

**General Fund Recommended Budget Adjustments Summary  
2017-2018 Mid-Year Budget Review**

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<b>Urgent Fiscal- Program Needs</b>	Advanced Funding for Voluntary Employees Beneficiary Association (VEBA) Plan	Human Resources Department	-	\$100,000	-
	<p>Establishes funding of \$100,000 for the Advanced Funding for Voluntary Employee Beneficiary Association (VEBA) Plan City-Wide Expenses appropriation to provide a starting balance to cover estimated administrative costs and to allow the non-budgeted VEBA Fund to have time to build an appropriate reserve amount. The funding will be used for hiring staff, fiduciary insurance, consultant fees, and training for the VEBA committee members. The reimbursement from the VEBA Fund will be collected through excess revenue generated by a 0.17% administrative fee applied to the investment funds. The investment fund balance will consist of Tier 2 employee contributions that are now being collected as well as Tier 1 contributions and Tier 1 transfers from the retirement trust (pending IRS approval). The VEBA Fund will pay back the \$100,000 original loan plus the interest generated from the investment pool within 18 months.</p>				
	<b>Urgent Fiscal-Program Needs</b>		-	<b>\$100,000</b>	-

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<b>Required Technical- Rebalancing Actions</b>	Non-Personal/Equipment (Evergreen Senior Housing Ballot Initiative 9212 Report)	City Attorney's Office	-	\$50,000	-
	<p>This action increases the City Attorney's Office \$1.4 million Non-Personal/Equipment appropriation by \$50,000 to provide funding for CEQA-related legal services in response to the direction received from the City Council on October 17, 2017, regarding the proposed Evergreen Senior Homes Initiative 9212 Report, as well as other CEQA-related issues.</p>				
	Non-Personal/Equipment (Business Tax Outreach Efforts)/Business Taxes Revenue	Finance Department	-	\$85,000	\$85,000
<p>This action increases the Finance Department Non-Personal/Equipment appropriation by \$85,000 (from \$1.8 million to \$1.9 million) and the General Business Tax Revenue estimate by \$85,000 (from \$23,650,000 to \$23,735,000). This will continue educational outreach efforts of new Business Tax rates and pursue leads of residential landlords of one or two units to register and pay the City's Business Tax. The additional funding will be used for clerical staffing, newspaper ads, second direct mailing outreach, and radio commercials until June 29, 2018. While these outreach efforts are projected to generate additional revenue of almost \$400,000, this action recognizes the \$85,000 revenue to offset the additional costs. The Administration will closely monitor actual performance and any additional revenue adjustments will be brought forward at year-end.</p>					
	Non-Personal/Equipment (Evergreen Senior Housing Ballot Initiative 9212 Report)	Public Works Department	-	\$60,000	-
<p>This action increases the Public Works Non-Personal/Equipment appropriation (from \$12.25 million to \$12.31 million) to fund consultant costs related to the Traffic Impact Analysis for the development of the 9212 Report describing the impacts of the Evergreen Senior Homes Initiative, in response to the direction received from City Council on October 17, 2017. The 9212 Report analyzes fiscal, environmental, and traffic data to evaluate the potential impact of the Evergreen Senior Homes Initiative on the City of San José and compares that impact to the City's Envision 2040 General Plan.</p>					

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<p>Non-Personal/Equipment (Outside Litigation Costs)</p> <p>This action increases the City Attorney's Office \$1.4 million Non-Personal/Equipment appropriation by \$300,000 for higher than budgeted contractual services expenditures as a result of increased outside litigation costs, including services for specialized outside counsel, technical experts, court reporters and other consultant and expert witness services. These costs are incurred most notably in civil rights, excessive force, catastrophic injury, and document-intensive cases. Outside litigation costs are unpredictable, and largely outside of the City Attorney Office's control.</p>	City Attorney's Office	-	\$300,000	-
<p>Workers' Compensation State License</p> <p>This action increases the Workers' Compensation State License appropriation by \$267,000 (from \$925,000 to \$1.2 million) based on the actual invoice received from the State of California for the Workers' Compensation State License Fee. This 2017-2018 cost is well above the 2016-2017 cost of \$803,984 and reflects a general rate increase as well as a San José specific increase due primarily to the higher level of lost time experienced by City of San José employees. The Human Resources Department, Workers' Compensation Program is working with departments and the Office of Employee Relations to reduce the amount of lost time for City employees.</p>	Human Resources Department	-	\$267,000	-
<p>Non-Personal/Equipment (Evergreen Senior Housing Ballot Initiative 9212 Report)</p> <p>This action increases the Planning, Building and Code Enforcement Department's Non-Personal/Equipment appropriation by \$60,000 to provide funding for CEQA-related planning services in development of the 9212 Report for the Evergreen Senior Homes Initiative as directed by the City Council on October 17, 2017. The 9212 Report analyzes fiscal, environmental, and traffic data to evaluate the potential impact of the Evergreen Senior Homes Initiative on the City of San José and compares the impact with the City's Envision 2040 General Plan. A corresponding decrease to the department's Personal Services appropriation is included in this report to offset this action.</p>	Planning, Building and Code Enforcement Department	-	\$60,000	-

