><b>Transportation Planning and Project Delivery:</b> <i>Plan and develop the City's transportation system through local and regional programs</i></p>		<ul style="list-style-type: none"> <li>• Transportation Multi-Modal Alternatives</li> <li>• Transportation Planning and Policy</li> <li>• Transportation Capital Project Delivery</li> </ul>
<p><b>Transportation Safety and Operations:</b> <i>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</i></p>		<ul style="list-style-type: none"> <li>• Neighborhood Traffic</li> <li>• Traffic Safety</li> <li>• Traffic Signals and Systems Management</li> </ul>

# Transportation Department

## Service Delivery Framework



# Transportation Department

## Department Budget Summary

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### Expected 2017-2018 Service Delivery

- Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement.
- Expand street pavement maintenance to fully fund the maintenance of major streets, including pothole repair and program management, and provide limited funding for maintenance on the City's local and neighborhood streets for the first time since 2012.
- 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, California High Speed Rail, Caltrain Modernization, Airport People Mover, the expanded Diridon Transportation Center, and numerous highway interchange and overcrossing improvements.
- 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.

### 2017-2018 Key Budget Actions

- Adds one-time funding of \$2.0 million for the design and renovation of aging landscape and infrastructure projects in a number of Maintenance Assessment and Community Facilities Districts.
- Adds 10.5 positions to support the delivery of a modest residential street pavement program and the inclusion of street design improvements in all major street pavement projects. Design improvements will modernize safety, bicycle and pedestrian accessibility, traffic flow efficiency, and liveability. This "Complete Streets" approach is a requirement for VTA Measure B 2016 funding and, along with funding from the State Road Repair and Accountability Act (SB1 Beall), supports goals in the Envision San José 2040 General Plan.
- Adds 6.0 positions to effectively deliver a balanced and innovative transportation program, including coordinating the City's involvement in regional rail projects and maintaining the City's advanced traffic signal communication system.
- Adds one-time funding of \$250,000 to address increasing Vehicle Abatement Program service requests in order to reduce response times.
- Converts a temporary Storm Sewer Program funded position to permanent to continue required monitoring and maintenance protocols associated with new stormwater facilities in the public right-of-way.
- Adds a limit-dated position to support the completion of the Residential Parking Permit Program Pilot, continuation of pedestrian safety and traffic calming projects, and continuation of the streetlight outage repair crew.

### 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

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Dollars by Core Service</b>				
Parking Services	n/a	n/a	n/a	\$ 36,682,031
Pavement Maintenance	n/a	n/a	n/a	7,360,803
Sanitary Sewer Maintenance	n/a	n/a	n/a	17,237,009
Storm Sewer Management	n/a	n/a	n/a	6,905,439
Street Landscape Maint	n/a	n/a	n/a	17,210,977
Traffic Maintenance	n/a	n/a	n/a	14,568,854
Transportation Safety & Ops	n/a	n/a	n/a	9,582,058
Transportation Planning and Project Delivery	n/a	n/a	n/a	6,404,017
Strategic Support	n/a	n/a	n/a	4,290,808
Strategic Support - Other	n/a	n/a	n/a	3,276,441
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 123,518,437</b>
<b>Dollars by Category</b>				
<b>Personal Services and Non-Personal/Equipment</b>				
Salaries/Benefits	\$ 52,193,412	\$ 56,989,581	\$ 58,999,273	\$ 61,707,635
Overtime	2,145,630	812,771	742,781	742,781
Subtotal Personal Services	<u>\$ 54,339,042</u>	<u>\$ 57,802,352</u>	<u>59,742,054</u>	<u>\$ 62,450,416</u>
Non-Personal/Equipment	<u>29,458,867</u>	<u>31,107,532</u>	<u>33,188,120</u>	<u>35,793,020</u>
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$ 83,797,909</b>	<b>\$ 88,909,884</b>	<b>\$ 92,930,174</b>	<b>\$ 98,243,436</b>
<b>Other Costs *</b>				
DOT Capital	n/a	n/a	n/a	\$ 16,125,000
DOT Funds Workers' Comp	n/a	n/a	n/a	1,207,500
DOT Gifts	n/a	n/a	n/a	17,531
DOT Overhead	n/a	n/a	n/a	2,051,410
DOT Other Departmental - City-Wide	n/a	n/a	n/a	2,685,000
Other	n/a	n/a	n/a	3,188,560
<b>Total Other Costs</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 25,275,001</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 123,518,437</b>
<b>Dollars by Fund</b>				
General Fund	n/a	n/a	n/a	\$ 39,054,982
Comm/Maint Districts	n/a	n/a	n/a	8,336,621
Downtown PBID	n/a	n/a	n/a	3,013,560
General Purpose Parking	n/a	n/a	n/a	27,433,937
Gift Trust Fund	n/a	n/a	n/a	17,531
Sewer Svc & Use Charge	n/a	n/a	n/a	18,084,988
Storm Sewer Operating	n/a	n/a	n/a	7,373,529
Capital Funds	n/a	n/a	n/a	20,203,289
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 123,518,437</b>

# Transportation Department

## Department Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Authorized Positions by Core Service</b>				
Parking Services	n/a	n/a	n/a	64.74
Pavement Maintenance	n/a	n/a	n/a	55.10
Sanitary Sewer Maintenance	n/a	n/a	n/a	104.65
Storm Sewer Management	n/a	n/a	n/a	38.21
Street Landscape Maint	n/a	n/a	n/a	37.20
Traffic Maintenance	n/a	n/a	n/a	49.25
Transportation Safety & Ops	n/a	n/a	n/a	56.40
Transportation Planning and Project Delivery	n/a	n/a	n/a	41.00
Strategic Support	n/a	n/a	n/a	20.45
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>467.00</b>

\* Departmental Fund Balance, Transfers, and Reserves have been excluded from this display. This information can be found in the Source and Use of Funds Statements elsewhere in this document.

# Transportation Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Parking Services</b>					
Off-Street Parking	n/a	n/a	n/a	\$ 30,691,954	52.09
On-Street Downtown Operations	n/a	n/a	n/a	3,013,560	
On-Street Parking	n/a	n/a	n/a	2,976,517	12.65
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 36,682,031</b>	<b>64.74</b>
<b>Pavement Maintenance</b>					
Corrective Pavement Repair	n/a	n/a	n/a	\$ 263,569	2.40
Pavement Administration and Capital Project Delivery	n/a	n/a	n/a	7,097,234	52.70
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,360,803</b>	<b>55.10</b>
<b>Street Landscape Maintenance</b>					
Special District Landscape Services	n/a	n/a	n/a	\$ 7,670,830	11.30
Streetscape Services	n/a	n/a	n/a	9,540,147	25.90
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 17,210,977</b>	<b>37.20</b>
<b>Traffic Maintenance</b>					
Traffic Signals Maintenance	n/a	n/a	n/a	\$ 4,474,357	19.00
Traffic Signs and Markings Maintenance	n/a	n/a	n/a	3,176,540	19.00
Traffic Streetlights Maintenance	n/a	n/a	n/a	6,917,957	11.25
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 14,568,854</b>	<b>49.25</b>
<b>Transportation Planning and Project Delivery</b>					
Transportation Capital Project Delivery	n/a	n/a	n/a	\$ 2,544,867	16.89
Transportation Multi-Modal Alternatives	n/a	n/a	n/a	1,540,912	9.75
Transportation Planning and Policy	n/a	n/a	n/a	2,318,238	14.36
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 6,404,017</b>	<b>41.00</b>

# Transportation Department

## Department Budget Summary

	2015-2016 Actual	2016-2017 Adopted	2017-2018 Forecast	2017-2018 Proposed	2017-2018 Proposed FTE
<b>Dollars by Program</b>					
<b>Transportation Safety and Operations</b>					
Neighborhood Traffic	n/a	n/a	n/a	\$ 2,222,683	13.95
Traffic Safety	n/a	n/a	n/a	1,813,195	10.85
Traffic Signals and Systems Management	n/a	n/a	n/a	5,546,180	31.60
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 9,582,058</b>	<b>56.40</b>
<b>Sanitary Sewer Maintenance (Environmental and Utility Services)</b>					
Sanitary Sewer System Maintenance Program	n/a	n/a	n/a	\$ 17,237,009	104.65
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 17,237,009</b>	<b>104.65</b>
<b>Storm Sewer Management (Environmental and Utility Services)</b>					
Storm Sewer Operation and Maintenance	n/a	n/a	n/a	\$ 5,269,326	28.10
Street Sweeping	n/a	n/a	n/a	1,636,113	10.11
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 6,905,439</b>	<b>38.21</b>
<b>Strategic Support</b>					
Transportation Financial Management	n/a	n/a	n/a	\$ 2,681,125	14.25
Transportation Human Resources	n/a	n/a	n/a	185,131	0.90
Transportation Information Technology Technology	n/a	n/a	n/a	127,727	0.60
Transportation Management and Administration	n/a	n/a	n/a	1,296,825	4.70
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 4,290,808</b>	<b>20.45</b>
<b>Strategic Support - Other*</b>					
Transportation Gifts	n/a	n/a	n/a	\$ 17,531	0.00
Transportation Overhead	n/a	n/a	n/a	2,051,410	0.00
Transportation Workers' Compensation	n/a	n/a	n/a	1,207,500	0.00
<b>Sub-Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 3,276,441</b>	<b>0.00</b>
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 123,518,437</b>	<b>467.00</b>

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# Transportation Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>447.00</b>	<b>88,909,884</b>	<b>29,423,980</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Sewer Lateral Replacement Grant		(300,000)	0
• Rebudget: Street Sweeper Replacement		(250,000)	0
• Special Assessment District Landscape Projects		(1,215,000)	0
• Neighborhood Traffic Calming Staffing (1.0 Senior Engineer)	(1.00)	(221,797)	0
• Street Sweeping		(136,000)	0
• Residential Parking Permit Program (1.0 Associate Transportation Specialist)	(1.00)	(110,491)	(110,491)
• City Tree Maintenance Program		(100,000)	(100,000)
• Bicycle and Pedestrian Facilities (1.0 Transportation Specialist)	(1.00)	(91,295)	0
• Stormwater Bioretention Monitoring and Maintenance (Senior Engineering Technician)	(1.00)	(87,765)	0
• Walk n' Roll Staffing Alignment (2.0 Recreation Specialist)	(2.00)	(54,147)	0
• Enterprise Asset Management Team Support and Portable Generators Replacement		(61,600)	(21,000)
• Enhanced Parking Meter Maintenance		(31,850)	0
• District 10 Residential Parking Permit Program		(35,000)	(35,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>(6.00)</b>	<b>(2,694,945)</b>	<b>(266,491)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations: - 1.0 Senior Office Specialist to 1.0 Office Specialist - 1.0 Accounting Technician to 1.0 Staff Specialist - 1.0 Principal Engineering Technician to 1.0 Associate Construction Inspector		2,688,056	948,691
• Vacancy Factor		(98,859)	0
• Parking Citations/Jail Courthouse Fees (reallocation from City-Wide)		2,200,000	2,200,000
• Parking Citations Processing (reallocation from City-Wide)		750,000	750,000
• Parking Garage/Lot Operator Contract/Living Wage		342,289	0
• Woz Way/Highway 87 Parking Lot Rental		155,028	0
• New Transportation Infrastructure Maintenance and Operations		29,000	29,000
• Our City Forest (Community-Based Organization)		16,622	0
• Landscape Maintenance Contract		12,600	12,600
• Contractual Street Tree Planting (reallocation from City-Wide)		2,000	2,000
• Trash Reduction Funding Shift		0	1,774,900
• Vehicle Maintenance and Operations		612,500	104,813

# Transportation Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Base Adjustments</b>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Electricity		46,999	14,000
• Professional development program		1,000	1,000
• Water		(42,000)	(42,000)
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>6,715,235</b>	<b>5,795,004</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>441.00</b>	<b>92,930,174</b>	<b>34,952,493</b>
<b>Budget Proposals Recommended</b>			
1. Special Assessment District Landscape and Infrastructure Projects		2,010,000	0
2. San José Regional Transportation Hub Project - Transportation Staffing	4.00	558,351	0
3. Pavement Maintenance Program	6.00	540,478	0
4. Complete Street Design Standards	4.50	402,860	0
5. Walk n' Roll Staffing	3.00	271,311	0
6. Traffic Signal Communications System Staffing	2.00	174,390	0
7. Vehicle Abatement Program		250,000	0
8. Stormwater Bioretention Monitoring and Maintenance	1.00	185,479	0
9. Hydrodynamic Separation Stormwater Drainage Well Cleaning and Maintenance		150,000	0
10. Pedestrian Safety and Neighborhood Traffic Calming Staffing	1.00	142,053	0
11. Sewer Video Equipment Upgrade		124,900	0
12. Urban Village Transportation Planning Staffing	1.00	119,966	0
13. Residential Parking Permit Program	1.00	118,513	118,513
14. Bicycle Plan Staffing	1.00	83,007	0
15. Copper Wire Theft Staffing	1.00	82,978	0
16. New Transportation Infrastructure Maintenance and Operations		55,000	55,000
17. Traffic Safety Review Staffing	0.50	43,976	43,976
<b>Total Budget Proposals Recommended</b>	<b>26.00</b>	<b>5,313,262</b>	<b>217,489</b>
<b>2017-2018 Proposed Budget Total</b>	<b>467.00</b>	<b>98,243,436</b>	<b>35,169,982</b>

# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p><b>1. Special Assessment District Landscape and Infrastructure Projects</b></p> <p><i>Transportation and Aviation Services CSA Street Landscape Maintenance Core Service Special District Landscape Services Program</i></p> <p>This action adds one-time non-personal/equipment funding for the design and renovation of aging landscape and infrastructure in a number of the Maintenance Assessment Districts (MAD) and Community Facilities Districts (CFD). The following projects are included for 2017-2018:</p> <p>MAD 15 <i>Silver Creek Valley</i>: Construction of Farnsworth Drive slopes (\$1,200,000);  MAD 20 <i>Renaissance-N. First Landscaping</i>: Renovate landscaping on median islands on First Street from Tasman Drive to Vista Montana (\$100,000);  MAD 19 <i>River Oaks</i>: Replace turf with landscaping on Research Place (\$85,000);  MAD 21 <i>Gateway Place-Airport Parkway</i>: Renovate two planter beds on Airport Parkway (\$40,000);  MAD 18 <i>The Meadowlands</i>: Install lighting on Meadowlands gateway signage (\$20,000);  MAD 13 <i>Karina-O'Neil</i>: Renovate four bollards and install curb island on O'Neill Drive (\$15,000).  CFD 8 <i>Communications Hill</i>: Phase 2 of park strip renovation (\$300,000);  CFD 12 <i>Basking Ridge</i>: Bioretention facility renovation and roadside landscaping along west side of Basking Ridge Avenue (\$200,000);  CFD 1 <i>Capitol Automall</i>: Renovate median island on Hillsdale Avenue west of Almaden Expressway (\$50,000);  (Ongoing costs: \$0)</p>		2,010,000	0
<p><b>2. San José Regional Transportation Hub Project - Transportation Staffing</b></p> <p><i>Transportation and Aviation Services CSA Transportation Planning and Project Delivery Core Service Transportation Capital Project Delivery Program</i></p> <p>This action makes permanent 3.0 positions funded by the Traffic Building and Structure Construction Fund and Construction Excise Tax Fund (2.0 Senior Transportation Specialists and 1.0 Senior Engineer), effective July 1, 2017, and adds 1.0 Public Information Manager, effective September 1, 2017, to support the major regional rail projects coming online over the next ten years, including: Diridon Station Area Plan Implementation, High Speed Rail (HSR), BART Phase II, Caltrain electrification, and the Airport People Mover. The combined projects have the potential to dramatically transform Downtown San José, the City's long-term economic prospects, and mobility across the City and Region. The 1.0 Senior Transportation Specialist (High Speed Rail/Diridon Station) and 1.0 Senior Engineer (BART Phase II/Airport People Mover) will provide technical expertise, management, and oversight throughout all phases of the projects including environmental review, planning, development and design, and construction periods. The other 1.0 Senior Transportation Specialist (Transit Stations) will provide technical expertise, management, and oversight on the projects converging at Diridon Station and other new BART stations. The 1.0 Public Information Manager will develop and implement public outreach and communications strategies related to significant community impacts resulting from Diridon Station's expansion to accommodate the confluence of three large rail projects (High Speed Rail, BART Phase II, and Caltrain Electrification). (Ongoing costs: \$583,000)</p>	4.00	558,351	0

# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>3. Pavement Maintenance Program</b>	<b>6.00</b>	<b>540,478</b>	<b>0</b>

***Transportation and Aviation Services CSA***

***Pavement Maintenance Core Service***

*Pavement Maintenance Administration and Project Delivery Program*

This action adds 6.0 limit-dated positions funded by the Construction Excise Tax Fund (1.0 Associate Engineer, 1.0 Engineer I, and 1.0 Associate Engineering Technician; 1.0 Senior Construction Inspector and 2.0 Associate Construction Inspectors) through June 30, 2019, to add capacity to the Department's Infrastructure Maintenance Pavement Division to accommodate the pavement maintenance program's expansion to the City's local street network over the next two years. A combination of the voter-approved 2016 VTA Measure B (30-year, half-cent countywide sales tax), higher than projected Construction Excise Tax revenues, and recently approved State Senate Bill 1 (State gas tax and vehicle license fee increases), and existing resources will allow the Department to invest over \$70 million in pavement maintenance in each of the next two fiscal years. This significantly higher investment in pavement maintenance than prior years allows for the expansion of the program to fully maintain the Major Streets Network (40% of the City's streets) and begin limited maintenance on the Local Street Network (60% of the City's streets). Although local streets carry far less traffic, these streets serve primarily residential areas whose inhabitants have seen a steady decline in pavement condition as there has been no significant investment in these areas since 2012. The new positions will be responsible for all phases of pavement project development and delivery, including street selection, materials research, project advertising, and inspection. This request also includes one-time costs for the addition of three pickup trucks for inspection staff (\$100,000). (Ongoing costs: \$609,500)

<b>4. Complete Street Design Standards</b>	<b>4.50</b>	<b>402,860</b>	<b>0</b>
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***Transportation and Aviation Services CSA***

***Transportation Planning and Project Delivery Core Service***

*Pavement Maintenance Administration and Project Delivery, Transportation Planning and Policy, Transportation Capital Project Delivery, Traffic Signals and Systems Management, and Neighborhood Traffic Programs*

This action adds 4.5 positions funded by the Building and Structure Construction Fund and Construction Excise Tax Fund (1.0 Transportation Specialist, 2.0 Engineer I/II, 1.0 Associate Engineer, and 0.5 limit-dated Engineer I/II effective September 1, 2017) to address the increasing transportation planning demands resulting from "Complete Street" design standards. A larger proportion of pavement maintenance funding, including all the VTA Measure B funding (\$19 million ongoing), requires "Complete Street" designs prior to pavement maintenance implementation. As opposed to traditional pavement maintenance that involves primarily paving and road striping, the "Complete Streets" model necessitates multimodal access to roads and enhanced pedestrian safety mechanisms. Examples of "Complete Street" improvements include bicycle lanes, curb expansions, parking space alterations, street lighting enhancements, lane expansions/reductions, in-ground traffic signal sensor replacement, pedestrian crossing beacons, among others. The new positions add transportation planning, design, inspection, and community outreach capacity to provide for the successful implementation of "Complete Streets" design components in the expanded pavement maintenance program. In addition, the 2.0 Engineer I/II positions will provide geometric design and traffic impact analysis related to private development demand. (Ongoing costs: \$483,400)

# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>5. Walk n' Roll Staffing</b>	<b>3.00</b>	<b>271,311</b>	<b>0</b>

*Transportation and Aviation Services CSA  
Transportation Planning and Project Delivery Core Service  
Transportation Multi-Modal Alternatives Program*

This action extends 2.0 limit-dated Recreation Specialists and 1.0 limit-dated Associate Transportation Specialist, effective July 1, 2017 through June 30, 2018, funded by the Construction Excise Tax Fund, to support the implementation of the grant-funded Walk n' Roll program by coordinating classes, planning and running events, and providing education and outreach to community groups and agencies. This program supports pedestrian safety in school zones through traffic safety education at 61 elementary and middle schools that encourages students to safely walk and bike to school. (Ongoing costs: \$0)

<b>6. Traffic Signal Communications System Staffing</b>	<b>2.00</b>	<b>174,390</b>	<b>0</b>
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*Transportation and Aviation Services CSA  
Transportation Operations Core Service  
Traffic Signal Maintenance and Traffic Signals and Systems Management Programs*

This actions adds 3.0 positions funded by the Building and Structure and Construction Excise Tax Fund (1.0 Senior Transportation Specialist, effective August 1, 2017, 1.0 Engineer II, effective September 1, 2017, and 1.0 Communications Technician, effective January 1, 2017) and deletes 1.0 Electrician II to add and realign staffing resources to maintain the City's traffic signal communications system. The Department's System Management Team manages the operations of the vast fiber and signal interconnection cable and wireless communication technology assets that support traffic signal operations, traffic safety control devices/signs, LED streetlight control, City facility IT services, demonstration and digital inclusion projects (Facebook Terragraph, and East Side Union High School Wifi), and the upcoming Regional Wastewater Facility connection needs. The new positions will add capacity to the System Management Team to meet the increasing construction management and engineering design/inspection demands resulting from escalating private company demands on the wireless/fiber networks, as well as network impacts from private development, Traffic Capital projects, and Smart City Initiatives. (Ongoing costs: \$372,700)

# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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7. Vehicle Abatement Program		250,000	0
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*Transportation and Aviation Services CSA  
Parking Services Core Service  
On-Street Parking Program*

This action adds one-time contractual services funding of \$250,000 from the General Purpose Parking Fund to address increasing Vehicle Abatement Program service requests. A vehicle is subject to abatement after being left on the street for 72 consecutive hours. The City has experienced a 24% increase in “abandoned” vehicles every year since 2012, with 2015-2016 experiencing a 45% increase alone. While the City’s Parking Compliance Unit (PCU) once had capacity to abate an abandoned vehicle within 10 days 75% of the time, the dramatic increase in abandoned vehicles has resulted in a 10 day abatement rate 43% of the time. This one-time funding will allow contracted staff to complete the initial field visits to vehicle abatement requests, before turning over service requests that require enforcement action to the PCU. It is expected that the contractual performance of initial field visits will reduce response times while freeing up the PCU to continue to deliver normal vehicle citation services. (Ongoing costs: \$0)

8. Stormwater Bioretention Monitoring and Maintenance	1.00	185,479	0
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*Environmental and Utility Services CSA  
Storm Sewer Management Core Service  
Special District Landscape Services and Storm  
Sewer Operation and Maintenance Programs*

This action makes permanent 1.0 Senior Engineering Technician, effective July 1, 2017, funded by the Storm Sewer Operating Fund, MAD 15: Silver Creek Valley, CFD 13: Guadalupe Mines, CFD 15: Berryessa-Sierra, CFD 8: Communications Hill, and CFD 14: Raleigh-Charlotte to manage the design, construction, and acceptance by the City of stormwater bioretention facilities. In addition, this action provides \$90,000 in ongoing contractual funding for landscape maintenance of the facilities. These bioretention facilities enhance the removal of sediments, pollutants, and heavy metals running off public streets. The City currently maintains nine facilities and plans to add 12 facilities in 2017-2018. The Department requires a full-time position to regularly inspect and monitor the performance of existing plantings, perform mandated reporting, develop maintenance specifications for new installations, provide landscape and irrigation input, and develop the cost/benefit analyses of maintenance design choices. (Ongoing costs: \$185,479)

# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>9. Hydrodynamic Separation Stormwater Drainage Well Cleaning and Maintenance</b>		150,000	0

*Environmental and Utility Services CSA  
Storm Sewer Management Core Service  
Storm Sewer Operation and Maintenance Program*

This actions adds one-time funds from the Storm Sewer Operating Fund for rental costs (\$75,000) for a Positive Displacement Combination Cleaner (Cleaner) for the City's 26 Hydrodynamic Separation Units and ongoing overtime funding (\$75,000) to meet stormwater drainage well maintenance requirements as stipulated by the Municipal Regional Stormwater Permit. The Cleaner is equipped with powerful suction capability to vacuum heavy, wet, and dense materials from deeper wells that the Department's current combination unit trucks cannot effectively service. The one-time funding enables the Department to verify the effectiveness of the truck type before exploring the long-term rental or purchase of the Cleaner. The Hydrodynamic Separation Units serviced by the Cleaner allow the City to meet the increasingly stringent sewer system trash load reduction targets of the Municipal Regional Stormwater Permit. These reduction targets have doubled the inspection times for the Hydrodynamic Separation Units, and mandated more stringent documentation standards. The overtime funding allows the storm sewer maintenance crews to adequately address the inspection and documentation requirements for the new types of stormwater drainage wells. (Ongoing costs: \$75,000)

<b>10. Pedestrian Safety and Neighborhood Traffic Calming and Safety Staffing</b>	1.00	142,053	0
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*Transportation and Aviation Services CSA  
Transportation Planning and Project Delivery Core Service  
Traffic Safety Program*

This action continues 1.0 Senior Engineer, effective July 1, 2017 through June 30, 2019, funded by Building and Structure Construction Tax Fund and Construction Excise Tax Fund, to continue managing the Pedestrian Safety and Traffic Calming projects. This position will be funded from 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 position will implement projects to address adverse neighborhood speeding conditions and enhance school zone safety using physical devices such as road humps/lumps 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: \$142,053)

# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>11. Sewer Video Equipment Upgrade</b>  <i>Environmental and Utility Services CSA Sanitary Sewer Maintenance Core Service Sanitary Sewer Maintenance Program</i>		125,000	0
<p>This action adds one-time funding from the Sewer Service and Use Charge Fund to retrofit one existing sanitary sewer video van with a Digital Universal Camera system. Video vans allow for the ongoing sanitary sewer activities ranging from Sanitary Sewer Overflow investigations to pipe condition assessments. The vans are outfitted with specialized equipment designed to enter the underground sewer system. The analysis of the pipe condition data allows staff to determine appropriate follow-up actions such as cleaning, repair, or pipe replacement. The new Digital Universal Camera system doubles the feet per day video capacity, allowing for the identification and completion of needed repairs at a faster pace. (Ongoing costs: \$0)</p>			
<b>12. Urban Village Transportation Planning Staffing</b>	1.00	119,966	0
<i>Transportation and Aviation Services CSA Transportation Planning and Project Delivery Core Service Transportation Planning and Policy Program</i>			
<p>This action continues 1.0 Associate Engineer, effective July 1, 2017 through June 30, 2018, funded by the Building and Structure Construction Tax Fund, to continue to provide transportation planning, analysis, and modeling for the implementation of Urban Villages. As the Department's representative in the Urban Village area planning process, this position prepares transportation analyses reports for the successful design of the Urban Villages mixed-use developments. (Ongoing costs: \$0)</p>			
<b>13. Residential Parking Permit Program</b>	1.00	118,513	118,513
<i>Transportation and Aviation Services CSA Transportation Safety and Operations Core Service Neighborhood Traffic Program</i>			
<p>As directed in the Mayor's March Budget Message for 2017-2018, as approved by the City Council, this action continues 1.0 Associate Transportation Specialist, effective July 1, 2017 through June 30, 2018, to support the Residential Parking Permit Program and shifts the position funding from the General Fund to the General Purpose Parking Fund. This position will manage zone implementation, support monitoring and program adjustments, and assess the need for the continuation of the Residential Parking Permit Program. In May 2017, the Department will bring a report to the City Council that includes a recommendation for the establishment of new Permit Program zones. If the City Council approves the new zones, the establishment of the new zones may begin as soon as summer 2017. A transfer from the General Purpose Parking Fund offsets the General Fund costs for this position. (Ongoing costs: \$0)</p>			



# Transportation Department

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
14. Bicycle Plan Staffing	1.00	83,007	0

*Transportation and Aviation Services CSA  
Transportation Planning and Project Delivery Core Service  
Pavement Maintenance Administration and  
Project Delivery Program*

This action makes permanent 1.0 Transportation Specialist position, effective July 1, 2017, funded by the Building and Structure Construction Tax Fund, to support the implementation of Bike Plan 2020 which calls for a 400-mile bikeway network, along with 5,000 bicycle parking spaces, and a 5% bicycle mode shift by 2020. To date, the City has installed approximately 285 miles of on-street bikeways and 2,550 bicycle parking spaces, however, much work is needed to attain the desired mode shift goal. The City has received grant funding to begin an 18 month update process to create an updated Bike Plan 2025, incorporating regional transportation system changes, City planning and policies, community priorities, and new strategies to increase bicycling trips. The Transportation Specialist's duties will include technical support for the updated Bike Plan 2025, planning and installation of the City's goal of 500 bike parking facilities annually, coordinating bicycle parking on private facilities, and pursuing and administering local grants and related projects. (Ongoing costs: \$99,600)

15. Copper Wire Theft Staffing	1.00	82,978	0
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*Transportation and Aviation Services CSA  
Traffic Maintenance Core Service  
Traffic Signal Maintenance Program*

This action continues 1.0 Maintenance Worker II, funded by the Construction Excise Tax Fund, effective July 1, 2017, through June 30, 2019, to ensure streetlight outages resulting from copper wire theft are addressed in a timely manner, reducing blight that often accumulates in areas without adequate lighting. Copper wire theft has been one of the major causes of streetlight outages for several years. While the rate of wire theft has been reduced through a concerted effort by the Department, funding is still required to address new incidents. As of 2015-2016, incidents of wire theft continue to occur at a rate of 10-15 new locations per month. The Department has used temporary staffing to successfully repair new occurrences of theft within two to four weeks of discovery. This position will continue to address copper wire theft occurrences to maintain the current repair rate while the Department explores different ways to prevent theft of the wire. (Ongoing costs: \$0)

# Transportation Department

## **Budget Changes By Department Personal Services and Non-Personal/Equipment**







<b>2017-2018 Proposed Budget Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>16. New Transportation Infrastructure Maintenance and Operations</b>		<b>55,000</b>	<b>55,000</b>
<i>Transportation and Aviation Services CSA Traffic Maintenance Core Service Traffic Signs and Markings Maintenance Program</i>			
<p>This action provides funding of \$55,000 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 2017-2018: BART Design and Construction (\$32,000), Autumn Street Expansion Phase I (\$10,000), Radar Speed Display Signs (\$5,000), St. John Bike/Pedestrian Improvements (OBAG) (\$5,000), and St. John Multimodal Improvements Phase I (\$3,000). This funding was anticipated in the 2018-2022 General Fund Forecast and this proposal includes the liquidation of an Earmarked Reserve set aside in the forecast for this purpose. (Ongoing costs: \$59,000)</p>			
<b>17. Traffic Safety Review Staffing</b>	<b>0.50</b>	<b>43,976</b>	<b>43,976</b>
<i>Transportation and Aviation Services CSA Transportation Planning and Project Delivery Core Service Traffic Signals and Systems Management Program</i>			
<p>This action adds 0.5 limit-dated Engineer II, effective September 1, 2017, through June 30, 2019, to support transportation design activities resulting from increased private development. The improving economy has doubled the number of design reviews requiring transportation engineering expertise from two years ago. The dedication of this position to the development program will allow the Department to meet the target review time of one week. The cost of this position is offset by Geometric Design Fee revenue, as described in the General Fund revenues section of this document. (Ongoing costs: \$52,800)</p>			
<b>2017-2018 Proposed Budget Changes Total</b>	<b>26.00</b>	<b>5,313,261</b>	<b>217,489</b>

# Transportation Department

## Performance Summary

### Parking Services

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of on-street parkers in compliance with all regulations	96%	97%	94%	96%
 Parking System revenue to operating cost ratio	1.81	1.61	1.69	1.42
 % of meter repair service requests completed in 1 day	100%	100%	100%	100%
 % of citation appeal requests completed in 14 days	100%	97%	99%	98%
 % of reported abandoned or stored vehicles in voluntary compliance by staff's second visit	89%	90%	88%	90%
 % of customers rating services good or better based upon satisfaction, appearance, comfort (4 or better on a 1-5 scale)	83%	85%	87%	85%

#### Activity and Workload Highlights



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of monthly parking customers served	103,064	105,000	98,500	100,000
# of parking visitors served	1,699,296	1,700,000	1,624,000	1,600,000
# of parking meter service activities completed	7,235	6,500	6,400	6,500
# of parking citations issued	212,414	218,000	210,500	210,000
# of parking citations appealed/ adjudicated	9,238	9,500	9,000	9,000

# Transportation Department

## Performance Summary

### Pavement Maintenance

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 75)	63	63	62	61 <sup>1</sup>
 % of corrective pavement repairs completed within two days (potholes) and 30 days (large pavement repairs)	95%	85%	97%	90%

<sup>1</sup>Pavement maintenance funding has been significantly increased as reflected in the 2017-2018 Proposed Capital Budget and 2018-2022 Proposed Capital Improvement Program. Due to the fact that most pavement maintenance activity occurs in the summer months, an improvement to this target will not be reflected until 2018-2019.

#### Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Miles of paved roadway to maintain	2,432	2,432	2,434	2,434
Miles of streets receiving surface seal application	59	51	44	89
Miles of street resurfacing completed	27	49	49	24
# of pothole repairs completed	10,393	10,000	10,000	10,000
Square yards of large pavement repairs completed	15,286	15,000	10,000	15,000
Average sealing maintenance cost per mile of street (includes preparation work)	\$125,000	\$150,000	\$160,000	\$170,000

# Transportation Department

## Performance Summary

### Sanitary Sewer Maintenance

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 # of sanitary sewer overflows per 100 miles of sewer mains (annualized)	2.4	3.5	2.6	3.3
 % of reported sanitary sewer problems responded to within 30 minutes	68%	80%	69%	80%
 % of in-house repairs completed within established time guidelines:				
- Priority A: Service completely severed Full service restored – 24 hours; final repairs – 5 days	87%	90%	90%	90%
- Priority B: Service exists at a limited capacity Final repair – 20 days	85%	90%	76%	90%
- Priority C: Future service impact identified Corrective actions – 90 days	88%	90%	90%	90%
 % of customers rating services good or better based upon timeliness and effectiveness (rating of 4 or greater on a 1 – 5 scale)	98%	97%	98%	98%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 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	993	950	908	850 <sup>1</sup>
# of sanitary sewer main line stoppages cleared	219	260	182	350
Miles of sanitary sewer lines inspected by video to support maintenance and repair	81	55	65	80
# of reported sanitary sewer problems	5,132	6,000	4,975	6,000
# of sewer repairs completed	601	450	570	550
# of sanitary sewer overflows	55	80	60	75





<sup>1</sup> The 2017-2018 Forecast has been lowered due to the Municipal Regional Stormwater Permit requirement that Hydrodynamic Stormwell Cleaners be inspected at least twice annually, which has lowered the annual miles of sewer line cleaning.

# Transportation Department

## Performance Summary

### Storm Sewer Management

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of storm sewer inlets without obstruction	96%	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)	70%	85%	59%	75%
 % of high priority storm sewer service requests/repairs addressed within 4 hours	100%	85%	82%	90%
 % 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) <sup>1</sup>	41%	59%	TBD <sup>1</sup>	59%

<sup>1</sup> Data for this measure is collected on a biennial basis via survey. The next surveys is scheduled for 2017-2018.

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 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	32,200	32,200	32,200
# of storm sewer inlet stoppages identified and cleared	1,174	1,500	1,359	1,500
# of curb miles swept	63,269	63,000	67,295	67,000
# of debris (illegal dumping) removals from the public right of way	8,953	7,500	1,500	TBD <sup>1</sup>
Cubic yards of debris (illegal dumping) removed from the right of way	15,417	17,500	3,100	TBD <sup>1</sup>
Thousands of tons of sweeping debris collected	9.1	9.0	10.7	10.0






<sup>1</sup> Data reflects priority requests only as responded to by the Department of Transportation. New measure to be developed to reflect transition of complaints responded to by the Environmental Services Department.

# Transportation Department

## Performance Summary

### Street Landscape Maintenance

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of general benefit street landscapes in good condition	51%	55%	51%	53%
 % of community forest in the public right-of-way that is in optimal condition	38%	36%	39%	37%
 % of sidewalks, curbs, gutters, and parkstrips repaired within 90 days of the notification of damage	19%	36%	15%	35%
 % 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)	64%	75%	80%	75%

#### Activity and Workload Highlights









	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Acres of general benefit-maintained street landscapes	241	242	242	243
# of street tree emergency responses	915	800	1,500	800
# of sidewalk repairs completed	7,052	7,500	4,000	7,000
Acres/districts of Special District street landscapes	329/21	329/21	332/22	332/22
# of street tree pruning permits issued / # of trees pruned	856/1,620	1,000/3,000	676/4,202	850/4,000
# of street tree removal permits issued / # of trees removed	643/1,651	900/1,000	374/1,260	500/1,000

# Transportation Department

## Performance Summary

### Traffic Maintenance

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of traffic signal preventative maintenance activities completed within established guidelines	9%	33%	25%	33%
 % of traffic and street name signs meeting visibility and operational guidelines	83%	85%	80%	87%
 % of traffic roadway markings meeting visibility and operational guidelines	56%	70%	62%	68%
 % of time streetlights are operational	98%	97%	98%	98%
 % of traffic signal malfunctions responded to within 30 minutes	46%	60%	34%	60%
 % of traffic signs and street name signs service requests completed within prioritized operational guidelines	99%	90%	96%	97%
 % of all roadway marking service requests completed within prioritized operational guidelines	98%	90%	98%	99%
 % of reported streetlight malfunctions repaired within 7 days	37%	65%	31%	65%



# Transportation Department

## Performance Summary

### Traffic Maintenance

#### Activity and Workload Highlights




	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of traffic signals	932	959	941	950
# of streetlights	64,331	64,300	64,488	64,763
# of traffic and street name signs	118,567	121,000	120,923	122,323
# of square feet of markings (in millions)	5.56	5.76	5.65	5.70
# of traffic signal repair requests completed	2,108	2,000	2,800	2,500
# of traffic signal preventive maintenance activities completed	244	932	680	950
# of traffic and street name signs repair/replacement requests completed	1,164	1,200	1,200	1,200
# of traffic and street name signs preventively maintained	2,590	4,500	4,500	5,500
# of roadway markings maintenance requests completed	382	400	290	300
# of roadway markings preventively maintained (sq. ft)	832,058	1,350,000	917,484	1,290,000
# of streetlight repair requests completed	11,273	12,000	8,536	9,500

# Transportation Department

## Performance Summary

### Transportation Safety and Operations

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of traffic signals proactively re-timed along commute corridors to minimize wait times <sup>1</sup>	5%	25%	28%	20%
 % of signs and markings installed within 35 days from initial study request	42%	45%	50%	45%
 % of customers rating services good or better based upon timeliness, added safety, and satisfaction with solution	92%	80%	90%	80%

<sup>1</sup> This measure is based on the 600 signals located along commute corridors, not the 933 total signals city-wide.

#### Activity and Workload Highlights



	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of pedestrian and bike injury crashes (reported on a calendar year basis)	589	580	605	600
# of pedestrian and bike injury crashes for children ages 5 to 14 (reported on a calendar year basis)	58	55	51	50
# of traffic congestion projects completed	418	400	560	400
# of traffic studies completed and implemented	1028	600	800	800
# of children receiving traffic safety education	36,412	25,000	38,000	37,000
# of special events managed	460	400	420	425

# Transportation Department

## Performance Summary

### Transportation Planning and Project Delivery

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of Transportation CSA projects delivered within two months of approved baseline schedule	100%	80%	75%	75%
 % of customers rating services as good or better on Transportation Capital projects	N/A	N/A	N/A	N/A

<sup>1</sup> Data for this measure is typically collected in the fall through the biennial City-Wide Community Survey. This survey was not issued last fall, however, which limits the information available to report. The next community survey will be conducted in spring 2017, and those results will be reported in the 2017-2018 Proposed Budget

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of local Transportation projects in CIP Database	80	82	90	85
Dollar amount of transportation grant funds awarded <sup>1</sup> (in millions)	\$20.10	\$31.53	\$31.04	\$58.32
# of regional projects in the City	27	24	27	25
Dollar amount of regional projects in the City (in billions)	\$2.35	\$2.40	\$2.35	\$2.35



<sup>1</sup> The dollar amount of regional projects reflects only projects under construction.

# Transportation Department

## Performance Summary

### Strategic Support

#### Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of invoices paid within 30 days <sup>2</sup>	75%	75%	79%	80%
 % of customers whose service quality expectations are met or exceeded (4 or better on a 1-5 scale)	80%	80%	82%	85%

#### Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of financial/budget transactions	19,350	20,000	18,904	19,000
# of employees hired	150	150	145	160
# of responses to information technology issues	1,611	1,500	1,353	1,400

# Transportation Department


## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Accounting Technician	2.00	1.00	(1.00)
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	3.00	3.00	-
Assistant Arborist	2.00	2.00	-
Assistant Director	1.00	1.00	-
Associate Construction Inspector	14.00	18.00	4.00
Associate Engineer	22.00	25.00	3.00
Associate Engineering Technician	7.00	7.00	-
Associate Transportation Specialist	7.00	7.00	-
Communications Technician	-	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	14.00	(1.00)
Electrician Supervisor	3.00	3.00	-
Engineer I/II	23.00	28.00	5.00
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	11.00	11.00	-
Information Systems Analyst	3.00	3.00	-
Maintenance Assistant	0.00	1.00	1.00
Maintenance Assistant PT	1.50	1.50	-
Maintenance Superintendent	3.00	3.00	-
Maintenance Supervisor	11.00	11.00	-
Maintenance Worker I	58.00	57.00	(1.00)
Maintenance Worker II	75.00	76.00	1.00
Network Engineer	2.00	2.00	-
Network Technician I/II/III	1.00	1.00	-
Office Specialist I/II	2.00	3.00	1.00
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	2.00	2.00	-
Parking Manager I/II	2.00	2.00	-
Principal Construction Inspector	2.00	2.00	-
Principal Engineering Tech	1.00	0.00	(1.00)
Principal Engineer/Architect	2.00	2.00	-
Program Manager I	3.00	3.00	-

# Transportation Department

## Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Proposed	Change
Public Information Manager	-	1.00	
Recreation Specialist	2.00	2.00	-
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	3.00	3.00	-
Senior Analyst	6.00	6.00	-
Senior Construction Inspector	4.00	5.00	1.00
Senior Electrician	3.00	3.00	-
Senior Engineer	10.00	12.00	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	25.00	25.00	-
Senior Office Specialist	7.00	6.00	(1.00)
Senior Parking and Traffic Control Officer	5.00	5.00	-
Senior Transportation Specialist	3.00	6.00	3.00
Senior Tree Maintenance Lead Worker	1.00	1.00	-
Staff Specialist	4.00	6.00	2.00
Street Sweeper Operator	5.00	5.00	-
Systems Application Programmer II	1.00	1.00	-
Transportation Specialist	6.00	6.00	-
<b>Total Positions</b>	<b>447.00</b>	<b>467.00</b>	<b>18.00</b>



**2017-2018**

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**OPERATING BUDGET**

**CITY-WIDE**

# City-Wide Expenses

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**T***o 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**

**Neighborhood Services**

**Transportation and Aviation Services**

**Environmental and Utility Services**

**Public Safety**

**Strategic Support**



# City-Wide Expenses

## Budget Summary

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	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4	% Change (2 to 4)
<b>Dollars by City Service Area</b>					
Community and Economic Development	\$ 28,505,506	\$ 34,586,419	\$ 27,515,679	\$ 29,015,679	(16.1%)
Environmental and Utility Services	1,838,919	2,560,527	1,186,438	1,186,438	(53.7%)
Neighborhood Services	10,577,005	9,777,692	7,190,465	8,640,465	(11.6%)
Public Safety	17,376,387	20,851,682	16,793,840	17,363,840	(16.7%)
Transportation and Aviation Services	6,552,952	6,344,175	3,550,000	3,550,000	(44.0%)
Strategic Support	143,050,867	53,664,332	30,859,000	30,981,040	(42.3%)
<b>Total</b>	<b>\$ 207,901,636</b>	<b>\$ 127,784,827</b>	<b>\$ 87,095,422</b>	<b>\$ 90,737,462</b>	<b>(29.0%)</b>
<b>Dollars by Category</b>					
City-Wide Expenses	\$ 207,901,636	\$ 127,784,827	\$ 87,095,422	\$ 90,737,462	(29.0%)
<b>Total</b>	<b>\$ 207,901,636</b>	<b>\$ 127,784,827</b>	<b>\$ 87,095,422</b>	<b>\$ 90,737,462</b>	<b>(29.0%)</b>
<b>Dollars by Fund</b>					
General Fund	\$ 207,901,636	\$ 127,784,827	\$ 87,095,422	\$ 90,737,462	(29.0%)
<b>Total</b>	<b>\$ 207,901,636</b>	<b>\$ 127,784,827</b>	<b>\$ 87,095,422</b>	<b>\$ 90,737,462</b>	<b>(29.0%)</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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# City-Wide Expenses

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
Prior Year Budget (2016-2017):	0.00	127,784,827
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
<b>Community and Economic Development CSA</b>		
• Rebudget: 4th Street Garage Banquet Facility Maintenance and Operations		(300,000)
• Rebudget: Business Incentive - Business Cooperation Program		(51,802)
• Rebudget: Business Incentive - Maxim Integrated Products		(28,500)
• Rebudget: Business Incentive - Samsung		(20,000)
• Rebudget: East San José Business Improvement District		(36,000)
• Rebudget: Economic Development Pre-Development Activities		(60,000)
• Rebudget: Filling Empty Storefronts Pilot Project		(65,000)
• Rebudget: Historic Preservation		(597,500)
• Rebudget: Homeless Rapid Rehousing		(800,000)
• Rebudget: Homeless Response Team		(200,000)
• Rebudget: Manufacturing Jobs Initiative		(101,000)
• Rebudget: Move Your Jobs to San José Communications		(100,000)
• Rebudget: San José Jobs Communications Campaign		(125,000)
• Rebudget: San José Works: Youth Jobs Initiative		(200,000)
• Rebudget: Small Business Activation and Assistance		(219,500)
• Business Improvement District Creation		(100,000)
• Diridon Project Management		(351,500)
• Downtown Signs		(50,000)
• Economic Development Pre-Development Activities		(200,000)
• Homeless Response Team		(355,000)
• Independence Day Celebrations		(65,000)
• International Air Service Destination Marketing Program		(425,000)
• Manufacturing Jobs Initiative		(200,000)
• Neighborhood Blight Eradication		(430,400)
• San José Works: Youth Jobs Initiative		(1,470,000)
• Sports Authority		(350,000)
Subtotal:	<u>0.00</u>	<u>(6,901,202)</u>
<b>Environmental and Utility Services CSA</b>		
• Rebudget: Burrowing Owl Habitat Management		(90,000)
• Rebudget: Property Assessed Clean Energy (PACE) Program		(140,000)
• Rebudget: San José Watershed Community Stewardship and Engagement Project		(51,000)
• Community Choice Aggregation Technical Study		(300,000)
Subtotal:	<u>0.00</u>	<u>(581,000)</u>

# City-Wide Expenses

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
<b>Neighborhood Services CSA</b>		
• Rebudget: California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015		(97,000)
• Rebudget: Children's Health Initiative		(275,000)
• Rebudget: Library Grants		(10,000)
• Rebudget: Maddie Lifesaving Grant		(100,000)
• Rebudget: National Forum Capacity-Building Grant OJJDP 2012-2016		(244,000)
• Rebudget: OJJDP Community-Based Violence Prevention Demonstration Program Grant		(7,000)
• Rebudget: PG&E Summer Cooling Shelter Program Grant		(29,694)
• Rebudget: San José BEST and Safe Summer Initiative Programs		(792,500)
• Rebudget: San José Learns		(300,000)
• Rebudget: Senior Education and Outreach Grant		(86,000)
• Children's Health Fluoridation		(250,000)
• Library Grants		(19,872)
• Summer Youth Nutrition Program		(56,056)
• Vietnamese-American Community Center		(70,000)
Subtotal:	<u>0.00</u>	<u>(2,337,122)</u>
<b>Public Safety CSA</b>		
• Rebudget: 2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant		(403,239)
• Rebudget: CrimeStoppers		(44,750)
• Rebudget: Hazardous Materials Consent Judgment		(33,633)
• Rebudget: Internet Crimes Against Children Federal Grant 2014-2015		(157,077)
• Rebudget: Internet Crimes Against Children State Grant 2015-2016		(141,729)
• Rebudget: Northern California Regional Intelligence Center SUASI - Police		(224,959)
• Rebudget: San José End of Watch Police Memorial		(83,240)
• Rebudget: Selective Traffic Enforcement Grant Program 2015-2016		(121,858)
• Rebudget: Urban Area Security Initiative Grant - Police 2015		(103,269)
• Rebudget: Workers' Compensation Claims - Fire		(300,000)
• 2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant		(72,428)
• Police Recruitment, Hiring, and Retention Efforts		(1,500,000)
• Selective Traffic Enforcement Grant Program 2015-2016		(65,000)
• Urban Area Security Initiative Grant - Police 2015		(70,000)
Subtotal:	<u>0.00</u>	<u>(3,321,182)</u>
<b>Transportation and Aviation Services CSA</b>		
• Blossom Hill Road Sound Wall - Assessment District Administration		(20,000)
• Rebudget: Contractual Street Tree Planting		(120,175)
Subtotal:	<u>0.00</u>	<u>(140,175)</u>

# City-Wide Expenses

## Budget Reconciliation

**(2016-2017 Adopted to 2017-2018 Proposed)**

	Positions	General Fund (\$)
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
<b>Strategic Support CSA</b>		
• Rebudget: Arena Community Fund		(86,475)
• Rebudget: Business Tax System Replacement		(343,000)
• Rebudget: City Council District #02 Participatory Budgeting - Calpine Settlement		(1,000,000)
• Rebudget: City Council Participatory Budgeting - Council District #03		(100,000)
• Rebudget: City Manager Special Projects		(165,000)
• Rebudget: Computer System Remediation Project		(52,434)
• Rebudget: Cultural Facilities Capital Maintenance		(471,000)
• Rebudget: Elections and Ballot Measures		(600,000)
• Rebudget: Energy and Utility Conservation Measures Program		(2,500,000)
• Rebudget: False Claims Act Litigation Settlement		(288,000)
• Rebudget: Financial Management System Business Process Mapping		(232,500)
• Rebudget: Fiscal Reform Plan Outside Legal Counsel		(110,000)
• Rebudget: General Liability Claims		(8,800,000)
• Rebudget: Government Access - Capital Expenditures		(605,200)
• Rebudget: Human Resources/Payroll/Budget Systems Upgrade		(1,650,000)
• Rebudget: Information Technology Desktop Modernization		(490,500)
• Rebudget: Internal Financial Controls Evaluation		(69,000)
• Rebudget: Labor/Employee Relations Consultant Funding		(115,000)
• Rebudget: Learning Management System		(177,500)
• Rebudget: Organizational Effectiveness		(100,000)
• Rebudget: Public, Educational, and Government (PEG) Access Facilities - Capital		(337,883)
• Rebudget: Retirement Healthcare (GASB) Team		(30,000)
• Alternative Pension Reform Ballot Polling		(55,000)
• City Council Participatory Budgeting - Council District #03		(250,000)
• City Council Participatory Budgeting - Council District #05		(100,000)
• City Council Participatory Budgeting - Administration		(50,000)
• City Dues/Memberships		(25,000)
• Family College Success Center		(75,000)
• General Liability Claims		(5,000,000)
• Human Resources/Payroll/Budget Systems Upgrade		(500,000)
• Mayor Innovation Fellows Program		(176,800)
• Office of Immigrant Affairs		(250,000)
• Silicon Valley Talent Partnership		(80,000)
• Voluntary Employee Beneficiary Association Counseling Services		(50,000)
Subtotal:	<b>0.00</b>	<b>(24,935,292)</b>
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(38,215,973)</b>

# City-Wide Expenses

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
<b>Base Adjustments</b>		
<b>Technical Adjustments to Costs of Ongoing Activities</b>		
<b>Community and Economic Development CSA</b>		
• Arena Authority (COLA adjustment for 16-17 and 17-18)		10,100
• BART Public Art Design		(42,000)
• Business Incentive - Business Cooperation Program		(40,000)
• Business Incentive - Business Cooperation Program Administration		(40,000)
• Business Incentive - Maxim Integrated Products		(20,000)
• Convention Center Lease Payments		(21,000)
• FMC Operating Site Costs		(10,000)
• Homeless Rapid Rehousing (technical correction)		(500,000)
• International Air Service Destination Marketing Program		425,000
• Property Leases		47,162
• Sports Authority (COLA adjustment for 16-17 and 17-18)		21,200
Subtotal:	<u>0.00</u>	<u>(169,538)</u>
<b>Environmental and Utility Services CSA</b>		
• City Facilities Solid Waste Collection and Processing		6,000
• Clean Creeks, Habitat Restoration, and Water Quality Improvements (shift to Environmental Services Department)		(200,000)
• Illegal Dumping (shift to Environmental Services Department)		(150,000)
• Silicon Valley Energy Watch (SVEW) 2016 - 2018		(464,089)
• Storm Fees		15,000
Subtotal:	<u>0.00</u>	<u>(793,089)</u>
<b>Neighborhood Services CSA</b>		
• California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015		(146,910)
• National Forum Capacity-Building Grant OJJDP 2012-2016		(3,195)
• Workers' Compensation Claims - PRNS		(100,000)
Subtotal:	<u>0.00</u>	<u>(250,105)</u>
<b>Public Safety CSA</b>		
• Arena Traffic Control		29,000
• Urban Area Security Initiative Grant - Fire 2015		(195,000)
• Urban Area Security Initiative Grant - Fire 2016		224,340
• Urban Area Security Initiative Grant - Police 2016		105,000
• Workers' Compensation Claims - Fire		(600,000)
• Workers' Compensation Claims - Police		(300,000)
Subtotal:	<u>0.00</u>	<u>(736,660)</u>
<b>Transportation and Aviation Services CSA</b>		
• Contractual Street Tree Planting (shift to Transportation Department)		(4,000)
• Emergency Street Tree Services (Property Owner Requested)		300,000
• Parking Citations Processing (shift to Transportation Department)		(750,000)
• Parking Citations/Jail Courthouse Fees (shift to Transportation Department)		(2,200,000)
Subtotal:	<u>0.00</u>	<u>(2,654,000)</u>

# City-Wide Expenses

## Budget Reconciliation

**(2016-2017 Adopted to 2017-2018 Proposed)**

	Positions	General Fund (\$)
<b>Base Adjustments</b>		
<b>Technical Adjustments to Costs of Ongoing Activities</b>		
<b>Strategic Support CSA</b>		
• 1970, 1980, and 1990 COLA Federated, Police & Fire Retirees		(10,000)
• Annual Audit		4,800
• Banking Services		51,000
• Bond Project Audits		2,000
• City Dues/Memberships		15,000
• Customer Satisfaction Survey (Bi-Annual)		(55,000)
• Elections and Ballot Measures		400,000
• Employee Engagement Program Survey and Training		1,000
• Energy Services Company (ESCO) Debt Service		(206,000)
• FMC Debt Service Payments		(3,000)
• General Employee Tuition		25,000
• General Liability Claims		1,000,000
• Government Access - Capital Expenditures		(15,400)
• Grant Compliance Single Audit		3,500
• Insurance Premiums		86,000
• Learning Management System		500
• Organizational Effectiveness		(50,000)
• PEG - CreaTV		6,760
• Public, Educational, and Government (PEG) Access Facilities - Capital		(46,200)
• Retirement Prepayment Actuarial Services (shift to City Manager's Office)		(5,000)
• TRANs Debt Service		700,000
• Workers' Compensation Claims - Public Works		300,000
• Workers' Compensation State License		(75,000)
Subtotal:	<b>0.00</b>	<b>2,129,960</b>
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>(2,473,432)</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>0.00</b>	<b>87,095,422</b>
<b>Budget Proposals Recommended</b>		
<b>Community and Economic Development CSA</b>		
1. 2017 Flood - Building Permit and Inspection Fee Waivers		200,000
2. Cinequest Film and Virtual Reality Festival		50,000
3. San José Regional Transportation Hub Project		375,000
4. Economic Development Pre-Development Activities		50,000
5. Homeless Rapid Rehousing Funding Shift		(4,000,000)
6. Japantown Creative Center for the Arts Transportation Improvements		400,000
7. San José Works: Youth Jobs Initiative		1,500,000
8. Sports Authority		375,000
9. Storefront Activation Grant Program		250,000
10. Rebudget: Homeless Rapid Rehousing/Tiny Homes		2,300,000
<b>Community and Economic Development Subtotal:</b>	<b>0.00</b>	<b>1,500,000</b>

# City-Wide Expenses

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
<hr/> <b>Budget Proposals Recommended</b> <hr/>		
<b>Neighborhood Services CSA</b>		
1. BeautifySJ Grants		200,000
2. San José Learns		1,000,000
3. San José Promise		150,000
4. Rebudget: Clean Slate/Tattoo Removal Program		100,000
<b>Neighborhood Services Subtotal:</b>	<u>0.00</u>	<u>1,450,000</u>
<b>Public Safety CSA</b>		
1. Rebudget: Urban Area Security Initiative Grant - Police 2016/Dispatch Consoles		570,000
<b>Public Safety Subtotal:</b>	<u>0.00</u>	<u>570,000</u>
<b>Strategic Support CSA</b>		
1. Hayes Mansion Insurance and Staffing Realignment		(32,960)
2. Silicon Valley Talent Partnership		50,000
3. Successor Agency City Subsidy		(95,000)
4. Rebudget: Talent Recruitment Initiative		200,000
<b>Strategic Support Subtotal:</b>	<u>0.00</u>	<u>122,040</u>
<b>Total Budget Proposals Recommended</b>	<b>0.00</b>	<b>3,642,040</b>
<b>2017-2018 Proposed Budget Total</b>	<b>0.00</b>	<b>90,737,462</b>

# City-Wide Expenses

## Budget Changes By City Service Area

<b>Proposed Budget Changes</b>	<b>Positions</b>	<b>General Fund (\$)</b>
<b>Community and Economic Development CSA</b>		
<b>1. 2017 Flood - Building Permit and Inspection Fee Waivers</b>		<b>200,000</b>
<p>This action adds one-time funds of \$200,000 to reimburse the Building Development Fee Program for building permit and inspection fees waived for construction work associated with the recovery from the 2017 Coyote Creek flood. In February 2017, the City Council approved an ordinance allowing the City Manager to waive building permit and inspection fees for clean-up and repair efforts for property owners of homes and business owners in the designated flood area. (Ongoing costs: \$0)</p>		
<b>2. Cinequest Film and Virtual Reality Festival</b>		<b>50,000</b>
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action adds one-time funding of \$50,000 from the Cultural Facilities Capital Maintenance Reserve to support the Cinequest Film and Virtual Reality Festival (CQFF), an annual independent film festival that attracts over 100,000 film enthusiasts and artists into Downtown San José. In a separate action in the General Fund Capital, Transfers, and Reserves section, a \$50,000 earmarked reserve for 2018-2019 is also recommended. The festival is produced by Cinequest, a non-profit organization that combines cinematic arts with Silicon Valley's innovation. With the closure of Camera 12 Cinemas, this funding ensures that Cinequest can continue to host CQFF in Downtown San José in 2017-2018 and 2018-2019. (Ongoing costs: \$0)</p>		
<b>3. San José Regional Transportation Hub Project</b>		<b>375,000</b>
<p>This action adds one-time funding of \$375,000 to support a project manager, a development advisor, and a specialist in right-of-way issues for the Diridon Station area. Currently staffed is a project manager responsible for providing coordination and oversight of projects associated with the Diridon Station. The addition of a development advisor will provide expertise in international-level and quality of design, the use of planning and zoning codes to enable high-quality development, and financing associated with private development and intermodal transportation. Finally, a specialist in right-of-way issues will work with project members of the Diridon Station Area Plan and High Speed Rail staff on issues related to the public right of way. (Ongoing costs: \$0)</p>		
<b>4. Economic Development Pre-Development Activities</b>		<b>50,000</b>
<p>This action adds one-time funding of \$50,000 for Economic Development Pre-Development Activities. Pre-development funds are used to cover a variety of costs including: consultant services, studies, appraisals, pro-forma analysis, costs related to Development Services partner work, economic and fiscal analysis, and property management costs which are not supported by other departments. (Ongoing costs: \$0)</p>		
<b>5. Homeless Rapid Rehousing Funding Shift</b>		<b>(4,000,000)</b>
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action shifts homeless rapid rehousing funding of \$4.0 million from the General Fund Homeless Rapid Rehousing appropriation to the Multi-Source Housing Fund for two years, resulting in a total funding shift of \$8.0 million. The 2016-2017 Adopted Budget included \$4.0 million in General Fund funding for the Homeless Rapid Rehousing Program to continue to address homelessness. Since that time, the City's Housing Authority was awarded a \$36.3 million judgment in a litigation against Housing and Urban Development that is restricted for housing programs. A portion</p>		



# City-Wide Expenses

## Budget Changes By City Service Area

Proposed Budget Changes	Positions	General Fund (\$)
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### Community and Economic Development CSA

#### 5. Homeless Rapid Rehousing Funding Shift

of that settlement is recommended to be used to fund homeless rapid rehousing. (Ongoing savings: \$0)

#### 6. Japantown Creative Center for the Arts Transportation Improvements 400,000

As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action adds one-time funding of \$400,000 from the General Fund Cultural Facilities Capital Maintenance Reserve to reimburse the developer for transportation improvements required for the Japantown Creative Center for the Arts. This Center will provide permanent, affordable space for artists and arts groups in Japantown, supporting local creativity, arts programming, and serving as a focal point for festivals and community gatherings. This project will impact traffic at the intersection of N. First Street and Taylor Street. Because this intersection has been built to maximum capacity, the project is required to construct specific improvements to other segments of the Citywide Transportation System. The transportation improvements include the removal and replacement of handicap ramps, the installation of high visibility thermoplastic crosswalks, the installation of electronic speed signs and bulb-outs at various locations, and drainage improvements at the curb ramp at 6<sup>th</sup> Street and Hedding Street. (Ongoing costs: \$0)

#### 7. San José Works: Youth Jobs Initiative 1,500,000

This action continues one-time funding of \$1,500,000 for the San José Works: Youth Jobs Initiative, a partnership between work2future and the Mayor's Gang Prevention Task Force (MGPTF) operated by the Parks, Recreation and Neighborhood Services Department. This program provides 625 youth with employment services and critical life skills instruction, including leadership development, financial literacy, job counseling, job readiness training and other supportive services such as transportation and clothing. In 2017-2018, 375 youth (ages 14-24) will be placed by work2future and the MGPTF into subsidized employment opportunities and 250 youth (ages 16-29) will be placed into unsubsidized opportunities with private employers. The San José Works: Youth Jobs Initiative began in 2015-2016, as directed in the Mayor's March 2015 Budget Message and approved by City Council. During 2016-2017, 505 youth have been placed in subsidized employment with an 85% retention rate, and 507 youth have secured unsubsidized employment with a retention rate of 82%. Given the success to date, the strategic focus for San José Works is being expanded to enhance postsecondary educational opportunities for participants to connect youth to career pathways in growth sectors, such as information technology, advanced manufacturing, health care and construction. Work2future and the MGPTF are partnering with key employer associations (Silicon Valley Organization, Manex and Netflix) to promote increased private sector internships in these high growth areas. (Ongoing costs: \$0)

#### 8. Sports Authority 375,000

This action adds one-time funding of \$375,000 to the San Jose Sports Authority (SJSA), including \$250,000 as a pass-through incentive for securing the 2018 U.S. Figure Skating Championships event, to be held Dec. 29, 2017 through January 8, 2018. The 2018 U.S. Championships will serve as the final qualifying event prior to the selection of the U.S. Olympic Figure Skating Team that will represent the United States at the 2018 Olympic Winter Games. Competitive sessions will be held at the SAP Center and Solar4America Ice venues in San José. To drive additional economic

# City-Wide Expenses

## Budget Changes By City Service Area

Proposed Budget Changes	Positions	General Fund (\$)
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### Community and Economic Development CSA

#### 8. Sports Authority

opportunities, the remaining \$125,000 will be used to attract an increased number of major sporting events. Excluding the \$250,000 pass-through incentive, the City allocation to the Sports Authority will increase from the Base Budget level of \$369,400 to \$494,400. This funding level compares to \$598,200 in 2016-2017 (excludes \$100,000 pass-through). The Office of Economic Development and the Sports Authority will seek possible private fundraising opportunities to augment operational funding to at least match the 2016-2017 funding levels. (Ongoing costs: \$0)

<b>9. Storefront Activation Grant Program</b>	<b>250,000</b>
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As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action adds one-time funding of \$250,000, funded by a transfer from the General Purpose Parking Fund, to launch a new Storefront Activation Grant Program. The program will assist small businesses leasing or occupying a vacant or existing ground floor space with funding to make interior and/or exterior improvements to the building. Assistance will be provided through reimbursement of City permits, fees and taxes, supplies, and/or infrastructure upon the receipt of a certificate of occupancy or a notice of completion by the business owner. This program is intended to enliven, beautify, and activate vacant storefronts located in the Downtown and the City's Neighborhood Business Districts and city-wide, with priority given to businesses operating in districts that generate Parking Fund revenues. (Ongoing costs: \$0)

<b>10. Rebudget: Homeless Rapid Rehousing/Tiny Homes</b>	<b>2,300,000</b>
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As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action rebudgets unexpended 2016-2017 funds from the Homeless Rapid Rehousing appropriation for design and implementation of the Tiny Homes project. This project will provide an innovative solution to homelessness, reducing the regulatory hurdles of constructing unconventional housing types. The Housing Department will work with the Council Offices and the Neighborhoods Commission on site identification and community outreach; in addition, the Department will coordinate with the private sector in the visioning, design, and construction of these unique structures. (Ongoing costs: \$0)

<b>Subtotal Community and Economic Development CSA:</b>	<b>0.00</b>	<b>1,500,000</b>
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### Neighborhood Services CSA

<b>1. BeautifySJ Grants</b>	<b>200,000</b>
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As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action adds \$200,000 in one-time funding to support additional beautification and community-building efforts in neighborhoods. The additional funding will recast the Community Action and Pride grant program (currently funded at \$100,000 a year), as "BeautifySJ" and increase the per-neighborhood allotment from \$1,500 to \$5,000 per grant. The neighborhood grant projects, traditionally National Night Out events and block parties, could include murals, tree plantings, the addition of drought-tolerant landscaping, community garden/urban agriculture projects, and neighborhood gatherings among other beautification and community building projects. (Ongoing costs: \$0)

# City-Wide Expenses

## Budget Changes By City Service Area

<b>Proposed Budget Changes</b>	<b>Positions</b>	<b>General Fund (\$)</b>
<b>Neighborhood Services CSA</b>		
<b>2. San José Learns</b>		<b>1,000,000</b>
<p>This action adds \$1.0 million of one-time funds to continue and expand the best practices identified within the original San José Learns (SJLearns) program models. Funds will be allocated to support a competitive grant process to implement SJLearns best practices and an associated program evaluation to ensure quality services as well as provide a base for external fundraising efforts. The one-time grant program will be focused on after school providers who show the capacity to implement the key learning strategies identified in the spring 2017 SJLearns' program progress report, who will build upon the final results for the upcoming SJLearns evaluation (to be completed in September 2017), and can operate collectively as a collaborative learning cohort. With an expected dollar for dollar match, this funding will continue to leverage both monetary resources and professional expertise to continue growing the City's out-of-school time strategies. This investment towards best practices and evaluation aligns with the City's extended learning strategies, in particular, PRNS' leading ROCK and ASES after school programs and the Library's proposed Summer Bridge learning efforts. SJLearns was established in 2015 with \$2.0 million of City funds matched with \$1.16 million in local school district match. Over the two years of this program, 16 schools were provided enhanced after school services to support over 670 high risk K-3<sup>rd</sup> grade students. Future and ongoing funding for this program is expected to come through other public and private fundraising efforts. (Ongoing costs: \$0)</p>		
<b>3. San José Promise</b>		<b>150,000</b>
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action adds \$150,000 in one-time leverage funding for San Jose (SJ) Promise. The program provides a link in the college and career pathways paved by SJLearns and SJWorks, eliminating financial barriers to college for San José public school students from low-income families. SJ Promise consists of three distinct strategies-college readiness, college promise scholarships and college pathway partnerships. The City funding will focus its fiscal commitment on college pathways partnerships involving work2future and the Library with a goal of assisting in fundraising efforts that bring partners together. Each dollar of City investment will leverage \$11 from other funding partners, and the ratio will grow with additional fundraising. (Ongoing costs: \$0)</p>		
<b>4. Rebudget: Clean Slate/Tattoo Removal Program</b>		<b>100,000</b>
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by City Council, this action rebudgets \$100,000 from the Mayor's Gang Prevention Task Force (MGPTF) Reserve that is included as part of the 2016-2017 San Jose BEST appropriation to the Clean Slate/Tattoo Removal Program for tattoo removal equipment. The Clean Slate/Tattoo Removal Program has long provided an escape route for gang-affiliated young adults and is a critical component of the City's gang intervention efforts. Current tattoo removal equipment requires clients to make multiple trips to Valley Medical Center, resulting in higher program dropouts. The one-time funding of \$100,000 from the San José BEST appropriation will leverage \$100,000 from the County of Santa Clara and \$100,000 from the Valley Medical Foundation for the purchase of new tattoo removal equipment. (Ongoing costs: \$0)</p>		
<b>Subtotal Neighborhood Services CSA:</b>	<b>0.00</b>	<b>1,450,000</b>

# City-Wide Expenses

## Budget Changes By City Service Area

Proposed Budget Changes	Positions	General Fund (\$)
<b>Public Safety CSA</b>		
<b>1. Rebudget: Urban Area Security Initiative Grant – Police 2016/ Dispatch Consoles</b>		<b>570,000</b>
<p>This action rebudgets unexpended 2016-2017 funds from the Urban Area Security Initiative Grant – Police 2016 to fund a portion of the 32 Silicon Valley Regional Communication Dispatch Consoles for use in the Police and Fire Communications Center that serves as the primary Public Safety Answering Point (PSAP). Total funding of \$3.0 million is included in the Proposed Operating and Capital Budgets for the purchase of the 32 consoles for that facility. The Proposed Budget also includes \$1.0 million to purchase 14 consoles at the South San José Police Substation that serves as the secondary PSAP. (Ongoing costs: \$0)</p>		
<b>Subtotal Public Safety CSA:</b>	<b>0.00</b>	<b>570,000</b>
<b>Strategic Support CSA</b>		
<b>1. Hayes Mansion Insurance and Staffing Realignment</b>		<b>(32,960)</b>
<p>Contingent upon the sale of the Hayes Mansion, anticipated in June 2017, eliminates the insurance expense related to the Hayes Mansion (\$32,690) and realigns portions of two positions that support the Hayes Mansion to other work within the Finance Department. This work includes GASB pronouncements, the disaster cost recovery program, and addressing the additional workload formerly covered by third party auditors. The transfer from the Community Facilities Revenue Fund to the General Fund for support services provided to the Hayes Mansion will also be eliminated as described elsewhere in this document. (Ongoing savings: \$32,960)</p>		
<b>2. Silicon Valley Talent Partnership</b>		<b>50,000</b>
<p>This action continues one-time funding of \$50,000 to support partnership formation, project design, and implementation services provided by the Silicon Valley Talent Partnership (SVTP). This funding continues support for SVTP through 2017-2018 and facilitates the City's use of private sector resources, as appropriate, for the betterment of the community. Projects under consideration for 2017-2018 may support Parks, Recreation and Neighborhood Services, Library, Housing, and Airport Departments, and the Office of Civic Innovation. Additional projects may be supported by departments through special funds. The 2017-2018 project list will be finalized in summer 2017. (Ongoing costs: \$0)</p>		
<b>3. Successor Agency City Subsidy</b>		<b>(95,000)</b>
<p>This action reduces funding for the administrative support provided by the Successor Agency to the Redevelopment Agency from \$975,000 to \$880,000 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 to determine appropriate funding levels as program activities decrease. (Ongoing savings: \$95,000)</p>		

# City-Wide Expenses

## Budget Changes By City Service Area

Proposed Budget Changes	Positions	General Fund (\$)
<b>Strategic Support CSA</b>		
<b>4. Rebudget: Talent Recruitment Initiative</b>		<b>200,000</b>
<p>This action rebudgets unexpended 2016-2017 funds to provide continued support for the Talent Recruitment Initiative, the aggressive hiring program that began in 2016-2017. The funds will continue the availability of overtime support, additional temporary staffing and/or professional services, and contracts to directly support implementation of improved recruiting processes and methods. The outcome of the initiative is to increase both the volume of potential candidates as well as reduce the time to recruit and fill vacancies while ensuring that the staff entering City service are high performers. (Ongoing costs: \$0)</p>		
<b>Subtotal Strategic Support CSA:</b>	<b>0.00</b>	<b>122,040</b>
<hr/>		
<b>2017-2018 Proposed Budget Changes Total</b>	<b>0.00</b>	<b>3,642,040</b>

# City-Wide Expenses

## City Service Area: Community and Economic Development

### Detail of Costs Description

Community and Economic Development	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
2017 Flood - Building Permit and Inspection Fee Waivers	PBCE	\$ 0	\$ 0	\$ 0	\$ 200,000
4th Street Garage Banquet Facility Maintenance and Operations	PW	120,545	400,000	100,000	100,000
Arena Authority	OED	189,900	189,900	200,000	200,000
Arts Capacity Building Project	OED	0	0	0	0
BART Public Art Design	OED	135,743	42,000	0	0
Building Public Will for the Arts	OED	30,890	0	0	0
Business Improvement District Creation	OED	0	100,000	0	0
Business Incentive - Business Cooperation Program	OED	71,870	241,802	150,000	150,000
Business Incentive - Business Cooperation Program Administration	OED	70,735	190,000	150,000	150,000
Business Incentive - Maxim Integrated Products	OED	9,204	48,500	0	0
Business Incentive - Samsung	OED	0	70,000	50,000	50,000
Certified Access Specialist (CASp) Program - ADA Compliance	FIN	34,797	50,000	50,000	50,000
Children's Discovery Museum	OED	270,750	270,750	270,750	270,750
Cinequest Film and Virtual Reality Festival	OED	0	0	0	50,000
CommUniverCity Program	CMO	135,460	100,000	100,000	100,000
Convention Center Lease Payments	FIN	15,280,000	15,261,000	15,240,000	15,240,000
Cultural Affairs Special Project	OED	231,338	0	0	0
Development Fee Program Electronic Content Management System	PBCE	83,224	0	0	0
Diridon Project Management	DOT	0	351,500	0	0
Downtown Signs	OED	0	50,000	0	0
Downtown Streets Monterey Road Pilot Program	HSG	66,187	0	0	0
East San José Business Improvement District	OED	0	36,000	0	0
Economic Development/Incentive Fund	OED	1,120,900	0	0	0
Economic Development Pre-Development Activities	OED	67,717	260,000	0	50,000
Evergreen Innovation Corridor	OED	10,000	0	0	0
Filling Empty Storefronts Pilot Project	OED	22,786	65,000	0	0
FMC Operating Site Costs	PW	0	10,000	0	0
Hammer Theatre Center Operations and Maintenance	OED	395,564	285,000	285,000	285,000

# City-Wide Expenses

## City Service Area: Community and Economic Development

### Detail of Costs Description

Community and Economic Development	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
Historic Preservation	PBCE	\$ 0	\$ 597,500	\$ 0	\$ 0
History San José	OED	784,000	784,000	784,000	784,000
Homeless Rapid Rehousing	HSG	2,146,784	5,300,000	4,000,000	2,300,000
Homeless Response Team	HSG	1,828,383	2,055,000	1,500,000	1,500,000
Independence Day Celebrations	OED	0	65,000	0	0
International Air Service Destination Marketing Program	OED	0	425,000	425,000	425,000
Japantown Creative Center for the Arts Transportation Improvements	PW	0	0	0	400,000
Joint Venture Silicon Valley	OED	35,617	35,617	35,617	35,617
Manufacturing Jobs Initiative	OED	39,113	301,000	0	0
Mexican Heritage Plaza Capital Maintenance	PW	26,169	50,000	50,000	50,000
Mexican Heritage Plaza Maintenance and Operations	PW	450,000	450,000	450,000	450,000
Minimum Wage Study	OED	30,066	0	0	0
Move Your Jobs to San José Communications	OED	0	100,000	0	0
Neighborhood Blight Eradication	HSG	0	430,400	0	0
Neighborhood Business Districts	OED	47,000	50,000	50,000	50,000
Planning Commission	PBCE	21,198	23,000	23,000	23,000
Property Leases	OED	1,316,370	1,411,000	1,458,162	1,458,162
San José Downtown Association	OED	350,000	250,000	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 Regional Transportation Hub Project	OED	13,992	0	0	375,000
San José Works: Youth Jobs Initiative	OED	914,979	1,670,000	0	1,500,000
SAP Center Renegotiation	OED	17,830	0	0	0
Small Business Activation and Assistance	OED	37,847	219,500	0	0
Sports Authority	OED	448,200	698,200	369,400	744,400
Storefront Activation Grant Program	OED	0	0	0	250,000
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	125,598	0	0	0
<b>TOTAL</b>		<b>\$ 28,505,506</b>	<b>\$ 34,586,419</b>	<b>\$ 27,515,679</b>	<b>\$ 29,015,679</b>

# City-Wide Expenses

## City Service Area: Environmental and Utility Services

### Detail of Costs Description

Environmental and Utility Services	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
Burrowing Owl Habitat Management	ESD	\$ 41,773	\$ 90,000	\$ 0	\$ 0
City-Building Energy Projects Program	ESD	590,480	0	0	0
City Facilities Solid Waste Collection and Processing	ESD	85,694	101,000	107,000	107,000
Clean Creeks/Healthy Communities	ESD	81,540	0	0	0
Clean Creeks, Habitat Restoration, and Water Quality Improvements	ESD	0	200,000	0	0
Community Choice Aggregation Technical Study	ESD	0	300,000	0	0
Energy Efficiency Program	PW	(4)	0	0	0
Illegal Dumping	ESD	115,522	150,000	0	0
Property Assessed Clean Energy (PACE) Program	ESD	4,624	140,000	0	0
San José Watershed Community Stewardship and Engagement Project	ESD	147,898	51,000	0	0
Silicon Valley Energy Watch (SVEW) 2015	ESD	363,847	0	0	0
Silicon Valley Energy Watch (SVEW) 2016 - 2018	ESD	164,380	1,278,527	814,438	814,438
Storm Fees	ESD	243,165	250,000	265,000	265,000
<b>TOTAL</b>		<b>\$ 1,838,919</b>	<b>\$ 2,560,527</b>	<b>\$ 1,186,438</b>	<b>\$ 1,186,438</b>



# City-Wide Expenses

## City Service Area: Neighborhood Services

### Detail of Costs Description

Neighborhood Services	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
1st Act Silicon Valley Digital Media Grant	PRNS	\$ 4,690	\$ 0	\$ 0	\$ 0
After School Education and Safety Programs for 2013-2014	PRNS	(713)	0	0	0
After School Education and Safety Programs for 2015-2016	PRNS	395,711	0	0	0
BeautifySJ Grants (Renamed from Community Action and Pride Grants)	CMO	100,000	100,000	100,000	300,000
California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015	PRNS	360,547	243,910	0	0
Children's Health Fluoridation	PRNS	0	250,000	0	0
Children's Health Initiative	PRNS	137,500	275,000	0	0
Enhance Fitness and Matter of Balance Program Grant	PRNS	1,800	0	0	0
Library Grants	LIB	0	29,872	0	0
Maddie Lifesaving Grant	PW	119,474	100,000	0	0
National Forum Capacity-Building Grant OJJDP 2012-2016	PRNS	301,118	277,660	30,465	30,465
OJJDP Community-Based Violence Prevention Demonstration Program Grant	PRNS	116,227	7,000	0	0
PG&E Summer Cooling Shelter Program Grant	PRNS	21,997	29,694	0	0
San José BEST and Safe Summer Initiative Programs	PRNS	5,479,903	6,352,500	5,560,000	5,660,000
San José Learns	PRNS	1,940,000	300,000	0	1,000,000
San José Promise	LIB	0	0	0	150,000
Senior Education and Outreach Grant	PRNS	177,501	86,000	0	0
Summer Youth Nutrition Program	PRNS	44,550	56,056	0	0
Vietnamese-American Community Center	CMO	0	70,000	0	0
Workers' Compensation Claims - PRNS	PRNS	1,376,700	1,600,000	1,500,000	1,500,000
<b>TOTAL</b>		<b>\$ 10,577,005</b>	<b>\$ 9,777,692</b>	<b>\$ 7,190,465</b>	<b>\$ 8,640,465</b>

# City-Wide Expenses

## City Service Area: Public Safety

### Detail of Costs Description

Public Safety	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant	PD	\$ 185,800	\$ 475,667	\$ 0	\$ 0
Arena Traffic Control	DOT	288,000	306,000	335,000	335,000
Automated Fingerprint Identification System	PD	68,349	0	0	0
Bay Area Regional Interoperability Communication System (BayRICS)	CMO	14,000	7,500	7,500	7,500
CrimeStoppers	PD	0	44,750	0	0
Domestic Violence Prevention Program	CMO	10,000	0	0	0
Emergency Response and Preparedness	FIRE	117,000	0	0	0
Hazardous Materials Consent Judgment	FIRE	1,455	33,633	0	0
Human Trafficking Prevention Grant 2011	PD	1,430	0	0	0
Internet Crimes Against Children Federal Grant 2014-2015	PD	381,462	157,077	0	0
Internet Crimes Against Children State Grant 2015-2016	PD	166,174	141,729	0	0
Northern California Regional Intelligence Center SUASI - Police	PD	277,005	224,959	0	0
Police Officers' Professional Liability Insurance	FIN	106,390	122,000	122,000	122,000
Police Recruitment, Hiring, and Retention Efforts	PD	0	1,500,000	0	0
San José End of Watch Police Memorial	PD	9,748	83,240	0	0
Selective Traffic Enforcement Grant Program 2014-2015	PD	52,337	0	0	0
Selective Traffic Enforcement Grant Program 2015-2016	PD	81,407	186,858	0	0
State Homeland Security Grant Program 2014-2015	PD	26,484	0	0	0
Urban Areas Security Initiative Grant - Fire 2014	FIRE	230,000	0	0	0
Urban Areas Security Initiative Grant - Fire 2015	FIRE	152,070	195,000	0	0
Urban Areas Security Initiative Grant - Fire 2016	FIRE	0	0	224,340	224,340
Urban Areas Security Initiative Grant - Police 2014	PD	327,791	0	0	0
Urban Areas Security Initiative Grant - Police 2015	PD	323,351	173,269	0	0
Urban Areas Security Initiative Grant - Police 2016	PD	0	0	105,000	675,000
Workers' Compensation Claims - Fire	FIRE	7,972,233	9,200,000	8,300,000	8,300,000
Workers' Compensation Claims - Police	PD	6,583,901	8,000,000	7,700,000	7,700,000
<b>TOTAL</b>		<b>\$ 17,376,387</b>	<b>\$ 20,851,682</b>	<b>\$ 16,793,840</b>	<b>\$ 17,363,840</b>

# City-Wide Expenses

## City Service Area: Transportation and Aviation Services

### Detail of Costs Description

Transportation and Aviation Services	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
Blossom Hill Road Sound Wall - Assessment District Administration	DOT	\$ 0	\$ 20,000	\$ 0	\$ 0
Contractual Street Tree Planting	DOT	0	124,175	0	0
Emergency Street Tree Services (Property Owner Requested)	DOT	450,091	300,000	600,000	600,000
Parking Citations Processing	DOT	761,565	750,000	0	0
Parking Citations/Jail Courthouse Fees	DOT	2,193,476	2,200,000	0	0
Raised Reflective Markers and Arterial Street Striping	DOT	8,557	0	0	0
Sidewalk Repairs	DOT	2,138,020	1,750,000	1,750,000	1,750,000
Vehicle Detection Sensors	DOT	122,140	0	0	0
Workers' Compensation Claims - Transportation	DOT	879,103	1,200,000	1,200,000	1,200,000
<b>TOTAL</b>		<b>\$ 6,552,952</b>	<b>\$ 6,344,175</b>	<b>\$ 3,550,000</b>	<b>\$ 3,550,000</b>

# City-Wide Expenses

## City Service Area: Strategic Support

### Detail of Costs Description

Strategic Support	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
1970, 1980, and 1990 COLA Federated, Police & Fire Retirees	RET	\$ 55,694	\$ 60,000	\$ 50,000	\$ 50,000
2-1-1 Call Center	CMO	75,000	75,000	75,000	75,000
Alternative Pension Reform Ballot Polling	CMO	0	55,000	0	0
Annual Audit	AUD	190,024	180,200	185,000	185,000
Arena Community Fund	CLK	244,889	336,475	250,000	250,000
Ballot Measure Polling	CMO	46,688	0	0	0
Banking Services	FIN	1,793,933	1,774,000	1,825,000	1,825,000
Bay Area Electric Vehicle Corridor Project	PW	6,632	0	0	0
Bond Project Audits	AUD	54,914	54,000	56,000	56,000
Business Tax System Replacement	FIN	972,869	343,000	0	0
Chinese Historical Society	PW	3,000	3,000	3,000	3,000
City Auditor's Office Performance Audit	CLK	6,000	3,000	3,000	3,000
City Council District #02 Participatory Budgeting - Calpine Settlement	CLK	0	1,000,000	0	0
City Council Participatory Budgeting - Council District #03	CLK	0	350,000	0	0
City Council Participatory Budgeting - Council District #05	CLK	0	100,000	0	0
City Council Participatory Budgeting - Administration	CLK	0	50,000	0	0
City Dues/Memberships	CLK	353,734	382,000	372,000	372,000
City Manager Special Projects	CMO	54,478	165,000	0	0
City Outreach and Education Efforts	CMO	207,392	100,000	100,000	100,000
Civil Service Commission	CLK	13,935	20,000	20,000	20,000
Computer System Remediation Project	ITD	22,566	52,434	0	0
Cultural Facilities Capital Maintenance	PW	10,533	610,000	139,000	139,000
Customer Satisfaction Survey (Bi-Annual)	CMO	17,517	55,000	0	0
E-Ideas Program	CMO	3,400	25,000	25,000	25,000
Elections and Ballot Measures	CLK	1,945,870	1,700,000	1,500,000	1,500,000
Employee Engagement Program Survey and Training	CMO	106,952	90,000	91,000	91,000
Energy and Utility Conservation Measures Program	PW	10,127,238	2,500,000	0	0
Energy Services Company (ESCO) Debt Service	FIN	2,170,220	3,134,000	2,928,000	2,928,000
Ethics Commission (formerly Elections Commission)	CLK	93,289	40,000	40,000	40,000
False Claims Act Litigation Settlement	ATTY	4,675	288,000	0	0
Family College Success Center	CMO	75,000	75,000	0	0
Financial Management System Business Process Mapping	ITD	0	232,500	0	0
Financial Management System Upgrade	FIN	0	60,000	60,000	60,000

# City-Wide Expenses

## City Service Area: Strategic Support

### Detail of Costs Description

Strategic Support	Dept	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
Fiscal Reform Plan Outside Legal Counsel	ATTY	\$ 400,512	\$ 110,000	\$ 0	\$ 0
FMC Debt Service Payments	FIN	1,890,227	2,177,000	2,174,000	2,174,000
General Employee Tuition	HR	74,521	75,000	100,000	100,000
General Liability Claims	FIN	1,097,874	17,800,000	5,000,000	5,000,000
Government Access - Capital Expenditures	CMO	95,124	1,135,600	515,000	515,000
Grant Compliance Single Audit	AUD	77,711	121,500	125,000	125,000
Human Resources/Payroll/Budget Systems Upgrade	FIN	5,378,841	2,150,000	0	0
Information Technology Desktop Modernization	ITD	9,500	490,500	0	0
Insurance Premiums	FIN	521,910	554,000	640,000	607,040
Internal Financial Controls Evaluation	FIN	9,400	69,000	0	0
Labor/Employee Relations Consultant Funding	CMO	20,619	115,000	0	0
Learning Management System	HR	111,115	355,000	178,000	178,000
Mayor and City Council Travel	CLK	18,984	20,000	20,000	20,000
Mayor Innovation Fellows Program	CLK	0	176,800	0	0
Measure B Settlement	CMO	2,757,000	0	0	0
Office of Immigrant Affairs	CMO	250,000	250,000	0	0
Organizational Effectiveness	CMO	34,285	190,000	40,000	40,000
PEG - CreaTV	CMO	0	318,240	325,000	325,000
Police Retirees' Health/Dental Fees	RET	148,704	150,000	150,000	150,000
Property Tax Administration Fee	FIN	1,748,526	1,815,000	1,815,000	1,815,000
Public, Educational, and Government (PEG) Access Facilities - Capital	CMO	1,700,853	1,929,083	1,545,000	1,545,000
Public Works Unfunded Projects	PW	116,824	200,000	200,000	200,000
Retiree Healthcare (GASB) Team	CMO	123,610	30,000	0	0
Retirement Prepayment Actuarial Services	RET	0	5,000	0	0
Revenue Enhancement Consulting Services	FIN	337,984	455,000	455,000	455,000
Sick Leave Payments Upon Retirement	FIN	4,048,726	5,000,000	5,000,000	5,000,000
Silicon Valley Talent Partnership	CMO	80,000	80,000	0	50,000
State of the City Convocation	CLK	49,370	55,000	55,000	55,000
Successor Agency City Subsidy	CMO	765,303	975,000	975,000	880,000
Talent Recruitment Initiative	CMO	0	0	0	200,000
TRANS Debt Service	FIN	100,264,994	400,000	1,100,000	1,100,000
Voluntary Employee Beneficiary Association Counseling Services	CMO	0	50,000	0	0
Workers' Compensation Claims - Other Departments	HR	890,990	1,000,000	1,000,000	1,000,000
Workers' Compensation Claims - Public Works	PW	450,000	500,000	800,000	800,000
Workers' Compensation State License	HR	912,188	1,000,000	925,000	925,000
Youth Commission	CLK	8,730	0	0	0
<b>TOTAL</b>		<b>\$ 143,050,867</b>	<b>\$ 53,664,332</b>	<b>\$ 30,859,000</b>	<b>\$ 30,981,040</b>

# General Fund Capital, Transfers, Reserves

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**T**o 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**

## *Expense Type*

**Capital Contributions**

**Transfers to Other Funds**

**Earmarked Reserves**

**Contingency Reserve**

# General Fund Capital, Transfers, Reserves

## Budget Summary

	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4	% Change (2 to 4)
<b>Dollars by Expense Type</b>					
Capital Contributions	\$ 25,865,097	\$ 70,218,000	\$ 5,000,000	\$ 8,250,000	(88.3%)
Transfers to Other Funds	27,149,755	28,011,710	29,591,830	26,901,830	(4.0%)
Earmarked Reserves	N/A	98,744,142	15,546,220	34,085,671	(65.5%)
Contingency Reserve	N/A	35,500,000	36,000,000	36,000,000	1.4%
<b>Total</b>	<b>\$ 53,014,852</b>	<b>\$ 232,473,852</b>	<b>\$ 86,138,050</b>	<b>\$ 105,237,501</b>	<b>(54.7%)</b>
<b>Dollars by Category</b>					
Capital, Transfers, Reserves	\$ 53,014,852	\$ 232,473,852	\$ 86,138,050	\$ 105,237,501	(54.7%)
<b>Total</b>	<b>\$ 53,014,852</b>	<b>\$ 232,473,852</b>	<b>\$ 86,138,050</b>	<b>\$ 105,237,501</b>	<b>(54.7%)</b>
<b>Dollars by Fund</b>					
General Fund	\$ 53,014,852	\$ 232,473,852	\$ 86,138,050	\$ 105,237,501	(54.7%)
<b>Total</b>	<b>\$ 53,014,852</b>	<b>\$ 232,473,852</b>	<b>\$ 86,138,050</b>	<b>\$ 105,237,501</b>	<b>(54.7%)</b>
<b>Authorized Positions</b>	N/A	N/A	N/A	N/A	N/A

# General Fund Capital, Transfers, Reserves

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	General Fund (\$)
<b>Prior Year Budget (2016-2017):</b>	<b>0.00</b>	<b>232,473,852</b>
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
• Capital Contributions Rebudget: Alviso Park Improvements		(100,000)
• Capital Contributions Rebudget: Animal Care and Services Fire Alarm and Security Upgrade		(100,000)
• Capital Contributions Rebudget: Animal Care and Services Waterproofing		(460,000)
• Capital Contributions Rebudget: Arc Flash Hazard Analysis		(150,000)
• Capital Contributions Rebudget: Arena Repairs		(100,000)
• Capital Contributions Rebudget: Bicycle and Pedestrian Facilities		(10,000)
• Capital Contributions Rebudget: City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance		(80,000)
• Capital Contributions Rebudget: City Hall Audio/Visual Upgrade		(300,000)
• Capital Contributions Rebudget: City Hall Chiller Media Replacement		(100,000)
• Capital Contributions Rebudget: City Hall Waterproofing		(1,200,000)
• Capital Contributions Rebudget: City-Wide Building Assessment		(400,000)
• Capital Contributions Rebudget: Fire Apparatus Replacement		(14,147,000)
• Capital Contributions Rebudget: Hammer Theatre Center Capital Improvements		(400,000)
• Capital Contributions Rebudget: History Park Safety and Security		(90,000)
• Capital Contributions Rebudget: Kelley House Demolition		(70,000)
• Capital Contributions Rebudget: LED Streetlight Conversion		(59,000)
• Capital Contributions Rebudget: Mexican Heritage Plaza Building Management System Upgrade		(300,000)
• Capital Contributions Rebudget: Pavement Maintenance Program		(8,000,000)
• Capital Contributions Rebudget: Permit Center Breakroom and Restrooms		(470,000)
• Capital Contributions Rebudget: Police Administration Building Fencing - Employee Parking Lot Perimeter		(200,000)
• Capital Contributions Rebudget: Police Administration Building Roof Replacment		(350,000)
• Capital Contributions Rebudget: Police Administration Building/Police Communications Center Chiller Replacements		(300,000)
• Capital Contributions Rebudget: Police Communications Center Electrical System Upgrade		(1,000,000)
• Capital Contributions Rebudget: Police Communications Center Elevator Retrofit		(595,000)
• Capital Contributions Rebudget: Police Communications Center Parking Deck and Ramp Restoration		(42,000)
• Capital Contributions Rebudget: Police Communications Center Emergency Uninterrupted Power Supply		(3,390,000)
• Capital Contributions Rebudget: Police Communications Fire Protection System Upgrade		(2,400,000)
• Capital Contributions Rebudget: Police Fleet Management System		(400,000)
• Capital Contributions Rebudget: San José Museum of Art - Minor Renovations		(50,000)



# General Fund Capital, Transfers, Reserves

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	General Fund (\$)
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
• Capital Contributions Rebudget: San José Museum of Art Roof Replacement		(150,000)
• Capital Contributions Rebudget: San José Police Substation (Activation)		(221,000)
• Capital Contributions Rebudget: Super Bowl 50 - San José Museum of Art Sign Replacement		(140,000)
• Capital Contributions Rebudget: The Tech Museum Minor Renovations		(55,000)
• Capital Contributions Rebudget: The Tech Museum Cooling Tower Replacement - Design		(25,000)
• Capital Contributions Rebudget: The Tech Museum Terrazzo Floor Replacement		(150,000)
• Capital Contributions Rebudget: Traffic Safety Data Collection		(3,000)
• Capital Contributions Rebudget: Unanticipated/Emergency Maintenance		(50,000)
• Capital Contributions: Animal Care and Services - Various Improvements		(340,000)
• Capital Contributions: Arc Flash Hazard Analysis		(360,000)
• Capital Contributions: Children's Discovery Museum Skylight Replacement		(20,000)
• Capital Contributions: City Hall 18th Floor Improvements		(25,000)
• Capital Contributions: City Hall and Employee Garage Security Upgrades		(325,000)
• Capital Contributions: City Hall Audio/Visual Upgrade		(275,000)
• Capital Contributions: City Hall HVAC Control System Replacement		(5,000,000)
• Capital Contributions: City Hall Rotunda Lighting		(350,000)
• Capital Contributions: City-Wide Building Assessment		(300,000)
• Capital Contributions: Downtown Ice Rink Improvements		(100,000)
• Capital Contributions: East San José Underpass Lighting		(10,000)
• Capital Contributions: Emergency Vehicle Preemption Service		(1,200,000)
• Capital Contributions: Family-Friendly City Facilities		(110,000)
• Capital Contributions: Hammer Theatre Miscellaneous HVAC and Electrical Upgrades		(200,000)
• Capital Contributions: History San José - Fallon House Elevator and Ramp Replacement		(100,000)
• Capital Contributions: History San José - Pacific Hotel - Fire and Intrusion Alarm		(250,000)
• Capital Contributions: LED Streetlights - Chynoweth Avenue		(28,000)
• Capital Contributions: LED Streetlights - Sebastian Borello Drive		(160,000)
• Capital Contributions: Mexican Heritage Plaza Roof Repairs		(25,000)
• Capital Contributions: Municipal Garage LED Lighting Upgrade		(85,000)
• Capital Contributions: Pavement Maintenance Program		(17,700,000)
• Capital Contributions: Portable Emergency Mass Warning System		(127,000)

# General Fund Capital, Transfers, Reserves

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	General Fund (\$)
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
• Capital Contributions: San José Municipal Stadium Improvements		(270,000)
• Capital Contributions: San José Stage Company		(1,000,000)
• Capital Contributions: Shirakawa Community Center Tenant Improvements		(71,000)
• Capital Contributions: The Tech Museum Controls Module Improvements		(250,000)
• Capital Contributions: Vietnamese-American Community Center Planning and Fundraising		(230,000)
• Transfers to Other Funds: Construction Excise Tax Fund		(750,000)
• Earmarked Reserves Rebudget: Artificial Turf Replacement Reserve		(390,000)
• Earmarked Reserves Rebudget: Budget Stabilization Reserve		(10,000,000)
• Earmarked Reserves Rebudget: Building Development Fee Program Reserve		(15,419,557)
• Earmarked Reserves Rebudget: Cultural Facilities Maintenance Reserve		(1,300,000)
• Earmarked Reserves Rebudget: Development Fee Programs Technology Reserve		(295,000)
• Earmarked Reserves Rebudget: Fire Development Fee Program Reserve		(5,166,481)
• Earmarked Reserves Rebudget: Fiscal Reform Plan Implementation Reserve		(336,000)
• Earmarked Reserves Rebudget: General Plan Update Reserve		(511,832)
• Earmarked Reserves Rebudget: Planning Development Fee Program Reserve		(1,884,425)
• Earmarked Reserves Net Rebudget: Police Department Staffing/Operations Reserve		(1,550,000)
• Earmarked Reserves Rebudget: Police Property Facility Relocation Reserve		(500,000)
• Earmarked Reserves Rebudget: Public Works Development Fee Program Reserve		(3,720,668)
• Earmarked Reserves Rebudget: Retiree Healthcare Solutions Reserve		(6,070,000)
• Earmarked Reserves Rebudget: Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve		(1,085,000)
• Earmarked Reserves Rebudget: Salaries and Benefits Reserve		(5,000,000)
• Earmarked Reserves Rebudget: Sick Leave Payments Upon Retirement Reserve		(6,000,000)
• Earmarked Reserves Rebudget: Silicon Valley Regional Communications Systems Reserve		(3,000,000)

# General Fund Capital, Transfers, Reserves

## Budget Reconciliation

**(2016-2017 Adopted to 2017-2018 Proposed)**

	Positions	General Fund (\$)
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
• Earmarked Reserves Rebudget: Workers' Compensation/ General Liability Catastrophic Reserve		(15,000,000)
• Earmarked Reserves: 2017-2018 Airport Attraction Reserve		(425,000)
• Earmarked Reserves: 2017-2018 Future Deficit Reserve		(3,019,000)
• Earmarked Reserves: 2017-2018 School Crossing Guard Staffing Reserve		(100,000)
• Earmarked Reserves: Budget Stabilization Reserve		(6,300,000)
• Earmarked Reserves: Fire Station 37 Construction Reserve		(960,000)
• Earmarked Reserves: Grace Community Center Reserve		(150,000)
• Earmarked Reserves: Problem Gambling Reserve		(75,000)
• Earmarked Reserves: Silicon Valley Regional Communications System Reserve		(1,375,745)
<b>One-Time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(155,351,708)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>		
• Capital Contributions: Fire Apparatus Replacement		(350,000)
• Capital Contributions: Unanticipated/Emergency Maintenance		100,000
• Transfers to Other Funds: City Hall Debt Service Fund		787,127
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund		600,000
• Transfers to Other Funds: Community Facilities Revenue Fund (Hayes Mansion)		100,000
• Transfers to Other Funds: Downtown Property and Business Improvement District Fund		42,993
• Transfers to Other Funds: Municipal Golf Course Fund		600,000
• Transfers to Other Funds: Vehicle Maintenance and Operations Fund/General Fleet Vehicle Replacement		200,000
• Earmarked Reserves: Air Service Incentive Program Reserve		(500,000)
• Earmarked Reserves: Alternative Pension Reform Measure (Measure F) Implementation Reserve		3,000,000
• Earmarked Reserves: Artificial Turf Capital Replacement Reserve		310,000
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		2,328,000
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		800,000
• Earmarked Reserves: Employee Market Competitiveness Reserve		(750,000)
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		378,000
• Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve		55,000
• Earmarked Reserves: Salaries and Benefits Reserve adjustment		814,786
• Contingency Reserve		500,000
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>9,015,906</b>
<b>2017-2018 Forecast Base Budget:</b>	<b>0.00</b>	<b>86,138,050</b>