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (ARFF Overtime)/Transfers and Reimbursements	Fire Department	-	\$308,000	\$308,000

This action increases the Fire Department Personal Services appropriation and the Transfers and Reimbursements Revenue estimate by \$308,000 to reflect a transfer from the Airport Maintenance and Operations Fund for the Fire Department Aircraft Rescue and Fire Fighting Services (ARFF) at the Mineta San José International Airport. The 2017-2018 Adopted allocation from the Airport Maintenance and Operations Fund does not fully cover the overtime costs of overtime needed for 24/7 coverage. The Airport Maintenance and Operations Fund includes the corresponding increase to the ARFF program elsewhere in this report to fund this action.

Personal Services (Conservation and Water Support Staffing funding shift)	Environmental Services Department	-	\$74,000	-
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This action increases the Personal Services appropriation to the Environmental Services Department by \$74,000 (from \$1.1 million to \$1.2 million) to cover a portion of existing Municipal Water System staff (0.15 Deputy Director and 0.10 Supervising Environmental Services Specialist) that are supporting City-wide activities, such as water conservation programs, local and regional water supply planning and coordination, and water rates in the City of San José. These positions were partially funded by the General Fund in the last two fiscal years, particularly to address the drought. In 2017-2018, it was assumed that any remaining City-wide functions would be absorbed by other General Fund positions. However, the City-wide coordination work has continued to be supported by Municipal Water System staff this fiscal year.

Storm Fees	Environmental Services	-	\$10,000	-
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This action increases the Storm Fees appropriation to the Department Environmental Services Department by \$10,000 (from \$265,000 to \$275,000) based on actual costs. The number of City-owned properties being assessed a Storm Sewer Service Charge is higher than assumed in the development of the 2017-2018 Adopted Budget.

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (City Manager's Office Capacity)	City Manager's Office	1.00	\$100,000	-

This action increases the City Manager's Office Personal Services appropriation by \$100,000 (from \$14.6 million to \$14.7 million) as a net result of adding 1.0 Deputy City Manager and 1.0 Director, while deleting 1.0 Senior Deputy City Manager. With the City Council's approval of the Fiscal Year 2017-2018 Mayor's Budget Message in June, the City Manager was charged with reviewing the City Manager's Office staffing levels and capacity against current Council priorities and future work plans. The recommended staffing adjustments respond to that direction and will allow the City Manager's Office to increase its ability to manage across the City's broad service delivery network and provide a greater level of responsiveness to City Council initiatives. The amount of \$100,000 represents costs from December through June; an annual ongoing amount of approximately \$200,000 will be included in the development of the 2018-2019 Base Budget.

Self-Insured Medical Fund Reserve	Human Resources Department	-	\$1,650,000	-
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This action establishes a Self-Insured Medical Fund Reserve appropriation to the Department of Human Resources in the amount of \$1.65 million to address a potential negative fund balance in the Self-Insured Medical Fund through fiscal year 2017-2018. With 14.4% total open enrollment loss effective in January 2018 and a 7.6% increase in total projected claims costs, the combined impact is currently forecasted to result in an Ending Fund Balance of negative \$1.65 million. Though this figure will likely be revised with the receipt of additional claims payment information, given the negative status of this fund and the likely negative impact continuing next fiscal year, the Administration is evaluating several potential actions, all of which would require stakeholder involvement to assess cost, timeliness, impact to employees and retirees, and any associated risk. These potential actions and more detail regarding the Self-Insured Medical Fund can be found in Section II of this report, Status of Selected Special and Capital Funds. To address the potential financial impact in 2017-2018, a \$1.65 million Self-Insured Medical Fund Reserve is recommended in the General Fund.

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Our City Forest)</p> <p>This action increases the Department of Transportation's Non-Personal/Equipment appropriation by \$175,000, from \$15.6 million to \$15.8 million, to increase the operating grant to Our City Forest for the leasing of office space on its behalf through June 2019. The City has historically provided office space at City-owned facilities to Our City Forest for its administration. However, due to the deteriorating condition of the current facility at 1690 Las Plumas and lack of available and suitable City-owned alternatives, leasing of commercial space is recommended at this time.</p>	Department of Transportation	-	\$175,000	-
<p>2018-2019 Future Deficit Reserve/Revenue from Local Agencies (SARA Enforceable Obligations Reimbursement)</p> <p>This action increases the 2018-2019 Future Deficit Reserve (from \$9.5 million to \$20.25 million) and the estimate for Revenue from Local Agencies by \$10.75 million due to a payment from the Successor Agency to the Redevelopment Agency (SARA) to reimburse for costs the City has incurred supporting SARA since dissolution of the Redevelopment Agency. Because SARA has had an insufficiency of funds to pay all its obligations, the General Fund advanced funds so SARA could pay administrative costs. As a result of the SARA bond refunding actions that took place in December 2017, continuing growth of property tax increment revenue in the former merged redevelopment area, and proceeds from recent sales of various properties that SARA either owned or had a financial interest, funds will be available this fiscal year to reimburse the City for the administrative expenses advanced by the General Fund. These reimbursements are recommended to be allocated to the 2018-2019 Future Deficit Reserve to help address the projected shortfall or other one-time needs.</p>	City Manager's Office	-	\$10,750,000	\$10,750,000
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$60,000 to reflect vacancy savings. These savings will be reallocated to the department's Non-Personal/Equipment appropriation to provide additional funding for consultant services related to the Evergreen Senior Housing Ballot Initiative 9212 Report as described elsewhere in this report.</p>	Planning, Building and Code Enforcement Department	-	(60,000)	-

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<p>Personal Services (Vietnamese-American Community Center)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Personal Services appropriation by \$115,000 and extends the limit date for 2.0 Recreation Leader PT, 1.0 Recreation Program Specialist, and 1.0 Senior Recreation Leader positions through June 30, 2018 to support operations for the Vietnamese-American Community Center at the Shirakawa Community Center. 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 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.</p>	Parks, Recreation and Neighborhood Services Department	-	\$115,000	-
<p>Fair Labor Standards Act System Configuration</p> <p>This action establishes a Fair Labor Standards Act System Configuration appropriation to the Finance Department in the amount of \$200,000 to fund a consultant for Fair Labor Standards Act (FLSA) System Configuration. The consultant will provide programming and testing services to address FLSA issues within the Human Resources/Payroll Budget Systems and to ensure the system's functional specifications will properly meet FLSA rules and guidelines. With the consultant, the Finance Department will provide technical programming services to facilitate FLSA compliance in the new Payroll System. A corresponding decrease of \$108,000 to the Human Resources/Payroll Budget Systems appropriation is recommended elsewhere in this report to partially offset this action.</p>	Finance Department	-	\$200,000	-
<p>Human Resources/Payroll Budget Systems Upgrades (Reallocation to Fair Labor Standards Act System Configuration)</p> <p>This action decreases the Finance Department Human Resources/Payroll Budget Systems Upgrades appropriation by \$108,000 (from \$314,000 to \$206,000) to partially fund a consultant for Fair Labor Standards Act (FLSA) System Configuration recommended elsewhere in this report. This action will shift the portion of the project funding rebudgeted for FLSA-related work to a separate appropriation targeted for this effort. The continued FLSA work extends beyond the initial system implementation.</p>	Finance Department	-	(108,000)	-

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Convention Center Lease Payments/Revenue from Local Agencies	Finance Department	-	(15,240,000)	(15,240,000)

This action eliminates the Convention Center Lease Payments City-Wide appropriation of \$15.2 million and reduces the associated Revenue from Local Agencies by \$15.2 million to reflect the elimination of the payment from the Successor Agency to the Redevelopment Agency (SARA). As a result of the SARA bond refunding actions that took place in December 2017, the City no longer provides a backstop to the remaining outstanding debt related to the Convention Center Expansion (2001). Prior to this change, the City was required to show the accounting transaction related to the annual debt payment in its financial records. Without this obligation, these actions are no longer necessary.

Revenue from Local Agencies (EMS Reimbursement from County)	Fire Department	-	-	\$1,500,000
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This action increases the estimate for Revenue from Local Agencies by \$1.5 million to recognize reimbursement from the County of Santa Clara for paramedic services provided to the Santa Clara County Exclusive Operating Area. This action recognizes all of the 2017-2018 allocation for the EMS Resource Management reimbursement (\$1.3 million) associated with equipment and the first quarter 2017-2018 Paramedic services provided (\$224,000) based on actual performance. The remainder of the Paramedic services revenue will be brought forward as performance is measured and actual reimbursements are calculated.

Workers' Compensation Claims – PW	Public Works Department	-	(250,000)	-
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This action decreases the Workers' Compensation Claims - PW appropriation by \$250,000 (from \$800,000 to \$550,000) based on actual expenditure trends. The lower Workers' Compensation Claims are due to lower than anticipated settlement activities and medical treatment costs through December. This action partially offsets an increase to the Police Department Workers' Compensation Claims appropriation recommended elsewhere in this report.