# General Fund Capital, Transfers, Reserves

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	General Fund (\$)
<b>Budget Proposals Recommended</b>		
<b>Capital Contributions</b>		
1. Capital Contributions: African American Community Center Storm Line and HVAC System Repairs and Replacements		350,000
2. Capital Contributions: Children's Discovery Museum Carpet Replacement		50,000
3. Capital Contributions: City Hall Audio/Visual Upgrade		375,000
4. Capital Contributions: City Hall Network Operations Center Switch Board Replacement		500,000
5. Capital Contributions: Downtown Ice Rink Improvements		100,000
6. Capital Contributions: Hammer Theatre Carpet Replacement		125,000
7. Capital Contributions: Hammer Theatre Exterior Stucco Repairs		100,000
8. Capital Contributions: Hammer Theatre HVAC Controls		250,000
9. Capital Contributions: History San José - Pacific Hotel Restrooms Remodel		250,000
10. Capital Contributions: Mexican Heritage Plaza HVAC Components Upgrades		400,000
11. Capital Contributions: Police Administration Building Chiller and Boiler Replacement		400,000
12. Capital Contributions: San José Municipal Stadium Light Pole Refurbishing and Repairing		50,000
13. Capital Contributions: San José Museum of Art HVAC Replacement		100,000
14. Capital Contributions: San José Museum of Art Restrooms Remodel		100,000
15. Capital Contributions: The Tech Museum Tile Wall Evaluation and Repair		100,000
<b>Capital Contributions Subtotal:</b>	<b>0.00</b>	<b>3,250,000</b>
<b>Transfers to Other Funds</b>		
1. Transfers to Other Funds: Communications Construction and Conveyance Tax Fund/SVRCS Dispatch Consoles		1,900,000
2. Transfers to Other Funds: Community Facilities Revenue Fund (Hayes Mansion)/Eliminate Subsidy		(3,500,000)
3. Transfers to Other Funds: Fire Construction and Conveyance Tax Fund/Fire Station 37		960,000
4. Transfers to Other Funds: Municipal Golf Course Fund/Reduce Subsidy		(2,050,000)
<b>Transfers to Other Funds Subtotal:</b>	<b>0.00</b>	<b>(2,690,000)</b>
<b>Earmarked Reserves</b>		
1. Earmarked Reserves: 2018-2019 Cinequest Film and Virtual Reality Festival Reserve		50,000

# General Fund Capital, Transfers, Reserves

## Budget Reconciliation

(2016-2017 Adopted to 2017-2018 Proposed)

	Positions	General Fund (\$)
<hr/> <b>Budget Proposals Recommended</b> <hr/>		
<b>Earmarked Reserves</b>		
2. Earmarked Reserves: 2018-2019 Future Deficit Reserve		15,000,000
3. Earmarked Reserves: Air Service Incentive Program Reserve		1,150,000
4. Earmarked Reserves: Building Development Fee Program Reserve		5,011,110
5. Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(6,397,000)
6. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)
7. Earmarked Reserves: Essential Services Reserve		2,000,000
8. Earmarked Reserves: Fire Development Fee Program Reserve		1,020,788
9. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(378,000)
10. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(55,000)
11. Earmarked Reserves: Planning Development Fee Program Reserve		823,112
12. Earmarked Reserves: Police Department Staffing/Operations Reserve Elimination		0
13. Earmarked Reserves: Project Hope Pilot Program Reserve		108,263
14. Earmarked Reserves: Public Works Development Fee Program Reserve		1,006,178
<b>Earmarked Reserves Subtotal:</b>	<b>0.00</b>	<b>18,539,451</b>
 <b>Total Budget Proposals Recommended</b>	 <b>0.00</b>	 <b>19,099,451</b>
 <b>2017-2018 Proposed Budget Total</b>	 <b>0.00</b>	 <b>105,237,501</b>

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

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2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
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### Capital Contributions

1. **Capital Contributions: African American Community Center Storm Line and HVAC System Repairs and Replacements** **350,000**

#### *Strategic Support CSA*

This project provides funding of \$350,000 for the excavation and installation of a new storm drain system and related pavement repairs, and the installation of a new HVAC system and electrical infrastructure at the African American Community Center which is operated by the African American Community Service Agency. The current storm drain system does not function properly and water backs up and fills the parking lot when it rains, preventing access to the parking lot and entrances to the facility. In addition, the building's meeting rooms, which are being used by senior citizens and other community members, currently do not have conditioned air systems. This facility is also required to be brought up to building code with a new HVAC system and related infrastructure. (Ongoing costs: \$0)

2. **Capital Contributions: Children's Discovery Museum Carpet Replacement** **50,000**

#### *Strategic Support CSA*

This project provides funding of \$50,000 for replacement of carpet located in the Administrative Office and public access areas at the Children's Discovery Museum. The carpet in these areas is heavily trafficked, and due to wear and tear, it has become a trip hazard. Replacing the carpet will improve safety and the aesthetics of the space. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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. **Capital Contributions: City Hall Audio/Visual Upgrade** **375,000**

#### *Strategic Support CSA*

This project provides the third of four phases of funding to upgrade the audio/visual system at City Hall in the Council Chambers, Committee Rooms, and Rotunda. This project includes upgrades to the digital video processors in the Council Chambers and the entire video distribution system in the Committee Rooms, and the audio distribution system in the Rotunda, Chamber, and Committee Rooms. 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)

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Capital Contributions</b>		
<b>4. Capital Contributions: City Hall Network Operations Center Switch Board Replacement</b>		<b>500,000</b>
<b>Strategic Support CSA</b>		
<p>This project provides funding of \$500,000 to complete the analysis, engineering, and final design to reconfigure the Network Operations Center (NOC) and the addition of a parallel uninterrupted power supply (UPS). The reconfiguration will include replacing the aging switchboard and replacing and reconfiguring the one circuit breaker. Any maintenance to the sole UPS system would take it offline, leaving the NOC reliant on Pacific Gas and Electric power only. Should there be a power loss during that time, the emergency generator would not restore power for a period of seven seconds, which would crash the servers. The sole switchboard serving the NOC is served by one breaker, which cannot be maintained without shutting down the entire NOC. As such, the breaker has never been maintained since City Hall opened in 2006. The completion of the final design will inform the project's total construction cost; preliminary estimates place the total cost in the range of \$3-\$5 million. (Ongoing costs: \$0)</p>		
<b>5. Capital Contributions: Downtown Ice Rink Improvements</b>		<b>100,000</b>
<b>Strategic Support CSA</b>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by the City Council, this project provides one-time funding of \$100,000 to address capital repairs and upgrades to the Downtown Ice Rink to keep the event viable and attractive. The Downtown Ice Rink at the Circle of Palms has operated over the last 13 years and continues to grow in popularity. These improvements are necessary for the efficient maintenance and operation of this attraction. This addition is supported by a transfer from the General Purpose Parking Fund. (Ongoing costs: \$0)</p>		
<b>6. Capital Contributions: Hammer Theatre Carpet Replacement</b>		<b>125,000</b>
<b>Strategic Support CSA</b>		
<p>This project provides funding of \$125,000 for replacement of carpet in the lobby and house orchestra areas of the Hammer Theatre Center. The carpet in the lobby and house orchestra has exceeded its useful life, with visible signs of wear and tear. Due to the condition of the carpet, it has become a trip hazard. Replacing the carpet will improve safety and will make the lobby and house orchestra more visually appealing. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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 Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Capital Contributions</b>		
<b>7. Capital Contributions: Hammer Theatre Exterior Stucco Repairs</b>		<b>100,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$100,000 for repair and upgrade of the exterior stucco on the highest level of the Hammer Theatre Center. The exterior stucco is failing and is causing additional damage to the building, including water damage. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>8. Capital Contributions: Hammer Theatre HVAC Controls</b>		<b>250,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$250,000 for replacement of the HVAC Building Management System (BMS) at the Hammer Theatre Center. The BMS is over 20 years old and is failing. Hardware/software components are obsolete, at the end of their lifecycle, and do not fully integrate with new HVAC technology or desired energy principles, which is causing high energy costs. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>9. Capital Contributions: History San José – Pacific Hotel Restrooms Remodel</b>		<b>250,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$250,000 for a remodel and improved lighting in the public access men's and women's restrooms at the Pacific Hotel, which is operated by History San José. The remodel of the restrooms will improve lighting efficiency, water efficiency, and safety. Lighting in the restrooms is old and inefficient and no water conservation measures exist. The installation of water-efficient toilets and smart faucets will improve water efficiency. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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 Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Capital Contributions</b>		
<b>10. Capital Contributions: Mexican Heritage Plaza HVAC Components Upgrades</b>		<b>400,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$400,000 for the replacement of the HVAC Building Management System (BMS) and related components at the Mexican Heritage Plaza. The BMS is over 20 years old and replacement parts are difficult to obtain. Existing BMS control is provided by a 20-year old java-based software/hardware with known internet security vulnerabilities. The hardware components are obsolete, at the end of their lifecycle, and do not fully integrate with contemporary HVAC technology. Replacing the BMS will improve energy efficiency for the building. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>11. Capital Contributions: Police Administration Building Chiller and Boiler Replacement</b>		<b>400,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$400,000 to replace one chiller and one boiler at the Police Administration Building that have reached their life expectancy. Replacement parts for the current chiller and boiler have become obsolete, leaving the equipment at risk of failure. Replacing the equipment will provide stable cooling and heating in multiple levels of the buildings. (Ongoing costs: \$0)</p>		
<b>12. Capital Contributions: San José Municipal Stadium Light Pole Refurbishing and Repairing</b>		<b>50,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$50,000 to refurbish and repaint all field light poles at the San José Municipal Stadium. These light poles are showing signs of rust and deterioration. The light poles need to be professionally prepped and painted to provide protection from water, and to extend their lifecycle expectancy. The light poles house 8 to 12 lights per pole and are used for night baseball games. (Ongoing costs: \$0)</p>		

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Capital Contributions</b>		
<b>13. Capital Contributions: San José Museum of Art HVAC Replacement</b>		<b>100,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$100,000 to replace the HVAC Building Management System (BMS) at the San José Museum of Art. The current BMS is over 25 years old and hardware/software components are obsolete, at the end of their lifecycle, and do not fully integrate with new HVAC technology or desired energy principles. Replacement of the BMS will improve energy efficiency for the building. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>14. Capital Contributions: San José Museum of Art Restrooms Remodel</b>		<b>100,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$100,000 to remodel and improve lighting, replace carpet and window blinds in the public access restrooms at the San José Museum of Art. The lighting system has reached the end of its engineered lifecycle. Replacement parts are expensive and difficult to obtain. The carpet has exceeded its useful life, and due to this condition, it has become a trip hazard. Replacement of the window blinds will improve the aesthetics of the space. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>15. Capital Contributions: The Tech Museum Tile Wall Evaluation and Repair</b>		<b>100,000</b>
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$100,000 to evaluate and repair the tile wall at the Tech Museum. Repairing the tile wall will improve safety at this facility as tiles are falling off a large wall area from high levels of the building. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>Subtotal Capital Contributions:</b>	<b>0.00</b>	<b>3,250,000</b>

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

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2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
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### Transfers to Other Funds

- |  |  |           |
|--|--|-----------|
| 1. Transfers to Other Funds: Communications Construction and Conveyance Tax Fund/SVRCS Dispatch Consoles |  | 1,900,000 |
|--|--|-----------|

#### *Strategic Support CSA*

This action establishes a transfer to the Communications Construction and Conveyance (C&C) Tax Fund in the amount of \$1,900,000 to purchase Silicon Valley Regional Communications (SVRCS) dispatch consoles for use in the Police and Fire Communications Center that serves as the primary Public Safety Answering Point (PSAP) and the South San José Police Substation that serves as the secondary PSAP. The multi-year SVRCS project allows for emergency communications interoperability with 16 separate jurisdictions. This transfer is part of a \$4.0 million strategy in the 2017-2018 Proposed Operating and Capital Budgets to fully fund the consoles.

A total of 34 dispatch consoles is needed in the Police and Fire Communications Center (of this amount, two consoles have already been purchased) to go live on the SVRCS by December 2018. To meet this need, \$3.0 million is allocated to purchase 32 consoles and includes the following funding sources in the Proposed Operating and Capital Budgets: \$900,000 transfer from the General Fund to the Communications C&C Tax Fund, \$738,000 from the Supplemental Law Enforcement Services Fund, \$570,000 from a Urban Areas Security Initiative (UASI) Grant – Police 2016 rebudget in the General Fund; \$379,000 from the C&C Tax Fund, \$271,000 from the State Drug Forfeiture Fund, \$92,000 from the Gift Trust Fund, and \$50,000 from the Edward Byrne Memorial Justice Assistance Grant Trust Fund. In addition, a \$1.0 million transfer from the General Fund to the Communications C&C Tax Fund is required to purchase 14 consoles at the South San José Police Substation. (Ongoing costs: \$0)

- |  |  |             |
|--|--|-------------|
| 2. Transfers to Other Funds: Community Facilities Revenue Fund (Hayes Mansion)/Eliminate Subsidy |  | (3,500,000) |
|--|--|-------------|

#### *Strategic Support CSA*

This action eliminates the transfer from the General Fund to the Community Facilities Revenue Fund that supports the Hayes Mansion. This is in anticipation of the sale of the Hayes Mansion property expected in June 2017. The proceeds from this sale will be used to pay off debt service obligations related to the Hayes Mansion as well as debt obligations associated with the Los Lagos Golf Course and Rancho del Pueblo Golf Course. Because the Hayes Mansion does not generate enough revenue to offset its expenditures, an annual subsidy from the General Fund has been historically required to assist with the debt obligations. (Ongoing savings: \$3,600,000)

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Transfers to Other Funds</b>		
3. Transfers to Other Funds: Fire Construction and Conveyance Tax Fund/Fire Station 37		960,000
<i>Public Safety CSA</i>		
This action rebudgets and liquidates the Fire Station 37 Construction Reserve of \$960,000 in the General Fund and transfers these funds to the Fire Station 37 Reserve in the Fire Capital Construction and Conveyance (C&C) Tax Fund. All of the funding for Fire Station 37 will now be consolidated in the Fire C&C Tax Fund. (Ongoing costs: \$0)		
4. Transfers to Other Funds: Municipal Golf Course Fund/Reduce Subsidy		(2,050,000)
<i>Neighborhood Services CSA</i>		
This action decreases the transfer to the Municipal Golf Course Fund in support of the operation of the Rancho del Pueblo and Los Lagos Golf Courses (from \$2.8 million to \$750,000). This is in anticipation of the sale of the Hayes Mansion property expected in June 2017. The proceeds from this sale will be used to pay off debt service obligations related to the Hayes Mansion as well as debt obligations associated with the Los Lagos Golf Course and Rancho del Pueblo Golf Course that are budgeted in the Municipal Golf Course Fund. Because these golf courses do not generate enough revenue to offset their expenditures, an annual subsidy from the General Fund has been historically required to pay debt obligations. The remaining transfer from the General Fund will help support the maintenance and operations of Rancho del Pueblo and Los Lagos Golf Courses. Revenues at these golf courses are not sufficient to completely cover those costs. (Ongoing savings: \$2,025,000)		
<b>Subtotal Transfers to Other Funds:</b>	<b>0.00</b>	<b>(2,690,000)</b>

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Earmarked Reserves</b>		
<b>1. Earmarked Reserves: 2018-2019 Cinequest Film and Virtual Reality Festival Reserve</b>		<b>50,000</b>
<b><i>Community and Economic Development CSA</i></b>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by the City Council, this action establishes a 2018-2019 Cinequest Film and Virtual Reality Festival (CQFF) Reserve in the amount of \$50,000. An additional \$50,000 is budgeted in the City-Wide Expenses category for use in 2017-2018. These funds will support the CQFF, an annual independent film festival that attracts over 100,000 film enthusiasts and artists into Downtown San José. The festival is produced by Cinequest, a non-profit organization that combines cinematic arts with Silicon Valley's innovation. With the closure of Camera 12 Cinemas, this funding ensures that Cinequest can continue to host CQFF in Downtown San José in 2018-2019. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2016-2017 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>		
<b>2. Earmarked Reserves: 2018-2019 Future Deficit Reserve</b>		<b>15,000,000</b>
<b><i>Strategic Support CSA</i></b>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by the City Council, this action sets aside \$15.0 million in a 2018-2019 Future Deficit Reserve to address a portion of the 2018-2019 General Fund shortfall of \$34.8 million projected in the 2018-2022 General Fund Forecast that was issued in February 2017. (Ongoing costs: \$0)</p>		
<b>3. Earmarked Reserves: Air Service Incentive Program Reserve</b>		<b>1,150,000</b>
<b><i>Transportation and Aviation Services CSA</i></b>		
<p>This action establishes an Air Service Incentive Program Reserve in the amount of \$1,150,000. The Municipally-Funded Air Service Incentive Program, a provision in the Airline-Airport Lease and Operating Agreement that was approved by City Council in March 2007, requires that, should the percentage growth in annual enplanements at the Airport exceed the growth in annual enplanements nationwide, the City shall reduce the amount of its indirect overhead expenses by a corresponding percentage in the following year. Since 2012-2013, when the Airport first exceeded the nationwide growth, the City allocated approximately \$2.3 million from the General Fund for this provision, that total will grow to an estimated \$3.5 million with this allocation. With the expiration of the current lease agreement, this will be the last year the General Fund will have an obligation for this program. (Ongoing costs: \$0)</p>		

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

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2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
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### Earmarked Reserves

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|--|--|------------------|
| <b>4. Earmarked Reserves: Building Development Fee Program Reserve</b> |  | <b>5,011,110</b> |
|--|--|------------------|

#### *Community and Economic Development CSA*

This action increases the Building Development Fee Program Reserve by \$5.0 million as a result of the recommended actions contained in this Proposed Operating Budget, primarily fee adjustments and a cost reconciliation. The proposed actions begin implementation of the recommendations in the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Report* presented to the City Council on December 12, 2016. Please refer to the 2017-2018 Proposed Fees and Charges document for additional information on the proposed fee adjustments and the Planning, Building and Code Enforcement Department section of City Departments in this document for information on program changes. It is important to note that while the recommended budget actions result in an increase of \$5.0 million to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$9.2 million of this reserve, resulting in a Base Budget decrease from \$16.6 million to \$7.4 million. Once the remaining reserve is rebudgeted later in the budget process, the reserve will total \$12.4 million in 2017-2018. (Ongoing costs: \$0)

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|---|--|--------------------|
| <b>5. Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve</b> |  | <b>(6,397,000)</b> |
|---|--|--------------------|

#### *Strategic Support CSA*

This action reduces the 2017-2018 Cultural Facilities Capital Maintenance Reserve of \$6,847,000 established in the 2018-2022 General Fund Forecast by \$6,397,000 to reflect the following:

- Eliminates the portion of the Cultural Facilities Capital Maintenance Reserve that was supported by the growth in Transient Occupancy Tax (TOT) in 2017-2018 (\$6,847,000). In accordance with City Council direction, the General Fund portion of the TOT revenue above the 2013-2014 base year is set aside for cultural and arts facilities capital maintenance. This action does not reduce the existing reserve of \$5.9 million that is expected to increase by the end of 2016-2017 based on current year TOT receipts. This existing funding is projected to address capital maintenance needs at the cultural facilities over the next three years; and
- Adds \$450,000 to address cultural facility maintenance needs on an ongoing basis. This funding in combination with the existing Reserve balance, will support capital maintenance needs over the next four years. Beyond that period, the ongoing funding need for capital maintenance would need to be re-evaluated.

(Ongoing savings: \$7,596,000)

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Earmarked Reserves</b>		
<b>6. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination</b>		<b>(800,000)</b>
<i>Strategic Support CSA</i>		
This action liquidates the Deferred Maintenance/Technology Reserve set aside as part of the 2018-2022 General Fund Forecast to be allocated to deferred maintenance and technology projects recommended as part of the 2017-2018 Proposed Budget. (Ongoing savings: \$0)		
<b>7. Earmarked Reserves: Essential Services Reserve</b>		<b>2,000,000</b>
<i>Strategic Support CSA</i>		
As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by the City Council, this action sets aside \$2.0 million in an Essential Services Reserve to be used for supporting services that are of essential importance to the City's residents. Services deemed essential by the City Council, as well as Participatory Budgeting Pilot Programs, may be funded with the use of these one-time funds. (Ongoing costs: \$0)		
<b>8. Earmarked Reserves: Fire Development Fee Program Reserve</b>		<b>1,020,788</b>
<i>Community and Economic Development CSA</i>		
This action increases the Fire Development Fee Program Reserve by \$1.0 million as a result of the recommended actions contained in this Proposed Operating Budget, primarily fee adjustments. The proposed actions begin implementation of the recommendations in the <i>City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Report</i> presented to the City Council on December 12, 2016. Please refer to the 2017-2018 Proposed Fees and Charges document for additional information on the proposed fee adjustments and the Fire Department section of City Departments in this document for information on program changes. It is important to note that while the recommended budget actions result in an increase of \$1.0 million to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$1.1 million of this reserve, resulting in a Base Budget decrease from \$ 5.9 million to \$ 4.8 million. Once the remaining reserve is rebudgeted later in the budget process, the reserve will total \$5.8 million in 2017-2018. (Ongoing costs: \$0)		

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

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2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
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### Earmarked Reserves

9. **Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination** (378,000)

#### *Neighborhood Services CSA*

This action liquidates the Earmarked Reserve that was established in the 2018-2022 General Fund Forecast for projected operations and maintenance expenses of \$378,000 related to new parks and recreation facilities that are scheduled to become operational in 2017-2018. Due to a revised construction schedule for the Arcadia Softball Complex, a portion (\$121,000) of the funding earmarked for the Arcadia Softball Complex can be eliminated on a one-time basis in 2017-2018. The Arcadia Softball Complex, which was scheduled to open in the spring of 2018 will be delayed by six to nine months and will therefore no longer require operating and maintenance funding in 2017-2018. The Complex is now targeted to come on-line in March 2019. The projects that are moving forward as planned, include the following: Agnews Property Development (Storm Pump), Alum Rock Avenue and 31<sup>st</sup> Street Park Phase I, Elaine Richardson Park, Happy Hollow Park and Zoo (animals), Pueblo De Dios, TRAIL: Blossom River Ramp (Guadalupe River Trail), TRAIL: Lower Silver Creek (Alum Rock Avenue to Highway 680); TRAIL: Five Wounds (William Avenue to Whitton Road), and Vista Montana Park. These funds are allocated for operations and maintenance expenses in the Parks, Recreation and Neighborhood Services Department section of this document. (Ongoing savings: \$287,000)

10. **Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination** (55,000)

#### *Transportation and Aviation Services CSA*

This action liquidates the Earmarked Reserve that was established in the 2018-2022 General Fund Forecast for projected operations and maintenance expenses of \$55,000 related to new traffic infrastructure assets (traffic signals, landscaping, street lighting, pavement markings and other traffic infrastructure) that are scheduled to become operational in 2017-2018 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: \$59,000)



# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

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2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
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### Earmarked Reserves

<b>11. Earmarked Reserves: Planning Development Fee Program Reserve</b>		<b>823,112</b>
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#### *Community and Economic Development CSA*

This action increases the Planning Development Fee Program Reserve by \$823,000 as a result of the recommended actions contained in this Proposed Operating Budget, primarily fee adjustments and a cost reconciliation. The proposed actions begin implementation of the recommendations in the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Report* presented to the City Council on December 12, 2016. Please refer to the 2017-2018 Proposed Fees and Charges document for additional information on the proposed fee adjustments and the Planning, Building and Code Enforcement Department section of City Departments in this document for information on program changes. It is important to note that while the recommended budget actions result in an increase of \$823,000 to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$1.7 million of this reserve, resulting in a Base Budget decrease from \$2.3 million to \$575,000. Once the remaining reserve is rebudgeted later in the budget process, the reserve will total \$1.4 million in 2017-2018. (Ongoing costs: \$0)

<b>12. Earmarked Reserves: Police Department Staffing/Operations Reserve Elimination</b>		<b>0</b>
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#### *Public Safety CSA*

As directed in the Mayor's March Budget Message for Fiscal Year 2017-2018, as approved by the City Council, this action eliminates the Police Department Staffing/Operations Reserve of \$2.0 million beginning in 2018-2019 (growing to \$8.1 million by 2021-2022) in the 2018-2022 General Fund Forecast, which was established through prior City Council direction by dedicating retirement savings from sworn Police Tier 1 positions as they transition to Tier 2 positions. In light of the aggressive hiring program in the Police Department, to which the City has committed a substantial share of General Fund dollars, this reserve is outdated. (Ongoing savings: \$2,000,000)

# General Fund Capital, Transfers, Reserves

## Budget Changes By Expense Type

2017-2018 Proposed Budget Changes	Positions	General Fund (\$)
<b>Earmarked Reserves</b>		
<b>13. Earmarked Reserves: Project Hope Pilot Program Reserve</b>		<b>108,263</b>
<i>Neighborhood Services CSA</i>		
<p>This action sets aside funding in an Earmarked Reserve for the Project Hope Program that is set to expire on December 31, 2017. As part of the 2016-2017 Adopted Budget, a Project Hope Pilot Program was established for an 18-month period (through December 31, 2017) with the addition of a 1.0 Community Activity Worker position and 1.0 Community Coordinator positions. This funding would allow for the continuation of the program for the remaining six months of the year (January 1, 2018 – June 30, 2018) in the event of a successful pilot program. The Project Hope Pilot Program is analogous to "Project Crackdown" of the 1990s in the gang-impacted Cadillac neighborhood. Project Hope is a comprehensive program that uses principles of community partnership, community development, neighborhood empowerment, and coordination of a broad range of City services to address the problems of gangs, drugs and neighborhood blight; and works to strengthen neighborhoods, teach residents how to interact and receive City services, and coordinates City services to address ongoing neighborhood/community issues. As previously directed by the City Council, an evaluation of the pilot program will be brought forward to the Public Safety, Finance, and Strategic Support Committee in December 2017. (Ongoing costs: \$0)</p>		
<b>14. Earmarked Reserves: Public Works Development Fee Program Reserve</b>		<b>1,006,178</b>
<i>Community and Economic Development CSA</i>		
<p>This action increases the Public Works Development Fee Program Reserve by \$1.0 million as a result of the recommended actions contained in this Proposed Operating Budget, primarily fee adjustments. The proposed actions begin implementation of the recommendations in the <i>City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Report</i> presented to the City Council on December 12, 2016. Please refer to the 2017-2018 Proposed Fees and Charges document for additional information on the proposed fee adjustments and the Public Works Department section of City Departments in this document for information on program changes. It is important to note that while the recommended budget actions result in an increase of \$1.0 million to the reserve, the 2017-2018 base level of revenues and expenditures necessitated the use of approximately \$2.2 million of this reserve, resulting in a Base Budget decrease from \$5.1 million to \$2.9 million. Once the remaining reserve is rebudgeted later in the budget process, the reserve will total \$3.9 million in 2017-2018. (Ongoing costs: \$0)</p>		
<b>Subtotal Earmarked Reserves:</b>	<b>0.00</b>	<b>18,539,451</b>
<b>2017-2018 Proposed Budget Changes Total</b>	<b>0.00</b>	<b>19,099,451</b>

# General Fund Capital, Transfers, Reserves

## Expense Type: Capital Contributions

### Detail of Costs Description

Capital Contributions	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Neighborhood Services CSA</b>				
<b>Parks &amp; Community Facilities Dev. Capital Program</b>				
Alviso Park Improvements	\$ 13,204	\$ 100,000	\$ 0	\$ 0
Alviso Park Master Plan	36,276	0	0	0
Kelley House Demolition	187,392	70,000	0	0
Shirakawa Community Center Tenant Improvements	0	71,000	0	0
TRAIL: San Tomas Aquino Pedestrian Improvements	100,000	0	0	0
Vietnamese-American Community Center Planning and Fundraising	0	230,000	0	0
<b>Total Parks &amp; Community Fac. Dev. Capital Pgm.</b>	<b>\$ 336,872</b>	<b>\$ 471,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Neighborhood Services CSA</b>	<b>\$ 336,872</b>	<b>\$ 471,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Public Safety CSA</b>				
<b>Public Safety Capital Program</b>				
Emergency Vehicle Preemption Service	\$ 0	\$ 1,200,000	\$ 0	\$ 0
Fire Apparatus Replacement	1,155,320	17,897,000	3,400,000	3,400,000
Fire Facilities Remediation	436,563	0	0	0
Portable Emergency Mass Warning System	0	127,000	0	0
South San José Police Substation	136,206	221,000	0	0
<b>Total Public Safety Capital Program</b>	<b>\$ 1,728,089</b>	<b>\$ 19,445,000</b>	<b>\$ 3,400,000</b>	<b>\$ 3,400,000</b>
<b>Total Public Safety CSA</b>	<b>\$ 1,728,089</b>	<b>\$ 19,445,000</b>	<b>\$ 3,400,000</b>	<b>\$ 3,400,000</b>
<b>Transportation &amp; Aviation Services CSA</b>				
<b>Traffic Capital Program</b>				
Bicycle and Pedestrian Facilities	\$ 0	\$ 10,000	\$ 0	\$ 0
East San José Underpass Lighting	0	10,000	0	0
LED Streetlight Conversion	0	59,000	0	0
LED Streetlights - Chynoweth Avenue	0	28,000	0	0
LED Streetlights - Sebastian Borello Drive	0	160,000	0	0
Pavement Maintenance Program	6,026	25,700,000	0	0
Traffic Safety Data Collection	0	3,000	0	0
<b>Total Traffic Capital Program</b>	<b>\$ 6,026</b>	<b>\$ 25,970,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Transportation &amp; Aviation Services CSA</b>	<b>\$ 6,026</b>	<b>\$ 25,970,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Strategic Support CSA</b>				
<b>Municipal Improvements Capital Program</b>				
African American Community Center Storm Line and HVAC System Repairs and Replacements	\$ 0	\$ 0	\$ 0	\$ 350,000
Airport West Property Caltrain Connection	5,973,000	0	0	0
Animal Care and Services Fire Alarm and Security Upgrade	52,327	100,000	0	0
Animal Care and Services - Various Improvements	0	340,000	0	0
Animal Care and Services Waterproofing	207,096	460,000	0	0

# General Fund Capital, Transfers, Reserves

## Expense Type: Capital Contributions

### Detail of Costs Description

Capital Contributions	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Strategic Support CSA</b>				
<b>Municipal Improvements Capital Program</b>				
Arc Flash Hazard Analysis	\$ 123,573	\$ 510,000	\$ 0	\$ 0
Arena Repairs	297,594	200,000	100,000	100,000
Children's Discovery Museum Carpet Replacement	0	0	0	50,000
Children's Discovery Museum Chiller Replacements	654,688	0	0	0
Children's Discovery Museum Fencing	126,350	0	0	0
Children's Discovery Museum Portico Reroof	152,833	0	0	0
Children's Discovery Museum Skylight Replacement	0	20,000	0	0
City Hall 18th Floor Improvements	0	25,000	0	0
City Hall and Employee Garage Security Upgrades	0	325,000	0	0
City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance	125,095	280,000	200,000	200,000
City Hall Audio/Visual Upgrade	322,337	575,000	0	375,000
City Hall Chiller Media Replacement	108,282	100,000	0	0
City Hall HVAC Control System Replacement	0	5,000,000	0	0
City Hall Network Operations Center Switch Board Replacement	0	0	0	500,000
City Hall Rotunda Lighting	0	350,000	0	0
City Hall Security Improvements	50,000	0	0	0
City Hall Waterproofing	188,829	1,200,000	0	0
City-Wide Building Assessment	6,842	700,000	0	0
Closed Landfill Compliance	241,203	350,000	350,000	350,000
Downtown Ice Rink Improvements	0	100,000	0	100,000
Family-Friendly City Facilities	0	110,000	0	0
Fuel Tank Monitoring	26,203	50,000	50,000	50,000
Hammer Theatre Carpet Replacement	0	0	0	125,000
Hammer Theatre Center Capital Improvements	317,464	400,000	0	0
Hammer Theatre Exterior Stucco Repairs	0	0	0	100,000
Hammer Theatre HVAC Controls	0	0	0	250,000
Hammer Theatre Miscellaneous HVAC and Electrical Upgrades	0	200,000	0	0
History Park Safety and Security	151,165	90,000	0	0
History San José - Fallon House Elevator and Ramp Replacement	0	100,000	0	0
History San José - Minor Renovations	18,800	0	0	0
History San José - Pacific Hotel - Fire and Intrusion Alarm	0	250,000	0	0
History San José - Pacific Hotel Restrooms Remodel	0	0	0	250,000
Mexican Heritage Plaza Building Management System Upgrade	0	300,000	0	0
Mexican Heritage Plaza HVAC Components Upgrades	0	0	0	400,000
Mexican Heritage Plaza Roof Repairs	0	25,000	0	0
Municipal Garage LED Lighting Upgrade	0	85,000	0	0
Permit Center Breakroom and Restrooms	97,609	470,000	0	0
Plaza de Cesar Chavez Stage Canopy	52,674	0	0	0

# General Fund Capital, Transfers, Reserves

## Expense Type: Capital Contributions

### Detail of Costs Description

Capital Contributions	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Strategic Support CSA</b>				
<b>Municipal Improvements Capital Program</b>				
Police Administration Building Fencing - Employee Parking Lot Perimeter Fencing	\$ 85,845	\$ 200,000	\$ 0	\$ 0
Police Administration Building Chiller and Boiler Replacement	0	0	0	400,000
Police Administration Building Generator Replacement	35,288	0	0	0
Police Administration Building HVAC Controls Replacement	0	0	0	0
Police Administration Building Roof Replacement	17,643	350,000	0	0
Police Administration Building Security Upgrades	94,002	0	0	0
Police Administration Building/Police Communications Center Chiller Replacements	532,526	300,000	0	0
Police Communications Center Electrical System Upgrade	53,373	1,000,000	0	0
Police Communications Center Elevator Retrofit	0	595,000	0	0
Police Communications Center Redundant Power Circuitry System Design	7,248	0	0	0
Police Communications Center Parking Deck and Ramp Restoration	(1,097)	42,000	0	0
Police Communications Emergency Uninterrupted Power Supply	161,758	3,390,000	0	0
Police Communications Fire Protection System Upgrade	169,354	2,400,000	0	0
Police Department Operation Center	239,378	0	0	0
Police Fleet Management System	0	400,000	0	0
San José Municipal Stadium Improvements	0	270,000	0	0
San José Municipal Stadium Light Pole Refurbishing and Repairing	0	0	0	50,000
San José Museum of Art HVAC Replacement	0	0	0	100,000
San José Museum of Art - Minor Renovations	112	50,000	0	0
San José Museum of Art Restrooms Remodel	0	0	0	100,000
San José Museum of Art Roof Replacement	0	150,000	0	0
San José Stage Company	0	1,000,000	0	0
Silicon Valley Regional Communications System Infrastructure Payment	0	0	0	0
Super Bowl 50 - San José Museum of Art Sign Replacement	10,409	140,000	0	0
Super Bowl 50 - Silicon Valley Regional Communications System Radios (Police)	2,500,000	0	0	0
The Tech Museum Controls Module Improvements	0	250,000	0	0
The Tech Museum Cooling Tower Replacement - Design	0	25,000	0	0
The Tech Museum - Minor Renovations	0	55,000	0	0
The Tech Museum Terrazzo Floor Replacement	175	150,000	0	0
The Tech Museum Tile Wall Evaluation and Repair	0	0	0	100,000
Unanticipated/Emergency Maintenance	853,581	850,000	900,000	900,000
United States Patent and Trademark Office - City Staff Relocation	2,864,820	0	0	0

# General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

## Detail of Costs Description

<b>Capital Contributions</b>	<b>Actual 2015-2016 1</b>	<b>Adopted 2016-2017 2</b>	<b>Forecast 2017-2018 3</b>	<b>Proposed 2017-2018 4</b>
<b>Strategic Support CSA</b>				
<b>Municipal Improvements Capital Program</b>				
United States Patent and Trademark Office - Tenant Improvements Project	\$ 6,875,731	\$ 0	\$ 0	\$ 0
<b>Total Municipal Improvements Capital Program</b>	<b>\$ 23,794,110</b>	<b>\$ 24,332,000</b>	<b>\$ 1,600,000</b>	<b>\$ 4,850,000</b>
<b>Total Strategic Support CSA</b>	<b>\$ 23,794,110</b>	<b>\$ 24,332,000</b>	<b>\$ 1,600,000</b>	<b>\$ 4,850,000</b>
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>\$ 25,865,097</b>	<b>\$ 70,218,000</b>	<b>\$ 5,000,000</b>	<b>\$ 8,250,000</b>

# General Fund Capital, Transfers, Reserves

## Expense Type: Transfers to Other Funds

### Detail of Costs Description

Transfers to Other Funds	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4
<b>Community &amp; Economic Development CSA</b>				
Arena Reserve Fund	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Business Improvement District Fund	10,000	10,000	10,000	10,000
<b>Total Community &amp; Economic Develop. CSA</b>	<b>\$ 760,000</b>	<b>\$ 760,000</b>	<b>\$ 760,000</b>	<b>\$ 760,000</b>
<b>Environmental &amp; Utility Services</b>				
Water Utility Fund	\$ 21,604	\$ 0	\$ 0	\$ 0
Former RDA SERAF Loan Repayment				
<b>Total Environmental &amp; Utility Services CSA</b>	<b>\$ 21,604</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Neighborhood Services CSA</b>				
Municipal Golf Course Fund	\$ 2,600,000	\$ 2,200,000	\$ 2,800,000	\$ 750,000
Parks C&C Tax Fund - Council District 7	19,103	0	0	0
Parks C&C Tax Fund - Council District 10	30,000	0	0	0
<b>Total Neighborhood Services CSA</b>	<b>\$ 2,649,103</b>	<b>\$ 2,200,000</b>	<b>\$ 2,800,000</b>	<b>\$ 750,000</b>
<b>Public Safety CSA</b>				
Fire Construction and Conveyance Tax Fund	\$ 0	\$ 0	\$ 0	\$ 960,000
<b>Total Public Safety CSA</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 960,000</b>
<b>Transportation &amp; Aviation Services CSA</b>				
Construction Excise Tax Fund	\$ 0	\$ 750,000	\$ 0	\$ 0
Downtown Property and Bus Impvt District Fund	709,769	727,007	770,000	770,000
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
<b>Total Transportation &amp; Aviation Services CSA</b>	<b>\$ 832,875</b>	<b>\$ 1,600,113</b>	<b>\$ 893,106</b>	<b>\$ 893,106</b>
<b>Strategic Support CSA</b>				
City Hall Debt Service Fund	\$ 18,186,173	\$ 19,051,597	\$ 19,838,724	\$ 19,838,724
Communications Construction and Conveyance Tax Fund	0	0	600,000	2,500,000
Community Facilities Revenue Fund (Hayes Mansion)	3,700,000	3,400,000	3,500,000	0
Vehicle Maintenance and Operations Fund/General Fleet Vehicle Replacement	1,000,000	1,000,000	1,200,000	1,200,000
<b>Total Strategic Support CSA</b>	<b>\$ 22,886,173</b>	<b>\$ 23,451,597</b>	<b>\$ 25,138,724</b>	<b>\$ 23,538,724</b>
<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	<b>\$ 27,149,755</b>	<b>\$ 28,011,710</b>	<b>\$ 29,591,830</b>	<b>\$ 26,901,830</b>

# General Fund Capital, Transfers, Reserves

## Expense Type: Earmarked Reserves

### Detail of Costs Description

Earmarked Reserves	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4	Type of Reserve*
<b>Community &amp; Economic Development CSA</b>					
2017-2018 Airport Attraction Reserve		\$ 425,000	\$ 0	\$ 0	C
2018-2019 Cinequest Film and Virtual Reality Festival Reserve		0	0	50,000	C
Building Development Fee Program Reserve		15,419,557	0	5,011,110	B
Development Fee Program Technology Reserve		295,000	0	0	B
Fire Development Fee Program Reserve		5,166,481	0	1,020,788	B
General Plan Update Reserve		751,832	240,000	240,000	B
Planning Development Fee Program Reserve		1,884,425	0	823,112	B
Public Works Development Fee Program Reserve		3,720,668	0	1,006,178	B
<b>Total Community &amp; Economic Develop. CSA</b>	<b>N/A</b>	<b>\$ 27,662,963</b>	<b>\$ 240,000</b>	<b>\$ 8,151,188</b>	
<b>Neighborhood Services CSA</b>					
Artificial Turf Capital Replacement Reserve		\$ 615,000	\$ 535,000	\$ 535,000	C
Grace Community Center Reserve		150,000	0	0	C
New Parks and Recreation Facilities Maintenance and Operations Reserve		0	378,000	0	C
Problem Gambling Reserve		75,000	0	0	C
Project Hope Pilot Program Reserve		0	0	108,263	C
<b>Total Neighborhood Services CSA</b>	<b>N/A</b>	<b>\$ 840,000</b>	<b>\$ 913,000</b>	<b>\$ 643,263</b>	
<b>Public Safety CSA</b>					
2017-2018 School Crossing Guard Staffing Reserve		\$ 100,000	\$ 0	\$ 0	C
Fire Station 37 Construction Reserve		960,000	0	0	C
Police Department Staffing/Operations Reserve		1,550,000	0	0	C
Police Property Facility Relocation Reserve		500,000	0	0	C
Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve		1,085,000	0	0	C
<b>Total Public Safety CSA</b>	<b>N/A</b>	<b>\$ 4,195,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>Transportation &amp; Aviation Services CSA</b>					
Air Service Incentive Program Reserve		\$ 500,000	\$ 0	\$ 1,150,000	C
New Traffic Infrastructure Assets Maintenance and Operations Reserve		0	55,000	0	C
<b>Total Transportation &amp; Aviation Services CSA</b>	<b>N/A</b>	<b>\$ 500,000</b>	<b>\$ 55,000</b>	<b>\$ 1,150,000</b>	
<b>Strategic Support CSA</b>					
2017-2018 Future Deficit Reserve		\$ 3,019,000	\$ 0	\$ 0	A
2018-2019 Future Deficit Reserve		0	0	15,000,000	A
Alternative Pension Reform Measure (Measure F) Implementation Reserve		0	3,000,000	3,000,000	C
Budget Stabilization Reserve		16,300,000	0	0	A
Cultural Facilities Capital Maintenance Reserve		5,819,000	6,847,000	450,000	C
Deferred Infrastructure and Maintenance Reserve		0	800,000	0	C
Employee Market Competitiveness Reserve		750,000	0	0	C
Essential Services Reserve		0	0	2,000,000	C
Fiscal Reform Plan Implementation Reserve		336,000	0	0	C



# General Fund Capital, Transfers, Reserves

## Expense Type: Earmarked Reserves

### Detail of Costs Description

Earmarked Reserves	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4	Type of Reserve*
<b>Strategic Support CSA</b>					
Retiree Healthcare Solutions Reserve		6,070,000	0	0	C
Salaries and Benefits Reserve		7,876,434	3,691,220	3,691,220	A, C
Sick Leave Payments Upon Retirement Reserve		\$ 6,000,000	\$ 0	\$ 0	C
Silicon Valley Regional Communications System Reserve		4,375,745	0	0	C
Workers' Compensation/General Liability Catastrophic Reserve		15,000,000	0	0	A
<b>Total Strategic Support CSA</b>	<b>N/A</b>	<b>\$ 65,546,179</b>	<b>\$ 14,338,220</b>	<b>\$ 24,141,220</b>	
<b>TOTAL EARMARKED RESERVES</b>	<b>N/A</b>	<b>\$ 98,744,142</b>	<b>\$ 15,546,220</b>	<b>\$ 34,085,671</b>	

\*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).

# General Fund Capital, Transfers, Reserves

Expense Type: Contingency Reserve

## Detail of Costs Description

Contingency Reserve	2015-2016 Actual 1	2016-2017 Adopted 2	2017-2018 Forecast 3	2017-2018 Proposed 4	Type of Reserve*
<hr/>					
<b>Strategic Support CSA</b>					
Contingency Reserve		\$ 35,500,000	\$ 36,000,000	\$ 36,000,000	A
<b>Total Strategic Support CSA</b>	<b>N/A</b>	<b>\$ 35,500,000</b>	<b>\$ 36,000,000</b>	<b>\$ 36,000,000</b>	
<hr/>					
<b>TOTAL CONTINGENCY RESERVE</b>	<b>N/A</b>	<b>\$ 35,500,000</b>	<b>\$ 36,000,000</b>	<b>\$ 36,000,000</b>	


\*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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**2017-2018**

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**OPERATING BUDGET**

**SOURCE AND USE OF FUNDS  
STATEMENTS**

**SOURCE AND  
USE OF FUNDS  
STATEMENTS**

# AIRPORT CUSTOMER FACILITY AND TRANSPORTATION FEE FUND (519)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning 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	7,079,327	7,362,290	7,362,290	5,838,038
Rate Stabilization Reserve	937,193	937,193	937,193	937,193	937,193
Reserve for Encumbrances	70,577	70,577	53,180	53,180	53,180
Total Beginning Fund Balance	10,241,907	12,512,259	12,777,825	12,777,825	11,334,883
Revenue from Use of Money/Property					
Interest	60,370	30,000	30,000	80,000	54,000
Total Revenue from Use of Money/Property	60,370	30,000	30,000	80,000	54,000
Fees, Rates, and Charges					
Customer Transport Fee	19,887,878	20,386,000	20,386,000	18,847,000	18,497,000
Rental Car Agencies	2,524,361	2,556,261	112,207	112,207	2,613,814
Total Fees, Rates, and Charges	22,412,239	22,942,261	20,498,207	18,959,207	21,110,814
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,714,516</b>	<b>35,484,520</b>	<b>33,306,032</b>	<b>31,817,032</b>	<b>32,499,697</b>
 <b>USE OF FUNDS</b>					
Expenditures					
Airport Non-Pers/Equip	2,115,529	2,185,554	2,185,554	2,185,554	2,243,107
CFC Audit	8,307	8,500	8,500	8,500	8,500
Operations Contingency	0	250,000	150,000	150,000	250,000
Total Expenditures	2,123,836	2,444,054	2,344,054	2,344,054	2,501,607
Transfers					
Airport Fiscal Agent Fund	17,700,648	18,025,888	18,025,888	18,025,888	18,363,648
Airport Surplus Revenue Fund	112,207	112,207	112,207	112,207	112,207
Total Transfers	17,812,855	18,138,095	18,138,095	18,138,095	18,475,855
Ending Fund Balance					
Debt Service Coverage Reserve	4,425,162	4,506,472	4,506,472	4,506,472	4,590,912
Future Debt Service Reserve	7,362,290	9,388,129	7,327,038	5,838,038	5,940,950
Rate Stabilization Reserve	937,193	937,193	937,193	937,193	937,193
Reserve for Encumbrances	53,180	70,577	53,180	53,180	53,180
Total Ending Fund Balance	12,777,825	14,902,371	12,823,883	11,334,883	11,522,235
<b>TOTAL USE OF FUNDS</b>	<b>32,714,516</b>	<b>35,484,520</b>	<b>33,306,032</b>	<b>31,817,032</b>	<b>32,499,697</b>

# AIRPORT FISCAL AGENT FUND (525)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Debt Service Reserve	80,172,688	80,208,444	80,570,593	80,570,593	82,017,903
Total Beginning Fund Balance	80,172,688	80,208,444	80,570,593	80,570,593	82,017,903
Transfers					
Airport Cust Fac & Transp Fee Fd	17,700,648	18,025,888	18,025,888	18,025,888	18,363,648
Airport Pass Fac Charge Fd	24,828,669	24,810,000	24,810,000	24,810,000	24,792,000
Airport Revenue Bond Imp Fd	11,082,575	4,788,000	4,788,000	4,788,000	0
Airport Revenue Fund	41,839,894	48,109,346	49,109,346	49,109,346	53,198,869
Total Transfers	95,451,786	95,733,234	96,733,234	96,733,234	96,354,517
Revenue from Use of Money/Property					
Interest	421,767	520,000	520,000	520,000	520,000
Total Revenue from Use of Money/Property	421,767	520,000	520,000	520,000	520,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>176,046,241</b>	<b>176,461,678</b>	<b>177,823,827</b>	<b>177,823,827</b>	<b>178,892,420</b>
<b>USE OF FUNDS</b>					
Expenditures					
Interest Payment	71,535,165	71,021,924	71,021,924	71,021,924	61,685,519
Principal Payment	23,660,000	24,700,000	24,700,000	24,700,000	41,900,000
Total Expenditures	95,195,165	95,721,924	95,721,924	95,721,924	103,585,519
Transfers					
Airport Revenue Fund	280,483	364,000	364,000	84,000	0
Total Transfers	280,483	364,000	364,000	84,000	0
Ending Fund Balance					
Debt Service Reserve	80,570,593	80,375,754	81,737,903	82,017,903	75,306,901
Total Ending Fund Balance	80,570,593	80,375,754	81,737,903	82,017,903	75,306,901
<b>TOTAL USE OF FUNDS</b>	<b>176,046,241</b>	<b>176,461,678</b>	<b>177,823,827</b>	<b>177,823,827</b>	<b>178,892,420</b>

# AIRPORT MAINTENANCE AND OPERATION FUND (523)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Master Trust Agreement Reserve	27,308,798	29,665,835	25,593,955	25,593,955	27,109,866
Reserve for Encumbrances	3,169,003	3,169,003	5,014,254	5,014,254	5,014,254
Retiree Healthcare Solutions Reserve	752,297	893,297	893,297	893,297	893,297
Workers' Comp Claims Reserve	2,741,401	2,741,401	2,852,669	2,852,669	2,852,669
Total Beginning Fund Balance	33,971,499	36,469,536	34,354,175	34,354,175	35,870,086
Transfers					
Airport Revenue Fund	71,340,912	82,573,654	82,573,654	82,573,654	94,143,615
Total Transfers	71,340,912	82,573,654	82,573,654	82,573,654	94,143,615
<b>TOTAL SOURCE OF FUNDS</b>	<b>105,312,411</b>	<b>119,043,190</b>	<b>116,927,829</b>	<b>116,927,829</b>	<b>130,013,701</b>
<b>USE OF FUNDS</b>					
Expenditures					
Airport Non-Pers/Equip	29,508,006	33,513,853	34,939,347	34,939,347	38,280,817
Airport Personal Services	24,683,516	27,551,799	27,941,799	27,941,799	31,904,505
Annual Audit	47,998	78,250	78,250	78,250	78,250
City Attny Non-Pers/Equip	2,671	4,000	4,000	4,000	4,000
City Attny Personal Services	693,282	715,072	727,776	727,776	683,636
City Mgr Non-Pers/Equip	23,500	24,500	24,500	24,500	24,500
IT Personal Services	53,517	128,276	128,276	128,276	28,815
OED Non-Pers/Equip	3,636	5,000	5,000	5,000	0
OED Personal Services	130,436	173,562	173,562	173,562	114,179
Operations Contingency	0	3,120,285	1,195,981	1,195,981	2,572,223
Overhead	3,522,959	2,908,925	2,556,031	2,556,031	3,881,390
PBCE Personal Services	47,182	46,350	46,350	46,350	46,091
PRNS Personal Services	58,538	64,982	64,982	64,982	71,448
PW Non-Pers/Equip	8,504	14,511	14,511	14,511	14,511
PW Personal Services	128,078	196,959	196,959	196,959	215,728
Police Personal Services	0	71,245	71,245	71,245	69,748
Workers' Comp Claims	410,399	563,462	633,462	633,462	633,500
Total Expenditures	59,322,222	69,181,031	68,802,031	68,802,031	78,623,341
Transfers					
General Fund - Aircraft Rescue/Fire Fighting	4,913,064	5,121,850	5,121,850	5,121,850	5,692,518
General Fund - Human Resources/Payroll System Upgrade	128,068	16,214	34,214	34,214	0
General Fund - Police Services	6,594,882	6,738,648	7,099,648	7,099,648	8,274,538

# AIRPORT MAINTENANCE AND OPERATION FUND (523)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Transfers					
Total Transfers	11,636,014	11,876,712	12,255,712	12,255,712	13,967,056
Ending Fund Balance					
Master Trust Agreement Reserve	25,593,955	31,181,746	27,109,866	27,109,866	28,663,054
Reserve for Encumbrances	5,014,254	3,169,003	5,014,254	5,014,254	5,014,254
Retiree Healthcare Solutions Reserve	893,297	893,297	893,297	893,297	893,297
Workers' Comp Claims Reserve	2,852,669	2,741,401	2,852,669	2,852,669	2,852,699
Total Ending Fund Balance	34,354,175	37,985,447	35,870,086	35,870,086	37,423,304
 <b>TOTAL USE OF FUNDS</b>	 <b><u>105,312,411</u></b>	 <b><u>119,043,190</u></b>	 <b><u>116,927,829</u></b>	 <b><u>116,927,829</u></b>	 <b><u>130,013,701</u></b>



# AIRPORT REVENUE FUND (521)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Airline Agreement Reserve	24,348,573	27,472,994	41,074,002	41,074,002	52,621,764
Future Budgets/Capital Reserve	41,909,366	47,416,419	47,416,419	47,416,419	47,416,419
Total Beginning Fund Balance	66,257,939	74,889,413	88,490,421	88,490,421	100,038,183
Transfers					
Airport Fiscal Agent Fund	280,483	364,000	364,000	84,000	0
Airport Surplus Revenue Fund	62,821	0	0	0	0
Total Transfers	343,304	364,000	364,000	84,000	0
Fees, Rates, and Charges					
Airfield Area	4,891,452	4,902,387	4,902,387	6,715,209	6,915,737
Landing Fees	13,095,548	17,494,840	17,494,840	18,416,480	18,461,571
Parking & Roadway	51,179,401	51,638,244	51,638,244	51,394,554	50,482,834
Petroleum Products	3,225,613	3,526,746	3,526,746	2,993,025	3,003,666
Terminal Building	17,575,811	18,603,431	18,603,431	20,306,209	18,890,965
Terminal Rental	40,800,288	38,724,881	38,724,881	39,553,881	45,538,344
Total Fees, Rates, and Charges	130,768,113	134,890,529	134,890,529	139,379,358	143,293,117
Other Revenue					
Miscellaneous	12,406,654	10,755,091	10,755,091	11,872,187	11,864,640
Total Other Revenue	12,406,654	10,755,091	10,755,091	11,872,187	11,864,640
<b>TOTAL SOURCE OF FUNDS</b>	<b>209,776,010</b>	<b>220,899,033</b>	<b>234,500,041</b>	<b>239,825,966</b>	<b>255,195,940</b>
<b>USE OF FUNDS</b>					
Transfers					
Airport Fiscal Agent Fund	41,839,894	48,109,346	49,109,346	49,109,346	53,198,869
Airport Maint and Oper Fund	71,340,912	82,573,654	82,573,654	82,573,654	94,143,615
Airport Surplus Revenue Fund	8,104,783	8,104,783	8,104,783	8,104,783	16,104,783
Total Transfers	121,285,589	138,787,783	139,787,783	139,787,783	163,447,267
Ending Fund Balance					
Airline Agreement Reserve	41,074,002	34,694,831	47,295,839	52,621,764	44,332,254
Future Budgets/Capital Reserve	47,416,419	47,416,419	47,416,419	47,416,419	47,416,419
Total Ending Fund Balance	88,490,421	82,111,250	94,712,258	100,038,183	91,748,673
<b>TOTAL USE OF FUNDS</b>	<b>209,776,010</b>	<b>220,899,033</b>	<b>234,500,041</b>	<b>239,825,966</b>	<b>255,195,940</b>

# AIRPORT SURPLUS REVENUE FUND (524)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Airline Agreement Reserve	46,312	46,312	1,004	1,004	1,004
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 Beginning Fund Balance	16,046,312	17,046,312	17,001,004	17,001,004	18,001,004
Transfers					
Airport Cust Fac & Transp Fee Fd	112,207	112,207	112,207	112,207	112,207
Airport Rev Bond Impvmnt Fd	112,389	0	0	0	0
Airport Revenue Fund	8,104,783	8,104,783	8,104,783	8,104,783	16,104,783
Total Transfers	8,329,379	8,216,990	8,216,990	8,216,990	16,216,990
Revenue from Use of Money/Property					
Interest	27,912	0	0	0	0
Total Revenue from Use of Money/Property	27,912	0	0	0	0
<b>TOTAL SOURCE OF FUNDS</b>	<b>24,403,603</b>	<b>25,263,302</b>	<b>25,217,994</b>	<b>25,217,994</b>	<b>34,217,994</b>
<b>USE OF FUNDS</b>					
Expenditures					
Commercial Paper Principal and Interest	3,227,571	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	3,339,778	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	12,000,000
Airport Revenue Fund	62,821	0	0	0	0
Total Transfers	4,062,821	4,000,000	4,000,000	4,000,000	12,000,000
Ending Fund Balance					
Airline Agreement Reserve	1,004	46,312	1,004	1,004	1,004
Discretionary Exp Reserve	8,000,000	9,000,000	9,000,000	9,000,000	10,000,000
Rate Stabilization Reserve	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Total Ending Fund Balance	17,001,004	18,046,312	18,001,004	18,001,004	19,001,004
<b>TOTAL USE OF FUNDS</b>	<b>24,403,603</b>	<b>25,263,302</b>	<b>25,217,994</b>	<b>25,217,994</b>	<b>34,217,994</b>

# BENEFIT FUNDS - BENEFIT FUND (160)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	704	704	1	1	1
Retiree Healthcare Solutions Reserve	14,715	18,520	18,520	18,520	18,520
Unrestricted	423,560	732,751	735,067	735,067	796,886
<b>Total Beginning Fund Balance</b>	<b>438,979</b>	<b>751,975</b>	<b>753,588</b>	<b>753,588</b>	<b>815,407</b>
<b>Transfers</b>					
401(a) Defined Contrib Retirement Plan	112,531	136,000	156,000	142,000	153,000
Benefits Administration Fee	1,112,179	1,097,000	1,097,000	995,000	910,000
Employee Assist Program	548,864	605,000	605,000	520,000	470,000
FICA - Medicare	7,814,622	7,719,000	8,200,000	8,456,000	8,930,000
General Employee Vision	270,999	339,000	339,000	297,000	303,000
General Purpose Parking Fund	6,604	5,000	5,000	5,000	0
Health Plans	43,942,895	49,916,000	48,198,000	45,250,000	51,840,000
MEF Legal	80,548	97,000	97,000	76,000	87,000
PTC 457	1,102,676	1,182,000	1,282,000	1,260,000	1,360,000
<b>Total Transfers</b>	<b>54,991,918</b>	<b>61,096,000</b>	<b>59,979,000</b>	<b>57,001,000</b>	<b>64,053,000</b>
<b>Fines, Forfeitures, and Penalties</b>					
Contractual Performance Guarantee Penalties	157,699	0	0	126,000	0
Flexible Spending Accounts Forfeitures	64,710	0	0	3,000	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>222,409</b>	<b>0</b>	<b>0</b>	<b>129,000</b>	<b>0</b>
<b>Revenue from Use of Money/Property</b>					
Interest	198	1,000	1,000	4,000	4,000
<b>Total Revenue from Use of Money/Property</b>	<b>198</b>	<b>1,000</b>	<b>1,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Other Revenue</b>					
Recovery Act - COBRA Subsidy	39	0	0	0	0
<b>Total Other Revenue</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>55,653,543</b>	<b>61,848,975</b>	<b>60,733,588</b>	<b>57,887,588</b>	<b>64,872,407</b>

# BENEFIT FUNDS - BENEFIT FUND (160)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS</b>					
Expenditures					
401(a) Defined Contrib Retirement Plan	112,531	136,000	156,000	142,000	153,000
Benefits Consultant Fee	188,632	196,000	196,000	196,000	206,000
Commuter Benefit	0	5,000	5,000	0	0
Employee Assist Program	539,331	605,000	605,000	520,000	470,000
FICA - Medicare	7,997,651	7,719,000	8,200,000	8,456,000	8,930,000
General Employee Vision	273,398	339,000	339,000	297,000	303,000
HR Non-Personal/Equipment	32,141	82,000	82,000	10,000	0
HR Personal Services	442,123	675,732	586,028	550,000	499,525
Health Plans	43,914,402	49,916,000	48,198,000	45,250,000	51,840,000
MEF Legal	87,270	97,000	97,000	76,000	87,000
Overhead	140,667	178,715	178,715	179,000	137,520
PTC 457	1,124,990	1,182,000	1,282,000	1,260,000	1,360,000
Wellness Program	0	198,000	200,000	90,000	110,000
Total Expenditures	<u>54,853,136</u>	<u>61,329,447</u>	<u>60,124,743</u>	<u>57,026,000</u>	<u>64,096,045</u>
Transfers					
City Hall Debt Service Fund	46,819	46,181	46,181	46,181	46,719
Total Transfers	<u>46,819</u>	<u>46,181</u>	<u>46,181</u>	<u>46,181</u>	<u>46,719</u>
Ending Fund Balance					
Reserve for Encumbrances	1	704	1	1	1
Retiree Healthcare Solutions Reserve	18,520	18,520	18,520	18,520	18,520
Unrestricted	735,067	454,123	544,143	796,886	711,122
Total Ending Fund Balance	<u>753,588</u>	<u>473,347</u>	<u>562,664</u>	<u>815,407</u>	<u>729,643</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>55,653,543</u></b>	<b><u>61,848,975</u></b>	<b><u>60,733,588</u></b>	<b><u>57,887,588</u></b>	<b><u>64,872,407</u></b>

# BENEFIT FUNDS - DENTAL INSURANCE FUND (155)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	2,575,000	2,612,500	2,612,500	2,612,500	2,637,500
Retiree Healthcare Solutions Reserve	7,292	9,098	9,098	9,098	9,098
Unrestricted	1,635,215	1,164,320	1,168,888	1,168,888	789,248
<b>Total Beginning Fund Balance</b>	<b>4,217,507</b>	<b>3,785,918</b>	<b>3,790,486</b>	<b>3,790,486</b>	<b>3,435,846</b>
Transfers					
Reimbursement from City Funds	5,050,103	5,468,000	5,468,000	5,170,000	5,765,000
Reimbursement from Retirement Funds	5,637,445	5,832,000	5,832,000	5,880,000	6,110,000
<b>Total Transfers</b>	<b>10,687,548</b>	<b>11,300,000</b>	<b>11,300,000</b>	<b>11,050,000</b>	<b>11,875,000</b>
Revenue from Use of Money/Property					
Interest	31,035	29,000	29,000	36,000	30,000
<b>Total Revenue from Use of Money/Property</b>	<b>31,035</b>	<b>29,000</b>	<b>29,000</b>	<b>36,000</b>	<b>30,000</b>
Fees, Rates, and Charges					
COBRA Administration Fee	40	0	0	395	0
Participant Contributions	317,750	353,000	353,000	354,000	368,000
<b>Total Fees, Rates, and Charges</b>	<b>317,790</b>	<b>353,000</b>	<b>353,000</b>	<b>354,395</b>	<b>368,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,253,880</b>	<b>15,467,918</b>	<b>15,472,486</b>	<b>15,230,881</b>	<b>15,708,846</b>
<b>USE OF FUNDS</b>					
Expenditures					
Dental HMO Plan	289,148	354,000	354,000	262,000	280,000
HR Non-Pers/Equip	482,914	486,000	641,000	650,000	486,000
HR Personal Services	201,617	250,177	253,260	250,000	264,852
Overhead	61,998	63,996	63,996	63,996	73,578
Payment of Claims	10,408,086	10,971,000	10,971,000	10,550,000	11,100,000
<b>Total Expenditures</b>	<b>11,443,763</b>	<b>12,125,173</b>	<b>12,283,256</b>	<b>11,775,996</b>	<b>12,204,430</b>
Transfers					
City Hall Debt Service Fund	19,631	19,039	19,039	19,039	19,305
<b>Total Transfers</b>	<b>19,631</b>	<b>19,039</b>	<b>19,039</b>	<b>19,039</b>	<b>19,305</b>

# BENEFIT FUNDS - DENTAL INSURANCE FUND (155)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Ending Fund Balance					
Claims Reserve	2,612,500	2,580,500	2,580,500	2,637,500	2,780,000
Retiree Healthcare Solutions Reserve	9,098	9,098	9,098	9,098	9,098
Unrestricted	1,168,888	734,108	580,593	789,248	696,013
Total Ending Fund Balance	<u>3,790,486</u>	<u>3,323,706</u>	<u>3,170,191</u>	<u>3,435,846</u>	<u>3,485,111</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>15,253,880</u></u>	 <u><u>15,467,918</u></u>	 <u><u>15,472,486</u></u>	 <u><u>15,230,881</u></u>	 <u><u>15,708,846</u></u>

# BENEFIT FUNDS - LIFE INSURANCE FUND (156)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve	1,567	2,008	2,008	2,008	2,008
Unrestricted	55,160	77,721	48,485	48,485	46,944
<b>Total Beginning Fund Balance</b>	<b>56,727</b>	<b>79,729</b>	<b>50,493</b>	<b>50,493</b>	<b>48,952</b>
Transfers					
Administration Fee	81,470	135,000	135,000	61,000	140,000
Reimbursement from City Funds	510,348	633,000	633,000	598,000	600,000
<b>Total Transfers</b>	<b>591,818</b>	<b>768,000</b>	<b>768,000</b>	<b>659,000</b>	<b>740,000</b>
Revenue from Use of Money/Property					
Interest	3,221	3,000	3,000	4,000	4,000
<b>Total Revenue from Use of Money/Property</b>	<b>3,221</b>	<b>3,000</b>	<b>3,000</b>	<b>4,000</b>	<b>4,000</b>
Fees, Rates, and Charges					
Participant Contributions	636,965	699,000	699,000	630,000	650,000
<b>Total Fees, Rates, and Charges</b>	<b>636,965</b>	<b>699,000</b>	<b>699,000</b>	<b>630,000</b>	<b>650,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,288,731</b>	<b>1,549,729</b>	<b>1,520,493</b>	<b>1,343,493</b>	<b>1,442,952</b>
 <b>USE OF FUNDS</b>					
Expenditures					
HR Non-Pers/Equip	3,522	2,140	2,140	2,140	2,140
HR Personal Services	55,654	74,096	74,096	69,000	73,264
Insurance Premiums	1,156,406	1,332,000	1,332,000	1,200,000	1,240,000
Overhead	17,203	18,010	18,010	18,010	20,084
<b>Total Expenditures</b>	<b>1,232,785</b>	<b>1,426,246</b>	<b>1,426,246</b>	<b>1,289,150</b>	<b>1,335,488</b>
Transfers					
City Hall Debt Service Fund	5,453	5,391	5,391	5,391	5,419
<b>Total Transfers</b>	<b>5,453</b>	<b>5,391</b>	<b>5,391</b>	<b>5,391</b>	<b>5,419</b>

# BENEFIT FUNDS - LIFE INSURANCE FUND (156)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Ending Fund Balance					
Retiree Healthcare Solutions Reserve	2,008	2,008	2,008	2,008	2,008
Unrestricted	48,485	116,084	86,848	46,944	100,037
Total Ending Fund Balance	<u>50,493</u>	<u>118,092</u>	<u>88,856</u>	<u>48,952</u>	<u>102,045</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>1,288,731</u></b>	<b><u>1,549,729</u></b>	<b><u>1,520,493</u></b>	<b><u>1,343,493</u></b>	<b><u>1,442,952</u></b>



# BENEFIT FUNDS - SELF-INSURED MEDICAL FUND (158)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	0	0	0	0	2,000,000
Unrestricted	0	0	0	0	250,500
Total Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,250,500</u>
Transfers					
Reimbursements from City Funds	0	0	1,718,000	804,000	1,830,000
Reimbursements from Retirement Funds	0	0	5,071,000	5,896,000	11,810,000
Total Transfers	<u>0</u>	<u>0</u>	<u>6,789,000</u>	<u>6,700,000</u>	<u>13,640,000</u>
Revenue from Use of Money/Property					
Interest	0	0	5,000	5,000	5,000
Total Revenue from Use of Money/Property	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Fees, Rates, and Charges					
COBRA Administration Fee	0	0	0	13,000	20,000
Participant Contributions	0	0	1,752,000	833,000	1,710,000
Total Fees, Rates, and Charges	<u>0</u>	<u>0</u>	<u>1,752,000</u>	<u>846,000</u>	<u>1,730,000</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>8,546,000</u></b>	<b><u>7,551,000</u></b>	<b><u>17,625,500</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
HR Non-Pers/Equip	0	0	7,500	7,500	15,000
HR Personal Services	0	0	96,000	67,000	74,594
Overhead	0	0	0	0	26,979
Payment of Claims	0	0	7,032,000	4,612,000	12,420,000
Provider Administration Fee	0	0	157,000	159,000	318,000
Stop Loss Premium	0	0	630,000	455,000	906,000
Total Expenditures	<u>0</u>	<u>0</u>	<u>7,922,500</u>	<u>5,300,500</u>	<u>13,760,573</u>
Ending Fund Balance					
Self-Insured Medical Claim Reserve	0	0	550,000	2,000,000	3,075,000
Unrestricted	0	0	73,500	250,500	789,927
Total Ending Fund Balance	<u>0</u>	<u>0</u>	<u>623,500</u>	<u>2,250,500</u>	<u>3,864,927</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>8,546,000</u></b>	<b><u>7,551,000</u></b>	<b><u>17,625,500</u></b>

# BENEFIT FUNDS - UNEMPLOYMENT INSURANCE FUND (157)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning 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	4,605	4,605	4,605	4,605
Unrestricted	2,216,165	1,461,429	1,564,072	1,564,072	1,003,036
Total Beginning Fund Balance	3,719,566	2,966,034	3,068,677	3,068,677	2,507,641
Revenue from Use of Money/Property					
Interest	23,550	20,000	20,000	25,000	20,000
Total Revenue from Use of Money/Property	23,550	20,000	20,000	25,000	20,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,743,116</b>	<b>2,986,034</b>	<b>3,088,677</b>	<b>3,093,677</b>	<b>2,527,641</b>
<b>USE OF FUNDS</b>					
Expenditures					
HR Non-Pers/Equip	14,476	12,504	12,504	7,430	12,504
HR Personal Services	105,940	139,376	140,950	132,000	135,479
Overhead	36,608	36,879	36,879	36,879	41,377
Payment of Claims	507,491	750,000	750,000	400,000	500,000
Total Expenditures	664,515	938,759	940,333	576,309	689,360
Transfers					
City Hall Debt Service Fund	9,924	9,727	9,727	9,727	9,781
Total Transfers	9,924	9,727	9,727	9,727	9,781
Ending Fund Balance					
Claims Reserve	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000
Retiree Healthcare Solutions Reserve	4,605	4,605	4,605	4,605	4,605
Unrestricted	1,564,072	532,943	634,012	1,003,036	823,895
Total Ending Fund Balance	3,068,677	2,037,548	2,138,617	2,507,641	1,828,500
<b>TOTAL USE OF FUNDS</b>	<b>3,743,116</b>	<b>2,986,034</b>	<b>3,088,677</b>	<b>3,093,677</b>	<b>2,527,641</b>

# BUSINESS IMPROVEMENT DISTRICT FUND (351)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Downtown BID Reserve	2,155	2,155	37,580	37,580	0
Hotel BID Reserve	183,637	33,637	285,197	285,197	0
Japantown BID Reserve	1,019	1,019	1,399	1,399	0
Reserve for Encumbrances	5	5	5	5	5
Willow Glen CBID Reserve	18,939	3,939	19,937	19,937	19,937
Total Beginning Fund Balance	205,755	40,755	344,118	344,118	19,942
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
Revenue from Use of Money/Property					
Interest	4,879	0	0	0	0
Total Revenue from Use of Money/Property	4,879	0	0	0	0
Special Assessments					
Downtown BID Assessment	730,249	730,000	730,000	730,000	700,000
Hotel BID Assessment	2,927,440	2,759,095	2,759,095	2,759,095	2,700,000
Japantown BID Assessment	28,675	38,850	38,850	38,850	40,000
Willow Glen CBID Assessment	222,993	325,000	325,000	240,000	315,000
Total Special Assessments	3,909,357	3,852,945	3,852,945	3,767,945	3,755,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,129,991</b>	<b>3,903,700</b>	<b>4,207,063</b>	<b>4,122,063</b>	<b>3,784,942</b>
<b>USE OF FUNDS</b>					
Expenditures					
DPW Administration Services	4,907	5,000	5,000	5,000	5,000
Downtown BID	695,605	730,000	767,580	767,580	700,000
Hotel BID	2,829,309	2,759,095	3,044,292	3,044,292	2,700,000
Japantown BID	28,324	38,850	40,249	40,249	40,000
Willow Glen CBID	227,728	330,000	330,000	245,000	339,937
Total Expenditures	3,785,873	3,862,945	4,187,121	4,102,121	3,784,937

# BUSINESS IMPROVEMENT DISTRICT FUND (351)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2016-2017 Modified</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Proposed</b>
<b>USE OF FUNDS</b> (CONT'D.)					
Ending Fund Balance					
Downtown BID Reserve	37,580	2,155	0	0	0
Hotel BID Reserve	285,197	33,637	0	0	0
Japantown BID Reserve	1,399	1,019	0	0	0
Reserve for Encumbrances	5	5	5	5	5
Willow Glen CBID Reserve	19,937	3,939	19,937	19,937	0
Total Ending Fund Balance	344,118	40,755	19,942	19,942	5
 <b>TOTAL USE OF FUNDS</b>	 <b>4,129,991</b>	 <b>3,903,700</b>	 <b>4,207,063</b>	 <b>4,122,063</b>	 <b>3,784,942</b>

# CASH RESERVE FUND (002)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	5,610	5,652	5,650	5,650	5,692
Total Beginning Fund Balance	5,610	5,652	5,650	5,650	5,692
Revenue from Use of Money/Property					
Interest	40	53	53	42	42
Total Revenue from Use of Money/Property	40	53	53	42	42
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,650</b>	<b>5,705</b>	<b>5,703</b>	<b>5,692</b>	<b>5,734</b>
<b>USE OF FUNDS</b>					
Ending Fund Balance					
Unrestricted	5,650	5,705	5,703	5,692	5,734
Total Ending Fund Balance	5,650	5,705	5,703	5,692	5,734
<b>TOTAL USE OF FUNDS</b>	<b>5,650</b>	<b>5,705</b>	<b>5,703</b>	<b>5,692</b>	<b>5,734</b>

# CITY HALL DEBT SERVICE FUND (210)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	3,250	3,250	0	0	0
Unrestricted	85,072	75,942	192,132	192,132	116,190
Total Beginning Fund Balance	88,322	79,192	192,132	192,132	116,190
Transfers					
Capital Funds	2,085,000	2,290,000	2,290,000	2,290,000	2,120,000
General Fund	18,186,173	19,051,597	19,051,597	19,051,597	19,838,724
Special Funds	3,948,697	3,841,461	3,841,461	3,841,461	4,110,086
Total Transfers	24,219,870	25,183,058	25,183,058	25,183,058	26,068,810
Revenue from Use of Money/Property					
Interest	77,780	40,000	40,000	40,000	40,000
Total Revenue from Use of Money/Property	77,780	40,000	40,000	40,000	40,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>24,385,972</b>	<b>25,302,250</b>	<b>25,415,190</b>	<b>25,415,190</b>	<b>26,225,000</b>
 <b>USE OF FUNDS</b>					
Expenditures					
City Hall Debt Service	22,213,178	23,293,000	23,293,000	23,293,000	24,222,000
City Hall Garage Debt Service	1,980,662	2,006,000	2,006,000	2,006,000	2,003,000
Total Expenditures	24,193,840	25,299,000	25,299,000	25,299,000	26,225,000
Ending Fund Balance					
Reserve for Encumbrances	0	3,250	0	0	0
Unrestricted	192,132	0	116,190	116,190	0
Total Ending Fund Balance	192,132	3,250	116,190	116,190	0
<b>TOTAL USE OF FUNDS</b>	<b>24,385,972</b>	<b>25,302,250</b>	<b>25,415,190</b>	<b>25,415,190</b>	<b>26,225,000</b>

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND (441)\***

**STATEMENT OF SOURCE AND USE OF FUNDS**

	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2016-2017 Modified</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Proposed</b>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Capital Projects Reserve	842,301	0	0	0	0
Land Aquisition Reserve	0	655,387	145,387	145,387	0
Reserve for Encumbrances	313,510	313,510	897,932	897,932	897,932
Section 108 Debt Svc Reserve	4,500,000	2,000,000	2,000,000	2,000,000	0
Unrestricted	4,937,737	4,292,122	5,919,821	5,919,817	3,523,211
<b>Total Beginning Fund Balance</b>	<b>10,593,548</b>	<b>7,261,019</b>	<b>8,963,140</b>	<b>8,963,136</b>	<b>4,421,143</b>
Transfers					
Low and Moderate Income Housing Asset Fund	0	0	0	0	2,500,000
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500,000</b>
Revenue from Use of Money/Property					
Housing Rehab Loan Repayments	402,819	350,000	350,000	375,000	380,000
Other Loan Repayments	0	100,000	100,000	100,000	150,000
<b>Total Revenue from Use of Money/Property</b>	<b>402,819</b>	<b>450,000</b>	<b>450,000</b>	<b>475,000</b>	<b>530,000</b>
Revenue from Federal Government					
CDBG Grant Entitlement	8,259,253	8,389,991	8,389,991	8,389,991	7,970,491
<b>Total Revenue from Federal Government</b>	<b>8,259,253</b>	<b>8,389,991</b>	<b>8,389,991</b>	<b>8,389,991</b>	<b>7,970,491</b>
Other Revenue					
Miscellaneous Revenue	235,558	50,000	50,000	0	50,000
<b>Total Other Revenue</b>	<b>235,558</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,491,178</b>	<b>16,151,010</b>	<b>17,853,131</b>	<b>17,828,127</b>	<b>15,471,634</b>
<b>USE OF FUNDS</b>					
Expenditures					
CDI - Capital Projects	1,547,111	2,339,189	2,962,189	2,962,189	2,426,693
CDI - Code Enforcement Operations	1,064,315	1,800,000	1,212,000	1,000,000	1,081,866
CDI - Economic Development	701,477	500,000	500,000	500,000	500,000
CDI - Emergency Repair Program	750,000	1,000,000	1,000,000	1,000,000	1,000,000
CDI - Housing Rehab Loans	0	3,606,000	3,606,000	450,000	3,465,000
CDI - Neighborhood Clean-Up	31,159	0	0	0	0

# COMMUNITY DEVELOPMENT BLOCK GRANT FUND (441)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Expenditures					
Contractual Community Services	904,849	1,338,300	1,338,300	1,338,300	1,250,000
Environmental Services Department	43,741	0	0	0	0
Neighborhood Infrastructure Improvements					
Fair Housing	310,000	300,000	300,000	300,000	200,000
Hsg Program Development and Monitoring	1,427,607	1,560,070	1,560,070	1,560,070	1,673,047
Legal Services	3,842	16,840	16,840	16,840	17,854
Planning Studies	2,604	5,000	10,000	10,000	20,000
Property Acquisition	1,904,131	0	2,000,000	2,000,000	0
Section 108 Debt Service	1,837,206	2,269,585	2,269,585	2,269,585	1,885,865
Total Expenditures	<u>10,528,042</u>	<u>14,734,984</u>	<u>16,774,984</u>	<u>13,406,984</u>	<u>13,520,325</u>
Ending Fund Balance					
Land Acquisition Reserve	145,387	0	0	0	0
Reserve for Encumbrances	897,932	313,510	897,932	897,932	897,932
Section 108 Debt Svc Reserve	2,000,000	0	0	0	0
Unrestricted	5,919,817	1,102,516	180,215	3,523,211	1,053,377
Total Ending Fund Balance	<u>8,963,136</u>	<u>1,416,026</u>	<u>1,078,147</u>	<u>4,421,143</u>	<u>1,951,309</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>19,491,178</u></u>	<u><u>16,151,010</u></u>	<u><u>17,853,131</u></u>	<u><u>17,828,127</u></u>	<u><u>15,471,634</u></u>

\* A detailed listing of projects funded by the Community Development Block Grant (CDBG) Fund in 2017-2018 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>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	39,918	39,918	87,747	87,747	87,747
Unrestricted	533,177	464,496	503,489	503,489	314,195
Total Beginning Fund Balance	<u>573,095</u>	<u>504,414</u>	<u>591,236</u>	<u>591,236</u>	<u>401,942</u>
Revenue from Use of Money/Property					
Interest	3,807	3,400	3,400	3,500	3,500
Total Revenue from Use of Money/Property	<u>3,807</u>	<u>3,400</u>	<u>3,400</u>	<u>3,500</u>	<u>3,500</u>
Special Assessments					
Special Assessments	165,406	163,300	163,300	163,300	168,000
Total Special Assessments	<u>165,406</u>	<u>163,300</u>	<u>163,300</u>	<u>163,300</u>	<u>168,000</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>742,308</u></b>	<b><u>671,114</u></b>	<b><u>757,936</u></b>	<b><u>758,036</u></b>	<b><u>573,442</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	90,987	308,918	308,918	308,918	159,200
DOT Personal Services	49,249	51,328	51,328	34,900	43,263
Overhead	10,836	12,276	12,276	12,276	13,755
Total Expenditures	<u>151,072</u>	<u>372,522</u>	<u>372,522</u>	<u>356,094</u>	<u>216,218</u>
Ending Fund Balance					
Reserve for Encumbrances	87,747	39,918	87,747	87,747	87,747
Unrestricted	503,489	258,674	297,667	314,195	269,477
Total Ending Fund Balance	<u>591,236</u>	<u>298,592</u>	<u>385,414</u>	<u>401,942</u>	<u>357,224</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>742,308</u></b>	<b><u>671,114</u></b>	<b><u>757,936</u></b>	<b><u>758,036</u></b>	<b><u>573,442</u></b>

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>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	294	294	3,930	3,930	3,930
Retiree Healthcare Solutions Reserve	4,852	6,213	6,213	6,213	6,213
Unrestricted	2,184,329	2,023,867	2,033,395	2,033,395	1,774,703
Total Beginning Fund Balance	<u>2,189,475</u>	<u>2,030,374</u>	<u>2,043,538</u>	<u>2,043,538</u>	<u>1,784,846</u>
Revenue from Use of Money/Property					
Interest	12,308	19,300	19,300	19,300	19,500
Total Revenue from Use of Money/Property	<u>12,308</u>	<u>19,300</u>	<u>19,300</u>	<u>19,300</u>	<u>19,500</u>
Special Assessments					
Special Assessments	1,482,810	1,527,700	1,527,700	1,447,500	1,573,600
Total Special Assessments	<u>1,482,810</u>	<u>1,527,700</u>	<u>1,527,700</u>	<u>1,447,500</u>	<u>1,573,600</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u><u>3,684,593</u></u></b>	<b><u><u>3,577,374</u></u></b>	<b><u><u>3,590,538</u></u></b>	<b><u><u>3,510,338</u></u></b>	<b><u><u>3,377,946</u></u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	1,324,376	1,097,817	1,347,817	1,347,817	1,107,905
DOT Personal Services	240,878	283,352	283,352	280,800	321,127
Overhead	75,801	96,875	96,875	96,875	118,414
Total Expenditures	<u>1,641,055</u>	<u>1,478,044</u>	<u>1,728,044</u>	<u>1,725,492</u>	<u>1,547,446</u>
Ending Fund Balance					
Reserve for Encumbrances	3,930	294	3,930	3,930	3,930
Retiree Healthcare Solutions Reserve	6,213	6,213	6,213	6,213	6,213
Unrestricted	2,033,395	2,092,823	1,852,351	1,774,703	1,820,357
Total Ending Fund Balance	<u>2,043,538</u>	<u>2,099,330</u>	<u>1,862,494</u>	<u>1,784,846</u>	<u>1,830,500</u>
<b>TOTAL USE OF FUNDS</b>	<b><u><u>3,684,593</u></u></b>	<b><u><u>3,577,374</u></u></b>	<b><u><u>3,590,538</u></u></b>	<b><u><u>3,510,338</u></u></b>	<b><u><u>3,377,946</u></u></b>

COMMUNITY FACILITIES DISTRICT NO. 8 (COMMUNICATIONS HILL)  
FUND (373)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	0	0	2,337	2,337	2,337
Retiree Healthcare Solutions Reserve	2,911	4,118	4,118	4,118	4,118
Unrestricted	3,424,296	3,119,924	3,067,564	3,067,564	2,639,531
Total Beginning Fund Balance	<u>3,427,207</u>	<u>3,124,042</u>	<u>3,074,019</u>	<u>3,074,019</u>	<u>2,645,986</u>
Revenue from Use of Money/Property					
Interest	22,697	28,300	28,300	28,300	28,600
Total Revenue from Use of Money/Property	<u>22,697</u>	<u>28,300</u>	<u>28,300</u>	<u>28,300</u>	<u>28,600</u>
Special Assessments					
Special Assessments	439,698	430,100	430,100	430,100	430,100
Total Special Assessments	<u>439,698</u>	<u>430,100</u>	<u>430,100</u>	<u>430,100</u>	<u>430,100</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u><u>3,889,602</u></u></b>	<b><u><u>3,582,442</u></u></b>	<b><u><u>3,532,419</u></u></b>	<b><u><u>3,532,419</u></u></b>	<b><u><u>3,104,686</u></u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	600,635	384,891	634,891	634,891	686,398
DOT Personal Services	161,383	208,230	208,230	178,100	208,234
Overhead	53,565	73,442	73,442	73,442	88,585
Total Expenditures	<u>815,583</u>	<u>666,563</u>	<u>916,563</u>	<u>886,433</u>	<u>983,217</u>
Ending Fund Balance					
Reserve for Encumbrances	2,337	0	2,337	2,337	2,337
Retiree Healthcare Solutions Reserve	4,118	4,118	4,118	4,118	4,118
Unrestricted	3,067,564	2,911,761	2,609,401	2,639,531	2,115,014
Total Ending Fund Balance	<u>3,074,019</u>	<u>2,915,879</u>	<u>2,615,856</u>	<u>2,645,986</u>	<u>2,121,469</u>
<b>TOTAL USE OF FUNDS</b>	<b><u><u>3,889,602</u></u></b>	<b><u><u>3,582,442</u></u></b>	<b><u><u>3,532,419</u></u></b>	<b><u><u>3,532,419</u></u></b>	<b><u><u>3,104,686</u></u></b>

COMMUNITY FACILITIES DISTRICT NO. 11 (ADELINE-MARY HELEN)  
FUND (374)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	282,082	270,192	286,573	286,573	273,656
Total Beginning Fund Balance	<u>282,082</u>	<u>270,192</u>	<u>286,573</u>	<u>286,573</u>	<u>273,656</u>
Revenue from Use of Money/Property					
Interest	2,006	2,500	2,500	2,500	2,500
Total Revenue from Use of Money/Property	<u>2,006</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Special Assessments					
Special Assessments	55,256	67,300	67,300	53,500	55,500
Total Special Assessments	<u>55,256</u>	<u>67,300</u>	<u>67,300</u>	<u>53,500</u>	<u>55,500</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u><u>339,344</u></u></b>	<b><u><u>339,992</u></u></b>	<b><u><u>356,373</u></u></b>	<b><u><u>342,573</u></u></b>	<b><u><u>331,656</u></u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Personal/Equipment	7,544	24,182	24,182	24,182	24,182
DOT Personal Services	29,237	31,125	31,125	26,900	31,125
Overhead	15,990	17,835	17,835	17,835	0
Total Expenditures	<u>52,771</u>	<u>73,142</u>	<u>73,142</u>	<u>68,917</u>	<u>55,307</u>
Ending Fund Balance					
Unrestricted	286,573	266,850	283,231	273,656	276,349
Total Ending Fund Balance	<u>286,573</u>	<u>266,850</u>	<u>283,231</u>	<u>273,656</u>	<u>276,349</u>
<b>TOTAL USE OF FUNDS</b>	<b><u><u>339,344</u></u></b>	<b><u><u>339,992</u></u></b>	<b><u><u>356,373</u></u></b>	<b><u><u>342,573</u></u></b>	<b><u><u>331,656</u></u></b>

COMMUNITY FACILITIES DISTRICT NO. 12 (BASKING RIDGE) FUND (376)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	22,418	22,418	58,533	58,533	58,533
Retiree Healthcare Solutions Reserve	1,288	1,535	1,535	1,535	1,535
Unrestricted	1,397,355	1,339,847	1,426,139	1,426,139	1,386,267
Total Beginning Fund Balance	<u>1,421,061</u>	<u>1,363,800</u>	<u>1,486,207</u>	<u>1,486,207</u>	<u>1,446,335</u>
Revenue from Use of Money/Property					
Interest	9,982	13,500	13,500	13,500	13,700
Total Revenue from Use of Money/Property	<u>9,982</u>	<u>13,500</u>	<u>13,500</u>	<u>13,500</u>	<u>13,700</u>
Special Assessments					
Special Assessments	160,508	424,900	424,900	159,700	149,100
Total Special Assessments	<u>160,508</u>	<u>424,900</u>	<u>424,900</u>	<u>159,700</u>	<u>149,100</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>1,591,551</u></b>	<b><u>1,802,200</u></b>	<b><u>1,924,607</u></b>	<b><u>1,659,407</u></b>	<b><u>1,609,135</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Personal/Equipment	42,802	147,305	147,305	147,305	349,048
DOT Personal Services	47,781	55,470	55,470	47,700	53,863
Overhead	14,761	18,067	18,067	18,067	21,976
Total Expenditures	<u>105,344</u>	<u>220,842</u>	<u>220,842</u>	<u>213,072</u>	<u>424,887</u>
Ending Fund Balance					
Reserve for Encumbrances	58,533	22,418	58,533	58,533	58,533
Retiree Healthcare Solutions Reserve	1,535	1,535	1,535	1,535	1,535
Unrestricted	1,426,139	1,557,405	1,643,697	1,386,267	1,124,180
Total Ending Fund Balance	<u>1,486,207</u>	<u>1,581,358</u>	<u>1,703,765</u>	<u>1,446,335</u>	<u>1,184,248</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>1,591,551</u></b>	<b><u>1,802,200</u></b>	<b><u>1,924,607</u></b>	<b><u>1,659,407</u></b>	<b><u>1,609,135</u></b>

COMMUNITY FACILITIES DISTRICT NO. 13 (GUADALUPE MINES) FUND  
(310)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	225,918	240,868	253,209	253,209	246,082
Total Beginning Fund Balance	<u>225,918</u>	<u>240,868</u>	<u>253,209</u>	<u>253,209</u>	<u>246,082</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>
Revenue from Use of Money/Property					
Interest	1,657	2,200	2,200	2,200	2,200
Total Revenue from Use of Money/Property	<u>1,657</u>	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>
Special Assessments					
Special Assessments	57,620	60,200	60,200	60,200	62,400
Total Special Assessments	<u>57,620</u>	<u>60,200</u>	<u>60,200</u>	<u>60,200</u>	<u>62,400</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>295,316</u></b>	<b><u>313,389</u></b>	<b><u>325,730</u></b>	<b><u>325,730</u></b>	<b><u>320,803</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	20,443	56,018	56,018	56,018	56,018
DOT Personal Services	16,893	25,816	25,816	14,800	20,428
Overhead	4,771	8,830	8,830	8,830	10,138
Total Expenditures	<u>42,107</u>	<u>90,664</u>	<u>90,664</u>	<u>79,648</u>	<u>86,584</u>
Ending Fund Balance					
Unrestricted	253,209	222,725	235,066	246,082	234,219
Total Ending Fund Balance	<u>253,209</u>	<u>222,725</u>	<u>235,066</u>	<u>246,082</u>	<u>234,219</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>295,316</u></b>	<b><u>313,389</u></b>	<b><u>325,730</u></b>	<b><u>325,730</u></b>	<b><u>320,803</u></b>

COMMUNITY FACILITIES DISTRICT NO. 14 (RALEIGH - CHARLOTTE)  
FUND (379)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	0	0	2,159	2,159	2,159
Unrestricted	523,316	577,129	665,878	665,878	803,806
Total Beginning Fund Balance	<u>523,316</u>	<u>577,129</u>	<u>668,037</u>	<u>668,037</u>	<u>805,965</u>
Revenue from Use of Money/Property					
Interest	3,961	5,200	5,200	5,200	5,200
Total Revenue from Use of Money/Property	<u>3,961</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>
Special Assessments					
Special Assessments	522,423	541,489	541,489	541,489	543,560
Total Special Assessments	<u>522,423</u>	<u>541,489</u>	<u>541,489</u>	<u>541,489</u>	<u>543,560</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>1,049,700</u></b>	<b><u>1,123,818</u></b>	<b><u>1,214,726</u></b>	<b><u>1,214,726</u></b>	<b><u>1,354,725</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	51,571	139,518	139,518	66,900	139,518
DOT Personal Services	34,014	44,001	44,001	38,400	48,844
Overhead	17,491	23,461	23,461	23,461	27,320
PRNS Non-Pers/Equip	248,593	339,396	339,396	277,000	339,396
PRNS Personal Services	29,994	31,459	31,459	3,000	19,010
Total Expenditures	<u>381,663</u>	<u>577,835</u>	<u>577,835</u>	<u>408,761</u>	<u>574,088</u>
Ending Fund Balance					
Reserve for Encumbrances	2,159	0	2,159	2,159	2,159
Unrestricted	665,878	545,983	634,732	803,806	778,478
Total Ending Fund Balance	<u>668,037</u>	<u>545,983</u>	<u>636,891</u>	<u>805,965</u>	<u>780,637</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>1,049,700</u></b>	<b><u>1,123,818</u></b>	<b><u>1,214,726</u></b>	<b><u>1,214,726</u></b>	<b><u>1,354,725</u></b>

COMMUNITY FACILITIES DISTRICT NO.15 (BERRYESSA-SIERRA) (370)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	110,740	129,260	222,124	222,124	318,681
Total Beginning Fund Balance	<u>110,740</u>	<u>129,260</u>	<u>222,124</u>	<u>222,124</u>	<u>318,681</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>
Revenue from Use of Money/Property					
Interest	1,135	1,300	1,300	1,800	1,800
Total Revenue from Use of Money/Property	<u>1,135</u>	<u>1,300</u>	<u>1,300</u>	<u>1,800</u>	<u>1,800</u>
Special Assessments					
Special Assessments	89,959	93,800	93,800	93,800	97,300
Total Special Assessments	<u>89,959</u>	<u>93,800</u>	<u>93,800</u>	<u>93,800</u>	<u>97,300</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>228,754</u></b>	<b><u>251,280</u></b>	<b><u>344,144</u></b>	<b><u>344,644</u></b>	<b><u>444,701</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	6,630	100,000	100,000	19,900	100,000
DOT Personal Services	0	8,030	8,030	2,700	8,996
Overhead	0	3,363	3,363	3,363	4,513
Total Expenditures	<u>6,630</u>	<u>111,393</u>	<u>111,393</u>	<u>25,963</u>	<u>113,509</u>
Ending Fund Balance					
Unrestricted	222,124	139,887	232,751	318,681	331,192
Total Ending Fund Balance	<u>222,124</u>	<u>139,887</u>	<u>232,751</u>	<u>318,681</u>	<u>331,192</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>228,754</u></b>	<b><u>251,280</u></b>	<b><u>344,144</u></b>	<b><u>344,644</u></b>	<b><u>444,701</u></b>



# COMMUNITY FACILITIES REVENUE FUND (422)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	6,045	6,045	5,245	5,245	500
Unrestricted	3,265,354	1,232,930	4,622,866	4,622,866	51,294
<b>Total Beginning Fund Balance</b>	<b>3,271,399</b>	<b>1,238,975</b>	<b>4,628,111</b>	<b>4,628,111</b>	<b>51,794</b>
<b>Revenues</b>					
Hayes Ctr - Capital Impvt	709,674	702,000	702,000	744,000	0
Hayes Ctr - City Expenses	278,092	290,877	290,877	290,877	0
Hayes Ctr - Debt Expenses	4,333,000	4,327,000	4,327,000	4,327,000	0
Hayes Mansion Cash in Excess of Liabilities	0	0	0	3,902,846	0
Sale Proceeds	0	0	0	46,880,000	0
<b>Total Revenues</b>	<b>5,320,766</b>	<b>5,319,877</b>	<b>5,319,877</b>	<b>56,144,723</b>	<b>0</b>
<b>Transfers</b>					
2007A Bonds Debt Service Reserve	0	0	0	217,329	0
2008C Bonds Debt Service Reserve	0	0	0	1,093,359	0
2008D Bonds Debt Service Reserve	0	0	0	4,747,087	0
General Fund	3,700,000	3,400,000	3,400,000	3,400,000	0
<b>Total Transfers</b>	<b>3,700,000</b>	<b>3,400,000</b>	<b>3,400,000</b>	<b>9,457,775</b>	<b>0</b>
<b>Revenue from Use of Money/Property</b>					
Interest	41,041	22,000	22,000	41,041	0
<b>Total Revenue from Use of Money/Property</b>	<b>41,041</b>	<b>22,000</b>	<b>22,000</b>	<b>41,041</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>12,333,206</b>	<b>9,980,852</b>	<b>13,369,988</b>	<b>70,271,650</b>	<b>51,794</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
2007A Bonds Accrued Interest (Hayes Mansion)	0	0	0	36,807	0
2007A Bonds Principal Retirement (Hayes Mansion)	0	0	0	1,757,806	0
2008C Bonds Retirement	0	0	0	10,915,000	0
2008D Bonds Retirement	0	0	0	20,640,000	0
Edenvale Garden Park Public Lot and Garage Rehabilitation	0	0	0	3,200,000	0
Hayes Consultant Costs	129,980	136,729	136,729	136,729	51,294

# COMMUNITY FACILITIES REVENUE FUND (422)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Expenditures					
Hayes Ctr - Operating/Debt Subsidy	3,000,000	4,120,000	4,120,000	3,300,000	0
Hayes Ctr - Ph I Dbt Srvc	906,215	933,000	933,000	933,000	0
Hayes Ctr - Ph III Dbt Srvc	3,079,568	3,394,000	3,394,000	3,394,000	0
Hayes Mansion Devcon Developer Loan	0	0	0	1,200,000	0
Hayes Mansion Dolce Termination Fee	0	0	0	800,000	0
Hayes Repair and Impvt	427,624	702,000	702,000	2,280,665	0
Personal Property Sales Tax	0	0	0	33,421	0
<b>Total Expenditures</b>	<u>7,543,387</u>	<u>9,285,729</u>	<u>9,285,729</u>	<u>48,627,428</u>	<u>51,294</u>
Transfers					
Construction Tax and Property Conveyance Tax Fund: Council District #4	0	0	0	349,891	0
General Fund	161,708	154,148	154,148	2,601,588	0
Municipal Golf Course Fund	0	0	0	18,640,949	0
<b>Total Transfers</b>	<u>161,708</u>	<u>154,148</u>	<u>154,148</u>	<u>21,592,428</u>	<u>0</u>
Ending Fund Balance					
Reserve for Encumbrances Unrestricted	5,245	6,045	5,245	500	500
	4,622,866	534,930	3,924,866	51,294	0
<b>Total Ending Fund Balance</b>	<u>4,628,111</u>	<u>540,975</u>	<u>3,930,111</u>	<u>51,794</u>	<u>500</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>12,333,206</u></u>	<u><u>9,980,852</u></u>	<u><u>13,369,988</u></u>	<u><u>70,271,650</u></u>	<u><u>51,794</u></u>

# CONVENTION & CULTURAL AFFAIRS FUND (536)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Capital Reserve	2,400,000	1,513,000	1,513,000	1,513,000	1,300,000
Center for Performing Arts Rehabilitation Reserve	0	0	0	0	1,270,000
Reserve for Encumbrances	36,485	36,485	198,821	198,821	198,821
Revenue Stabilization Reserve	922,000	1,000,000	1,000,000	1,000,000	3,000,000
Unrestricted	3,594,723	6,116,877	9,992,702	9,992,702	2,316,954
<b>Total Beginning Fund Balance</b>	<b>6,953,208</b>	<b>8,666,362</b>	<b>12,704,523</b>	<b>12,704,523</b>	<b>8,085,775</b>
Transfers					
Transient Occupancy Tax	13,141,766	13,658,865	13,715,304	13,715,304	14,523,865
<b>Total Transfers</b>	<b>13,141,766</b>	<b>13,658,865</b>	<b>13,715,304</b>	<b>13,715,304</b>	<b>14,523,865</b>
Revenue from Use of Money/Property					
Interest	38,453	28,000	28,000	81,000	81,000
<b>Total Revenue from Use of Money/Property</b>	<b>38,453</b>	<b>28,000</b>	<b>28,000</b>	<b>81,000</b>	<b>81,000</b>
Other Revenue					
Broadway San José	267,622	75,000	75,000	101,789	100,000
<b>Total Other Revenue</b>	<b>267,622</b>	<b>75,000</b>	<b>75,000</b>	<b>101,789</b>	<b>100,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,401,049</b>	<b>22,428,227</b>	<b>26,522,827</b>	<b>26,602,616</b>	<b>22,790,640</b>
<b>USE OF FUNDS</b>					
Expenditures					
CA and CPA Marketing/Capital Improvements	11,400	0	367,750	367,750	0
CVB Marketing Services	500,000	750,000	750,000	750,000	500,000
Center for Performing Arts Elevator Rehabilitation	0	158,000	250,000	250,000	0
Center for Performing Arts Rehabilitation	0	0	730,000	730,000	0
Civic Auditorium HVAC Rehabilitation	149,927	4,439,000	5,303,000	5,303,000	0
Civic Auditorium Temp Cooling	264,731	300,000	300,000	300,000	90,000
Civic Auditorium Windows Replacement	0	0	0	0	500,000
Convention Center Ballroom A Carpet Replacement	0	450,000	450,000	450,000	0
Convention Center City Free-Use	103,579	275,000	275,000	275,000	275,000

# CONVENTION & CULTURAL AFFAIRS FUND (536)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Expenditures					
Convention Center Concourse Column Covers	0	0	800,000	800,000	900,000
Convention Center Restrooms Upgrade	0	0	0	0	200,000
Convention Facilities Industry Advisor	86,393	100,000	100,000	100,000	100,000
Convention Facilities Operations (TSJ)	822,970	3,442,000	3,442,000	2,900,000	5,200,000
Downtown Wayfinding Signage	11,636	300,000	300,000	300,000	0
Insurance Expenses	215,306	245,000	245,000	245,000	245,000
Montgomery Theater Restroom Remodel	0	0	0	0	450,000
PW Non-Personal/Equipment	0	5,000	5,000	5,000	5,000
Rehab/Repair - Electrical	785,076	520,000	952,000	952,000	1,000,000
Rehab/Repair - Mechanical	527,344	590,000	308,000	308,000	500,000
Rehab/Repair - Miscellaneous	155,998	195,000	549,000	549,000	350,000
Rehab/Repair - Structures	1,757,483	660,000	1,775,000	1,775,000	2,000,000
Rehab/Repair - Unanticipated	182,809	100,000	105,000	105,000	100,000
Team San José Incentive Fee	200,000	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	53,499	125,000	125,000	125,000	75,000
<b>Total Expenditures</b>	<b>6,828,151</b>	<b>13,854,000</b>	<b>18,331,750</b>	<b>17,789,750</b>	<b>13,690,000</b>
Transfers					
General Fund: Broadway San José	260,413	75,000	82,209	101,789	100,000
General Fund: Contract Oversight	237,653	226,790	226,790	226,790	267,141
General Fund: Cultural Facilities	69,500	69,500	69,500	69,500	69,500
Capital Maint. Cost Sharing					
General Fund: Overhead	300,809	329,012	329,012	329,012	474,474
<b>Total Transfers</b>	<b>868,375</b>	<b>700,302</b>	<b>707,511</b>	<b>727,091</b>	<b>911,115</b>
Ending Fund Balance					
Capital Reserve	1,513,000	1,300,000	1,300,000	1,300,000	2,500,000
Center for Performing Arts Rehabilitation Reserve	0	2,000,000	1,270,000	1,270,000	1,000,000
Reserve for Encumbrances	198,821	36,485	198,821	198,821	198,821
Revenue Stabilization Reserve	1,000,000	3,000,000	3,000,000	3,000,000	4,000,000
Unrestricted	9,992,702	1,537,440	1,714,745	2,316,954	490,704
<b>Total Ending Fund Balance</b>	<b>12,704,523</b>	<b>7,873,925</b>	<b>7,483,566</b>	<b>8,085,775</b>	<b>8,189,525</b>
<b>TOTAL USE OF FUNDS</b>	<b>20,401,049</b>	<b>22,428,227</b>	<b>26,522,827</b>	<b>26,602,616</b>	<b>22,790,640</b>

# CONVENTION CENTER FACILITIES DISTRICT REVENUE FUND (791)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Debt Service Reserve	10,502,550	10,502,550	10,502,550	10,502,550	10,502,550
Non Annexed Hotel Revenue	0	0	0	0	3,500,511
Reserve for Encumbrances	0	0	46,380	46,380	46,380
Revenue Stabilization Reserve	10,258,950	10,258,950	10,258,950	10,258,950	10,258,950
Unrestricted	7,049,966	8,221,966	7,479,364	7,479,364	539,969
<b>Total Beginning Fund Balance</b>	<b>27,811,466</b>	<b>28,983,466</b>	<b>28,287,244</b>	<b>28,287,244</b>	<b>24,848,360</b>
<b>Transfers</b>					
Convention Center Facilities District Project Fund	0	0	677,927	677,927	0
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>677,927</b>	<b>677,927</b>	<b>0</b>
<b>Revenue from Use of Money/Property</b>					
Interest	107,681	84,000	84,000	195,000	200,000
<b>Total Revenue from Use of Money/Property</b>	<b>107,681</b>	<b>84,000</b>	<b>84,000</b>	<b>195,000</b>	<b>200,000</b>
<b>Other Revenue</b>					
Miscellaneous	4,035	0	0	0	0
<b>Total Other Revenue</b>	<b>4,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing Proceeds</b>					
Commercial Paper Proceeds	0	0	15,000,000	15,000,000	0
<b>Total Financing Proceeds</b>	<b>0</b>	<b>0</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>0</b>
<b>Convention Center Facilities District Special Tax</b>					
Convention Center Facilities District Special Tax	15,169,095	16,668,000	16,668,000	16,668,000	17,335,000
<b>Total Convention Center Facilities District Special Tax</b>	<b>15,169,095</b>	<b>16,668,000</b>	<b>16,668,000</b>	<b>16,668,000</b>	<b>17,335,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>43,092,277</b>	<b>45,735,466</b>	<b>60,717,171</b>	<b>60,828,171</b>	<b>42,383,360</b>
<b>USE OF FUNDS</b>					

# CONVENTION CENTER FACILITIES DISTRICT REVENUE FUND (791)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Expenditures					
Concourse Column Covers	0	800,000	0	0	0
Convention Center Boiler Protection	1,654,270	50,000	515,000	515,000	0
Convention Center Elevator Upgrades	424,152	404,000	496,000	496,000	0
Convention Center Escalator Upgrades	387,501	812,000	812,000	812,000	0
Convention Center Exhibit Hall Lighting and Ceiling Upgrades	166,960	6,250,000	21,133,000	21,133,000	0
Convention Center Restrooms Refurbishment	0	600,000	600,000	600,000	1,000,000
Debt Service: Commercial Paper	1,733,015	1,501,000	1,501,000	1,501,000	1,431,000
Debt Service: Exhibit Hall Commercial Paper	0	0	0	0	2,495,000
Debt Service: Lease Revenue Bonds	2,079,472	2,242,000	2,242,000	2,242,000	2,244,000
Debt Service: Special Tax Bonds	8,209,663	8,210,000	8,210,000	8,210,000	8,212,000
<b>Total Expenditures</b>	<u>14,655,033</u>	<u>20,869,000</u>	<u>35,509,000</u>	<u>35,509,000</u>	<u>15,382,000</u>
Transfers					
Convention Center Facilities District Project Fund	0	0	320,811	320,811	0
General Fund: Administration	150,000	150,000	150,000	150,000	150,000
<b>Total Transfers</b>	<u>150,000</u>	<u>150,000</u>	<u>470,811</u>	<u>470,811</u>	<u>150,000</u>
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	3,038,000	3,500,511	3,500,511	5,250,511
Reserves for Encumbrances	46,380	0	46,380	46,380	46,380
Revenue Stabilization Reserve	10,258,950	10,258,950	10,258,950	10,258,950	10,258,950
Unrestricted	7,479,364	916,966	428,969	539,969	792,969
<b>Total Ending Fund Balance</b>	<u>28,287,244</u>	<u>24,716,466</u>	<u>24,737,360</u>	<u>24,848,360</u>	<u>26,851,360</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>43,092,277</u></u>	<u><u>45,735,466</u></u>	<u><u>60,717,171</u></u>	<u><u>60,828,171</u></u>	<u><u>42,383,360</u></u>

# DOWNTOWN PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FUND (302)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	8,383	8,383	7,823	7,823	7,823
Unrestricted	1,220,350	1,361,994	1,276,779	1,276,779	1,333,507
Total Beginning Fund Balance	<u>1,228,733</u>	<u>1,370,377</u>	<u>1,284,602</u>	<u>1,284,602</u>	<u>1,341,330</u>
Transfers					
General Fund	709,769	727,007	744,007	744,007	770,000
General Purpose Parking Fund	77,447	77,447	77,447	77,447	77,447
Total Transfers	<u>787,216</u>	<u>804,454</u>	<u>821,454</u>	<u>821,454</u>	<u>847,447</u>
Revenue from Use of Money/Property					
Interest	4,914	4,000	4,000	6,000	6,000
Total Revenue from Use of Money/Property	<u>4,914</u>	<u>4,000</u>	<u>4,000</u>	<u>6,000</u>	<u>6,000</u>
Special Assessments					
Downtown PBID Assessments	2,005,688	2,232,909	2,232,909	2,158,779	2,250,045
Total Special Assessments	<u>2,005,688</u>	<u>2,232,909</u>	<u>2,232,909</u>	<u>2,158,779</u>	<u>2,250,045</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>4,026,551</u></b>	<b><u>4,411,740</u></b>	<b><u>4,342,965</u></b>	<b><u>4,270,835</u></b>	<b><u>4,444,822</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
Downtown PBID	2,366,950	2,487,627	2,487,627	2,554,505	2,638,560
Downtown Transit Mall	365,000	365,000	365,000	365,000	365,000
Public Works Support	9,999	10,000	10,000	10,000	10,000
Total Expenditures	<u>2,741,949</u>	<u>2,862,627</u>	<u>2,862,627</u>	<u>2,929,505</u>	<u>3,013,560</u>
Ending Fund Balance					
Reserve for Encumbrances	7,823	8,383	7,823	7,823	7,823
Unrestricted	1,276,779	1,540,730	1,472,515	1,333,507	1,423,439
Total Ending Fund Balance	<u>1,284,602</u>	<u>1,549,113</u>	<u>1,480,338</u>	<u>1,341,330</u>	<u>1,431,262</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>4,026,551</u></b>	<b><u>4,411,740</u></b>	<b><u>4,342,965</u></b>	<b><u>4,270,835</u></b>	<b><u>4,444,822</u></b>

# ECONOMIC DEVELOPMENT ADMINISTRATION LOAN FUND (444)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	5,742	7,292	6,568	6,568	6,628
Total Beginning Fund Balance	5,742	7,292	6,568	6,568	6,628
Revenue from Use of Money/Property					
Interest	2	500	500	60	100
Loan Repayment - Interest	5	50	50	0	10
Loan Repayment - Principal	819	1,000	1,000	0	800
Total Revenue from Use of Money/Property	826	1,550	1,550	60	910
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,568</b>	<b>8,842</b>	<b>8,118</b>	<b>6,628</b>	<b>7,538</b>
<b>USE OF FUNDS</b>					
Ending Fund Balance					
Unrestricted	6,568	8,842	8,118	6,628	7,538
Total Ending Fund Balance	6,568	8,842	8,118	6,628	7,538
<b>TOTAL USE OF FUNDS</b>	<b>6,568</b>	<b>8,842</b>	<b>8,118</b>	<b>6,628</b>	<b>7,538</b>



EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT TRUST FUND  
(474)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	52,441	52,441	0	0	0
Unrestricted	165,178	139,579	181,627	181,627	126,121
Total Beginning Fund Balance	<u>217,619</u>	<u>192,020</u>	<u>181,627</u>	<u>181,627</u>	<u>126,121</u>
Revenue from Use of Money/Property					
Interest	1,189	42	42	1,630	0
Total Revenue from Use of Money/Property	<u>1,189</u>	<u>42</u>	<u>42</u>	<u>1,630</u>	<u>0</u>
Revenue from Federal Government					
Federal Revenue	260,544	56,361	0	0	0
Total Revenue from Federal Government	<u>260,544</u>	<u>56,361</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>479,352</u></b>	<b><u>248,423</u></b>	<b><u>181,669</u></b>	<b><u>183,257</u></b>	<b><u>126,121</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
2012 JAG	19,173	0	0	0	0
2013 JAG	19,090	943	42	42	0
2014 JAG	165,072	23,527	15,211	12,298	2,913
2015 JAG	94,390	171,512	166,416	44,796	121,623
Total Expenditures	<u>297,725</u>	<u>195,982</u>	<u>181,669</u>	<u>57,136</u>	<u>124,536</u>
Ending Fund Balance					
Reserve for Encumbrances	0	52,441	0	0	0
Unrestricted	181,627	0	0	126,121	1,585
Total Ending Fund Balance	<u>181,627</u>	<u>52,441</u>	<u>0</u>	<u>126,121</u>	<u>1,585</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>479,352</u></b>	<b><u>248,423</u></b>	<b><u>181,669</u></b>	<b><u>183,257</u></b>	<b><u>126,121</u></b>

# EMERGENCY RESERVE FUND (406)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Restricted - Emergency Reserve	3,381,532	3,381,532	3,381,532	3,381,532	0
Unrestricted	0	0	0	0	1,617,494
<b>Total Beginning Fund Balance</b>	<b>3,381,532</b>	<b>3,381,532</b>	<b>3,381,532</b>	<b>3,381,532</b>	<b>1,617,494</b>
Revenue from Use of Money/Property					
Interest	29,580	17,500	17,500	17,500	17,000
<b>Total Revenue from Use of Money/Property</b>	<b>29,580</b>	<b>17,500</b>	<b>17,500</b>	<b>17,500</b>	<b>17,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,411,112</b>	<b>3,399,032</b>	<b>3,399,032</b>	<b>3,399,032</b>	<b>1,634,494</b>
<b>USE OF FUNDS</b>					
Expenditures					
2017 Flood - Finance Claims Administration	0	0	0	0	200,000
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>
Transfers					
Construction Excise Tax Fund	0	110,256	110,256	110,256	0
Council District 1 C&C Tax Fund	0	7,285	7,285	7,285	0
Council District 3 C&C Tax Fund	0	8,762	8,762	8,762	0
Council District 4 C&C Tax Fund	0	1,145	1,145	1,145	0
Council District 6 C&C Tax Fund	0	3,990	3,990	3,990	0
Council District 7 C&C Tax Fund	0	2,291	2,291	2,291	0
Fire C&C Tax Fund	0	21,658	21,658	21,658	0
General Fund - Interest Earnings	29,580	17,500	17,500	17,500	17,000
Library C&C Tax Fund	0	185	185	185	0
Maintenance District No. 1	0	131	131	131	0
Maintenance District No. 11	0	130	130	130	0
Maintenance District No. 13	0	130	130	130	0
Maintenance District No. 19	0	131	131	131	0
Maintenance District No. 2	0	131	131	131	0
Maintenance District No. 20	0	130	130	130	0
Maintenance District No. 21	0	131	131	131	0
Maintenance District No. 22	0	130	130	130	0
Maintenance District No. 5	0	131	131	131	0
Maintenance District No. 8	0	131	131	131	0
Maintenance District No. 9	0	131	131	131	0
Parks City-Wide C&C Tax Fund	0	1,605,302	1,605,302	1,605,302	0
Vehicle Maint & Operations Fund	0	1,577	1,577	1,577	0

# EMERGENCY RESERVE FUND (406)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Transfers					
Water Utility Fund	0	150	150	150	0
Total Transfers	<u>29,580</u>	<u>1,781,538</u>	<u>1,781,538</u>	<u>1,781,538</u>	<u>17,000</u>
Ending Fund Balance					
Restricted - Emergency Reserve	3,381,532	1,617,494	1,617,494	0	0
Unrestricted	0	0	0	1,617,494	1,417,494
Total Ending Fund Balance	<u>3,381,532</u>	<u>1,617,494</u>	<u>1,617,494</u>	<u>1,617,494</u>	<u>1,417,494</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>3,411,112</u></u>	 <u><u>3,399,032</u></u>	 <u><u>3,399,032</u></u>	 <u><u>3,399,032</u></u>	 <u><u>1,634,494</u></u>

# FEDERAL DRUG FORFEITURE FUND (419)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Bomb Disposal Facility Reserve	750,000	0	0	0	0
Reserve for Encumbrance	28,697	28,697	317,432	317,432	317,432
Unrestricted	2,552,756	3,139,582	3,211,966	3,211,966	2,337,966
Total Beginning Fund Balance	3,331,453	3,168,279	3,529,398	3,529,398	2,655,398
Revenue from Use of Money/Property					
Interest	24,213	20,000	20,000	30,000	20,000
Total Revenue from Use of Money/Property	24,213	20,000	20,000	30,000	20,000
Revenue from Federal Government					
Federal Revenue	173,732	200,000	200,000	75,000	100,000
Total Revenue from Federal Government	173,732	200,000	200,000	75,000	100,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,529,398</b>	<b>3,388,279</b>	<b>3,749,398</b>	<b>3,634,398</b>	<b>2,775,398</b>
<b>USE OF FUNDS</b>					
Expenditures					
Body Worn Cameras	0	924,000	924,000	924,000	0
Police Non-Pers/Equip	0	55,000	55,000	55,000	0
Total Expenditures	0	979,000	979,000	979,000	0
Ending Fund Balance					
Reserve for Encumbrance	317,432	28,697	317,432	317,432	317,432
Unrestricted	3,211,966	2,380,582	2,452,966	2,337,966	2,457,966
Total Ending Fund Balance	3,529,398	2,409,279	2,770,398	2,655,398	2,775,398
<b>TOTAL USE OF FUNDS</b>	<b>3,529,398</b>	<b>3,388,279</b>	<b>3,749,398</b>	<b>3,634,398</b>	<b>2,775,398</b>

# FEDERATED RETIREE HEALTH CARE TRUST FUND (124)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2016-2017 Modified</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Proposed</b>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	125,892,000	157,176,707	168,605,000	168,605,000	224,041,987
Total Beginning Fund Balance	125,892,000	157,176,707	168,605,000	168,605,000	224,041,987
Transfers					
City Contributions	26,035,000	30,715,000	26,344,538	26,344,538	29,233,648
Total Transfers	26,035,000	30,715,000	26,344,538	26,344,538	29,233,648
Revenue from Use of Money/Property					
Investment Income	(1,142,000)	2,061,456	12,935,071	12,935,071	18,498,783
Participant Income	17,881,000	18,308,902	16,212,378	16,212,378	15,852,586
Total Revenue from Use of Money/Property	16,739,000	20,370,358	29,147,449	29,147,449	34,351,369
<b>TOTAL SOURCE OF FUNDS</b>	<b>168,666,000</b>	<b>208,262,065</b>	<b>224,096,987</b>	<b>224,096,987</b>	<b>287,627,004</b>
<b>USE OF FUNDS</b>					
Expenditures					
Professional Fees	61,000	55,000	55,000	55,000	55,000
Total Expenditures	61,000	55,000	55,000	55,000	55,000
Ending Fund Balance					
Claims Reserve	168,605,000	208,207,065	224,041,987	224,041,987	287,572,004
Total Ending Fund Balance	168,605,000	208,207,065	224,041,987	224,041,987	287,572,004
<b>TOTAL USE OF FUNDS</b>	<b>168,666,000</b>	<b>208,262,065</b>	<b>224,096,987</b>	<b>224,096,987</b>	<b>287,627,004</b>

\* This Statement of Source and Use is for display purposes only. The Federated City Employees Retirement Plan Board of Administration approved the annual administrative budget on 4/20/17.

# FEDERATED RETIREMENT FUND (134)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	2,009,643,000	1,883,058,925	1,916,121,513	1,916,121,513	1,943,446,839
<b>Total Beginning Fund Balance</b>	<b>2,009,643,000</b>	<b>1,883,058,925</b>	<b>1,916,121,513</b>	<b>1,916,121,513</b>	<b>1,943,446,839</b>
<b>Transfers</b>					
1980 COLA	1,448	2,500	2,500	498	525
1990 COLA	35,968	37,000	37,000	32,582	33,000
City Contributions	133,886,000	142,856,000	135,478,362	135,478,362	157,269,000
<b>Total Transfers</b>	<b>133,923,416</b>	<b>142,895,500</b>	<b>135,517,862</b>	<b>135,511,442</b>	<b>157,302,525</b>
<b>Revenue from Use of Money/Property</b>					
Investment Income	(36,315,000)	20,119,408	88,312,701	88,312,701	129,559,508
Participant Income	15,920,000	16,353,544	16,353,573	16,353,573	17,721,593
<b>Total Revenue from Use of Money/Property</b>	<b>(20,395,000)</b>	<b>36,472,952</b>	<b>104,666,274</b>	<b>104,666,274</b>	<b>147,281,101</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,123,171,416</b>	<b>2,062,427,377</b>	<b>2,156,305,649</b>	<b>2,156,299,229</b>	<b>2,248,030,465</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
1980 COLA	1,448	2,500	2,500	498	525
1990 COLA	35,968	37,000	37,000	32,582	33,000
Benefits	173,318,000	186,994,799	179,449,810	179,449,810	197,394,791
Health Insurance	29,577,000	31,593,575	27,500,000	27,500,000	30,250,000
Professional Fees	529,654	1,266,000	1,270,500	1,270,500	1,381,200
Retirement Non-Pers/Equip	656,984	1,212,000	1,484,000	1,484,000	1,369,800
Retirement Pers Svcs	2,930,849	3,278,598	3,278,598	3,115,000	3,539,687
<b>Total Expenditures</b>	<b>207,049,903</b>	<b>224,384,472</b>	<b>213,022,408</b>	<b>212,852,390</b>	<b>233,969,003</b>
<b>Ending Fund Balance</b>					
Claims Reserve	1,916,121,513	1,838,042,905	1,943,283,241	1,943,446,839	2,014,061,462
<b>Total Ending Fund Balance</b>	<b>1,916,121,513</b>	<b>1,838,042,905</b>	<b>1,943,283,241</b>	<b>1,943,446,839</b>	<b>2,014,061,462</b>
<b>TOTAL USE OF FUNDS</b>	<b>2,123,171,416</b>	<b>2,062,427,377</b>	<b>2,156,305,649</b>	<b>2,156,299,229</b>	<b>2,248,030,465</b>

\* This Statement of Source and Use is for display purposes only. The Federated City Employees' Retirement Plan Board of Administration approved the annual administrative budget on 4/20/17. 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 salary, 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

	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2016-2017 Modified</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Proposed</b>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	19,420,000	26,660,421	27,079,000	27,079,000	35,733,572
Total Beginning Fund Balance	19,420,000	26,660,421	27,079,000	27,079,000	35,733,572
Transfers					
City Contributions	8,100,000	8,201,000	8,036,765	8,036,765	9,105,907
Total Transfers	8,100,000	8,201,000	8,036,765	8,036,765	9,105,907
Revenue from Use of Money/Property					
Investment Income	(420,000)	348,414	640,907	640,907	3,081,126
Total Revenue from Use of Money/Property	(420,000)	348,414	640,907	640,907	3,081,126
<b>TOTAL SOURCE OF FUNDS</b>	<b>27,100,000</b>	<b>35,209,835</b>	<b>35,756,672</b>	<b>35,756,672</b>	<b>47,920,605</b>
<b>USE OF FUNDS</b>					
Expenditures					
Professional Fees	21,000	20,000	23,100	23,100	23,100
Total Expenditures	21,000	20,000	23,100	23,100	23,100
Ending Fund Balance					
Claims Reserve	27,079,000	35,189,835	35,733,572	35,733,572	47,897,505
Total Ending Fund Balance	27,079,000	35,189,835	35,733,572	35,733,572	47,897,505
<b>TOTAL USE OF FUNDS</b>	<b>27,100,000</b>	<b>35,209,835</b>	<b>35,756,672</b>	<b>35,756,672</b>	<b>47,920,605</b>

\* This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/6/17.

# GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1943 (409)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2016-2017 Modified</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Proposed</b>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	0	0	0	0	0
Total Beginning Fund Balance	0	0	0	0	0
Gas Tax					
Gas Tax	6,983,689	7,660,000	7,660,000	7,800,000	7,800,000
Total Gas Tax	6,983,689	7,660,000	7,660,000	7,800,000	7,800,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,983,689</b>	<b>7,660,000</b>	<b>7,660,000</b>	<b>7,800,000</b>	<b>7,800,000</b>
<b>USE OF FUNDS</b>					
Transfers					
General Fund	6,983,689	7,660,000	7,660,000	7,800,000	7,800,000
Total Transfers	6,983,689	7,660,000	7,660,000	7,800,000	7,800,000
Ending Fund Balance					
Unrestricted	0	0	0	0	0
Total Ending Fund Balance	0	0	0	0	0
<b>TOTAL USE OF FUNDS</b>	<b>6,983,689</b>	<b>7,660,000</b>	<b>7,660,000</b>	<b>7,800,000</b>	<b>7,800,000</b>



# GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1964 (410)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<b>2015-2016 Actual</b>	<b>2016-2017 Adopted</b>	<b>2016-2017 Modified</b>	<b>2016-2017 Estimate</b>	<b>2017-2018 Proposed</b>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	0	0	0	0	0
Total Beginning Fund Balance	0	0	0	0	0
Gas Tax					
Gas Tax	3,644,637	3,835,000	3,835,000	3,700,000	3,700,000
Total Gas Tax	3,644,637	3,835,000	3,835,000	3,700,000	3,700,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,644,637</b>	<b>3,835,000</b>	<b>3,835,000</b>	<b>3,700,000</b>	<b>3,700,000</b>
<b>USE OF FUNDS</b>					
Transfers					
General Fund	3,644,637	3,835,000	3,835,000	3,700,000	3,700,000
Total Transfers	3,644,637	3,835,000	3,835,000	3,700,000	3,700,000
Ending Fund Balance					
Unrestricted	0	0	0	0	0
Total Ending Fund Balance	0	0	0	0	0
<b>TOTAL USE OF FUNDS</b>	<b>3,644,637</b>	<b>3,835,000</b>	<b>3,835,000</b>	<b>3,700,000</b>	<b>3,700,000</b>

# GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1990 (411)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	0	0	0	0	0
Total Beginning Fund Balance	0	0	0	0	0
Gas Tax					
Gas Tax	5,710,357	6,005,000	6,005,000	5,800,000	5,800,000
Total Gas Tax	5,710,357	6,005,000	6,005,000	5,800,000	5,800,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,710,357</b>	<b>6,005,000</b>	<b>6,005,000</b>	<b>5,800,000</b>	<b>5,800,000</b>
<b>USE OF FUNDS</b>					
Transfers					
General Fund	5,710,357	6,005,000	6,005,000	5,800,000	5,800,000
Total Transfers	5,710,357	6,005,000	6,005,000	5,800,000	5,800,000
Ending Fund Balance					
Unrestricted	0	0	0	0	0
Total Ending Fund Balance	0	0	0	0	0
<b>TOTAL USE OF FUNDS</b>	<b>5,710,357</b>	<b>6,005,000</b>	<b>6,005,000</b>	<b>5,800,000</b>	<b>5,800,000</b>

# GENERAL PURPOSE PARKING FUND (533)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
4th/San Fernando Reserve	2,317,861	2,317,861	2,317,861	2,317,861	2,469,693
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	793,927	941,498	941,498	941,498
Retiree Healthcare Solutions Reserve	53,956	63,314	63,314	63,314	63,314
SAP Center Area Parking Reserve	350,000	410,000	1,940,488	1,940,488	2,230,488
Unrestricted	6,395,954	9,440,180	11,799,383	11,799,383	11,845,414
<b>Total Beginning Fund Balance</b>	<b>19,360,849</b>	<b>17,148,282</b>	<b>21,185,544</b>	<b>21,185,544</b>	<b>21,963,407</b>
Transfers					
Housing Trust Fund	31,200	0	0	0	31,200
<b>Total Transfers</b>	<b>31,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,200</b>
Revenue from Use of Money/Property					
Interest	110,300	65,000	65,000	185,000	65,000
<b>Total Revenue from Use of Money/Property</b>	<b>110,300</b>	<b>65,000</b>	<b>65,000</b>	<b>185,000</b>	<b>65,000</b>
Fees, Rates, and Charges					
Parking Lots and Garages	12,290,849	12,207,200	12,297,200	12,700,000	12,390,308
Parking Meters	4,114,948	4,000,000	4,000,000	4,000,000	4,000,000
<b>Total Fees, Rates, and Charges</b>	<b>16,405,797</b>	<b>16,207,200</b>	<b>16,297,200</b>	<b>16,700,000</b>	<b>16,390,308</b>
Other Revenue					
Miscellaneous	231,009	244,800	244,800	244,800	244,800
<b>Total Other Revenue</b>	<b>231,009</b>	<b>244,800</b>	<b>244,800</b>	<b>244,800</b>	<b>244,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>36,139,155</b>	<b>33,665,282</b>	<b>37,792,544</b>	<b>38,315,344</b>	<b>38,694,715</b>
<b>USE OF FUNDS</b>					
Expenditures					
Capital Program	1,170,043	12,362,000	12,669,000	5,422,014	15,994,000
DOT Non-Pers/Equip	5,527,011	6,429,529	6,699,529	6,624,529	7,190,996
DOT Personal Services	2,019,136	2,268,589	2,268,589	2,005,786	2,549,222

# GENERAL PURPOSE PARKING FUND (533)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Expenditures					
Debt Service - 4th/San Fernando	1,681,576	0	0	0	0
Downtown Public Restrooms	93,600	0	0	0	156,000
IT Non-Pers/Equip	8,970	13,100	13,100	10,500	13,100
IT Personal Services	0	4,926	4,926	4,900	5,357
Overhead	790,196	1,068,033	1,068,033	1,068,033	1,386,219
Police Garage Security Services	129,326	200,000	200,000	135,000	200,000
Public Works Non-Pers/Equip	26,812	29,022	29,022	29,022	29,488
Public Works Personal Services	0	59,536	59,536	0	64,801
Successor Agency to Redevelopment Agency (Parking Lot Revenue)	(1,821)	0	0	0	0
Workers' Comp Claims	20	7,500	7,500	1,000	7,500
<b>Total Expenditures</b>	<b>11,444,869</b>	<b>22,442,235</b>	<b>23,019,235</b>	<b>15,300,784</b>	<b>27,596,683</b>
Transfers					
Benefit Fund	5,000	5,000	5,000	5,000	0
City Hall Debt Service Fund	121,371	120,326	120,326	120,326	119,223
Downtown PBID Fund	77,447	77,447	77,447	77,447	77,447
General Fund	807,000	847,000	847,000	847,000	1,375,513
General Fund - Human Resources/Payroll/Budget Systems Upgrade	11,924	1,380	1,380	1,380	0
San José Arena Capital Reserve Fund	2,486,000	0	0	0	0
<b>Total Transfers</b>	<b>3,508,742</b>	<b>1,051,153</b>	<b>1,051,153</b>	<b>1,051,153</b>	<b>1,572,183</b>
Ending Fund Balance					
4th/San Fernando Reserve	2,317,861	2,317,861	2,317,861	2,469,693	2,900,671
Debt Service Payments Reserve	3,363,000	3,363,000	3,363,000	3,363,000	3,363,000
Downtown Parking Investment Reserve	60,000	350,000	350,000	350,000	640,000
Emergency Repairs Reserve	700,000	700,000	700,000	700,000	700,000
Reserve for Encumbrances	941,498	793,927	941,498	941,498	941,498
Residential Parking Program	0	0	0	0	200,000
Retiree Healthcare Solutions Reserve	63,314	63,314	63,314	63,314	63,314
SAP Center Area Parking Reserve	1,940,488	700,000	2,230,488	2,230,488	0
Unrestricted	11,799,383	1,883,792	3,755,995	11,845,414	717,366
<b>Total Ending Fund Balance</b>	<b>21,185,544</b>	<b>10,171,894</b>	<b>13,722,156</b>	<b>21,963,407</b>	<b>9,525,849</b>
<b>TOTAL USE OF FUNDS</b>	<b>36,139,155</b>	<b>33,665,282</b>	<b>37,792,544</b>	<b>38,315,344</b>	<b>38,694,715</b>

# GIFT TRUST FUND (139)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Gifts Reserve	4,072,586	3,645,081	3,990,943	3,990,943	3,537,315
Reserve for Encumbrances	66,109	66,109	87,165	87,165	87,165
<b>Total Beginning Fund Balance</b>	<b>4,138,695</b>	<b>3,711,190</b>	<b>4,078,108</b>	<b>4,078,108</b>	<b>3,624,480</b>
<b>Revenues</b>					
Clerk Purposes	165	0	0	119	0
DOT Purposes	71,138	0	0	83	0
Library Purposes	270,164	0	12,186	353,840	0
OED Purposes	1,530	0	0	1,056	0
Other Purposes	1,813	0	0	1,294	0
PRNS Purposes	116,179	0	1,250	104,077	0
PW Purposes	247,260	0	0	267,971	0
Public Safety Purposes	25,771	0	0	8,656	0
<b>Total Revenues</b>	<b>734,020</b>	<b>0</b>	<b>13,436</b>	<b>737,096</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,872,715</b>	<b>3,711,190</b>	<b>4,091,544</b>	<b>4,815,204</b>	<b>3,624,480</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Airport-Art Work	0	8,958	8,986	0	9,028
Airport-Heliport System Plan Study	0	28,945	29,035	0	29,172
Airport-Kidport	0	312	313	0	315
CMO-Berryessa Center Art Project	0	2,459	2,467	0	2,479
Clerk-Annual Dist I Festival in the Park	0	1,600	1,606	0	1,613
Clerk-CommUnity Resource Fair	0	17,754	18,002	0	18,377
Clerk-Go Girl Go BAWSI	0	671	685	0	707
Clerk-Mayor's College Motivation Prgm	0	20,578	20,643	0	20,740
DOT-Coleman/Guadalupe Traffic Study and Mitigation	0	15,187	15,233	0	15,305
DOT-Our City Forest	0	2	3	0	4
DOT-Pedestrian Enhancements - International Cir and Hosp Pkwy	3,828	6,023	2,211	0	2,222
DOT-Safety Pedestrian Imprvmt	71,000	0	0	0	0
Fire-Hazardous Material Training	0	2,098	2,108	0	2,122
Fire-Public Education Program	20,456	20,322	16,923	9,359	14,704
IPA's Teen Leadership Council	0	2,135	2,142	0	2,152
Library-Books for Little Hands	0	4,400	4,414	0	4,434
Library-Calabazas Branch	0	2,323	1,843	0	4,216
Library-Garbage Stickers	(32)	52,455	55,341	0	62,141
Library-General Gifts	177,419	425,575	538,700	467,592	403,346
Library-Literacy Project	0	46,809	46,956	0	47,177

# GIFT TRUST FUND (139)

## STATEMENT OF SOURCE AND USE OF FUNDS

USE OF FUNDS	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>(CONT'D.)</b>					
Expenditures					
OED-Albino, Erminia and Alba Joyce Martini Memorial Fund	0	102,295	102,615	0	103,099
OED-Art + Technology Program	18,297	59,998	99,960	40,000	60,531
OED-Arts and Education Week	0	6,108	6,366	6,108	649
OED-Cultural Performance	0	22	27	0	34
OED-Incubation Office Project	0	1,835	2,055	0	2,387
OED-Miscellaneous Gifts	0	5	5	0	7
OED-Sponsorship Gifts	0	176	177	0	177
PD-Anti-Theft Car Campaign	0	1	62	0	62
PD-CADPE-Drug Education	0	5	1,536	0	1,543
PD-Canine Unit	0	8	2,352	0	2,355
PD-Child Safety Seats	0	54	15,497	0	15,571
PD-Children's Interview Center	0	151	44,119	0	44,327
PD-Communications Fac Fitness Ctr	0	9	2,587	0	2,599
PD-Community Services Program	0	10	2,974	0	2,988
PD-Crime Prevention Committee	0	3	861	0	865
PD-Cybercadet Program	0	19	5,642	0	5,669
PD-G.E.A.R. Program	0	2	283	0	284
PD-Internet Crimes Against Children	0	42	12,475	0	12,534
PD-Investigative Enhancement	9,999	181	47,567	9,994	37,789
PD-Major Awards Banquet	3,121	850	17,491	1,149	16,424
PD-Mayor's Safe Families	0	23	6,789	0	6,821
PD-Miscellaneous Gifts	0	3	1,017	0	1,021
PD-Police & School Partnership Prgm	0	37	10,980	0	11,031
PD-Police Educational Robot	0	9	2,598	0	2,611
PD-Police Mounted Unit	0	60	17,365	0	17,447
PD-Police Reserves Unit	13,557	22,667	64,921	40,889	24,316
PD-Robbery Secret Witness	0	64	18,831	0	18,920
PD-S.A.V.E. Program	0	123	35,663	0	35,832
PD-Scholastic Crime Stoppers	0	20	5,797	0	5,824
PD-School Safety Gifts	0	15	4,304	0	4,324
PD-Trauma Kits	0	7	2,197	0	2,208
PD-Volunteer Program	0	3	795	0	799
PRNS-Almaden Lake Park	0	2,759	2,768	0	2,781
PRNS-Almaden Lake Park Rangers	0	684	686	3	687
PRNS-Almaden Winery Imprvts	0	31,265	31,363	0	31,511
PRNS-Alum Rock Park	0	3,402	3,432	54	3,394
PRNS-Alviso Community Center	0	21,943	22,012	0	22,115
PRNS-Alviso Rec & Teen Program	0	1,826	1,832	0	1,841
PRNS-Animal Adoption	0	10,870	11,060	6,048	5,062
PRNS-Calabazas BMX Park	30	3,914	3,927	0	3,945
PRNS-Castro School Landscaping	0	7,095	7,117	0	7,151
PRNS-Combined Gifts	0	6,773	6,794	0	6,826
PRNS-Commodore Park Maintenance	66,249	433,035	433,184	62,469	372,644
PRNS-Community Cultural Council	0	3,803	3,815	0	3,833
PRNS-Emma Prusch Farm Park	682	22,638	22,818	5,094	18,306

# GIFT TRUST FUND (139)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b>					
(CONT'D.)					
Expenditures					
PRNS-Family Camp Camperships	451	3,522	5,690	2,000	3,716
PRNS-Friends of Paul Moore Park	0	4,094	4,107	0	4,126
PRNS-Grace Community Center	1,585	37,542	37,408	614	43,213
PRNS-Gullo Park Turf Irrigation	51	21,692	21,760	3,161	18,694
PRNS-J. Ward Memorial Scholarship	8,982	0	1,460	1,372	171
PRNS-Japanese Friendship Garden	0	15,948	17,410	3	18,819
PRNS-Lake Cunningham Skate Prk	0	6,835	6,856	0	6,889
PRNS-Leland HS Tennis	0	2,477	2,485	0	2,496
PRNS-Mayor's Gang Prevention Task Force Clean Slate Program	910	29,102	28,282	8,102	20,301
PRNS-Miscellaneous Gifts under \$1,000	108	27,398	27,484	3,135	24,182
PRNS-Mise and Starbird Gift	0	62,895	63,091	9,478	53,885
PRNS-Newhall Park Maintenance	13,950	349,930	350,451	21,865	330,204
PRNS-Nicolas Prusch Swim	0	356,968	358,087	0	359,773
PRNS-O'Donnell's Gardens Park	0	36,216	36,330	0	36,501
PRNS-Overfelt Gardens	1,742	3,875	3,887	877	3,140
PRNS-RP & CS Gen Gifts	5,747	29,497	44,760	3,081	43,687
PRNS-River Oaks Park Maintenance	80,713	506,772	494,581	98,725	398,059
PRNS-SJ Vietnam War Memorial	0	12,157	12,195	0	12,253
PRNS-Safe Summer Initiative	0	22,782	22,853	0	23,463
PRNS-St. James Park Landscaping	0	7,118	8,390	0	8,429
PRNS-Vista Montana Pk Maint	74,082	308,573	281,579	138,133	226,391
PRNS-Willow Glen Founders Day	3,420	4,122	711	0	714
PRNS-Youth Commission	5,391	12,386	13,580	1,007	12,636
PW-Animal Service Donations	197,869	323,639	250,307	250,307	242,111
PW-Kinjo Gardens	0	5,558	5,575	0	5,602
PW-Spay/Neuter Program	15,000	50,565	50,733	105	76,462
<b>Total Expenditures</b>	<u>794,607</u>	<u>3,645,081</u>	<u>4,004,379</u>	<u>1,190,724</u>	<u>3,537,315</u>
Ending Fund Balance					
Gifts Reserve	3,990,943	0	0	3,537,315	0
Reserve for Encumbrances	87,165	66,109	87,165	87,165	87,165
<b>Total Ending Fund Balance</b>	<u>4,078,108</u>	<u>66,109</u>	<u>87,165</u>	<u>3,624,480</u>	<u>87,165</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>4,872,715</u></u>	<u><u>3,711,190</u></u>	<u><u>4,091,544</u></u>	<u><u>4,815,204</u></u>	<u><u>3,624,480</u></u>

# HOME INVESTMENT PARTNERSHIP PROGRAM TRUST FUND (445)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	1,535,366	1,535,366	3,028,319	3,028,319	3,028,319
Retiree Healthcare Solutions Reserve	15,312	15,312	15,312	15,312	15,312
Unrestricted	1,676,248	1,235,675	1,149,891	1,149,891	4,264,920
Total Beginning Fund Balance	3,226,926	2,786,353	4,193,522	4,193,522	7,308,551
Revenue from Use of Money/Property					
Interest	10,116	10,000	10,000	40,000	20,000
Loan Repayments	5,498,975	8,944,934	8,944,934	3,500,000	3,500,000
Total Revenue from Use of Money/Property	5,509,091	8,954,934	8,954,934	3,540,000	3,520,000
Revenue from Federal Government					
Grant Revenue	4,532,529	2,560,066	2,560,066	8,100,000	2,316,397
Total Revenue from Federal Government	4,532,529	2,560,066	2,560,066	8,100,000	2,316,397
Other Revenue					
Miscellaneous	1,140,592	0	0	0	0
Total Other Revenue	1,140,592	0	0	0	0
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,409,138</b>	<b>14,301,353</b>	<b>15,708,522</b>	<b>15,833,522</b>	<b>13,144,948</b>
<b>USE OF FUNDS</b>					
Expenditures					
City Attorney Personal Svcs	1,556	66,555	68,130	15,000	75,227
Housing Loans and Grants	9,321,606	8,100,000	8,100,000	8,100,000	3,875,000
Housing Non-Personal/Equip	10,956	46,714	46,714	20,000	46,714
Housing Personal Services	209,494	162,441	162,441	162,441	181,453
Overhead	49,605	27,530	27,530	27,530	50,657
Tenant Based Rental Assistance	622,399	200,000	200,000	200,000	1,300,000
Total Expenditures	10,215,616	8,603,240	8,604,815	8,524,971	5,529,051
Ending Fund Balance					
Reserve for Encumbrances	3,028,319	1,535,366	3,028,319	3,028,319	3,028,319
Retiree Healthcare Solutions Reserve	15,312	15,312	15,312	15,312	15,312
Unrestricted	1,149,891	4,147,435	4,060,076	4,264,920	4,572,266
Total Ending Fund Balance	4,193,522	5,698,113	7,103,707	7,308,551	7,615,897
<b>TOTAL USE OF FUNDS</b>	<b>14,409,138</b>	<b>14,301,353</b>	<b>15,708,522</b>	<b>15,833,522</b>	<b>13,144,948</b>



# HOUSING TRUST FUND (440)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	458,301	458,301	942,837	942,837	942,837
Retiree Healthcare Solutions Reserve	16,709	0	0	0	0
Unrestricted	3,515,479	3,101,741	3,602,720	3,602,720	1,724,555
<b>Total Beginning Fund Balance</b>	<b>3,990,489</b>	<b>3,560,042</b>	<b>4,545,557</b>	<b>4,545,557</b>	<b>2,667,392</b>
Transfers					
Multi-Source Housing Fund	2,600,000	0	0	0	0
<b>Total Transfers</b>	<b>2,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue from Use of Money/Property					
Interest	38,802	20,000	20,000	45,000	35,000
<b>Total Revenue from Use of Money/Property</b>	<b>38,802</b>	<b>20,000</b>	<b>20,000</b>	<b>45,000</b>	<b>35,000</b>
Other Revenue					
Bond Administration Fees	1,421,218	1,100,000	1,100,000	700,000	900,000
<b>Total Other Revenue</b>	<b>1,421,218</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>700,000</b>	<b>900,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,050,509</b>	<b>4,680,042</b>	<b>5,665,557</b>	<b>5,290,557</b>	<b>3,602,392</b>
<b>USE OF FUNDS</b>					
Expenditures					
City Attorney Personal Svcs	0	35,029	35,029	1,000	39,032
Destination: Home	74,000	1,051,000	1,051,000	400,000	0
Emergency Assistance	0	50,000	50,000	0	50,000
Homeless Case Management & Homeless Management Info Sys.	0	870,000	870,000	850,000	300,000
Housing & Homeless Projects	2,990,972	923,000	923,000	923,000	900,000
Housing Non-Pers/Equip	48,646	50,000	50,000	50,000	50,000
Housing Personal Services	256,476	380,335	380,335	300,000	409,611
Overhead	61,339	74,999	74,999	60,000	72,000
<b>Total Expenditures</b>	<b>3,431,433</b>	<b>3,434,363</b>	<b>3,434,363</b>	<b>2,584,000</b>	<b>1,820,643</b>
Transfers					
City Hall Debt Service	42,319	39,165	39,165	39,165	37,822
General Purpose Parking Fund	31,200	0	0	0	31,200
<b>Total Transfers</b>	<b>73,519</b>	<b>39,165</b>	<b>39,165</b>	<b>39,165</b>	<b>69,022</b>

# HOUSING TRUST FUND (440)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Ending Fund Balance					
Reserve for Encumbrances	942,837	458,301	942,837	942,837	942,837
Unrestricted	3,602,720	748,213	1,249,192	1,724,555	769,890
Total Ending Fund Balance	<u>4,545,557</u>	<u>1,206,514</u>	<u>2,192,029</u>	<u>2,667,392</u>	<u>1,712,727</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>8,050,509</u></u>	 <u><u>4,680,042</u></u>	 <u><u>5,665,557</u></u>	 <u><u>5,290,557</u></u>	 <u><u>3,602,392</u></u>

# ICE CENTRE REVENUE FUND (432)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Previously Approved Repairs Reserve	2,276,466	2,294,760	2,294,760	2,294,760	3,180,260
Reserve for Encumbrances	111	111	0	0	0
Unrestricted	5,783,286	3,282,507	4,357,649	4,357,649	3,116,854
Total Beginning Fund Balance	8,059,863	5,577,378	6,652,409	6,652,409	6,297,114
Revenue from Use of Money/Property					
Ice Centre - Additional Rent	55,898	57,215	57,215	57,215	58,991
Ice Centre - Base Rent	1,033,721	1,825,000	1,825,000	1,825,000	1,825,000
Interest	56,147	40,000	40,000	59,000	60,000
Total Revenue from Use of Money/Property	1,145,766	1,922,215	1,922,215	1,941,215	1,943,991
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,205,629</b>	<b>7,499,593</b>	<b>8,574,624</b>	<b>8,593,624</b>	<b>8,241,105</b>
<b>USE OF FUNDS</b>					
Expenditures					
Ice Ctr - Debt Service Payment	1,664,714	1,875,000	1,875,000	1,875,000	2,095,000
Ice Ctr - Oversight Expenses	44,384	45,700	45,700	45,700	47,071
North/Center Ice Plant Replacement	68,084	0	0	0	0
Repairs - Electrical	180,003	71,750	71,750	71,750	65,000
Repairs - Mechanical	354,764	10,000	10,000	10,000	1,954,000
Repairs - Miscellaneous	100,862	66,435	66,435	66,435	112,000
Repairs - Structures	90,474	141,110	141,110	141,110	133,000
Repairs - Unanticipated/Emergency	37,519	75,000	75,000	75,000	75,000
Total Expenditures	2,540,804	2,284,995	2,284,995	2,284,995	4,481,071
Transfers					
General Fund - Insurance Expenses	12,416	11,515	11,515	11,515	11,515
Total Transfers	12,416	11,515	11,515	11,515	11,515
Ending Fund Balance					
Previously Approved Repairs Reserve	2,294,760	2,294,760	3,180,260	3,180,260	3,180,180
Reserve for Encumbrances	0	111	0	0	0
Unrestricted	4,357,649	2,908,212	3,097,854	3,116,854	568,339
Total Ending Fund Balance	6,652,409	5,203,083	6,278,114	6,297,114	3,748,519
<b>TOTAL USE OF FUNDS</b>	<b>9,205,629</b>	<b>7,499,593</b>	<b>8,574,624</b>	<b>8,593,624</b>	<b>8,241,105</b>

# INTEGRATED WASTE MANAGEMENT FUND (423)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Integrated Billing System Reserve	400,000	0	0	0	0
Operations and Maintenance Reserve	10,500,000	11,500,000	11,500,000	11,500,000	11,078,000
Reserve for Encumbrances	4,594,685	4,594,685	3,066,780	3,066,780	3,066,780
Retiree Healthcare Solutions Reserve	324,187	374,448	374,448	374,448	374,448
Unrestricted	2,407,472	11,345,106	13,312,906	13,312,906	12,249,314
<b>Total Beginning Fund Balance</b>	<b>18,226,344</b>	<b>27,814,239</b>	<b>28,254,134</b>	<b>28,254,134</b>	<b>26,768,542</b>
Licenses and Permits					
Franchise Applications	785	535	535	15,515	535
<b>Total Licenses and Permits</b>	<b>785</b>	<b>535</b>	<b>535</b>	<b>15,515</b>	<b>535</b>
Fines, Forfeitures, and Penalties					
CDDD Ineligible Refunds	832,179	740,000	740,000	740,000	790,000
Lien-Related Charges	4,429,016	442,500	442,500	22,500	382,500
<b>Total Fines, Forfeitures, and Penalties</b>	<b>5,261,195</b>	<b>1,182,500</b>	<b>1,182,500</b>	<b>762,500</b>	<b>1,172,500</b>
Revenue from Use of Money/Property					
Interest	100,371	232,000	232,000	311,000	326,000
Las Plumas Tenant	519,820	510,000	510,000	510,000	521,000
NMTC Leverage Loan Interest	98,048	98,048	98,048	98,048	98,048
<b>Total Revenue from Use of Money/Property</b>	<b>718,239</b>	<b>840,048</b>	<b>840,048</b>	<b>919,048</b>	<b>945,048</b>
Revenue from State of California					
SB 332 Revenue	262,338	250,000	250,000	255,722	250,000
<b>Total Revenue from State of California</b>	<b>262,338</b>	<b>250,000</b>	<b>250,000</b>	<b>255,722</b>	<b>250,000</b>
Fees, Rates, and Charges					
AB 939 Fees	3,491,676	3,479,000	3,479,000	3,780,000	3,580,000
Recycle Plus Collection Charges *	118,366,914	118,691,703	118,691,703	118,530,000	123,364,250
<b>Total Fees, Rates, and Charges</b>	<b>121,858,590</b>	<b>122,170,703</b>	<b>122,170,703</b>	<b>122,310,000</b>	<b>126,944,250</b>
Other Revenue					
CalRecycle Grant	56,610	0	0	0	0

# INTEGRATED WASTE MANAGEMENT FUND (423)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS (CONT'D.)</b>					
Other Revenue					
EDA Grant	1,193,250	0	0	0	0
HHW Revenue from County	349,142	0	0	903,037	0
Hauler Payments	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000
Miscellaneous Revenue	4,895	1,800	1,800	6,679	5,000
Miscellaneous Solid Waste	196,880	191,000	191,000	195,080	138,000
NMTC Proceeds/Reimbursement	0	0	0	16,019	0
Total Other Revenue	4,450,777	2,842,800	2,842,800	3,770,815	2,793,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>150,778,268</b>	<b>155,100,825</b>	<b>155,540,720</b>	<b>156,287,734</b>	<b>158,873,875</b>
<b>USE OF FUNDS</b>					
Expenditures					
SFD Bulky Goods Pilot	303,313	0	0	0	0
Cap Prog and PW Dept Support Costs	4,851	7,000	7,000	4,000	0
City Attorney Personal Svcs	46,335	47,163	49,090	49,090	47,193
City Facilities Recycle Plus (Late Fees)	109	0	0	0	0
County Revenue Collection Fee	885,120	935,695	935,695	890,611	977,801
Customer Information System Transition	504,284	250,000	365,008	365,008	130,000
DOT Personal Services	(145)	0	0	0	0
Delinquent Lien Releases	161,944	35,000	117,056	300	30,000
EIC AB939/CDDD/Late Fees	205,674	0	0	0	0
EIC QALICB Master Lease Payment	417,000	424,000	427,500	427,500	438,500
ESD MFD Recycle Plus	19,389,441	20,107,292	20,107,292	20,154,000	21,150,399
ESD Non-Pers/Equip	1,790,608	2,781,172	3,214,172	2,840,000	2,660,092
ESD Personal Services	6,811,807	7,858,002	7,858,002	6,600,000	8,076,071
ESD SFD Processing	4,983,542	9,376,279	9,376,279	10,022,000	14,257,241
ESD SFD Recycle Plus	50,548,383	53,763,311	53,763,311	52,650,000	55,795,940
ESD Yard Trimming Collection/Processing	22,243,815	23,116,452	23,116,452	22,870,000	23,562,599
Finance Non-Pers/Equip	120,215	112,500	112,500	65,000	112,500
Finance Personal Services	1,143,520	1,112,526	1,121,759	881,000	988,769
HHW Las Plumas Facility	1,140,118	0	624,000	624,000	0
HR Personal Services	21,621	24,870	24,870	24,870	25,904
IDC Disposal Agreement	6,521,901	5,745,353	5,745,353	5,086,000	4,145,353
IDC Disposal Contract (Late Fees)	(3,939)	0	0	0	0
IT Non-Pers/Equip	104,878	174,617	174,617	174,617	68,820
IT Personal Services	1,584,960	1,426,653	1,426,653	1,426,653	747,603
OED Personal Services	82,216	0	0	0	0
Overhead	1,842,162	2,149,443	2,149,443	2,149,443	2,096,204
PBCE Neighborhood Clean-Up Supplies	33,838	64,800	64,800	64,800	32,400
PBCE Non-Pers/Equip	3,479	49,297	49,297	25,000	49,297
PBCE Personal Services	173,676	992,962	992,962	900,000	610,280

# INTEGRATED WASTE MANAGEMENT FUND (423)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Expenditures					
PRNS Personal Services	(1,647)	0	0	0	0
Police Dept Pers Svcs (Creek Encampments) (Late Fees)	(907)	0	0	0	0
Public Works Non-Pers/Equip	4,051	6,618	6,618	6,618	6,618
Public Works Personal Services	84,226	114,424	114,424	90,000	122,711
Workers' Comp Claims	43,308	40,000	40,000	35,000	40,000
<b>Total Expenditures</b>	<u>121,193,757</u>	<u>130,715,429</u>	<u>131,984,153</u>	<u>128,425,510</u>	<u>136,172,295</u>
Transfers					
City Hall Debt Service Fund	985,058	778,787	778,787	778,787	852,540
General Fund - CDDD	300,000	300,000	300,000	300,000	300,000
General Fund - Human Resources/Payroll/Budget Systems Upgrade	45,319	6,895	14,895	14,895	0
<b>Total Transfers</b>	<u>1,330,377</u>	<u>1,085,682</u>	<u>1,093,682</u>	<u>1,093,682</u>	<u>1,152,540</u>
Ending Fund Balance					
Operations and Maintenance Reserve	11,500,000	10,973,000	11,078,000	11,078,000	11,439,000
Reserve for Encumbrances	3,066,780	4,594,685	3,066,780	3,066,780	3,066,780
Retiree Healthcare Solutions Reserve	374,448	374,448	374,448	374,448	374,448
Unrestricted	13,312,906	7,357,581	7,943,657	12,249,314	6,668,812
<b>Total Ending Fund Balance</b>	<u>28,254,134</u>	<u>23,299,714</u>	<u>22,462,885</u>	<u>26,768,542</u>	<u>21,549,040</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>150,778,268</u></u>	 <u><u>155,100,825</u></u>	 <u><u>155,540,720</u></u>	 <u><u>156,287,734</u></u>	 <u><u>158,873,875</u></u>

\* The 2017-2018 proposed Recycle Plus Collection Charges revenue includes a four and one-half percent rate increase to single-family dwellings and a two and one-half percent increase to multi-family dwellings in 2017-2018 in order to offset base cost increases, provide for unlimited junk pick-ups, and expanded waste material processing.

# LIBRARY PARCEL TAX FUND (418)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Online Circ Sys Replacement Reserve	1,000,000	0	0	0	0
Reserve for Encumbrances	211,973	211,973	54,462	54,462	54,462
Retiree Healthcare Solutions Reserve	76,141	102,837	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	8,743,091	8,558,570	8,558,570	6,802,310
<b>Total Beginning Fund Balance</b>	<b>11,581,766</b>	<b>12,057,901</b>	<b>11,715,869</b>	<b>11,715,869</b>	<b>9,959,609</b>
Revenue from Use of Money/Property					
Interest	75,267	75,000	75,000	75,000	70,000
<b>Total Revenue from Use of Money/Property</b>	<b>75,267</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>70,000</b>
Library Parcel Tax					
Library Parcel Tax	8,396,629	8,656,236	8,656,236	8,600,000	8,915,923
<b>Total Library Parcel Tax</b>	<b>8,396,629</b>	<b>8,656,236</b>	<b>8,656,236</b>	<b>8,600,000</b>	<b>8,915,923</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,053,662</b>	<b>20,789,137</b>	<b>20,447,105</b>	<b>20,390,869</b>	<b>18,945,532</b>
<b>USE OF FUNDS</b>					
Expenditures					
Acquisition of Materials	1,754,363	2,267,000	2,179,000	2,180,501	2,000,000
Annual Audit	12,624	17,000	17,000	17,000	17,000
Automation Proj and Syst Mtnce	558,673	400,000	407,000	434,774	600,000
HR Non-Pers/Equip	28,200	7,000	7,000	7,000	25,200
HR Personal Services	47,412	52,866	62,866	62,866	52,987
Library Non-Pers/Equip	1,298,839	1,305,500	1,305,500	1,305,500	1,538,530
Library Personal Services	4,555,302	6,277,290	6,277,290	6,277,290	6,479,694
Mayor Innovation Fellows Program	0	88,400	88,400	88,400	0
<b>Total Expenditures</b>	<b>8,255,413</b>	<b>10,415,056</b>	<b>10,344,056</b>	<b>10,373,331</b>	<b>10,713,411</b>
Transfers					
City Hall Debt Service Fund	39,365	51,564	51,564	51,564	51,700
General Fund - Human Resources/Payroll/Budget Systems Upgrade	43,015	6,365	6,365	6,365	0
<b>Total Transfers</b>	<b>82,380</b>	<b>57,929</b>	<b>57,929</b>	<b>57,929</b>	<b>51,700</b>

# LIBRARY PARCEL TAX FUND (418)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Ending Fund Balance					
Reserve for Encumbrances	54,462	211,973	54,462	54,462	54,462
Retiree Healthcare Solutions Reserve	102,837	102,837	102,837	102,837	102,837
Six Day Expansion Model Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Unrestricted	8,558,570	7,001,342	6,887,821	6,802,310	5,023,122
Total Ending Fund Balance	<u>11,715,869</u>	<u>10,316,152</u>	<u>10,045,120</u>	<u>9,959,609</u>	<u>8,180,421</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>20,053,662</u></u>	 <u><u>20,789,137</u></u>	 <u><u>20,447,105</u></u>	 <u><u>20,390,869</u></u>	 <u><u>18,945,532</u></u>



# LOW AND MODERATE INCOME HOUSING ASSET FUND (346)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Housing Project Reserve	14,126,000	52,248,009	59,331,009	59,331,009	53,883,000
Reserve for Encumbrances	1,963,598	1,963,598	2,639,106	2,639,106	2,639,106
Retiree Healthcare Solutions Reserve	215,769	246,180	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	28,126,163	23,186,990	23,186,990	20,988,599
<b>Total Beginning Fund Balance</b>	<b>54,444,330</b>	<b>88,083,950</b>	<b>90,903,285</b>	<b>90,903,285</b>	<b>83,256,885</b>
Revenue from Use of Money/Property					
Interest	546,336	650,000	650,000	650,000	650,000
Loan Repayments	52,093,430	15,400,000	15,400,000	15,400,000	11,500,000
<b>Total Revenue from Use of Money/Property</b>	<b>52,639,766</b>	<b>16,050,000</b>	<b>16,050,000</b>	<b>16,050,000</b>	<b>12,150,000</b>
Other Revenue					
Miscellaneous	1,223,856	0	0	20,000	0
<b>Total Other Revenue</b>	<b>1,223,856</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>108,307,952</b>	<b>104,133,950</b>	<b>106,953,285</b>	<b>106,973,285</b>	<b>95,406,885</b>
 <b>USE OF FUNDS</b>					
Expenditures					
City Attorney Non-Pers/Equip	5,864	16,724	16,724	16,724	16,724
City Attorney Personal Svcs	807,431	661,053	664,292	664,292	725,682
City Manager Non-Pers/Equip	18,000	18,375	18,375	18,375	18,375
City Manager Personal Svcs	28,793	32,718	32,718	32,718	35,337
Finance Personal Services	76,945	107,913	107,913	107,913	103,219
HR Personal Services	16,573	25,734	25,734	25,734	24,881
Homeless Services	590,571	250,000	250,000	250,000	250,000
Homeowner Education Program	58,025	50,000	105,000	105,000	50,000
Housing Loans and Grants	7,969,525	20,033,742	36,133,742	13,500,000	17,100,000
Housing Non-Pers/Equip	764,178	937,734	1,217,734	1,217,734	902,734
Housing Personal Services	5,201,724	6,007,810	5,727,810	5,500,000	6,156,076
Housing Predevelopment Activity	135,022	560,000	560,000	400,000	400,000
Loan Management	219,930	225,000	225,000	225,000	225,000
Overhead	909,993	826,093	826,093	826,093	1,136,221
PBCE Non-Pers/Equip	0	0	0	0	3,297
PBCE Personal Services	0	0	0	0	108,628
PW Non-Pers/Equip	10,276	20,766	20,766	20,766	20,766
PW Personal Services	154,855	98,796	168,796	168,796	104,936
Successor Agency to Redevelopment	8,728	70,000	115,000	70,000	70,000

# LOW AND MODERATE INCOME HOUSING ASSET FUND (346)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Expenditures					
Agency					
Workers' Compensation Claims	24,102	100,000	100,000	100,000	100,000
Total Expenditures	<u>17,000,535</u>	<u>30,042,458</u>	<u>46,315,697</u>	<u>23,249,145</u>	<u>27,551,876</u>
Transfers					
City Hall Debt Service Fund	379,491	459,630	459,630	459,630	468,720
Community Development Block Grant Fund	0	0	0	0	2,500,000
General Fund - Human Resources/Payroll/Budget Systems Upgrade	24,641	3,625	7,625	7,625	0
Total Transfers	<u>404,132</u>	<u>463,255</u>	<u>467,255</u>	<u>467,255</u>	<u>2,968,720</u>
Ending Fund Balance					
Housing Projects Reserve	59,331,009	63,083,000	45,883,000	53,883,000	53,883,000
Reserve for Encumbrances	2,639,106	1,963,598	2,639,106	2,639,106	2,639,106
Retiree Healthcare Solutions Reserve	246,180	246,180	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	23,186,990	2,835,459	5,902,047	20,988,599	2,618,003
Total Ending Fund Balance	<u>90,903,285</u>	<u>73,628,237</u>	<u>60,170,333</u>	<u>83,256,885</u>	<u>64,886,289</u>
<b>TOTAL USE OF FUNDS</b>	<u><b>108,307,952</b></u>	<u><b>104,133,950</b></u>	<u><b>106,953,285</b></u>	<u><b>106,973,285</b></u>	<u><b>95,406,885</b></u>

# MAINTENANCE DISTRICT NO. 1 (LOS PASEOS) FUND (352)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	31,205	31,205	0	0	0
Retiree Healthcare Solutions Reserve	3,271	4,314	4,314	4,314	4,314
Unrestricted	548,822	483,238	518,346	518,346	489,608
Total Beginning Fund Balance	583,298	518,757	522,660	522,660	493,922
Transfers					
Emergency Reserve Fund	0	131	131	131	0
Maintenance District No. 18	0	16,200	16,200	16,200	1,323
Total Transfers	0	16,331	16,331	16,331	1,323
Revenue from Use of Money/Property					
Interest	3,238	2,500	2,500	2,900	2,900
Total Revenue from Use of Money/Property	3,238	2,500	2,500	2,900	2,900
Special Assessments					
Special Assessments	284,071	258,700	258,700	288,700	291,100
Total Special Assessments	284,071	258,700	258,700	288,700	291,100
<b>TOTAL SOURCE OF FUNDS</b>	<b>870,607</b>	<b>796,288</b>	<b>800,191</b>	<b>830,591</b>	<b>789,245</b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	137,898	453,514	453,514	80,300	138,514
DOT Personal Services	156,108	190,273	190,273	187,100	213,553
Overhead	53,941	69,269	69,269	69,269	83,636
Total Expenditures	347,947	713,056	713,056	336,669	435,703
Ending Fund Balance					
Reserve for Encumbrances	0	31,205	0	0	0
Retiree Healthcare Solutions Reserve	4,314	4,314	4,314	4,314	4,314
Unrestricted	518,346	47,713	82,821	489,608	349,228
Total Ending Fund Balance	522,660	83,232	87,135	493,922	353,542
<b>TOTAL USE OF FUNDS</b>	<b>870,607</b>	<b>796,288</b>	<b>800,191</b>	<b>830,591</b>	<b>789,245</b>

MAINTENANCE DISTRICT NO. 2 (TRADE ZONE BLVD.- LUNDY AVE.)  
FUND (354)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	65,746	85,988	84,051	84,051	93,387
Total Beginning Fund Balance	<u>65,746</u>	<u>85,988</u>	<u>84,051</u>	<u>84,051</u>	<u>93,387</u>
Transfers					
Emergency Reserve Fund	0	131	131	131	0
General Fund	2,408	2,408	2,408	2,408	2,408
Total Transfers	<u>2,408</u>	<u>2,539</u>	<u>2,539</u>	<u>2,539</u>	<u>2,408</u>
Revenue from Use of Money/Property					
Interest	478	800	800	800	800
Total Revenue from Use of Money/Property	<u>478</u>	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>
Special Assessments					
Special Assessments	74,681	77,400	77,400	77,400	79,700
Total Special Assessments	<u>74,681</u>	<u>77,400</u>	<u>77,400</u>	<u>77,400</u>	<u>79,700</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>143,313</u></b>	<b><u>166,727</u></b>	<b><u>164,790</u></b>	<b><u>164,790</u></b>	<b><u>176,295</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	49,500	60,593	60,593	60,593	60,623
DOT Personal Services	7,686	8,372	8,372	8,372	9,221
Overhead	2,076	2,438	2,438	2,438	2,989
Total Expenditures	<u>59,262</u>	<u>71,403</u>	<u>71,403</u>	<u>71,403</u>	<u>72,833</u>
Ending Fund Balance					
Unrestricted	84,051	95,324	93,387	93,387	103,462
Total Ending Fund Balance	<u>84,051</u>	<u>95,324</u>	<u>93,387</u>	<u>93,387</u>	<u>103,462</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>143,313</u></b>	<b><u>166,727</u></b>	<b><u>164,790</u></b>	<b><u>164,790</u></b>	<b><u>176,295</u></b>

MAINTENANCE DISTRICT NO. 5 (ORCHARD PARKWAY-PLUMERIA  
DRIVE) FUND (357)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	347,638	273,132	328,228	328,228	321,007
Total Beginning Fund Balance	<u>347,638</u>	<u>273,132</u>	<u>328,228</u>	<u>328,228</u>	<u>321,007</u>
Transfers					
Emergency Reserve Fund	0	131	131	131	0
Total Transfers	<u>0</u>	<u>131</u>	<u>131</u>	<u>131</u>	<u>0</u>
Revenue from Use of Money/Property					
Interest	2,234	2,500	2,500	2,500	2,500
Total Revenue from Use of Money/Property	<u>2,234</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Special Assessments					
Special Assessments	66,905	72,400	72,400	72,400	77,900
Total Special Assessments	<u>66,905</u>	<u>72,400</u>	<u>72,400</u>	<u>72,400</u>	<u>77,900</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>416,777</u></b>	<b><u>348,163</u></b>	<b><u>403,259</u></b>	<b><u>403,259</u></b>	<b><u>401,407</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	62,135	53,334	203,334	53,300	53,334
DOT Personal Services	19,642	20,885	20,885	20,885	22,834
Overhead	6,772	8,067	8,067	8,067	10,363
Total Expenditures	<u>88,549</u>	<u>82,286</u>	<u>232,286</u>	<u>82,252</u>	<u>86,531</u>
Ending Fund Balance					
Unrestricted	328,228	265,877	170,973	321,007	314,876
Total Ending Fund Balance	<u>328,228</u>	<u>265,877</u>	<u>170,973</u>	<u>321,007</u>	<u>314,876</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>416,777</u></b>	<b><u>348,163</u></b>	<b><u>403,259</u></b>	<b><u>403,259</u></b>	<b><u>401,407</u></b>

# MAINTENANCE DISTRICT NO. 8 (ZANKER-MONTAGUE) FUND (361)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	45,170	45,170	45,196	45,196	45,196
Unrestricted	298,736	197,308	217,520	217,520	92,052
Total Beginning Fund Balance	343,906	242,478	262,716	262,716	137,248
 Transfers					
Emergency Reserve Fund	0	131	131	131	0
General Fund	2,353	2,353	2,353	2,353	2,353
Total Transfers	2,353	2,484	2,484	2,484	2,353
 Revenue from Use of Money/Property					
Interest	2,211	1,100	1,100	1,600	1,600
Total Revenue from Use of Money/Property	2,211	1,100	1,100	1,600	1,600
 Special Assessments					
Special Assessments	86,538	92,900	92,900	92,900	97,900
Total Special Assessments	86,538	92,900	92,900	92,900	97,900
 <b>TOTAL SOURCE OF FUNDS</b>	<b>435,008</b>	<b>338,962</b>	<b>359,200</b>	<b>359,700</b>	<b>239,101</b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	128,899	65,435	175,435	175,435	65,435
DOT Personal Services	34,147	36,306	36,306	36,306	40,636
Overhead	9,246	10,711	10,711	10,711	13,446
Total Expenditures	172,292	112,452	222,452	222,452	119,517
 Ending Fund Balance					
Reserve for Encumbrances	45,196	45,170	45,196	45,196	45,196
Unrestricted	217,520	181,340	91,552	92,052	74,388
Total Ending Fund Balance	262,716	226,510	136,748	137,248	119,584
 <b>TOTAL USE OF FUNDS</b>	<b>435,008</b>	<b>338,962</b>	<b>359,200</b>	<b>359,700</b>	<b>239,101</b>

MAINTENANCE DISTRICT NO. 9 (SANTA TERESA-GREAT OAKS) FUND  
(362)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve	1,005	1,249	1,249	1,249	1,249
Unrestricted	325,728	272,098	267,081	267,081	217,786
Total Beginning Fund Balance	<u>326,733</u>	<u>273,347</u>	<u>268,330</u>	<u>268,330</u>	<u>219,035</u>
Transfers					
Emergency Reserve Fund	0	131	131	131	0
General Fund	23,480	23,480	23,480	23,480	23,480
Total Transfers	<u>23,480</u>	<u>23,611</u>	<u>23,611</u>	<u>23,611</u>	<u>23,480</u>
Revenue from Use of Money/Property					
Interest	1,884	2,600	2,600	2,600	2,600
Total Revenue from Use of Money/Property	<u>1,884</u>	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>
Special Assessments					
Special Assessments	131,631	145,800	145,800	145,800	155,000
Total Special Assessments	<u>131,631</u>	<u>145,800</u>	<u>145,800</u>	<u>145,800</u>	<u>155,000</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>483,728</u></b>	<b><u>445,358</u></b>	<b><u>440,341</u></b>	<b><u>440,341</u></b>	<b><u>400,115</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	162,402	114,232	164,232	164,232	114,232
DOT Personal Services	39,017	40,951	40,951	40,951	54,796
Overhead	13,979	16,123	16,123	16,123	20,327
Total Expenditures	<u>215,398</u>	<u>171,306</u>	<u>221,306</u>	<u>221,306</u>	<u>189,355</u>
Ending Fund Balance					
Retiree Healthcare Solutions Reserve	1,249	1,249	1,249	1,249	1,249
Unrestricted	267,081	272,803	217,786	217,786	209,511
Total Ending Fund Balance	<u>268,330</u>	<u>274,052</u>	<u>219,035</u>	<u>219,035</u>	<u>210,760</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>483,728</u></b>	<b><u>445,358</u></b>	<b><u>440,341</u></b>	<b><u>440,341</u></b>	<b><u>400,115</u></b>

MAINTENANCE DISTRICT NO. 11 (BROKAW RD. FROM JUNCTION AVE.  
TO OLD OAKLAND RD.) FUND (364)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	269,269	238,446	277,769	277,769	253,367
Total Beginning Fund Balance	<u>269,269</u>	<u>238,446</u>	<u>277,769</u>	<u>277,769</u>	<u>253,367</u>
Transfers					
Emergency Reserve Fund	0	130	130	130	0
General Fund	6,354	6,354	6,354	6,354	6,354
Total Transfers	<u>6,354</u>	<u>6,484</u>	<u>6,484</u>	<u>6,484</u>	<u>6,354</u>
Revenue from Use of Money/Property					
Interest	1,844	2,100	2,100	2,100	2,100
Total Revenue from Use of Money/Property	<u>1,844</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>
Special Assessments					
Special Assessments	63,219	65,800	65,800	65,800	70,900
Total Special Assessments	<u>63,219</u>	<u>65,800</u>	<u>65,800</u>	<u>65,800</u>	<u>70,900</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>340,686</u></b>	<b><u>312,830</u></b>	<b><u>352,153</u></b>	<b><u>352,153</u></b>	<b><u>332,721</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	41,597	83,708	83,708	75,160	54,122
DOT Personal Services	16,151	17,196	17,196	17,196	18,526
Overhead	5,169	6,430	6,430	6,430	8,035
Total Expenditures	<u>62,917</u>	<u>107,334</u>	<u>107,334</u>	<u>98,786</u>	<u>80,683</u>
Ending Fund Balance					
Unrestricted	277,769	205,496	244,819	253,367	252,038
Total Ending Fund Balance	<u>277,769</u>	<u>205,496</u>	<u>244,819</u>	<u>253,367</u>	<u>252,038</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>340,686</u></b>	<b><u>312,830</u></b>	<b><u>352,153</u></b>	<b><u>352,153</u></b>	<b><u>332,721</u></b>



# MAINTENANCE DISTRICT NO. 13 (KARINA-O'NEL) FUND (366)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	102,625	111,633	107,200	107,200	136,825
<b>Total Beginning Fund Balance</b>	<b>102,625</b>	<b>111,633</b>	<b>107,200</b>	<b>107,200</b>	<b>136,825</b>
Transfers					
Emergency Reserve Fund	0	130	130	130	0
<b>Total Transfers</b>	<b>0</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>0</b>
Revenue from Use of Money/Property					
Interest	698	1,000	1,000	1,000	1,000
<b>Total Revenue from Use of Money/Property</b>	<b>698</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
Special Assessments					
Special Assessments	46,511	49,500	49,500	46,900	51,000
<b>Total Special Assessments</b>	<b>46,511</b>	<b>49,500</b>	<b>49,500</b>	<b>46,900</b>	<b>51,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>149,834</b>	<b>162,263</b>	<b>157,830</b>	<b>155,230</b>	<b>188,825</b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	33,176	39,661	69,661	8,000	56,067
DOT Personal Services	7,466	8,065	8,065	8,065	9,085
Overhead	1,992	2,340	2,340	2,340	2,931
<b>Total Expenditures</b>	<b>42,634</b>	<b>50,066</b>	<b>80,066</b>	<b>18,405</b>	<b>68,083</b>
Ending Fund Balance					
Unrestricted	107,200	112,197	77,764	136,825	120,742
<b>Total Ending Fund Balance</b>	<b>107,200</b>	<b>112,197</b>	<b>77,764</b>	<b>136,825</b>	<b>120,742</b>
<b>TOTAL USE OF FUNDS</b>	<b>149,834</b>	<b>162,263</b>	<b>157,830</b>	<b>155,230</b>	<b>188,825</b>

MAINTENANCE DISTRICT NO. 15 (SILVER CREEK VALLEY) FUND (368)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	160,829	160,829	56,379	56,379	56,379
Retiree Healthcare Solutions Reserve	7,683	10,246	10,246	10,246	10,246
Unrestricted	4,522,375	3,747,304	3,945,548	3,945,548	3,226,970
Total Beginning Fund Balance	<u>4,690,887</u>	<u>3,918,379</u>	<u>4,012,173</u>	<u>4,012,173</u>	<u>3,293,595</u>
Transfers					
General Fund	16,636	16,636	16,636	16,636	16,636
Maintenance District No. 18	0	0	0	0	14,577
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>53,331</u>
Revenue from Use of Money/Property					
Interest	29,457	29,400	29,400	29,400	29,800
Total Revenue from Use of Money/Property	<u>29,457</u>	<u>29,400</u>	<u>29,400</u>	<u>29,400</u>	<u>29,800</u>
Special Assessments					
Special Assessments	830,050	800,200	800,200	800,200	880,200
Total Special Assessments	<u>830,050</u>	<u>800,200</u>	<u>800,200</u>	<u>800,200</u>	<u>880,200</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>5,589,148</u></b>	<b><u>4,786,733</u></b>	<b><u>4,880,527</u></b>	<b><u>4,880,527</u></b>	<b><u>4,256,926</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	1,113,876	1,515,312	1,515,312	1,075,200	2,173,333
DOT Personal Services	344,380	415,882	415,882	359,100	448,618
Overhead	118,719	152,632	152,632	152,632	184,537
Total Expenditures	<u>1,576,975</u>	<u>2,083,826</u>	<u>2,083,826</u>	<u>1,586,932</u>	<u>2,806,488</u>
Ending Fund Balance					
Reserve for Encumbrances	56,379	160,829	56,379	56,379	56,379
Retiree Healthcare Solutions Reserve	10,246	10,246	10,246	10,246	10,246
Unrestricted	3,945,548	2,531,832	2,730,076	3,226,970	1,383,813
Total Ending Fund Balance	<u>4,012,173</u>	<u>2,702,907</u>	<u>2,796,701</u>	<u>3,293,595</u>	<u>1,450,438</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>5,589,148</u></b>	<b><u>4,786,733</u></b>	<b><u>4,880,527</u></b>	<b><u>4,880,527</u></b>	<b><u>4,256,926</u></b>

MAINTENANCE DISTRICT NO. 18 (THE MEADOWLANDS) FUND (372)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	91,783	51,517	117,874	117,874	97,017
Total Beginning Fund Balance	<u>91,783</u>	<u>51,517</u>	<u>117,874</u>	<u>117,874</u>	<u>97,017</u>
Revenue from Use of Money/Property					
Interest	620	300	300	1,000	1,000
Total Revenue from Use of Money/Property	<u>620</u>	<u>300</u>	<u>300</u>	<u>1,000</u>	<u>1,000</u>
Special Assessments					
Special Assessments	91,007	91,900	91,900	91,900	91,900
Total Special Assessments	<u>91,007</u>	<u>91,900</u>	<u>91,900</u>	<u>91,900</u>	<u>91,900</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>183,410</u></b>	<b><u>143,717</u></b>	<b><u>210,074</u></b>	<b><u>210,774</u></b>	<b><u>189,917</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	28,345	77,096	77,096	52,000	97,100
DOT Personal Services	29,225	35,904	35,904	34,700	40,561
Overhead	7,966	10,857	10,857	10,857	13,772
Total Expenditures	<u>65,536</u>	<u>123,857</u>	<u>123,857</u>	<u>97,557</u>	<u>151,433</u>
Transfers					
Maintenance District No. 1	0	16,200	16,200	16,200	1,323
Maintenance District No. 15	0	0	0	0	14,577
Total Transfers	<u>0</u>	<u>16,200</u>	<u>16,200</u>	<u>16,200</u>	<u>15,900</u>
Ending Fund Balance					
Unrestricted	117,874	3,660	70,017	97,017	22,584
Total Ending Fund Balance	<u>117,874</u>	<u>3,660</u>	<u>70,017</u>	<u>97,017</u>	<u>22,584</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>183,410</u></b>	<b><u>143,717</u></b>	<b><u>210,074</u></b>	<b><u>210,774</u></b>	<b><u>189,917</u></b>

MAINTENANCE DISTRICT NO. 19 (RIVER OAKS AREA LANDSCAPING)  
FUND (359)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	302,633	264,443	284,077	284,077	279,294
Total Beginning Fund Balance	<u>302,633</u>	<u>264,443</u>	<u>284,077</u>	<u>284,077</u>	<u>279,294</u>
Transfers					
Emergency Reserve Fund	0	131	131	131	0
General Fund	6,195	6,195	6,195	6,195	6,195
Total Transfers	<u>6,195</u>	<u>6,326</u>	<u>6,326</u>	<u>6,326</u>	<u>6,195</u>
Revenue from Use of Money/Property					
Interest	2,059	2,600	2,600	2,600	2,600
Total Revenue from Use of Money/Property	<u>2,059</u>	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>
Special Assessments					
Special Assessments	121,606	133,100	133,100	133,100	137,700
Total Special Assessments	<u>121,606</u>	<u>133,100</u>	<u>133,100</u>	<u>133,100</u>	<u>137,700</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>432,493</u></b>	<b><u>406,469</u></b>	<b><u>426,103</u></b>	<b><u>426,103</u></b>	<b><u>425,789</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	114,415	66,335	106,335	106,335	151,342
DOT Personal Services	26,116	34,707	34,707	28,000	38,258
Overhead	7,885	12,474	12,474	12,474	15,855
Total Expenditures	<u>148,416</u>	<u>113,516</u>	<u>153,516</u>	<u>146,809</u>	<u>205,455</u>
Ending Fund Balance					
Unrestricted	284,077	292,953	272,587	279,294	220,334
Total Ending Fund Balance	<u>284,077</u>	<u>292,953</u>	<u>272,587</u>	<u>279,294</u>	<u>220,334</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>432,493</u></b>	<b><u>406,469</u></b>	<b><u>426,103</u></b>	<b><u>426,103</u></b>	<b><u>425,789</u></b>

MAINTENANCE DISTRICT NO. 20 (RENAISSANCE-N. FIRST  
LANDSCAPING) FUND (365)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	385,854	335,339	344,960	344,959	293,376
Total Beginning Fund Balance	<u>385,854</u>	<u>335,339</u>	<u>344,960</u>	<u>344,959</u>	<u>293,376</u>
Transfers					
Emergency Reserve Fund	0	130	130	130	0
General Fund	21,461	21,461	21,461	21,461	21,461
Total Transfers	<u>21,461</u>	<u>21,591</u>	<u>21,591</u>	<u>21,591</u>	<u>21,461</u>
Revenue from Use of Money/Property					
Interest	2,675	3,000	3,000	3,000	3,000
Total Revenue from Use of Money/Property	<u>2,675</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Special Assessments					
Special Assessments	39,695	47,300	47,300	47,300	54,100
Total Special Assessments	<u>39,695</u>	<u>47,300</u>	<u>47,300</u>	<u>47,300</u>	<u>54,100</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>449,685</u></b>	<b><u>407,230</u></b>	<b><u>416,851</u></b>	<b><u>416,850</u></b>	<b><u>371,937</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	94,888	87,527	107,527	107,527	167,557
DOT Personal Services	7,762	12,013	12,013	12,013	13,442
Overhead	2,076	3,934	3,934	3,934	5,035
Total Expenditures	<u>104,726</u>	<u>103,474</u>	<u>123,474</u>	<u>123,474</u>	<u>186,034</u>
Ending Fund Balance					
Unrestricted	344,959	303,756	293,377	293,376	185,903
Total Ending Fund Balance	<u>344,959</u>	<u>303,756</u>	<u>293,377</u>	<u>293,376</u>	<u>185,903</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>449,685</u></b>	<b><u>407,230</u></b>	<b><u>416,851</u></b>	<b><u>416,850</u></b>	<b><u>371,937</u></b>

MAINTENANCE DISTRICT NO. 21 (GATEWAY PLACE-AIRPORT PARKWAY)  
FUND (356)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	270,101	248,794	248,368	248,368	125,555
Total Beginning Fund Balance	<u>270,101</u>	<u>248,794</u>	<u>248,368</u>	<u>248,368</u>	<u>125,555</u>
Transfers					
Emergency Reserve Fund	0	131	131	131	0
General Fund	8,996	8,996	8,996	8,996	8,996
Total Transfers	<u>8,996</u>	<u>9,127</u>	<u>9,127</u>	<u>9,127</u>	<u>8,996</u>
Revenue from Use of Money/Property					
Interest	1,743	1,800	1,800	1,800	1,800
Total Revenue from Use of Money/Property	<u>1,743</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
Special Assessments					
Special Assessments	77,936	84,000	84,000	84,000	90,800
Total Special Assessments	<u>77,936</u>	<u>84,000</u>	<u>84,000</u>	<u>84,000</u>	<u>90,800</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>358,776</u></b>	<b><u>343,721</u></b>	<b><u>343,295</u></b>	<b><u>343,295</u></b>	<b><u>227,151</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	74,217	179,054	179,054	179,054	119,148
DOT Personal Services	26,642	27,437	27,437	27,437	35,150
Overhead	9,549	11,249	11,249	11,249	14,528
Total Expenditures	<u>110,408</u>	<u>217,740</u>	<u>217,740</u>	<u>217,740</u>	<u>168,826</u>
Ending Fund Balance					
Unrestricted	248,368	125,981	125,555	125,555	58,325
Total Ending Fund Balance	<u>248,368</u>	<u>125,981</u>	<u>125,555</u>	<u>125,555</u>	<u>58,325</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>358,776</u></b>	<b><u>343,721</u></b>	<b><u>343,295</u></b>	<b><u>343,295</u></b>	<b><u>227,151</u></b>

MAINTENANCE DISTRICT NO. 22 (HELLYER AVE.-SILVER CREEK  
VALLEY RD.) FUND (367)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	241,252	163,828	177,216	177,217	187,836
Total Beginning Fund Balance	<u>241,252</u>	<u>163,828</u>	<u>177,216</u>	<u>177,217</u>	<u>187,836</u>
Transfers					
Emergency Reserve Fund	0	130	130	130	0
General Fund	35,223	35,223	35,223	35,223	35,223
Total Transfers	<u>35,223</u>	<u>35,353</u>	<u>35,353</u>	<u>35,353</u>	<u>35,223</u>
Revenue from Use of Money/Property					
Interest	1,623	1,400	1,400	1,600	1,600
Total Revenue from Use of Money/Property	<u>1,623</u>	<u>1,400</u>	<u>1,400</u>	<u>1,600</u>	<u>1,600</u>
Special Assessments					
Special Assessments	53,156	57,300	57,300	57,300	61,300
Total Special Assessments	<u>53,156</u>	<u>57,300</u>	<u>57,300</u>	<u>57,300</u>	<u>61,300</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u><u>331,254</u></u></b>	<b><u><u>257,881</u></u></b>	<b><u><u>271,269</u></u></b>	<b><u><u>271,470</u></u></b>	<b><u><u>285,959</u></u></b>
<b>USE OF FUNDS</b>					
Expenditures					
DOT Non-Pers/Equip	144,193	102,971	102,971	70,000	102,992
DOT Personal Services	7,768	12,013	12,013	9,700	13,442
Overhead	2,076	3,934	3,934	3,934	5,035
Total Expenditures	<u>154,037</u>	<u>118,918</u>	<u>118,918</u>	<u>83,634</u>	<u>121,469</u>
Ending Fund Balance					
Unrestricted	177,217	138,963	152,351	187,836	164,490
Total Ending Fund Balance	<u>177,217</u>	<u>138,963</u>	<u>152,351</u>	<u>187,836</u>	<u>164,490</u>
<b>TOTAL USE OF FUNDS</b>	<b><u><u>331,254</u></u></b>	<b><u><u>257,881</u></u></b>	<b><u><u>271,269</u></u></b>	<b><u><u>271,470</u></u></b>	<b><u><u>285,959</u></u></b>

# MULTI-SOURCE HOUSING FUND (448)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
HUD Settlement Reserve	0	0	0	0	36,307,000
Housing Projects Reserve	9,474,000	3,695,000	3,695,000	3,695,000	13,695,000
Reserve for Encumbrances	1,610,265	1,610,265	4,557,082	4,557,082	4,557,082
Retiree Healthcare Solutions Reserve	41,649	46,068	46,068	46,068	46,068
Unrestricted	14,496,718	12,628,748	11,621,397	11,621,397	3,081,312
<b>Total Beginning Fund Balance</b>	<b>25,622,632</b>	<b>17,980,081</b>	<b>19,919,547</b>	<b>19,919,547</b>	<b>57,686,462</b>
Revenue from Use of Money/Property					
Interest	169,976	100,000	100,000	175,000	200,000
Loan Repayments	5,096,100	1,750,000	2,050,000	3,500,000	1,750,000
<b>Total Revenue from Use of Money/Property</b>	<b>5,266,076</b>	<b>1,850,000</b>	<b>2,150,000</b>	<b>3,675,000</b>	<b>1,950,000</b>
Revenue from Federal Government					
Grant Revenue	2,346,633	1,620,451	3,170,653	1,730,000	1,744,117
HUD Settlement	0	0	0	36,307,000	0
Recovery Act - Neighborhood Stabilization Program 2	126,293	0	0	33,454	0
<b>Total Revenue from Federal Government</b>	<b>2,472,926</b>	<b>1,620,451</b>	<b>3,170,653</b>	<b>38,070,454</b>	<b>1,744,117</b>
Fees, Rates, and Charges					
Housing Impact Fees & Charges	0	100,000	100,000	100,000	1,500,000
In-Lieu Fee Revenue	203,310	1,400,000	1,400,000	3,200,000	0
Multi-Family Housing Fees & Charges	0	1,029,456	1,029,456	450,000	1,045,800
Rental Rights and Referrals	900,142	1,110,250	1,110,250	1,325,000	1,905,249
<b>Total Fees, Rates, and Charges</b>	<b>1,103,452</b>	<b>3,639,706</b>	<b>3,639,706</b>	<b>5,075,000</b>	<b>4,451,049</b>
Other Revenue					
Miscellaneous Revenue	0	75,000	1,614,596	1,550,000	10,000
<b>Total Other Revenue</b>	<b>0</b>	<b>75,000</b>	<b>1,614,596</b>	<b>1,550,000</b>	<b>10,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>34,465,086</b>	<b>25,165,238</b>	<b>30,494,502</b>	<b>68,290,001</b>	<b>65,841,628</b>
<b>USE OF FUNDS</b>					
Expenditures					
CalHome Prgm (BEGIN)	390,000	2,455,000	2,455,000	2,455,000	1,700,000



# MULTI-SOURCE HOUSING FUND (448)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Expenditures					
CalHome Prgm (Hmbyr - Pers. Svcs)	4,764	90	90	90	0
CalHome Prgm (Homebuyer)	60,000	10,000	10,000	1,500	10,000
CalHome Prgm (Rehab - Pers. Svcs)	74,364	179,699	179,699	179,699	171,233
CalHome Prgm (Rehab)	141,416	100,000	100,000	100,000	500,000
Capital Grant Program	743,201	2,122,758	2,122,758	2,122,758	0
City Attorney Personal Svcs	0	135,708	137,598	10,000	290,052
Emergency Shelter Grants	881,439	750,076	1,013,758	1,013,758	700,000
Emergency Shelter Grants (Pers. Svcs)	25,330	17,922	17,922	17,922	19,490
HOPWA Grants	738,525	924,914	924,914	924,914	1,000,000
HOPWA Grants (Pers. Svcs)	22,079	11,747	11,747	11,747	13,122
HOPWA SHAPPS Grants	416,752	437,524	1,724,044	1,724,044	413,211
HOPWA SHAPPS Grants (Pers. Svcs)	7,529	0	0	0	0
Hazard Mtgtn Grant Prgm (Pers. Svcs)	25,834	813	813	0	0
Homeless Rapid Rehousing	0	0	0	0	4,000,000
Housing Loans and Grants	7,090,535	3,250,000	3,250,000	100,000	1,000,000
Housing Non-Pers/Equip	475,728	443,642	443,642	443,642	278,142
Housing Personal Services	573,974	955,798	955,798	955,798	1,312,954
Inclusionary Projects	0	0	50,000	50,000	0
Neighborhood Stabilization Program (Pers. Svcs)	3,747	0	10,000	0	0
Overhead	158,615	179,696	179,696	179,696	421,128
Rcvry Act - Neigh. Stblztn Prgm 2	107,744	0	300,000	300,000	0
Rcvry Act - Neigh. Stblztn Prgm 2 (Pers. Svcs)	0	12,382	12,382	12,382	0
<b>Total Expenditures</b>	<b>11,941,576</b>	<b>11,987,769</b>	<b>13,899,861</b>	<b>10,602,950</b>	<b>11,829,332</b>
Transfers					
General Fund - Human Resources/Payroll/Budget Systems Upgrade	3,963	589	589	589	0
Housing Trust Fund	2,600,000	0	0	0	0
<b>Total Transfers</b>	<b>2,603,963</b>	<b>589</b>	<b>589</b>	<b>589</b>	<b>0</b>
Ending Fund Balance					
2018-2019 Homeless Rapid Rehousing Reserve	0	0	0	0	4,000,000
HUD Settlement Reserve	0	0	0	36,307,000	28,307,000
Housing Projects Reserve	3,695,000	8,695,000	8,695,000	13,695,000	13,695,000
Reserve for Encumbrances	4,557,082	1,610,265	4,557,082	4,557,082	4,557,082
Retiree Healthcare Solutions Reserve	46,068	46,068	46,068	46,068	46,068
Unrestricted	11,621,397	2,825,547	3,295,902	3,081,312	3,407,146
<b>Total Ending Fund Balance</b>	<b>19,919,547</b>	<b>13,176,880</b>	<b>16,594,052</b>	<b>57,686,462</b>	<b>54,012,296</b>
<b>TOTAL USE OF FUNDS</b>	<b>34,465,086</b>	<b>25,165,238</b>	<b>30,494,502</b>	<b>68,290,001</b>	<b>65,841,628</b>

# MUNICIPAL GOLF COURSE FUND (518)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	422,474	587,474	742,861	742,861	181,861
Total Beginning Fund Balance	422,474	587,474	742,861	742,861	181,861
Transfers					
2007A Bonds Debt Service Reserve	0	0	0	2,616,690	0
Community Facilities Revenue Fund	0	0	0	18,640,949	0
General Fund	2,600,000	2,200,000	2,200,000	2,200,000	750,000
Total Transfers	2,600,000	2,200,000	2,200,000	23,457,639	750,000
Revenue from Use of Money/Property					
Interest	6,921	5,000	5,000	7,000	7,000
San José Municipal Golf Course	444,353	450,000	450,000	410,000	420,000
Total Revenue from Use of Money/Property	451,274	455,000	455,000	417,000	427,000
Other Revenue					
Miscellaneous	4,726	20,000	20,000	0	0
Total Other Revenue	4,726	20,000	20,000	0	0
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,478,474</b>	<b>3,262,474</b>	<b>3,417,861</b>	<b>24,617,500</b>	<b>1,358,861</b>
<b>USE OF FUNDS</b>					
Expenditures					
Coyote Creek Environmental Mitigation	0	1,000	1,000	1,000	1,000
Los Lagos Debt Service	1,439,571	1,543,000	1,543,000	18,782,240	0
Los Lagos Golf Course	481,855	550,000	650,000	725,000	650,000
Rancho del Pueblo Debt Service	429,532	459,000	459,000	4,477,399	0
Rancho del Pueblo Golf Course	384,655	400,000	450,000	450,000	450,000
Total Expenditures	2,735,613	2,953,000	3,103,000	24,435,639	1,101,000
Ending Fund Balance					
Unrestricted	742,861	309,474	314,861	181,861	257,861
Total Ending Fund Balance	742,861	309,474	314,861	181,861	257,861
<b>TOTAL USE OF FUNDS</b>	<b>3,478,474</b>	<b>3,262,474</b>	<b>3,417,861</b>	<b>24,617,500</b>	<b>1,358,861</b>

# POLICE AND FIRE RETIREMENT FUND (135)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	3,161,406,000	3,052,037,246	3,090,401,299	3,090,401,299	3,273,478,778
Total Beginning Fund Balance	3,161,406,000	3,052,037,246	3,090,401,299	3,090,401,299	3,273,478,778
Transfers					
1970 COLA	534	1,000	1,000	534	530
1980 COLA	12,619	14,000	14,000	11,581	11,500
1990 COLA	5,125	5,500	5,500	5,125	4,445
City Contributions	133,869,000	137,477,000	134,752,086	134,752,086	159,886,480
Total Transfers	133,887,278	137,497,500	134,772,586	134,769,326	159,902,955
Revenue from Use of Money/Property					
Investment Income	(29,671,000)	30,513,214	231,165,477	231,165,477	222,296,039
Participant Income	39,515,000	38,934,030	38,934,211	38,934,211	41,630,579
Total Revenue from Use of Money/Property	9,844,000	69,447,244	270,099,688	270,099,688	263,926,618
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,305,137,278</b>	<b>3,258,981,990</b>	<b>3,495,273,573</b>	<b>3,495,270,313</b>	<b>3,697,308,351</b>
<b>USE OF FUNDS</b>					
Expenditures					
1970 COLA	534	1,000	1,000	534	530
1980 COLA	12,619	14,000	14,000	11,581	11,500
1990 COLA	5,125	5,500	5,500	5,125	4,445
Benefits	186,940,000	201,450,427	191,676,795	191,676,795	210,844,475
Health Insurance	23,449,000	24,323,543	24,000,000	24,000,000	24,323,542
Professional Fees	758,565	1,331,950	1,488,500	1,488,500	1,529,200
Retirement Non-Pers/Equip	639,287	1,220,200	1,494,000	1,494,000	1,364,000
Retirement Pers Svcs	2,930,849	3,273,386	3,273,386	3,115,000	3,537,691
Total Expenditures	214,735,979	231,620,006	221,953,181	221,791,535	241,615,383
Ending Fund Balance					
Claims Reserve	3,090,401,299	3,027,361,984	3,273,320,392	3,273,478,778	3,455,692,968
Total Ending Fund Balance	3,090,401,299	3,027,361,984	3,273,320,392	3,273,478,778	3,455,692,968
<b>TOTAL USE OF FUNDS</b>	<b>3,305,137,278</b>	<b>3,258,981,990</b>	<b>3,495,273,573</b>	<b>3,495,270,313</b>	<b>3,697,308,351</b>

\* This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/6/17 should be noted that the personal services costs reflected in this statement can vary from the budget presented to the Board due to revised salary, 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>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Claims Reserve	38,865,000	49,458,118	49,599,000	49,599,000	62,179,546
Total Beginning Fund Balance	<u>38,865,000</u>	<u>49,458,118</u>	<u>49,599,000</u>	<u>49,599,000</u>	<u>62,179,546</u>
Transfers					
City Contributions	11,576,000	12,477,000	11,455,063	11,455,063	11,819,178
Total Transfers	<u>11,576,000</u>	<u>12,477,000</u>	<u>11,455,063</u>	<u>11,455,063</u>	<u>11,819,178</u>
Revenue from Use of Money/Property					
Investment Income	(798,000)	619,621	1,173,883	1,173,883	5,084,085
Total Revenue from Use of Money/Property	<u>(798,000)</u>	<u>619,621</u>	<u>1,173,883</u>	<u>1,173,883</u>	<u>5,084,085</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u><u>49,643,000</u></u></b>	<b><u><u>62,554,739</u></u></b>	<b><u><u>62,227,946</u></u></b>	<b><u><u>62,227,946</u></u></b>	<b><u><u>79,082,809</u></u></b>
<b>USE OF FUNDS</b>					
Expenditures					
Professional Fees	44,000	27,000	48,400	48,400	48,400
Total Expenditures	<u>44,000</u>	<u>27,000</u>	<u>48,400</u>	<u>48,400</u>	<u>48,400</u>
Ending Fund Balance					
Claims Reserve	49,599,000	62,527,739	62,179,546	62,179,546	79,034,409
Total Ending Fund Balance	<u>49,599,000</u>	<u>62,527,739</u>	<u>62,179,546</u>	<u>62,179,546</u>	<u>79,034,409</u>
<b>TOTAL USE OF FUNDS</b>	<b><u><u>49,643,000</u></u></b>	<b><u><u>62,554,739</u></u></b>	<b><u><u>62,227,946</u></u></b>	<b><u><u>62,227,946</u></u></b>	<b><u><u>79,082,809</u></u></b>

\* This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/6/17.

# PUBLIC WORKS PROGRAM SUPPORT FUND (150)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	34,451	34,451	60,940	60,940	60,940
Retiree Healthcare Solutions Reserve	133,879	157,861	157,861	157,861	0
Unrestricted	3,204,155	2,846,484	2,793,017	2,793,017	2,090,172
<b>Total Beginning Fund Balance</b>	<b>3,372,485</b>	<b>3,038,796</b>	<b>3,011,818</b>	<b>3,011,818</b>	<b>2,151,112</b>
Transfers					
Capital Program Support	1,349,756	1,600,000	1,600,000	1,600,000	1,754,000
Compensated Absences	7,810,535	8,400,000	8,400,000	8,133,000	9,700,000
Public Works Program Support	4,182,887	5,240,000	5,240,000	4,383,000	6,012,000
<b>Total Transfers</b>	<b>13,343,178</b>	<b>15,240,000</b>	<b>15,240,000</b>	<b>14,116,000</b>	<b>17,466,000</b>
Revenue from Use of Money/Property					
Interest	33,276	25,000	25,000	41,000	41,000
<b>Total Revenue from Use of Money/Property</b>	<b>33,276</b>	<b>25,000</b>	<b>25,000</b>	<b>41,000</b>	<b>41,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,748,939</b>	<b>18,303,796</b>	<b>18,276,818</b>	<b>17,168,818</b>	<b>19,658,112</b>
<b>USE OF FUNDS</b>					
Expenditures					
Compensated Time Off	8,080,121	8,400,000	8,400,000	8,700,000	9,700,000
Finance Non-Personal/Equipment	20,000	20,000	20,000	20,000	20,000
Finance Personal Services	23,879	39,176	39,176	39,176	36,156
HR Personal Services	110,433	114,035	119,864	119,864	120,015
IT Personal Services	0	89,339	89,339	89,339	53,742
Overhead	699,130	714,299	714,299	700,000	913,963
PW Non-Personal/Equipment	660,148	663,787	693,787	693,787	670,709
PW Personal Services	4,123,728	5,148,335	5,148,335	4,650,000	6,119,886
<b>Total Expenditures</b>	<b>13,717,439</b>	<b>15,188,971</b>	<b>15,224,800</b>	<b>15,012,166</b>	<b>17,634,471</b>
Transfers					
General Fund - Human Resources/ Payroll/ Budget Systems Upgrade	19,682	2,540	5,540	5,540	0
<b>Total Transfers</b>	<b>19,682</b>	<b>2,540</b>	<b>5,540</b>	<b>5,540</b>	<b>0</b>

PUBLIC WORKS PROGRAM SUPPORT FUND (150)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> Actual	<u>2016-2017</u> Adopted	<u>2016-2017</u> Modified	<u>2016-2017</u> Estimate	<u>2017-2018</u> Proposed
<b>USE OF FUNDS</b> (CONT'D.)					
Ending Fund Balance					
Reserve for Encumbrances	60,940	34,451	60,940	60,940	60,940
Retiree Healthcare Solutions Reserve	157,861	157,861	157,861	0	0
Unrestricted	2,793,017	2,919,973	2,827,677	2,090,172	1,962,701
Total Ending Fund Balance	<u>3,011,818</u>	<u>3,112,285</u>	<u>3,046,478</u>	<u>2,151,112</u>	<u>2,023,641</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>16,748,939</u></u>	<u><u>18,303,796</u></u>	<u><u>18,276,818</u></u>	<u><u>17,168,818</u></u>	<u><u>19,658,112</u></u>

# SAN JOSE ARENA CAPITAL RESERVE FUND (459)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Previously Approved Repairs Reserve	0	48,909	48,909	48,909	127,014
Unrestricted	4,723,305	4,040,305	5,113,420	5,113,420	1,106,172
Total Beginning Fund Balance	4,723,305	4,089,214	5,162,329	5,162,329	1,233,186
Transfers					
General Fund	750,000	750,000	750,000	750,000	750,000
General Purpose Parking Fund	2,486,000	0	0	0	0
Total Transfers	3,236,000	750,000	750,000	750,000	750,000
Revenue from Use of Money/Property					
Interest	47,936	20,000	20,000	51,000	52,000
San José Arena Management	750,000	750,000	750,000	750,000	750,000
Total Revenue from Use of Money/Property	797,936	770,000	770,000	801,000	802,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,757,241</b>	<b>5,609,214</b>	<b>6,682,329</b>	<b>6,713,329</b>	<b>2,785,186</b>
<b>USE OF FUNDS</b>					
Expenditures					
Electrical Repairs	698,874	846,000	1,640,815	1,640,815	301,000
Mechanical Repairs	353,598	779,000	1,065,906	1,065,906	498,000
Miscellaneous Repairs	0	428,000	494,045	494,045	67,000
Structures Repairs	2,443,821	1,182,000	2,002,210	2,002,210	485,000
Unanticipated/Emergency Repairs	98,619	150,000	277,167	277,167	150,000
Total Expenditures	3,594,912	3,385,000	5,480,143	5,480,143	1,501,000
Ending Fund Balance					
Previously Approved Repairs Reserve	48,909	48,909	127,014	127,014	127,014
Unrestricted	5,113,420	2,175,305	1,075,172	1,106,172	1,157,172
Total Ending Fund Balance	5,162,329	2,224,214	1,202,186	1,233,186	1,284,186
<b>TOTAL USE OF FUNDS</b>	<b>8,757,241</b>	<b>5,609,214</b>	<b>6,682,329</b>	<b>6,713,329</b>	<b>2,785,186</b>

# SAN JOSE ARENA ENHANCEMENT FUND (301)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	50,388	0	0	0	0
Total Beginning Fund Balance	50,388	0	0	0	0
<b>TOTAL SOURCE OF FUNDS</b>	<b>50,388</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>USE OF FUNDS</b>					
Transfers					
General Fund	50,388	0	0	0	0
Total Transfers	50,388	0	0	0	0
<b>TOTAL USE OF FUNDS</b>	<b>50,388</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# SAN JOSE MUNICIPAL STADIUM CAPITAL FUND (476)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	0	3,190	3,190	3,190	0
Total Beginning Fund Balance	0	3,190	3,190	3,190	0
Revenue from Use of Money/Property					
Rent - Baseball Acquisition Company	34,489	32,000	32,000	32,000	35,000
Total Revenue from Use of Money/Property	34,489	32,000	32,000	32,000	35,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>34,489</b>	<b>35,190</b>	<b>35,190</b>	<b>35,190</b>	<b>35,000</b>
<b>USE OF FUNDS</b>					
Expenditures					
Capital Enhancements	31,299	35,190	35,190	35,190	35,000
Total Expenditures	31,299	35,190	35,190	35,190	35,000
Ending Fund Balance					
Unrestricted	3,190	0	0	0	0
Total Ending Fund Balance	3,190	0	0	0	0
<b>TOTAL USE OF FUNDS</b>	<b>34,489</b>	<b>35,190</b>	<b>35,190</b>	<b>35,190</b>	<b>35,000</b>

# SAN JOSE/SANTA CLARA TREATMENT PLANT INCOME FUND (514)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	28,674	28,886	117,935	117,935	118,207
Total Beginning Fund Balance	28,674	28,886	117,935	117,935	118,207
Revenue from Use of Money/Property					
Interest	201	272	272	272	1,418
Rental Income	89,060	0	0	0	0
Total Revenue from Use of Money/Property	89,261	272	272	272	1,418
<b>TOTAL SOURCE OF FUNDS</b>	<b>117,935</b>	<b>29,158</b>	<b>118,207</b>	<b>118,207</b>	<b>119,625</b>
<b>USE OF FUNDS</b>					
Ending Fund Balance					
Unrestricted	117,935	29,158	118,207	118,207	119,625
Total Ending Fund Balance	117,935	29,158	118,207	118,207	119,625
<b>TOTAL USE OF FUNDS</b>	<b>117,935</b>	<b>29,158</b>	<b>118,207</b>	<b>118,207</b>	<b>119,625</b>

SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Operations and Maintenance Reserve	15,351,000	14,371,000	14,371,000	14,371,000	16,278,000
Reserve for Encumbrances	6,991,575	6,991,575	7,740,061	7,740,061	7,740,061
Retiree Healthcare Solutions Reserve	1,369,779	1,650,750	1,650,750	1,650,750	1,650,750
Unrestricted	13,239,731	10,806,744	14,121,737	14,121,737	17,719,134
Workers' Comp Claims Reserve	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Beginning Fund Balance	<u>39,304,085</u>	<u>36,172,069</u>	<u>40,235,548</u>	<u>40,235,548</u>	<u>45,739,945</u>
Transfers					
Sewer Svc & Use Charge Fund	47,500,000	53,500,000	53,500,000	53,500,000	49,000,000
Total Transfers	<u>47,500,000</u>	<u>53,500,000</u>	<u>53,500,000</u>	<u>53,500,000</u>	<u>49,000,000</u>
Revenue from Use of Money/Property					
Interest	168,018	149,000	149,000	260,000	213,000
Total Revenue from Use of Money/Property	<u>168,018</u>	<u>149,000</u>	<u>149,000</u>	<u>260,000</u>	<u>213,000</u>
Revenue from Local Agencies					
Contributions - Other Agencies	17,631,493	17,297,181	17,297,181	17,064,081	17,302,428
Contributions - Santa Clara	10,917,844	10,745,219	10,745,219	12,342,683	11,476,100
SCVWD Cost-Sharing Reimb	0	25,000	25,000	0	0
Total Revenue from Local Agencies	<u>28,549,337</u>	<u>28,067,400</u>	<u>28,067,400</u>	<u>29,406,764</u>	<u>28,778,528</u>
Fees, Rates, and Charges					
Recycled Water	7,822,478	8,000,000	8,000,000	10,000,000	11,000,000
Total Fees, Rates, and Charges	<u>7,822,478</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>10,000,000</u>	<u>11,000,000</u>
Other Revenue					
Miscellaneous	299,423	340,000	340,000	550,000	340,000
South Bay Dischargers Authority	63,658	65,000	65,000	65,325	65,000
Total Other Revenue	<u>363,081</u>	<u>405,000</u>	<u>405,000</u>	<u>615,325</u>	<u>405,000</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>123,706,999</u></b>	<b><u>126,293,469</u></b>	<b><u>130,356,948</u></b>	<b><u>134,017,637</u></b>	<b><u>135,136,473</u></b>

# SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND (513)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>USE OF FUNDS</b>					
Expenditures					
City Attny Personal Services	143,843	148,687	150,098	130,000	148,542
City Auditor Personal Services	72,775	0	0	0	0
City Mgr Non-Pers/Equip	18,066	18,375	18,375	18,375	18,375
City Mgr Personal Services	17,748	24,020	24,020	24,020	24,786
ESD Non-Pers/Equip	24,134,424	30,439,019	32,139,019	26,375,000	34,173,019
ESD Personal Services	48,541,494	54,770,465	54,770,465	49,900,000	56,877,511
Finance Non-Pers/Equip	5,679	2,958	2,958	2,000	2,958
Finance Personal Services	479,574	326,510	330,821	330,821	345,277
HR Non-Pers/Equip	1,428	1,500	1,500	1,500	1,500
HR Personal Services	274,555	272,284	272,284	235,000	292,180
IT Non-Pers/Equip	0	0	0	0	9,217
IT Personal Services	89,965	96,852	96,852	96,852	108,412
Inventory	355,739	400,000	400,000	350,000	400,000
OED Personal Services	25,621	0	0	0	0
Overhead	7,478,318	8,903,376	8,903,376	8,903,376	9,687,081
PW Non-Pers/Equip	4,484	13,925	13,925	6,000	13,925
PW Personal Services	67,537	75,187	75,187	75,187	82,565
Workers' Comp Claims	401,017	645,000	645,000	645,000	675,000
<b>Total Expenditures</b>	<b>82,112,267</b>	<b>96,138,158</b>	<b>97,843,880</b>	<b>87,093,131</b>	<b>102,860,348</b>
Transfers					
City Hall Debt Service Fund	1,121,240	1,118,437	1,118,437	1,118,437	1,175,345
General Fund - Human Resources/Payroll/Budget Systems Upgrade	237,944	31,124	66,124	66,124	0
<b>Total Transfers</b>	<b>1,359,184</b>	<b>1,149,561</b>	<b>1,184,561</b>	<b>1,184,561</b>	<b>1,175,345</b>
Ending Fund Balance					
Operations and Maintenance Reserve	14,371,000	15,993,000	16,278,000	16,278,000	17,102,000
Reserve for Encumbrances	7,740,061	6,991,575	7,740,061	7,740,061	7,740,061
Retiree Healthcare Solutions Reserve	1,650,750	1,650,750	1,650,750	1,650,750	1,650,750
Unrestricted	14,121,737	2,018,425	3,307,696	17,719,134	2,255,969
Workers' Comp Claims Reserve	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
<b>Total Ending Fund Balance</b>	<b>40,235,548</b>	<b>29,005,750</b>	<b>31,328,507</b>	<b>45,739,945</b>	<b>31,100,780</b>
<b>TOTAL USE OF FUNDS</b>	<b>123,706,999</b>	<b>126,293,469</b>	<b>130,356,948</b>	<b>134,017,637</b>	<b>135,136,473</b>

# SEWAGE TREATMENT PLANT CONNECTION FEE FUND (539)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Treatment Plant Expansion Reserve	14,143,072	12,876,072	13,562,630	13,562,630	12,586,630
Total Beginning Fund Balance	14,143,072	12,876,072	13,562,630	13,562,630	12,586,630
Revenue from Use of Money/Property					
Interest	90,478	121,000	121,000	121,000	151,000
Metcalf Energy Center Repayment	313,000	313,000	313,000	313,000	313,000
Total Revenue from Use of Money/Property	403,478	434,000	434,000	434,000	464,000
Fees, Rates, and Charges					
Connection Fees	2,400,784	1,700,000	1,700,000	2,100,000	1,500,000
Total Fees, Rates, and Charges	2,400,784	1,700,000	1,700,000	2,100,000	1,500,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,947,334</b>	<b>15,010,072</b>	<b>15,696,630</b>	<b>16,096,630</b>	<b>14,550,630</b>
<b>USE OF FUNDS</b>					
Expenditures					
Collection Costs	294,704	291,600	291,600	420,000	420,000
Total Expenditures	294,704	291,600	291,600	420,000	420,000
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					
Treatment Plant Expansion Reserve	13,562,630	11,628,472	12,315,030	12,586,630	11,040,630
Total Ending Fund Balance	13,562,630	11,628,472	12,315,030	12,586,630	11,040,630
<b>TOTAL USE OF FUNDS</b>	<b>16,947,334</b>	<b>15,010,072</b>	<b>15,696,630</b>	<b>16,096,630</b>	<b>14,550,630</b>

# SEWER SERVICE AND USE CHARGE FUND (541)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning 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	4,483,000	4,483,000	4,483,000	5,111,000
Rate Stabilization Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances	2,519,657	2,519,657	1,261,729	1,261,729	1,261,729
Retiree Healthcare Solutions Reserve	412,097	498,649	498,649	498,649	498,649
Unrestricted	12,349,785	4,099,887	5,476,531	5,476,531	2,709,364
Workers' Comp Claims Reserve	760,000	760,000	760,000	760,000	760,000
<b>Total Beginning Fund Balance</b>	<b>41,354,739</b>	<b>44,374,393</b>	<b>44,493,109</b>	<b>44,493,109</b>	<b>40,840,742</b>
Fines, Forfeitures, and Penalties					
Penalties	0	5,000	5,000	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>
Revenue from Use of Money/Property					
Interest	301,782	283,000	283,000	450,000	417,000
<b>Total Revenue from Use of Money/Property</b>	<b>301,782</b>	<b>283,000</b>	<b>283,000</b>	<b>450,000</b>	<b>417,000</b>
Fees, Rates, and Charges					
Commercial *	23,630,089	25,109,000	25,109,000	21,785,539	23,386,000
Industrial *	4,637,512	4,114,500	4,114,500	4,181,580	4,474,000
Residential *	112,223,063	118,160,000	118,160,000	119,132,437	127,471,000
Sewer Installation	145,473	40,000	40,000	100,000	60,000
<b>Total Fees, Rates, and Charges</b>	<b>140,636,137</b>	<b>147,423,500</b>	<b>147,423,500</b>	<b>145,199,556</b>	<b>155,391,000</b>
Other Revenue					
Miscellaneous	0	1,300	1,300	5,000	0
<b>Total Other Revenue</b>	<b>0</b>	<b>1,300</b>	<b>1,300</b>	<b>5,000</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>182,292,658</b>	<b>192,087,193</b>	<b>192,205,909</b>	<b>190,147,665</b>	<b>196,648,742</b>

\* The 2017-2018 proposed Sewer Service and Use Charge Fund includes a seven 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 seven percent increase to residential customers and increases to commercial and industrial customers based upon their corresponding sewer flow characterization parameters.

# SEWER SERVICE AND USE CHARGE FUND (541)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b>					
Expenditures					
City Attny Personal Services	442,977	491,815	499,025	475,000	510,763
City Mgr Non-Pers/Equip	5,566	6,125	6,125	6,125	6,125
City Mgr Personal Services	16,937	20,433	20,433	20,433	21,582
Clean Water Financing Audit	23,317	30,000	30,000	30,000	30,750
Collection Costs	397,491	436,601	436,601	430,000	436,730
Customer Information System Transition	276,265	140,000	286,959	286,959	55,000
DOT Non-Pers/Equip	5,307,132	5,131,407	5,381,407	5,000,000	5,298,306
DOT Personal Services	11,358,299	12,489,819	12,489,819	11,500,000	12,786,682
ESD Non-Pers/Equip	161,311	534,381	619,381	550,000	234,381
ESD Personal Services	739,923	807,268	807,268	650,000	2,178,264
Facilities Capital Repairs and Maintenance	3,786	40,000	40,000	40,000	40,000
Finance Non-Pers/Equip	16,653	16,750	16,750	3,000	16,750
Finance Personal Services	567,687	576,866	581,956	570,000	613,426
HR Personal Services	20,736	28,433	28,433	28,433	27,548
IDC Disposal Contract	113,130	147,900	147,900	147,900	150,000
IT Non-Pers/Equip	78,250	64,828	64,828	50,000	14,835
IT Personal Services	270,849	264,778	264,778	240,000	148,820
Major Litigation - Attorney	0	600,000	600,000	0	600,000
Neighborhood Cleanups - Pharmaceutical Collections	10,096	11,500	11,500	11,500	5,750
Overhead	5,286,828	5,589,058	5,589,058	5,589,058	7,490,876
PBCE Personal Services	83,269	85,801	85,801	70,000	91,707
PW Non-Pers/Equip	321,863	330,465	330,465	250,000	323,465
PW Personal Services	1,441,922	2,075,110	2,075,110	1,400,000	2,132,841
Sanitary Sewer Claims	52,782	250,000	250,000	50,000	275,000
Workers' Comp Claims	80,181	250,000	250,000	250,000	250,000
<b>Total Expenditures</b>	<b>27,077,250</b>	<b>30,419,338</b>	<b>30,913,597</b>	<b>27,648,408</b>	<b>33,739,601</b>
Transfers					
City Hall Debt Svc Fund	416,464	417,346	417,346	417,346	448,544
General Fund - Human Resources/Payroll/Budget Systems Upgrade	83,835	11,169	24,169	24,169	0
SJ-SC Treatment Plant Cap Fund	30,722,000	35,717,000	35,717,000	35,717,000	26,079,000
SJ-SC Treatment Plant Opr Fund	47,500,000	53,500,000	53,500,000	53,500,000	49,000,000
SSUC Capital Fund	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
<b>Total Transfers</b>	<b>110,722,299</b>	<b>121,645,515</b>	<b>121,658,515</b>	<b>121,658,515</b>	<b>107,527,544</b>
Ending Fund Balance					
Billing Transition Reserve	13,200	0	0	0	0
Capital Program/Financing Reserve	24,000,000	22,500,000	22,500,000	22,500,000	38,500,000

# SEWER SERVICE AND USE CHARGE FUND (541)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Ending Fund Balance					
Debt Service Reserve	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Operations and Maintenance Reserve	4,483,000	4,999,000	5,111,000	5,111,000	5,546,000
Rate Stabilization Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances	1,261,729	2,519,657	1,261,729	1,261,729	1,261,729
Retiree Healthcare Solutions Reserve	498,649	498,649	498,649	498,649	498,649
Unrestricted	5,476,531	745,034	1,502,419	2,709,364	815,219
Workers' Comp Claims Reserve	760,000	760,000	760,000	760,000	760,000
Total Ending Fund Balance	<u>44,493,109</u>	<u>40,022,340</u>	<u>39,633,797</u>	<u>40,840,742</u>	<u>55,381,597</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>182,292,658</u></u>	<u><u>192,087,193</u></u>	<u><u>192,205,909</u></u>	<u><u>190,147,665</u></u>	<u><u>196,648,742</u></u>



# ST. JAMES PARK MANAGEMENT DISTRICT FUND (345)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	0	0	0	0	1,703,945
Total Beginning Fund Balance	0	0	0	0	1,703,945
Revenue from Use of Money/Property					
Interest	0	0	0	1,000	16,800
Total Revenue from Use of Money/Property	0	0	0	1,000	16,800
Developer Contributions					
St. James Area Park Fee Adjustment Program Donations	0	0	1,931,395	1,931,395	0
Total Developer Contributions	0	0	1,931,395	1,931,395	0
<b>TOTAL SOURCE OF FUNDS</b>	<b>0</b>	<b>0</b>	<b>1,931,395</b>	<b>1,932,395</b>	<b>1,720,745</b>
<b>USE OF FUNDS</b>					
Expenditures					
PRNS Non-Personal/Equipment	0	0	195,000	195,000	235,000
PRNS Personal Services	0	0	33,450	33,450	133,382
Total Expenditures	0	0	228,450	228,450	368,382
Ending Fund Balance					
Unrestricted	0	0	1,702,945	1,703,945	1,352,363
Total Ending Fund Balance	0	0	1,702,945	1,703,945	1,352,363
<b>TOTAL USE OF FUNDS</b>	<b>0</b>	<b>0</b>	<b>1,931,395</b>	<b>1,932,395</b>	<b>1,720,745</b>

# STATE DRUG FORFEITURE FUND (417)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Unrestricted	718,538	623,538	647,110	647,110	539,343
Total Beginning Fund Balance	<u>718,538</u>	<u>623,538</u>	<u>647,110</u>	<u>647,110</u>	<u>539,343</u>
Revenue from Use of Money/Property					
Interest	5,092	5,000	5,000	5,000	5,000
Total Revenue from Use of Money/Property	<u>5,092</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Revenue from State of California					
State Revenue	31,171	100,000	100,000	24,000	25,000
Total Revenue from State of California	<u>31,171</u>	<u>100,000</u>	<u>100,000</u>	<u>24,000</u>	<u>25,000</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>754,801</u></b>	<b><u>728,538</u></b>	<b><u>752,110</u></b>	<b><u>676,110</u></b>	<b><u>569,343</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
Body Worn Camera Infrastructure	107,691	0	192,000	56,657	0
Police Non-Pers/Equip	0	535,000	535,000	80,110	0
Silicon Valley Regional Communications System - Dispatch Consoles	0	0	0	0	271,210
Total Expenditures	<u>107,691</u>	<u>535,000</u>	<u>727,000</u>	<u>136,767</u>	<u>271,210</u>
Ending Fund Balance					
Unrestricted	647,110	193,538	25,110	539,343	298,133
Total Ending Fund Balance	<u>647,110</u>	<u>193,538</u>	<u>25,110</u>	<u>539,343</u>	<u>298,133</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>754,801</u></b>	<b><u>728,538</u></b>	<b><u>752,110</u></b>	<b><u>676,110</u></b>	<b><u>569,343</u></b>

# STORM SEWER OPERATING FUND (446)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning 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	5,100,000
Grant Match Reserve	1,000,000	500,000	500,000	500,000	500,000
Operations and Maintenance Reserve	6,426,528	4,087,000	4,087,000	4,087,000	4,304,000
Permit Implementation Reserve	1,000,000	2,000,000	2,000,000	2,000,000	500,000
Reserve for Encumbrances	1,030,355	1,030,355	711,318	711,318	711,318
Retiree Healthcare Solutions Reserve	365,871	435,748	435,748	435,748	435,748
Unrestricted	7,278,202	5,233,633	5,720,545	5,720,545	3,372,001
<b>Total Beginning Fund Balance</b>	<b>17,110,306</b>	<b>17,296,086</b>	<b>17,463,961</b>	<b>17,463,961</b>	<b>14,923,067</b>
Fines, Forfeitures, and Penalties					
Penalties	(6)	9,000	9,000	0	9,000
<b>Total Fines, Forfeitures, and Penalties</b>	<b>(6)</b>	<b>9,000</b>	<b>9,000</b>	<b>0</b>	<b>9,000</b>
Revenue from Use of Money/Property					
Interest	77,521	118,000	118,000	93,000	107,000
<b>Total Revenue from Use of Money/Property</b>	<b>77,521</b>	<b>118,000</b>	<b>118,000</b>	<b>93,000</b>	<b>107,000</b>
Other Revenue					
Miscellaneous	96,286	0	0	0	0
<b>Total Other Revenue</b>	<b>96,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Special Assessments					
Assessments *	32,664,847	32,570,505	32,570,505	32,928,735	33,093,379
<b>Total Special Assessments</b>	<b>32,664,847</b>	<b>32,570,505</b>	<b>32,570,505</b>	<b>32,928,735</b>	<b>33,093,379</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,948,954</b>	<b>49,993,591</b>	<b>50,161,466</b>	<b>50,485,696</b>	<b>48,132,446</b>
<b>USE OF FUNDS</b>					
Expenditures					
City Auditor Personal Services	73,908	0	0	0	0
Collection Fees	95,338	98,000	98,000	98,000	100,000
Customer Information System Transition	195,659	210,000	421,459	421,459	0
DOT Non-Pers/Equip	2,583,628	2,480,723	2,482,745	2,360,000	1,983,525

# STORM SEWER OPERATING FUND (446)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS (CONT'D.)</b>					
Expenditures					
DOT Personal Services	6,034,446	6,457,153	6,457,153	6,150,000	5,390,004
ESD Non-Pers/Equip	2,318,875	2,672,715	2,919,715	2,400,000	2,824,740
ESD Personal Services	5,702,847	6,274,826	6,274,826	5,800,000	6,653,791
ESD Yard Trimmings/Street Sweeping	1,948,841	2,014,302	2,014,302	2,000,000	2,053,179
Finance Personal Services	47,321	41,658	41,658	35,000	36,056
HR Personal Services	37,618	46,379	46,379	42,000	49,185
IDC Contract	106,154	150,960	150,960	110,000	150,960
IT Non-Pers/Equip	78,071	60,348	60,348	60,348	15,897
IT Personal Services	214,624	192,523	192,523	180,000	119,406
Overhead	2,434,086	2,950,601	2,950,601	2,950,601	3,350,646
PBCE Non-Pers/Equip	1,696	0	0	0	0
PBCE Personal Services	73,624	61,122	61,122	35,000	60,364
PRNS Personal Services	(4,942)	0	0	0	0
PW Non-Pers/Equip	46,487	184,600	184,600	184,600	46,600
PW Personal Services	733,603	744,494	744,494	600,000	745,297
Workers' Comp Claims	90,386	86,000	136,000	100,000	100,000
<b>Total Expenditures</b>	<b>22,812,270</b>	<b>24,726,404</b>	<b>25,236,885</b>	<b>23,527,008</b>	<b>23,679,650</b>
Transfers					
City Hall Debt Service Fund	547,873	559,009	559,009	559,009	566,658
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	65,691	8,453	17,453	17,453	0
Maintenance District No. 15 Fund	22,118	22,118	22,118	22,118	22,118
Storm Sewer Capital Fund	9,000,000	7,000,000	11,400,000	11,400,000	10,000,000
<b>Total Transfers</b>	<b>9,672,723</b>	<b>7,626,621</b>	<b>12,035,621</b>	<b>12,035,621</b>	<b>10,625,817</b>
Ending Fund Balance					
Billing Transition Reserve	9,350	0	0	0	0
Capital Program Reserve	4,000,000	7,000,000	5,100,000	5,100,000	4,100,000
Grant Match Reserve	500,000	500,000	500,000	500,000	500,000
Operations and Maintenance Reserve	4,087,000	4,126,000	4,304,000	4,304,000	4,051,000
Permit Implementation Reserve	2,000,000	3,000,000	500,000	500,000	500,000
Reserve for Encumbrances	711,318	1,030,355	711,318	711,318	711,318
Retiree Healthcare Solutions Reserve	435,748	435,748	435,748	435,748	435,748
Unrestricted	5,720,545	1,548,463	1,337,894	3,372,001	3,528,913
<b>Total Ending Fund Balance</b>	<b>17,463,961</b>	<b>17,640,566</b>	<b>12,888,960</b>	<b>14,923,067</b>	<b>13,826,979</b>
<b>TOTAL USE OF FUNDS</b>	<b>49,948,954</b>	<b>49,993,591</b>	<b>50,161,466</b>	<b>50,485,696</b>	<b>48,132,446</b>

\* The 2017-2018 proposed assessments revenue includes no change to the Storm Sewer Service Charge for 2017-2018.

# SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (414)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	943,490	943,490	179,308	179,308	179,308
Unrestricted	1,122,053	812,318	1,496,920	1,496,920	2,114,379
Total Beginning Fund Balance	<u>2,065,543</u>	<u>1,755,808</u>	<u>1,676,228</u>	<u>1,676,228</u>	<u>2,293,687</u>
Revenue from Use of Money/Property					
Interest	14,177	0	17,387	17,387	0
Total Revenue from Use of Money/Property	<u>14,177</u>	<u>0</u>	<u>17,387</u>	<u>17,387</u>	<u>0</u>
Revenue from State of California					
State Revenue	2,185,361	325,524	1,615,960	1,615,960	0
Total Revenue from State of California	<u>2,185,361</u>	<u>325,524</u>	<u>1,615,960</u>	<u>1,615,960</u>	<u>0</u>
<b>TOTAL SOURCE OF FUNDS</b>	<b><u>4,265,081</u></b>	<b><u>2,081,332</u></b>	<b><u>3,309,575</u></b>	<b><u>3,309,575</u></b>	<b><u>2,293,687</u></b>
<b>USE OF FUNDS</b>					
Expenditures					
SLES 2011-2013	501	0	0	0	0
SLES 2012-2014	7,278	0	28	28	0
SLES 2013-2015	937,640	7,238	8,555	8,555	0
SLES 2014-2016	1,619,824	18,897	18,340	197,648	0
SLES 2015-2017	23,610	1,111,707	2,040,991	750,000	1,290,991
SLES 2016-2018	0	0	347,473	59,657	287,816
Total Expenditures	<u>2,588,853</u>	<u>1,137,842</u>	<u>2,415,387</u>	<u>1,015,888</u>	<u>1,578,807</u>
Ending Fund Balance					
Reserve for Encumbrances	179,308	943,490	179,308	179,308	179,308
Unrestricted	1,496,920	0	714,880	2,114,379	535,572
Total Ending Fund Balance	<u>1,676,228</u>	<u>943,490</u>	<u>894,188</u>	<u>2,293,687</u>	<u>714,880</u>
<b>TOTAL USE OF FUNDS</b>	<b><u>4,265,081</u></b>	<b><u>2,081,332</u></b>	<b><u>3,309,575</u></b>	<b><u>3,309,575</u></b>	<b><u>2,293,687</u></b>

# TRANSIENT OCCUPANCY TAX FUND (461)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Future Distribution Reserve	1,942,000	2,400,000	2,400,000	2,400,000	0
Reserve for Encumbrances	334,856	334,856	502,959	502,959	502,959
Retiree Healthcare Solutions Reserve	11,642	20,108	20,108	20,108	20,108
Unrestricted	6,829,715	1,494,110	5,301,411	5,301,411	3,073,624
Total Beginning Fund Balance	9,118,213	4,249,074	8,224,478	8,224,478	3,596,691
Revenues					
Miscellaneous Revenue	3,067	0	0	0	0
Total Revenues	3,067	0	0	0	0
Transient Occupancy Tax					
Transient Occupancy Tax	24,559,810	25,428,000	25,428,000	26,954,000	28,032,000
Total Transient Occupancy Tax	24,559,810	25,428,000	25,428,000	26,954,000	28,032,000
Licenses and Permits					
OCA Special Event Permits	25,470	20,000	20,000	20,000	20,000
Total Licenses and Permits	25,470	20,000	20,000	20,000	20,000
Revenue from Use of Money/Property					
Interest	49,656	48,000	48,000	48,000	49,000
Total Revenue from Use of Money/Property	49,656	48,000	48,000	48,000	49,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>33,756,216</b>	<b>29,745,074</b>	<b>33,720,478</b>	<b>35,246,478</b>	<b>31,697,691</b>
<b>USE OF FUNDS</b>					
Expenditures					
Cultural Grants	4,115,799	5,074,922	8,476,181	8,476,181	5,310,261
Cultural Grants Administration	1,650,923	2,091,464	2,091,464	2,091,464	2,288,625
SJ Conv/Visitors Bureau	6,623,250	7,022,749	7,366,838	7,366,838	7,455,250
Total Expenditures	12,389,972	14,189,135	17,934,483	17,934,483	15,054,136

# TRANSIENT OCCUPANCY TAX FUND (461)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Transfers					
Convention/Cultural Affairs Fund	13,141,766	13,658,865	13,715,304	13,715,304	14,523,865
Total Transfers	<u>13,141,766</u>	<u>13,658,865</u>	<u>13,715,304</u>	<u>13,715,304</u>	<u>14,523,865</u>
Ending Fund Balance					
Future Distribution Reserve	2,400,000	0	0	0	0
Reserve for Encumbrances	502,959	334,856	502,959	502,959	502,959
Retiree Healthcare Solutions Reserve	20,108	20,108	20,108	20,108	20,108
Unrestricted	5,301,411	1,542,110	1,547,624	3,073,624	1,596,623
Total Ending Fund Balance	<u>8,224,478</u>	<u>1,897,074</u>	<u>2,070,691</u>	<u>3,596,691</u>	<u>2,119,690</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>33,756,216</u></u>	<u><u>29,745,074</u></u>	<u><u>33,720,478</u></u>	<u><u>35,246,478</u></u>	<u><u>31,697,691</u></u>

# VEHICLE MAINTENANCE AND OPERATIONS FUND (552)

## STATEMENT OF SOURCE AND USE OF FUNDS

	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Reserve for Encumbrances	2,071,856	2,071,856	1,901,062	1,901,062	1,901,062
Retiree Healthcare Solutions Reserve	1,348,632	240,149	240,149	240,149	240,149
Unrestricted	200,646	1,545,777	1,541,233	1,541,233	1,207,909
<b>Total Beginning Fund Balance</b>	<b>3,621,134</b>	<b>3,857,782</b>	<b>3,682,444</b>	<b>3,682,444</b>	<b>3,349,120</b>
<b>Transfers</b>					
Departmental Charges (M&O)	16,769,268	17,242,000	17,242,000	16,800,000	18,061,343
Emergency Reserve Fund	0	1,577	1,577	1,577	0
Replacement Chgs: General Fleet	1,000,000	1,000,000	1,000,000	1,000,000	1,200,000
Replacement Chgs: Police	2,666,668	2,275,433	2,275,433	1,900,000	3,677,820
<b>Total Transfers</b>	<b>20,435,936</b>	<b>20,519,010</b>	<b>20,519,010</b>	<b>19,701,577</b>	<b>22,939,163</b>
<b>Revenue from Use of Money/Property</b>					
Interest	22,720	8,000	8,000	20,000	20,000
<b>Total Revenue from Use of Money/Property</b>	<b>22,720</b>	<b>8,000</b>	<b>8,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Other Revenue</b>					
Miscellaneous	18,370	15,000	15,000	55,000	30,000
<b>Total Other Revenue</b>	<b>18,370</b>	<b>15,000</b>	<b>15,000</b>	<b>55,000</b>	<b>30,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>24,098,160</b>	<b>24,399,792</b>	<b>24,224,454</b>	<b>23,459,021</b>	<b>26,338,283</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Diesel Retrofit Program	274,194	0	0	0	0
Electric Vehicle Lease Program	80,748	0	0	0	0
HR Personal Services	36,860	56,188	57,637	40,000	73,408
Inventory Purchases	6,188,304	6,674,000	6,274,000	5,792,000	7,304,000
Municipal Car Wash Upgrade	0	200,000	200,000	200,000	0
Overhead	477,517	537,177	537,177	537,177	477,718
PW Non-Pers/Equip	1,615,785	1,673,043	1,873,043	2,215,000	1,426,043
PW Personal Services	7,701,206	7,963,072	8,215,190	8,215,000	8,602,148
Vehicle Replacement-General Fleet	1,179,536	1,000,000	1,000,000	1,000,000	1,200,000
Vehicle Replacement-Police	2,683,672	2,275,433	2,275,433	1,900,000	3,677,820
Workers' Comp Claims	66,386	200,000	200,000	100,000	175,000
<b>Total Expenditures</b>	<b>20,304,208</b>	<b>20,578,913</b>	<b>20,632,480</b>	<b>19,999,177</b>	<b>22,936,137</b>



# VEHICLE MAINTENANCE AND OPERATIONS FUND (552)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Transfers					
City Hall Debt Service Fund	88,835	90,724	90,724	90,724	88,087
General Fund - Interest Earnings	22,673	8,000	8,000	20,000	20,000
Total Transfers	<u>111,508</u>	<u>98,724</u>	<u>98,724</u>	<u>110,724</u>	<u>108,087</u>
Ending Fund Balance					
Reserve for Encumbrances	1,901,062	2,071,856	1,901,062	1,901,062	1,901,062
Retiree Healthcare Solutions Reserve	240,149	240,149	240,149	240,149	240,149
Unrestricted	1,541,233	1,410,150	1,352,039	1,207,909	1,152,848
Total Ending Fund Balance	<u>3,682,444</u>	<u>3,722,155</u>	<u>3,493,250</u>	<u>3,349,120</u>	<u>3,294,059</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>24,098,160</u></u>	 <u><u>24,399,792</u></u>	 <u><u>24,224,454</u></u>	 <u><u>23,459,021</u></u>	 <u><u>26,338,283</u></u>

# WATER UTILITY FUND (515)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>SOURCE OF FUNDS</b>					
Beginning 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	6,287,000	6,287,000	6,287,000	6,754,000
Rate Stabilization Reserve	1,672,000	1,748,000	1,748,000	1,748,000	300,000
Reserve for Encumbrances	1,387,226	1,387,226	1,286,049	1,286,049	1,286,049
Retiree Healthcare Solutions Reserve	123,462	149,494	149,494	149,494	149,494
Unrestricted	5,004,899	3,166,461	1,753,087	1,753,087	654,224
Workers' Comp Claims Reserve	50,000	50,000	50,000	50,000	50,000
<b>Total Beginning Fund Balance</b>	<b>14,508,487</b>	<b>13,138,181</b>	<b>11,623,630</b>	<b>11,623,630</b>	<b>9,893,767</b>
Transfers					
Emergency Reserve Fund	0	150	150	150	0
General Fund - Late Fee Reconciliation	21,604	0	0	117	0
<b>Total Transfers</b>	<b>21,604</b>	<b>150</b>	<b>150</b>	<b>267</b>	<b>0</b>
Revenue from Use of Money/Property					
Interest	68,352	100,000	100,000	80,000	110,000
<b>Total Revenue from Use of Money/Property</b>	<b>68,352</b>	<b>100,000</b>	<b>100,000</b>	<b>80,000</b>	<b>110,000</b>
Fees, Rates, and Charges					
Operating - Water Sales *	36,454,125	42,470,000	41,370,000	40,836,417	47,011,000
<b>Total Fees, Rates, and Charges</b>	<b>36,454,125</b>	<b>42,470,000</b>	<b>41,370,000</b>	<b>40,836,417</b>	<b>47,011,000</b>
Other Revenue					
Late Fees	(117)	250,000	250,000	500,000	250,000
Operating - Miscellaneous	312,354	100,000	100,000	128,304	100,000
<b>Total Other Revenue</b>	<b>312,237</b>	<b>350,000</b>	<b>350,000</b>	<b>628,304</b>	<b>350,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>51,364,805</b>	<b>56,058,331</b>	<b>53,443,780</b>	<b>53,168,618</b>	<b>57,364,767</b>
<b>USE OF FUNDS</b>					
Expenditures					
City Attorney Personal Services	158,284	411,456	411,456	354,000	358,355
Customer Information System	208,283	225,000	288,134	288,134	50,000

# WATER UTILITY FUND (515)\*

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Adopted</u>	<u>2016-2017</u> <u>Modified</u>	<u>2016-2017</u> <u>Estimate</u>	<u>2017-2018</u> <u>Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Expenditures					
Transition					
ESD Non-Pers/Equip	25,782,251	32,235,756	31,135,756	30,300,000	32,952,516
ESD Personal Services	4,873,072	5,273,327	5,573,327	5,490,000	6,305,995
Economic Development Non-Pers/Equip	38,849	0	0	0	0
Finance Personal Services	306,809	269,538	269,538	240,000	266,016
Human Resources Personal Services	11,850	13,742	13,742	12,500	14,396
Information Technology Non-Pers/Equip	9,874	11,922	11,922	8,000	160,687
Information Technology Personal Services	259,834	475,720	475,720	400,000	639,023
Overhead	1,240,767	1,461,773	1,527,773	1,527,773	1,855,664
Public Works Non-Pers/Equip	32,184	38,929	38,929	30,000	39,547
Workers' Comp Claims	19,916	44,000	44,000	15,000	44,000
Total Expenditures	<u>32,941,973</u>	<u>40,461,163</u>	<u>39,790,297</u>	<u>38,665,407</u>	<u>42,686,199</u>
Transfers					
City Hall Debt Service Fund	124,854	126,135	126,135	126,135	190,317
General Fund (Late Fees)	0	250,000	250,000	500,000	250,000
General Fund - Human Resources/Payroll/Budget Systems Upgrade	24,348	3,309	7,309	7,309	0
Water Utility Capital Fund	6,650,000	4,450,000	3,976,000	3,976,000	4,450,000
Total Transfers	<u>6,799,202</u>	<u>4,829,444</u>	<u>4,359,444</u>	<u>4,609,444</u>	<u>4,890,317</u>
Ending Fund Balance					
Muni Water Recycled Water Expansion Reserve	350,000	700,000	700,000	700,000	700,000
Operations and Maintenance Reserve	6,287,000	6,754,000	6,754,000	6,754,000	7,048,000
Rate Stabilization Reserve	1,748,000	1,200,000	300,000	300,000	300,000
Reserve for Encumbrances	1,286,049	1,387,226	1,286,049	1,286,049	1,286,049
Retiree Healthcare Solutions Reserve	149,494	149,494	149,494	149,494	149,494
Unrestricted	1,753,087	527,004	54,496	654,224	254,708
Workers' Comp Claims Reserve	50,000	50,000	50,000	50,000	50,000
Total Ending Fund Balance	<u>11,623,630</u>	<u>10,767,724</u>	<u>9,294,039</u>	<u>9,893,767</u>	<u>9,788,251</u>
<b>TOTAL USE OF FUNDS</b>	<u><u>51,364,805</u></u>	<u><u>56,058,331</u></u>	<u><u>53,443,780</u></u>	<u><u>53,168,618</u></u>	<u><u>57,364,767</u></u>

\* The 2017-2018 proposed operating water sales revenue for the Water Utility Fund includes a nine percent adjustment to potable water revenues for 2017-2018 in order to offset increased operating and capital costs.

# WORKFORCE DEVELOPMENT FUND (290)

## STATEMENT OF SOURCE AND USE OF FUNDS


	2015-2016 Actual	2016-2017 Adopted	2016-2017 Modified	2016-2017 Estimate	2017-2018 Proposed
<b>SOURCE OF FUNDS</b>					
Beginning Fund Balance					
Program Allocation Reserve	769,938	140,009	140,009	140,009	0
Reserve for Encumbrances	309,039	309,039	27,532	27,532	27,532
Unrestricted	0	115,943	532,002	532,002	496,620
work2future Board Mandated Reserve	0	513,969	513,969	513,969	695,162
<b>Total Beginning Fund Balance</b>	<b>1,078,977</b>	<b>1,078,960</b>	<b>1,213,512</b>	<b>1,213,512</b>	<b>1,219,314</b>
Revenue from Local Agencies					
Revenue from Local Agencies	0	0	921,555	433,375	441,829
<b>Total Revenue from Local Agencies</b>	<b>0</b>	<b>0</b>	<b>921,555</b>	<b>433,375</b>	<b>441,829</b>
Revenue from State of California					
Revenue from State of California	0	0	556,638	337,538	478,552
<b>Total Revenue from State of California</b>	<b>0</b>	<b>0</b>	<b>556,638</b>	<b>337,538</b>	<b>478,552</b>
Revenue from Federal Government					
Revenue from Federal Government	0	0	12,401,005	9,399,069	7,171,373
<b>Total Revenue from Federal Government</b>	<b>0</b>	<b>0</b>	<b>12,401,005</b>	<b>9,399,069</b>	<b>7,171,373</b>
Other Revenue					
Miscellaneous	10,605,998	9,869,105	7,454	7,454	0
<b>Total Other Revenue</b>	<b>10,605,998</b>	<b>9,869,105</b>	<b>7,454</b>	<b>7,454</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,684,975</b>	<b>10,948,065</b>	<b>15,100,164</b>	<b>11,390,948</b>	<b>9,311,068</b>
<b>USE OF FUNDS</b>					
Expenditures					
Administration	713,712	635,117	573,361	573,361	527,784
Adult Workers Program	2,720,317	1,883,243	3,157,753	2,575,224	1,732,362
BusinessOwnerSpace.com Network	2,883	17,163	26,734	1,652	25,082
CA Workforce Association	0	5,000	5,000	0	5,000
Career Pathway Trust	0	110,000	150,000	0	250,000
City Attorney Administration	168,434	177,529	177,529	177,529	183,932
County of Santa Clara Summer Youth Employment Program	0	239,846	356,846	244,327	0
Customer Centered Design Project	0	0	20,000	4,679	15,321

# WORKFORCE DEVELOPMENT FUND (290)

## STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2015-2016 Actual</u>	<u>2016-2017 Adopted</u>	<u>2016-2017 Modified</u>	<u>2016-2017 Estimate</u>	<u>2017-2018 Proposed</u>
<b>USE OF FUNDS</b> (CONT'D.)					
Expenditures					
Dislocated Workers Program	2,249,680	2,218,495	3,031,494	2,328,740	1,833,384
Proposition 39 Pre-Apprenticeship	431,618	250,000	337,538	337,538	478,552
Rapid Response Grant	984,214	530,073	1,093,699	861,590	791,587
Ready to Work Partnership Initiative	176,491	12,727	414,709	189,048	191,829
Regional Plan Development Project	0	0	166,569	109,102	257,105
Sector Partnership National Emergency Grant	176,670	600,000	823,330	353,553	0
State Incentive Award	0	0	54,838	54,838	0
Youth Summer Employment Program	674,537	0	0	0	0
Youth Workers Program	2,172,907	1,993,106	3,107,590	2,360,453	1,829,898
<b>Total Expenditures</b>	<u>10,471,463</u>	<u>8,672,299</u>	<u>13,496,990</u>	<u>10,171,634</u>	<u>8,121,836</u>
Transfers					
City Hall Debt Service	0	0	0	0	29,906
<b>Total Transfers</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,906</u>
Ending Fund Balance					
Program Allocation Reserve	140,009	500,000	0	0	0
Reserve for Encumbrances	27,532	309,039	27,532	27,532	27,532
Unrestricted	532,002	247,758	413,942	496,620	531,794
work2future Board Mandated Reserve	513,969	1,218,969	1,161,700	695,162	600,000
<b>Total Ending Fund Balance</b>	<u>1,213,512</u>	<u>2,275,766</u>	<u>1,603,174</u>	<u>1,219,314</u>	<u>1,159,326</u>
 <b>TOTAL USE OF FUNDS</b>	 <u><u>11,684,975</u></u>	 <u><u>10,948,065</u></u>	 <u><u>15,100,164</u></u>	 <u><u>11,390,948</u></u>	 <u><u>9,311,068</u></u>

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**2017-2018**

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**OPERATING BUDGET**

**APPENDICES**

**APPENDICES**



**2017-2018**

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**OPERATING BUDGET**

**MAYOR'S MARCH  
BUDGET MESSAGE**





# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo

**SUBJECT: MARCH BUDGET MESSAGE  
FOR FISCAL YEAR 2017-2018**

**DATE:** March 17, 2017

Approved:

Date:

3-17-17

## RECOMMENDATION

Direct the City Manager to submit a balanced budget for Fiscal Year 2017-2018, 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 2017-2018 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 2017-2018 Proposed Budget.

I propose a budget that reflects our community's highest priorities and plans for a fiscally uncertain future. A cooling economy and growing uncertainty compound the challenges posed by projected deficits over the next half-decade. Given the economic and fiscal landscape, we must focus on sustaining recently-restored services; making strategically-targeted investments that leverage external resources; and saving dollars for the inevitable difficulties ahead.

## RESTORING SERVICES

Following a difficult decade characterized by the Great Recession and ongoing budget deficits totaling \$670 million, we have begun restoring key services. I thank my Council colleagues for their continued commitment to targeting our scarce resources on our residents' highest priorities.

In FY 2015-2016, the City Council began restoring services by adding firefighters, restoring library hours to six days a week, and enhancing several critical programs for gang prevention, homeless rehousing, and illegal dumping.

Last year, the City Council placed several key measures on the ballot, the passage of which have helped stabilize the City’s fiscal position and restore key services. Most notably, San José voters approved Measure F, the City’s Alternative Pension Settlement Framework, securing \$2.97 billion over the next 30 years (Table 1), including \$41.8 million in this year alone.

**Table 1 – Alternative Pension Settlement Savings**

	<b>Police &amp; Fire</b>	<b>Federated</b>
Tier 2 Savings	\$1,152 million	\$941 million
Retiree Healthcare	\$244 million	\$249.9 million
Eliminate “Bonus Checks”	\$270 million	\$120 million
<b>TOTALS</b>	<b>\$1.66 billion</b>	<b>\$1.31 billion</b>

Source: City Actuarial Reports, 2015

While these pension reform savings will continue to grow year-over-year, we know that retirement costs will also grow, due to factors beyond the Council’s control, including sub-standard market returns and changes in key assumptions. Fortunately, the voters also approved two additional revenue measures—a one-quarter cent sales tax (Measure B, June 2016 ballot) and modernization of the City’s business tax (Measure G, November 2016 ballot)—making it possible to preserve and restore services this year in the face of these rising costs.

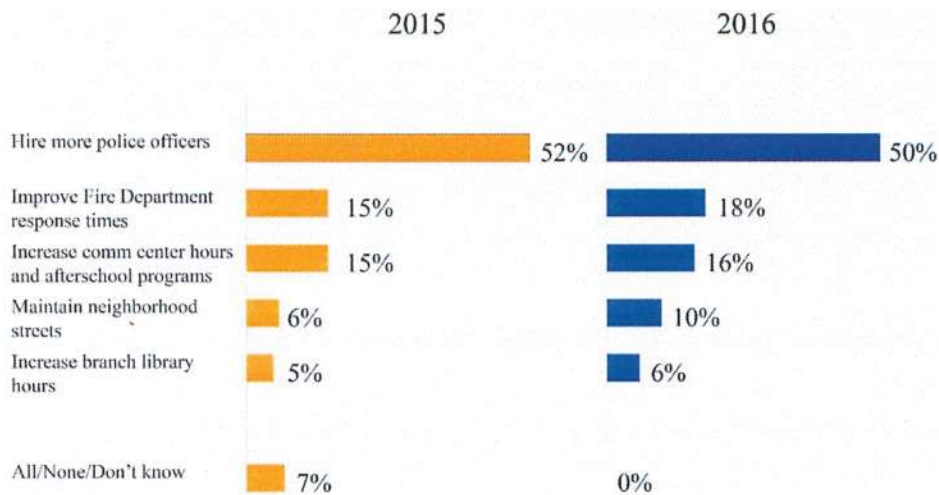
With these new revenues, the City Council made significant service restorations during the 2016-2017 fiscal year, allocating new revenue to:

- Maintain and Repair Major Streets – One-time funding of \$17.7 million expanded street pavement maintenance for major streets.
- Improve Response Times to Fire and Medical Emergencies – Ongoing funding of \$3.65 million restored all “browned out” fire stations and added two-person “Squad” cars dedicated to emergency medical response. In addition, \$1.2 million of one-time funding was allocated to provide emergency vehicle preemption service to enable faster emergency response.
- Fire Station 37 – Funding of \$2.21 million provides a down-payment for the future construction of a long-needed Fire Station 37 in Willow Glen.
- Improve Response to Burglary and Neighborhood Crimes – An allocation of \$1.53 million adds 14 new Community Services Officers (CSOs) to improve response to and evidence-collection at burglaries and other property crimes.
- Expand Smarter Policing – Ongoing funding of \$420,000 adds 5 crime and intelligence analyst positions to improve the use of data to enable predictive and proactive policing, and to support the body-worn camera program.
- Reduce Homelessness – This ongoing \$4 million in funding doubled homeless rapid rehousing services and response.

We also worked together with the Silicon Valley Leadership Group and the Valley Transportation Authority to ensure passage of Measure B on the November 2016 ballot, which will enable another \$19 million in road repair and repaving in the next fiscal year.

Finally, in February, the City Council made significant investments in public safety by approving a new long-term wage agreement with our Police Officers Association. At a time when we have nearly 200 vacancies in SJPD—due in part to Tier I officer salary disparities that exceeded \$13,000 compared to cities like San Francisco and Oakland, and \$17,000 to Santa Clara County—this contract will enable the long-awaited rebuilding of SJPD. While making our officers’ compensation more competitive comes at a substantial cost, this contract focuses our taxpayer dollars on the overwhelmingly highest priority of our residents: hiring more police officers (Figure 1).

**Figure 1 – Resident’s Highest Priority Comparison**



Source: 2016 Community Budget Survey Results

This wage agreement, combined with the earlier resolution of the pension reform battles, has already boosted recruiting of high-quality candidates by roughly 50% over the prior two academy cycles. (Figure 2).

**Table 2 – San José Police Academy Status**

Academy Recruiting & Hiring	Academy 26 February 2016	Academy 27 June 2016	Academy 28 October 2016 (Start date 10/26/16)	Academy 29 Feb. 2017 (Start date 2/13/17)	Academy 30 June 2017 (Start date 6/15/17)
Applied	1893	1888	2822	2290	4017
Proceeded to Backgrounds	167	147	215	204	318
Hired	7	17	34*	29**	In Progress
Graduation Date	8/12/2016	12/2/2016	4/27/2017	8/11/2017	12/15/2017

\*37 offered, 3 declined

\*\*35 offered, 5 declined, 1 deferred to Academy 30

Source: February, 2017 Public Safety, Finance and Strategic Support Committee

I thank all of our hard-working City employees for their perseverance and dedication during a period in which we have strived to provide high-quality services with the most thinly-staffed City Hall of any major U.S. city. While City service levels lag what residents reasonably expect or deserve, we have made substantial improvements over the last two years.

**THE FUTURE**

As I indicated in last year’s Budget Message, and as reflected in the new General Fund Forecast (Table 3), we face challenging years ahead. More than ever, we need a prudent and strategic approach to spending.

**Table 3 - 2018-2022 General Fund Forecast  
 Incremental General Fund Surplus / (Shortfall) \$ in Millions**

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
(\$12.4 M)	(\$34.8 M)	(\$11.5 M)	(\$17.4 M)	(\$12.8 M)

Source: 2018-2021 Five-Year Forecast and Revenue Projections for the GF and Capital Improvement Program.

Even these sobering numbers mask more serious fiscal realities. These projections do not fully account for the City’s long-term burdens, including \$3.8 billion in unfunded liabilities for retirement benefits, and \$1.51 billion in deferred infrastructure maintenance. While we annually pay off a portion of the unfunded retirement debt according to an amortized schedule, current trends indicate that the ARC will increase in future years. If we similarly paid an annual bill to amortize the unfunded needs in infrastructure repair, we would need to allocate an additional \$144 million annually over the next decade. The City’s Forecast has never included that cost, but its presence must inform our budgetary decision making.

San José does not suffer uniquely, however. Other California cities appear to face far worse in their forecasts, as seen in the region’s next two largest cities (Table 4).

**Table 4 - 2018-2022 General Fund Forecast City Comparison**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<b>Oakland</b>	(\$30.63 M)	(\$36.75 M)	(\$46.77 M)	(\$65.34 M)	(\$70.49 M)
<b>San Francisco</b>	(\$119 M)	(\$234.4 M)	(\$584.7 M)	(\$713.4 M)	(\$848.4 M)

Source: City of Oakland Five-Year Forecast, 2017-2018 – 2021-2022; City and County of San Francisco Five-Year Financial Plan, 2017-2018 – 2021-2022

Two primary forces appear to drive these fiscal realities. First, tax revenue growth projections have slowed sharply, as many economists see the economy tighten. In San José, performance of two economically sensitive revenue sources, Sales Tax and Construction and Conveyance Taxes, have already begun to decline. Second, as market returns lag, municipal and state pension boards

increasingly adopt more sober investment return assumptions for their retirement funds, which increase costs in the short-term.

One should distinguish the cause of these retirement cost increases with those vexing public pension funds a decade ago. In San José, skyrocketing costs in the prior run-up resulted from irresponsible decisions to boost retirement benefits—often retroactively—without any means to pay for those new costs. Retirement boards long endorsed rosy assumptions that hid the magnitude of those costs from taxpayers. Today in San José, we have seen the opposite: a reduction in new benefits—including the elimination of retiree healthcare benefits—while San José’s retirement boards and the City swallow the hard medicine of more realistic return assumptions. We can take solace in the fact that the decisions to pay more today will actually save our taxpayers—particularly our children and grandchildren—from a mountain of debt in the long-run.

Fortunately, the deficits projected in the latest Forecast remain relatively small when compared to the overall size of our General Fund, and we have multiple cost-saving strategies underway (and not yet reflected in the Forecast) that should allow us to close these gaps without significant service cuts in the year ahead. This includes:

- Hayes Mansion: The pending sale of this property in the coming months will relieve the City’s General Fund of an annual debt service burden of \$3.5 million.
- Bond Re-Financing: By refinancing and consolidating RDA debt this summer, the City can accelerate tax revenues that come through the “waterfall” to taxing entities like the City of San José.
- Judgement Against HUD – Allocate \$8 million of the \$36.3 million judgement award for Rapid Rehousing Program over two years, alleviating the General Fund of this obligation.

While these strategies should make it possible to avoid service cuts this year, our challenging fiscal position will require us to constrain spending, and focus on modest, strategic investments.

### **TARGETED, STRATEGIC SPENDING**

Given the challenging fiscal outlook, we should begin with a focus on the highest priorities of the residents we serve. Polling amounts to a time-honored, though imperfect, means of discerning public preferences. The City conducted a telephone survey for the one-quarter cent sales tax increase in June 2016, revealing public safety dominates our resident’s highest priorities (Table 5).

**Table 5 – 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%
5	Equipping police with modern technology to help fight crime	67%
5	Reducing homelessness	67%
5	Maintaining the long-term financial stability of the City	67%
8	Maintaining and repairing major streets	66%
9	Improve the City’s emergency preparedness	63%
10	Creating more jobs through economic development	62%
11	Expanding programs to reduce problems associated with homelessness	60%
11	Improving services to seniors	60%
13	Increasing affordable housing for low-income families	59%
14	Improving safety for drivers, bicyclists and pedestrians	58%
15	Increasing afterschool programs	55%
15	Installing sidewalk and curb ramps to ensure access for people with disabilities	55%
17	Maintaining and improving neighborhood parks and trails	44%
18	Increasing community center hours	31%

Source: City of San José Finance Measure Survey, November 2015.

We also have sought to discern community priorities through more innovative means, such as our “live results” surveys at January’s Community Budget Priority-Setting event, and through more traditional community meetings. anecdotal conversations. The results of all of these efforts largely corroborate these survey results of Table 5, and they align with the actions taken by Council last year in allocating new revenue toward our residents’ most urgent needs: public safety, street repair, and homelessness.

As the February floods too-painfully remind us, disaster preparedness and response appears closely intertwined with public safety. While our Housing team works tirelessly to help hundreds of our families to get back on their feet, we must commit to do whatever we reasonably can to support their efforts, and we must ensure that this does not happen again.

When we consider priorities beyond these obvious items—public safety, flood recovery, and disaster preparedness—our scarce dollars appear scarcer still. Thin budgets do not diminish the reasonable expectations of our residents for better services and broader economic opportunity. We must become more resourceful in identifying alternative means to accomplish what the limited resources and staff of City Hall cannot do alone.

A fiscally-minded approach focuses our spending on two strategies for service restoration: first, we should identify expenditures that can improve the City’s cost-effectiveness or service

efficiency in the long run. Second, we should identify means to leverage external resources that can expand the impact of modest City investments. This latter approach requires partnerships, particularly where partners' resources—whether private contributions, volunteer energy, or state and federal grants—might provide a “force multiplier” for City staff and dollars.

An obvious opportunity for this leverage lies in our battles against blight, where we already have volunteers, corporate sponsorships, and partners like Downtown Streets Team, Our City Forest, and the San José Conservation Corps at work. We have seen fast-rising concern among our residents regarding the physical appearance of our City, particularly along prominent stretches of freeways, in our parks, and along key neighborhood business districts (Figure 2).

**Figure 2 - % of Respondents Rating Element as “Excellent” or “Good”**



Source: City Auditor's “Annual Report on City Services FY 2015-2016”

Fortunately, we have more partnership-building opportunities in this space. To take advantage of those opportunities, we have launched #BeautifySJ: an effort to convene and align community resources toward the beautification of our City.

To help prioritize spending within #BeautifySJ, we've engaged our neighborhood leaders with a “zero-based” budgeting exercise, because we simply don't have many new dollars to invest. Our community-based experts—many of whom invest hundreds of hours in cleaning graffiti and trash—have helped to identify the most impactful City programs to combat neighborhood blight. We've illustrated the results of that convening in Appendix A.

While residents proposed increasing current year spending levels for anti-litter, street and median beautification, illegal-dumping and code enforcement, they also advocated that the City better engage them and their neighbors in beautifying our City, through such efforts as neighborhood clean-ups and park activation. I've outlined fourteen of these ideas in Appendix B. Several of these recommendations provide the basis for specific elements of the #BeautifySJ initiative.

Finally, as we prepare for choppy waters ahead, we need to focus on strategies to save, and to improve our fiscal resiliency for a recession. We can do that by building on our reserves, refinancing higher-cost debt, and reducing our unfunded liabilities.

For the aforementioned reasons, I focus my budgetary recommendations in the following categories:

1. Public Safety & Disaster Preparedness
2. Flood Recovery
3. Investments that Produce Long-Term Savings, Revenues, and Efficiencies
4. Investments that Leverage External Sources of Funding
5. Investments Leveraging Community Energy and Volunteerism: #BeautifySJ
6. Saving & Improving Fiscal Resiliency

## **INVESTMENT PRIORITIES**

### **1. Public Safety & Disaster Preparedness**

- a. **Rock Springs Flood Protection:** We've recently learned that as long ago as the early 1970's, the Santa Clara Valley Water District (SCVWD) identified the particular vulnerabilities of the Rock Springs neighborhood to flooding. More than forty years later, in October 2016, the SCVWD published a study entitled, "Coyote Creek at Rock Springs Flood Protection Project – Problem Definition and Conceptual Alternatives Report." The report identifies alternatives for proposed Water District flood protection improvements at Rock Springs. While the report does not discuss temporary flood protection alternatives, we should explore with the Water District whether information in the report adequately informs the construction of a temporary flood barrier to address this urgent need. This flood-prone neighborhood deserves our immediate attention. The City Manager is directed to further analyze the report and coordinate with SCVWD, and with potential partners, such as the San José Conservation Corps.
- b. **Improved Flood Warning:** In its May 2013 5-year Flood Protection Plan, the Water District included among its list of projects "C2. Emergency Response Upgrades," consisting of an "automated flood warning system" that "uses real-time rainfall data to predict streamflows and potential flood risk...[and] efficiently disseminate[s] information to emergency responders and the public using the web, texting, auto-calls, and other technologies." It appears that the project, at an estimated cost of \$3.3 million, has not yet been implemented by the Water District, and was not planned to be completed within the 2013-18 window. Last year, the Mayor's Office—in collaboration with Microsoft, the U.S. Patent and Trademark Office, and the Silicon Valley Community Foundation—launched "Unleash Your Geek," identifying urban challenges that "citizen solvers" could help tackle, leveraging the talents of our innovative community. Our effort has met with strong enthusiasm and participation—particularly among San José State University's students. Publicly available data regarding Anderson Reservoir and Coyote Reservoir levels, Coyote Creek stream flows



and stage levels, and (with the benefit of recent experience and forthright communication from the Water District) more accurate assessments of channel capacity could, if made available on an open data portal, enable the creation of a better predictive tool. The City Manager is directed to work with the Mayor's Office to launch an "Unleash Your Geek" challenge, or alternatively, to explore an effort with the Silicon Valley Talent Partnership to enable better predictive tools that will trigger warnings for our residents.

- c. Emergency Preparedness Training:** As part of my FY 2016-2017 June Budget Message, Council unanimously approved restoration of the Community Emergency Response Team (CERT) training program, offering a cost-effective means of "crowdsourcing" emergency readiness, offering monthly trainings to residents in English, Spanish and Vietnamese. To date, these trainings have not yet begun. With the recent hiring of a new Director of the Office of Emergency Services (OES), the City Manager is directed to take necessary actions this year to offer this training to residents. In addition, the City Manager is directed to analyze and coordinate with San José Fire Fighters Local 230 the feasibility of San José fire fighters offering CERT instruction, and include modest one-time expenses in the budget. The City Manager is directed to develop a Manager's Budget Addendum outlining current efforts, including recommendations for expansion of the CERT, and should seek grant funding for these efforts in collaboration with the Mayor's Office of Strategic Partnerships.
- d. Emergency Communication and Mass Warning:** The FY 2016-2017 June Budget Message included direction and funding to improve communication during a disaster, in two ways. First, the Budget Message called for the launch of a pilot program deploying a portable mass siren/speaker system. This equipment has not yet been purchased. Second, the City Manager was directed to assess the feasibility of connecting every fire station to high-speed fiber internet, to enable residents a means during most disasters to communicate with their families, find emergency resources, and learn of additional hazards. With a new OES Director, we have an opportunity to reassess priorities and vulnerabilities in the wake of the Coyote Creek Flood. The City Manager is directed to prioritize the purchase of any OES one-time necessary investments for emergency communication and warning if approved as part of the final FY 2017-2018 Operating Budget. Lastly, the City Manager is directed to update the Council through an Informational Memorandum, on the progress of the prior direction.
- e. Emergency First-Responder Notification:** In the event of a disaster, current San José Fire Department policy relies on mutual aid resources, such as emergency callback procedures and recalling off-duty personnel to return to service, which have not been used in decades. Through our recent contract with IAFF Local 230, the City implemented a residence proximity requirement on all new fire fighters, to better ensure their availability for major emergencies. The City Manager is directed to update its emergency call-back procedures, including communications and deployment.
- f. Emergency Preparedness and First Responders:** During the Coyote Creek Flood, San José fire fighters evacuated more than 350 residents by boat. San José's topography means it will continue to flood in the future. Currently, the crews at Fire

Station 34 comprise the only trained in boat rescue in the entire County. The City Manager is directed to increase rescue boat capability and additional training for more fire fighters in flood-prone areas, and seek funding opportunities from external partners, including FEMA, the County, and SCVWD.

- g. Equipping Patrol Cars:** An Automated External Defibrillator (AED) is a lightweight, portable device that can deliver an electric shock through the chest to the heart, to restore a normal heart rhythm. At last year's Turkey Trot, an officer's alert response with an accessible AED saved the life of one participant suffering cardiac arrest. The City Manager is directed to allocate \$40,000 in one-time funding to equip 50 SJPD patrol cars to match similar commitments from the County of Santa Clara and the Health Trust, and to further seek additional matching funds to expand AED access.
- h. Emergency Medical Services Resources:** The City and County of Santa Clara continue to work together to improve emergency medical response in the City of San José, through a combination of service-delivery improvements and technology enhancements. Recent investments and dogged determination by the Fire Department have improved performance, but we still have work to do to more consistently exceed the 8-minute response standard at least 90 percent of the time. We have a rare opportunity to encourage the County to reconsider an EMS model that appears inefficient relative to the leading jurisdictions. The San José Fire Department needs more resources and analytical staff to best enable the SJFD to identify and advocate for the most promising delivery model, and the City Manager is directed to explore one-time funding in the Proposed Budget.

## 2. Flood Recovery

- a. Helping Residents Get Back on Their Feet:** Our fundraising efforts—which have topped \$6.3 million—say much about the generosity of more than 2,500 people who have come to the aid of our neighbors, to say nothing of the more than 4,000 volunteers who have done so. Yet these funds will not suffice to address the needs of our hundreds of displaced families. Although our residents will not qualify for FEMA aid, my recent conversations with senior officials at the Small Business Administration (SBA) and the California Office of Emergency Services have clarified that our residents may qualify for very low-interest loans of up to \$40,000 for renters who have lost vehicles, furniture, or other personal belongings, and up to \$200,000 for owners with homes needing structural repairs. Other programs also exist for landlords and small business owners. We must act with urgency, however: every one of our victimized families must apply for benefits within the 60 day-window after the Governor formally issues a disaster declaration—likely next week. The City Manager is directed to immediately deploy City personnel and culturally-competent non-profit partners—with Vietnamese and Spanish-speaking staff—to inform families of this opportunity, and to help them apply for these loans.
- b. Rebuilding our Community:** We are blessed to live in a community with organizations such as ReBuilding Together Silicon Valley, Habitat for Humanity, and Beautiful Day, which can leverage philanthropy and volunteer efforts to help low-

income home owners with free repairs. The City Manager is directed to partner with the Mayor's Office of Strategic Partnerships to seek external funding to support these efforts and report back to Council in fall 2017.

- c. **Community Resiliency:** The City of San José lacks a community resiliency plan aligning resources and information that will contain a disaster's disruption to everyday lives, and to better enable community members to recover. Some County officials have expressed interest in assisting in this work. Through our recently-hired Director for Office of Emergency Services, the City Manager is directed to work with partners, such as FEMA, ABAG, the County, and private partners to identify resources, in partnership with the Mayor's Office of Strategic Partnerships, to develop a San José Community Resiliency Plan. The City Manager is directed to report to the Public Safety, Finance, and Strategic Support Committee in fall 2017 with a status update.
- d. **City Damages and Costs:** Based on our Initial Damage Estimate, the City sustained approximately \$19 million in flood damages to city infrastructure, although this estimate will undergo further refinement in the months ahead. Assistance from the Federal Emergency Management Agency (FEMA) and State of California should provide financial relief assistance for reconstruction efforts, in addition to whatever the City can recover through catastrophic claim process with AIG, the City's insurance carrier. Pending reimbursements, the City Manager is directed to prioritize the use of Capital Funds, to the extent possible, in the reconstruction efforts of bridges, parks, public buildings, and streets damaged by the flooding.

### 3. Investments that Produce Long-Term Savings, Revenues, and Efficiencies

- a. **Street Pavement Maintenance:** Every dollar we invest today in preventative road maintenance will save \$4 to \$5 in future costs for road rehabilitation. Like most American cities, however, San José struggles to meet basic infrastructure needs. The pockmarked condition of our roads costs the average San José motorist more than \$800 annually in tire replacement, reduced fuel economy, and auto repairs. We have only begun to reverse the serious neglect of our infrastructure maintenance, increasing street paving miles each of the last two years. In FY 2016-2017, the Council committed \$34.8 million for the Pavement Maintenance Program, paving more than 109 miles, a substantial increase over any other year in the past decade and a half, with the exception of one-time American Recovery and Reinvestment Act (ARRA) funding. Nonetheless, it remains starkly insufficient; we would need to invest \$108.8 million annually for the next decade to maintain all of the City's 2,434 miles of City streets to a state of good repair. For that reason, I continue to work with Senator Jim Beall and the rest of our California delegation for the passage of SB 1 (Beall) or any similar measure that will restore state funding for roadway maintenance. Regardless of the outcome of that legislation, however, we should resolve to exceed the pavement mileage from last year's Pavement Maintenance Program by at least 80%, to repave 200 miles of streets and roads in FY 2017-2018. To achieve this goal, the City Manager is directed to allocate the portion of the Construction Excise Tax that exceeded revenue targets this year to street maintenance for FY 2017-2018. This action will raise FY 2017-2018 spending on road maintenance to more than \$50 million, and start repaving

neighborhood streets for the first time since 2012. In addition, the City Manager is directed to explore accelerating future one-time Federal allocations through the One Bay Area Grant program for pavement maintenance to FY 2018-2019, allowing the City to sustain the \$50 million funding level for a second year.

- b. Residential Parking Pilot Program:** In February 2017, the Transportation and Environment Committee accepted a report from DOT on the pilot program aimed at addressing parking challenges in neighborhoods and proposed expanding the threshold criteria where new permit parking zones may be created based upon excessive local parking demand generated from within a neighborhood. The report and the anticipated establishment of new zones is expected to come before the City Council in May 2017. If the Council approves the new zones, implementation may begin in summer and fall of 2017. To manage zone implementation, support monitoring and program adjustments, and to assess and prioritize the need for continuation of the program, the City Manager is directed to continue the addition of one General Funded Associate Transportation Specialist position funded by the General Purpose Parking Fund in DOT for FY 2017-2018.
- c. Refinancing:** Last week, the Council approved the refinancing of approximately \$700 million in Airport Revenue Refunding bonds which will save the Airport an estimated \$40 million over the term of the bonds. More critically, work has begun to refinance more than \$1.8 billion of former redevelopment agency bonds—comprising 27 separate series of issuances—which will accelerate the payment of millions into City’s General Fund by clearing RDA bond debt. The Finance Department next expects to commence work on refinancing outstanding lease revenue bonds and General Obligation bonds, which will create additional General Fund savings. In light of rising interest rates, these money-saving, complex financings must remain the highest priority projects for the Finance Department, and the City Manager is directed to prioritize this work accordingly.
- d. Filling Vacancies Within Our Budget:** The most immediate way to improve service delivery lies in filling the City’s 850 vacant positions. The City launched a Talent Recruitment Initiative with a goal of hiring 300 people by April 2, 2017. If the City does not make significant progress towards this goal, the City Manager is directed to immediately bring forward any policy and structural changes to remedy this problem. In addition, the City Manager is directed to prioritize the hiring of vacant positions before recommending new General Fund funded positions in the FY 2017-2018 Proposed Budget.
- e. Business Permit Process Improvement Bootcamp:** Our permitting processes have taken positive steps in recent years. Last year, the City expanded the Small Business Ally program, and implemented on-line permit issuance for restaurants. We need to continue this work, with an eye to empowering line-level staff to identify and tackle small inefficiencies in a way that can deliver big results for small- and medium-sized businesses. The City Manager is directed to allocate \$200,000 funding from the General Purpose Parking Fund to develop a process-improvement bootcamp that provides immediate and continuous process improvements utilizing best practices from

Denver's PEAK Academy and other design-thinking approaches. The City Manager is directed to update the Smart Cities and Service Improvements Committee in May 2017 during the "Development Services Process Improvements" item, and to specific clear targets for quantifiable process improvements, with a particular focus on reducing delay. The City Manager is further directed to prioritize filling PBCE vacancies in those positions that serve small business customers for such needs as tenant improvements and permits.

- f. **Storefront Activation:** Although San José achieved national attention when Biz2Credit ranked San José as the top U.S. metro in which to launch a small business, we know too well that small businesses struggle mightily against the high costs of our Valley. Small businesses—those with 20 or fewer employees—employ 15% of all San José workers, but with the dissolution of the Redevelopment Agency, the City of San José has had few resources to support small business services. Since that time, we have launched various programs to help small businesses, as noted in the previous paragraph, but perhaps the most popular has been the SJ Storefronts Initiative, to help small businesses activate vacant storefronts. The City Manager is directed to allocate \$250,000 one-time funding from the General Purpose Parking Fund to the SJ Storefronts Initiative. Given the source of funding, the City Manager should prioritize those businesses operating in business districts that generate parking fund revenues, but eligibility should remain open to businesses citywide.

#### 4. Investments that Leverage External Sources of Funding

- a. **SJ Promise:** SJ Promise provides a critical link in the college and career pathway paved by SJLearns and SJWorks, eliminating financial barriers to college for hundreds of our San José public students from low-income families. The City's role—as with mayors in other cities with "Promise" initiatives—lies in convening funding and thought partners, coordinating among educational institutions, and expanding existing programs with fundraising. Already, our SJ Promise includes three community colleges—San José City, Evergreen Valley and West Valley—along with three key high school districts (East Side Union, San José Unified and Campbell Union) who deliver college readiness programs. Although SJ Promise consists of three distinct strategies—college readiness, college promise scholarships and college pathway partnerships—the City will focus its fiscal commitment on college pathway partnerships, involving work2future and our Library. We can leverage every dollar the City invests with \$11 from other funding partners, and this ratio continues to grow with additional fundraising. The City Manager is directed to allocate \$150,000 in one-time funding to SJ Promise.
- b. **Office of Immigrant Affairs:** In December of 2014, then-Vice Mayor Madison Nguyen, Councilmember Johnny Khamis, and I issued a memorandum calling for the creation of a formal City plan, and the identification of funding, to help DACA and DAPA-eligible residents apply for administrative relief, and to counter *notario* fraud. The following month, these efforts blossomed with the advocacy of additional colleagues like Councilmember Raul Peralez and Vice Mayor Magdalena Carrasco in the creation of the Office of Immigrant Affairs. That Office's work has broadened to

include assisting immigrant-led small businesses, helping residents apply for citizenship, and other related objectives. The misguided policies of the current Administration bring new urgency to our task, threatening to separate thousands of San José families. In too many communities throughout the nation, fearful residents now decline to call 911 during emergencies, keep their kids home from school, and engage in other forms of harmful avoidance. We have the benefit of an effective network of community-based organizations that support our immigrant families, and a collaborative County that is contributing millions of its own resources, and we must continue to partner with them. Doing so requires committing our own ongoing resources that will ensure that our residents have the information they need to make good choices, to empower their families about their rights and their options. I direct the City Manager to make the previously one-time allocation of \$250,000 annual funding ongoing for the Office of Immigrant Affairs.

- c. **City's Sustainability Plan:** Environmental Services' effective collaboration with the business community and Pacific Gas & Electric has resulted in an award of \$1 million to fund ongoing sustainability efforts through PG&E's "Step Up, Power Down" program. Adding a Chief Sustainability Officer (CSO) and adequate support staff to oversee the implementation of the Environmental Sustainability Plan (ESP), slated for completion this year, will enable the City to move rapidly and to better position ourselves for external grants for implementation. The CSO will coordinate implementation of the ESP measures related to energy, water and mobility, and will lead the pursuit of partnerships, grants and other funding opportunities to advance the ESP. The City Manager is directed to utilize funding from the "Step Up, and Power Down" award to fund initial staffing and implementation costs. The City Manager is further directed to aggressively pursue other funding sources to minimize General Fund obligations for ESP implementation.
- d. **Preventing Family Homelessness:** The 2015 *Santa Clara County Homeless Census & Survey* estimates that, on any given night, there are 6,556 men, women, and children homeless on the streets of Santa Clara County. This includes 266 families. In 2016, cities and schools reported an increase in the number of families sleeping in their cars or at-risk of homelessness and studies repeatedly show that it costs far less for local governments to prevent homelessness than to sustain a family after they have become homeless. We have made tremendous gains in Santa Clara County in recent years developing a coordinated system of care for chronically homeless persons, but we lack a similarly coordinated county-wide system for preventing family homelessness. In last year's budget, Council allocated dollars to the Homeless Rapid Rehousing program that the Housing Department could not spend due to the insufficiency of available apartments. The City Manager is directed to rebudget \$750,000 of those unspent funds to work with Destination: Home and the County Office of Supportive Housing on a pilot program to expand families' ability to become quickly connected to homeless prevention services, streamline service delivery, and measure the collective impact of homelessness prevention.
- e. **Ending Veteran Homelessness:** We launched the "All the Way Home" campaign in late 2014, with the goal of ending veteran homelessness by Veterans Day 2018. Our

partnership with the County of Santa Clara, Housing Authority of County of Santa Clara and Destination: Home has produced excellent results in the first year, housing 590 veterans. We still have a hill to climb, and Congress and this Administration may make the hill steeper. The City Manager is directed to allocate one-time funding for Destination: Home as the campaign coordinator for a second year.

- f. AB 2176 Implementation – Tiny Homes:** The passage of AB 2176 brings a unique opportunity for San José to lead the nation in providing an innovative solution to homelessness, reducing the regulatory hurdles to constructing unconventional housing types. Last Spring, Council voted to ask the Housing Department to identify a site for this housing in each Council District. The City Manager is directed to accelerate work with Council Offices and the Neighborhoods Commission on site identification and community outreach meetings, and with the private sector in the visioning, design and construction of these unique structures, allocating savings from the FY 2016-2017 Housing Department budget for the design and implementation of the project.
- g. City Housing Authority Judgement Directed to Rapid Rehousing to Close Gap:** The FY 2016-2017 Adopted Budget included \$4 million in ongoing funding to the Rapid Rehousing Program to address homelessness. Since that time, the City's Housing Authority has won a \$36.3 million judgment in its litigation against HUD, but that award remains restricted for housing programs. For both FY 2017-2018 and FY 2018-2019, the City Manager is directed to allocate \$4 million each year from the City Housing Authority fund to the City, thereby alleviating the General Fund of this expenditure.
- h. Gang Intervention and Clean Slate:** The Clean Slate Tattoo Removal Program has long provided an escape route for gang-affiliated young adults, a critical component of our gang intervention efforts. Dr. Jack Ackerman from Valley Medical Center and an incredible team of volunteers and youth intervention specialists sustain this program through their energy and goodwill, but they rely on outdated equipment for tattoo eradication. Current tattoo removal equipment requires clients to make multiple trips to the VMC, which results in higher rates of program “drop-outs” as patience and commitment wears thin over time. The City Manager is directed to allocate \$100,000 from the FY 2016-2017 San José BEST Reserve for this purpose, which will leverage another \$100,000 from the County and another \$100,000 from the Valley Medical Foundation for the purchase of new laser tattoo-removing equipment.
- i. San José Decides (Participatory Budgeting):** I would like to thank Councilmember Peralez and Vice Mayor Carrasco for accepting the challenge to launch participatory budgeting in their districts, partnering with my Budget Office to develop and implement #D3Decides and #D5Decides. As I proposed in the 2016-2017 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 2017-2018 Fiscal Year. This year, in the spirit of #BeautifulSJ, we want to encourage districts to employ

criteria heavily weighted toward expenditures that leverage the “sweat equity” of community volunteers, matching funding, or other non-City matching resources.

- j. Cinequest:** Cinequest has become a San José treasure. This non-profit organization raises hundreds of thousands of dollars from sponsors each year to host a cinematic and virtual reality festival that brings more than 100,000 film aficionados into Downtown, and hundreds of artists from around the world. It has captured national acclaim, winning the USA Today's Reader's Choice for Film Festival of the Year. While other cities have attempted to woo Cinequest away, its leadership has committed to holding their film festival in Downtown San José in 2018 and 2019. However, the closure of Camera 12 has seriously undermined the logistics and budget of the event. To address this impact to their operational costs, the City Manager is directed to allocate \$100,000 from the TOT Cultural Facilities Reserve towards a grant over a two-year period (\$50,000 in FY 2017-2018 and \$50,000 in FY 2018-2019). The City Manager is further directed to return to Council before June 2017 with an analysis of the necessary rehabilitation of the aging, City-owned Camera 3 facility, and to prepare an estimated cost and schedule, utilizing funds in the TOT Cultural Facilities Reserve. The City Manager is further directed to implement capital improvements in Camera 3 to make that facility commercially viable and attractive within this calendar year.
- k. Japantown Creative Center for the Arts:** The Creative Center for the Arts (CCA) will provide permanent, affordable space for artists and arts groups in Japantown, supporting local creativity, arts programming, and serving as a focal point for festivals and community gatherings. SV Creates is leading a major campaign of \$30 million for construction, actively pursuing funding from private donors through the creation of an Asian Legacy Fund, recently received a \$1 million grant from the Packard Foundation and secured \$4 million from its equity partners. Nonetheless, the project's cost has increased due to the City's requirement that the CCA fund nearby street improvements. The City Manager is directed to allocate one-time funding from the TOT Cultural Facilities Reserve to fund these improvements, and to enable SV Creates to be able to truthfully tell prospective philanthropic investors that their dollars will not be diverted to needs beyond the CCA's construction.
- l. Downtown Ice Rink Improvements:** Downtown Ice, the iconic holiday ice rink at the Circle of Palms, continues to grow in popularity. The attraction has operated for 13 years and needs repairs. For the last two years, the City has committed one-time funding to match the San José Downtown Association's investment, to address long-needed capital upgrades that SJDA needs to keep the event viable and attractive. Since Downtown Ice brings hundreds of thousands of dollars in revenues to our Parking Fund annually, I direct the City Manager to allocate \$100,000 one-time funding from the General Purpose Parking Fund for repairs and upgrades of the ice rink.
- m. Easy Urbanism:** Our businesses, neighborhood leaders, and residents rightfully complain that the cost and regulatory burden of permits have inhibited their efforts to activate our parks, plazas, paseos, and public spaces for events, festivals, or even sidewalk dining. City staff remain under a mandate to ensure full cost-recovery for those permits, because we lack General Fund dollars to subsidize them. As PBCE



Director Harry Freitas recognizes, “Easy Urbanism” offers a path out of this dilemma, by forcing the City to ask “do we really need to regulate this at all?” By eliminating or easing permit requirements, we can avoid incurring costs borne by customers who share our mutual goals of creating more vibrant communities. Fortunately, external partners like the Knight Foundation want to help. The City Manager is directed to seek external funding for this work, and report to the Community and Economic Development Committee in fall 2017 with a status update and initial recommendations for public space activation citywide.

## 5. Investments Leveraging Community Energy & Volunteerism: #BeautifySJ

- a. **BeautifySJ:** Trash, litter and illegal dumping affect how people feel about our City, undermining their willingness to invest, live, shop, dine, play, or volunteer here. A citywide survey in November 2016 followed by a series of focus groups confirmed what we had been hearing anecdotally: first, people want the overall appearance of our city to improve, and second, San José residents want to feel more connected to their community. These convictions are mutually reinforcing. BeautifySJ will engage residents to help keep San José clean, expand partnerships for beautification efforts, and empower neighborhoods to take back their public spaces. The City Manager is directed to implement the following BeautifySJ efforts, utilizing non-General Fund sources to the greatest extent possible:

- Unlimited Free Junk Pick-Up: In keeping with Council’s February 14, 2017 direction, commence an unlimited free junk pick-up service by the fall of 2017 as part of efforts to continue to reduce illegal dumping, and include a simplified scheduling, and request process in English, Spanish, and Vietnamese.
- Trash Cans: The City Manager is directed to negotiate amendments to our hauler contracts to add 500 more routinely-serviced trash cans along public streets, especially along heavily traveled pedestrian corridors, parks, and litter “hot spots.” The City Manager is further directed to explore options for requiring additional trash cans for businesses with a high volume of “take-out” service when those establishments submit permits for expanded or new locations in the City.
- Smartphone Reporting App: As IT staff work to release a “My San José” app offering a more comprehensive reporting tool for residents who identify problems such as illegal dumping, graffiti, code violations, and abandoned vehicles, the City Manager is directed to incorporate user-experience testing to ensure that the app interface is user-friendly on iOS, MSDN, and Android platforms.
- Volunteers & Anti-Litter Program: The City Manager is directed to prioritize hiring the volunteer coordinator for Volunteer San José in PRNS, funded but never filled in last year’s FY 2016-2017 budget, to boost our clean-up efforts.
- Volunteer Activation and “Service Credits”: Resident volunteers should be able to enjoy the public places they help maintain free of charge. The City Manager is directed to develop a “service credit” program where neighborhood and school groups can volunteer in parks, community centers, and litter pick-up

events, in exchange for a “service credit” that allows groups free or reduced fees for community-building events at parks, community centers and street closure permits for block parties.

- Freeway Clean-up: Our advocacy and collaboration with CalTrans in recent months has paved the way for CalTrans to shift millions in additional freeway litter cleanup funding to Santa Clara County, engage in a \$3.7 million contract with the County Probation Department and San José Conservation Corps for supplemental cleaning, and renew an expired contract for graffiti abatement. The City Manager should report back to the Transportation & Environment Committee and the full Council regarding the status of these recent changes, with clear metrics to assess progress toward a cleaner San José.
- Tree-Planting in Median Islands, Park Strips, and Gateways: Residents have identified the appearance of median islands, park strips and city “gateways” as a concern. Our City Forest can play an integral role to improve the appearance of these areas with tree planting and native landscape conversions. In the FY 2016-2017 budget the Council allocated \$200,000 to an urban forest reserve. The City Manager is directed to allocate this one-time funding to Our City Forest to support BeautifySJ, over a two-year period.
- BeautifySJ Days: We should sustain funding for neighborhood-led Beautification Days, an initiative adopted by Council in the FY 2016-2017 budget. “BeautifySJ Days” funding will offer neighborhoods opportunities for targeted clean-ups, where residents determine the location and scope of the projects, leveraging volunteer energy that strengthens community. The City Manager is directed to continue funding for “BeautifySJ Days” at current levels.

**b. BeautifySJ Grants:** Community Action and Pride (CAP) grants support community-building efforts in neighborhoods, such as National Night Out events and block parties, but the \$300 to \$1,500 grant amounts do not suffice to enable more substantial community-led projects to fledge. Some community leaders concluded that the paperwork and compliance became more trouble than the grant was worth. To encourage beautification efforts, I propose we streamline the application process, broaden the scope of the program, recast it as the “BeautifySJ” grant program, and increase the per-neighborhood allotment to \$5,000 per “BeautifySJ” grant. The City Manager is directed to streamline the application process, and to modify grant guidelines so that neighborhoods can utilize the funds on beautification projects on the public right of way, and in public locations, such as parks. Projects can include murals, tree plantings, drought-tolerant landscaping, community garden/urban agriculture projects, National Night Out gatherings, and the like. The City Manager is directed to allocate \$200,000 in one-time funding, in addition to the ongoing allocation of \$100,000 already included in the base budget for yearly programming for CAP grants.

**c. Leveraging the Energy of Volunteers:** As we witnessed throughout our flood recovery efforts, well-coordinated volunteers can provide a force-multiplier for the efforts of a thinly-staffed City Hall. On April 11, 2016, upon hearing a report of the City Auditor, the City Council directed staff to streamline volunteer management by aligning volunteer agreements, consolidating department databases, and utilizing

neighborhood based-social media platforms to promote volunteer opportunities. Council further directed staff to report back to the Neighborhood Services and Education (NSE) Committee in early 2017, but this item does not appear on the 2017 NSE Committee Workplan. The City Manager is directed to schedule a status update on these efforts for the April 2017 NSE Committee meeting and cross-reference to City Council.

## 6. Saving & Improving Fiscal Resiliency

- a. **Future Deficit Reserve:** The City Manager's General Fund Five-Year Forecast projects deficits totaling \$88.9 million over the next five years. Fiscal responsibility requires we take action to preserve newly restored services by reducing 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 2018-2019 Future Deficit Reserve and allocate one-time funding to help fill the \$34.8 million deficit forecast for FY 2018-2019 in the Proposed Budget or through a Manager's Budget Addendum.
- b. **Police Staffing Operations Reserve:** Prior Council direction for the creation of an operations reserve in the Police Department appears outdated, in light of our aggressive hiring program in SJPd, to which we have committed a substantial share of General Fund dollars. The City Manager is directed to eliminate this Reserve.
- c. **Manufacturing Job Initiative:** In 2015, we launched a manufacturing initiative—"Built In San José"—to attract and grow the City's manufacturing industry sector, specifically to expand middle-income job opportunities for residents lacking college degrees. Each year, the City has spent \$200,000 to offset City permit fees for new and expanding manufacturers, including Space Systems Loral, BenteK, Four In One, and Hansen Medical. This incentive has successfully served our City, but low industrial vacancy rates and scarce General Fund dollars compel the conclusion that this incentive has run its course. Should the Council elect to move forward with San José Clean Energy (Community Choice Aggregation), a more valuable incentive could emerge for manufacturers, that could provide electricity rate reductions to spur targeted job creation in this energy-intensive industry. Should Council approve San José Clean Energy, the City Manager is directed to develop policy options for Council consideration to spur economic development.
- d. **Convention Center Facilities District:** In 2009 San José hotels elected to assess themselves an additional 4% of Transient Occupancy Tax (TOT) for a Convention Center Facilities District (CCFD) to pay the bonds used for the recent Convention Center Renovation and Expansion. Since the creation of the CCFD, seven new hotels have opened in San José without paying that additional 4%, avoiding the roughly \$1.7 million in taxes that could have funded Convention Center improvements. Recently the City used commercial paper to upgrade the Convention Center ceiling, for example, obligations that could be covered by additional revenue in the CCFD. The City Manager and City Attorney are directed to develop a strategy to expand the existing CCFD to include new hotels, and if legally feasible, development agreements with

CCFD-supporting clauses should precede the issuance of permits for any additional hotels.

- e. **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—as well as Participatory Budgeting Pilot Programs—may be funded with the use of these one-time funds.
- f. **Budget Balancing Strategy Guidelines:** The City Manager is directed to use the FY 2017-2018 Budget Balancing Strategy Guidelines as detailed in Appendix C to develop a balanced budget for the next fiscal year.

### **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 – Zero-Based Budgeting Exercise, FY 2017-2018 Community Budget Priority Setting Session
- Appendix B – Resident Proposals: Zero-Based Budgeting Exercise, FY 2017-2018 Community Budget Priority Setting Session
- Appendix C – FY 2017-2018 Budget Balancing Strategy Guidelines

## Appendix A

### Zero-Based Budgeting Exercise, FY 2017-2018 Community Budget Priority Setting Session

City Program / Service	FY 2016-2017	Average of Resident Proposed FY 2017- 2018
Neighborhood Park Maintenance	\$10,300,000	\$9,610,000
Parks Water	\$4,900,000	\$3,573,405
Homeless Response Team / Encampment Abatement	\$2,000,000	\$3,444,516
Code Enforcement: Abatement Officers (General Code Enforcement)	\$2,300,000	\$2,620,000
Free Junk Pick-Up	\$2,500,000	\$2,181,667
Regional Park Maintenance	\$3,350,000	\$2,103,405
Streetlight Replacement	\$2,200,000	\$1,806,738
Streetscapes/Right-of-Way and Median Maintenance	\$2,900,000	\$1,693,405
Anti-Graffiti	\$1,500,000	\$1,571,071
LED Streetlight Conversions	\$1,050,000	\$1,353,405
Illegal Dumping	\$900,000	\$1,149,943
Parks Restroom / Custodial Services	\$850,000	\$1,086,071
"Pocket Park" Maintenance	\$600,000	\$886,738
Neighborhood Clean Ups - City Sponsored	\$850,000	\$813,405
Urban Forest: Tree Trimming	\$1,150,000	\$736,738
Park Activation	\$750,000	\$637,738
Code Enforcement: Civil Action Attorneys	\$800,000	\$617,738
Anti-Litter	\$300,000	\$550,556
Tree Maintenance	\$400,000	\$480,071
Urban Forest	\$400,000	\$480,071
Sidewalk Repairs	\$450,000	\$463,405
San Jose Creates and Connects	\$250,000	\$354,405
Park Volunteer Program (Adopt-A-Park/Adopt-A-Trail)	\$400,000	\$307,667
Sports Field Program	\$250,000	\$297,738
Weed Abatement	\$400,000	\$273,405
Business District Beautification	\$50,000	\$244,405
Plaza Activation and Maintenance	\$150,000	\$201,071
Community Action & Pride grants	\$100,000	\$184,405
Streetlight Installation/ Additions	\$0	\$166,738
San Jose Gateways	\$0	\$153,405
Adopt-A-Street	\$0	\$81,671
Adopt-A-Median	\$0	\$78,338

Source: Source: 2017-2018 Community Budget Priority Setting Session, January 28, 2017

## Appendix B

### Resident Proposals: Zero-Based Budgeting Exercise, FY 2017-2018 Community Budget Priority Setting Session

Resident Proposed Programs/Services	Average Proposed Expenditure*
Landscape Neglected Properties	\$5,000,000
Job Placement and Assistance for Homeless	\$3,000,000
Human Resource Vacancy Filling	\$1,250,000
Increase Fire & Fire Dispatcher	\$1,000,000
Sidewalk Repair	\$1,000,000
Rainy Day Reserve	\$800,000
Small Business Junk/Trash Credits	\$500,000
Pilot LED Streetlights	\$500,000
Small Business Dump Credits	\$250,000
Historic Prevention	\$250,000
Community Center	\$200,000
Creative "Open Space" for Graffiti	\$150,000
Sanctuary City	\$0
Streamline Trash/Blight Programs	\$0
Education for Pedestrian/Bicycle Safety	\$0

Source: Source: 2017-2018 Community Budget Priority Setting Session, February 20, 2016

**Appendix C**  
**FY 2017-2018 Budget Balancing Strategy Guidelines**

The FY 2017-2018 Budget Balancing Strategy Guidelines provide recommended direction on the general approaches to use in the development of the 2017-2018 Proposed Budget.


**FY 2017-2018 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 maximize service delivery within existing resources, 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. Evaluate vacant positions to determine if any position changes should be brought forward to better meet departmental needs, with the goal of filling existing vacant positions before adding new net positions to the organization.
4. 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).
5. Explore alternative service delivery models (e.g., partnerships with non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use City 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.
6. 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.
7. Explore redirecting and/or expanding existing revenue sources and/or adding new revenue sources.
8. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers, and explore opportunities to establish new fees and charges for services, where appropriate.
9. Identify City policy changes that would enable/facilitate service delivery changes or other budget balancing strategies.
10. If ongoing resources are available, focus investments in the following areas: services included in the 2016-2017 budget on a one-time basis, as appropriate; and additions that address significant organizational or community risks.
11. If one-time resources are available, focus on investments that address the City's unmet or deferred infrastructure needs and/or leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions.

12. In addition to considering service restoration priorities 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.
13. Engage employees in department budget proposal idea development.
14. 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.
15. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

These guidelines are similar to those approved by the City Council as part of the Mayor's March Budget Message for Fiscal Year 2016-2017 with a couple of additions. Item #3 is added to focus on the need to fill existing vacant positions before adding net new positions to the City, and item #11 is included to describe the potential use of one-time resources.





**2017-2018**

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**OPERATING BUDGET**

**COMMUNITY  
DEVELOPMENT  
BLOCK GRANT  
(CDBG) FUND**

**2017-2018  
FUNDING  
ALLOCATION**

# Community Development Block Grant Fund

## 2017-2018 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 “FY 2017-2018 Annual Action Plan”, which will be reviewed by City Council on June 20, 2017. 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. The City has not yet released the “FY 2017-2018 Annual Action Plan” due to the uncertainty of the Federal Government funding. It is anticipated that the draft “FY 2017-2018 Annual Action Plan” will be posted for public review on May 22, 2017.

Funding Category	CDBG Activities	Sub-Grantee	Funding
CDI	Non-Profit Facility Rehabilitation <ul style="list-style-type: none"> <li>▪ Non-Profit Notice of Funding Availability (NOFA) / Planning Phase</li> <li>▪ Bill Wilson Enclave</li> </ul>	City - Housing Department	\$956,693
CDI	Place Based Street and Infrastructure Enhancements <ul style="list-style-type: none"> <li>▪ King and San Antonio Improvements</li> <li>▪ Pedestrian Improvements (Crosswalks)</li> </ul>	City - Transportation Department	\$870,000
CDI	Green Alleyway Improvement	City – Public Works	\$600,000
CDI	Targeted Code Enforcement	City - Planning, Building and Code Enforcement Department	\$1,081,866
CDI	Job Training for Unhoused Individuals	San Jose Street Team	\$500,000
CDI	Minor Home Repair	Rebuilding Together Silicon Valley	\$750,000
CDI	Minor Repair Services	Habitat for Humanity	\$250,000
CDI	Housing Rehab Loans <ul style="list-style-type: none"> <li>▪ Rebuilding for Heroes</li> </ul>	City - Housing Department	\$3,465,000
CCS	Senior Isolation to Inclusion	Catholic Charities	\$100,000
CCS	Meals on Wheels	The Health Trust	\$100,000
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	\$200,000

# Community Development Block Grant Fund

## 2017-2018 Funding Allocation

<b>Funding Category</b>	<b>CDBG Activities</b>	<b>Sub-Grantee</b>	<b>Funding</b>
Section 108*	Section 108 Debt Service	Successor Agency to the Redevelopment Agency of the City of San José	\$1,885,865
Administration			\$1,710,901
<b>Total CDBG Expenditures</b>			<b>\$13,520,325</b>

\* Information regarding the HUD Section 108 Debt Service payment can be found in the Summary of the Successor Agency to the Redevelopment Agency Obligations and Risks to the City, located in the Summary section of this document.