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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Salaries and Benefits Reserve  This action decreases the Salaries and Benefits Reserve by \$1.8 million to recognize savings. As part of the 2017-2018 Adopted Budget, \$1.07 million was set aside for an anticipated increase of 7.5% to health premiums; however, the increase did not occur. Also included in the Reserve was \$775,000 that was set aside to provide funding for potential salary increases for specific job classifications where recruitment and retention issues are being experienced; however, these increased costs are expected to be absorbed within existing departmental budgets or covered by shifting resources among various appropriations at year-end.	City Manager's Office	-	(1,846,443)	-
Non-Personal/Equipment/Transfers and Reimbursements (ARFF Training)  This action increases the Fire Department Non-Personal/Equipment appropriation and the Transfers and Reimbursements Revenue estimate by \$20,000 to reflect a transfer from the Airport Maintenance and Operations Fund for the Fire Department for training for firefighters that perform Aircraft Rescue and Fire Fighting Services (ARFF) at the Mineta San José International Airport. In 2014-2015 the Airport moved from an Index C to Index D designation by the Federal Aviation Administration (FAA) because of larger airplanes using the airport on a more frequent basis. The change in the designation resulted in increased certification requirements for the Fire Fighters and Fire Engineers in accordance with FAA rules. The 2017-2018 adopted allocation from the Airport Maintenance and Operations Fund did not fully cover the costs of these trainings. A corresponding action in the Airport Maintenance and Operations Fund for ARFF is also recommended in this report to offset this action.	Fire Department	-	\$20,000	\$20,000
Workers' Compensation Claims - DOT  This action decreases the Workers' Compensation Claims - DOT appropriation by \$700,000 (from \$1.2 million to \$500,000) based on actual expenditure trends. The lower Workers' Compensation Claims are due to lower than anticipated settlement activities and medical treatment costs through December. This action partially offsets an increase to the Police Department Workers' Compensation Claims appropriation recommended elsewhere in this report.	Department of Transportation	-	(700,000)	-

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfer to San José Municipal Stadium Capital Fund	Office of Economic Development	-	\$31,299	-
<p>This action establishes a transfer from the General Fund to the San José Municipal Stadium Fund in the amount of \$31,299 to reimburse the Baseball Acquisition Company for capital improvements made at the Municipal Stadium in 2014-2015. After a reconciliation of prior year expenditures it was determined that the Baseball Acquisition Company was not properly reimbursed for City-authorized repairs it made to the stadium bleachers and restrooms in 2014-2015. Instead, the City used San José Municipal Stadium Capital Fund resources in that year to repair the stadium perimeter fence, which by agreement should have instead been paid by the General Fund. A corresponding action is recommended in the San José Municipal Stadium Capital Fund elsewhere in this report.</p>				
Workers' Compensation Claims - PRNS	Parks, Recreation and Neighborhood Services Department	-	(400,000)	-
<p>This action decreases the Workers' Compensation Claims – PRNS appropriation by \$400,000 (from \$1.5 million to \$1.1 million) based on actual expenditure trends. The lower Workers' Compensation Claims are due to lower than anticipated settlement activities and medical treatment costs through December. This action partially offsets an increase to the Police Department Workers' Compensation Claims appropriation recommended elsewhere in this report.</p>				
Transfers and Reimbursements (Transfer from Parks Central C&C Tax Fund and Park Yards C&C Tax Fund)	Parks, Recreation and Neighborhood Services Department	-	-	\$587,000
<p>This action increases the estimate for Transfers and Reimbursements to recognize a transfer from the Parks Maintenance C&amp;C Tax Fund (\$576,000) and from the Park Yards C&amp;C Tax Fund (\$11,000) for operating and maintenance costs to account for higher than anticipated Construction and Conveyance Tax (C&amp;C) revenue collections. Per previous City Council direction, 15% of all the Parks C&amp;C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department.</p>				

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Workers' Compensations Claims - Police	Police Department	-	\$1,350,000	-

This action increases the Workers' Compensation Claims – Police appropriation by \$1.4 million (from \$7.7 million to \$9.1 million) based on actual expenditure trends. The higher Workers' Compensation Claims are due to higher than anticipated settlement activities and medical treatment costs through December. The total costs are expected to exceed the budget by \$1.4 million by year-end. Corresponding decreases to the Parks, Recreation, and Neighborhood Services Department, Department of Transportation, and Public Works Department's Workers' Compensation Claims appropriations are recommended elsewhere in this report to offset this action.

**Required Technical-Rebalancing Actions**

**1.00 (2,999,144) (1,990,000)**

Council District #01/Other Revenue

Mayor & City Council

- \$6,415 \$6,415

This action increases the Council District #01 appropriation and the corresponding estimate for Other Revenue by \$6,145 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 1, including the 10th Annual Disability Awareness Fair event.

**Grants-  
Reimbursements  
-Fees**

Personal Services/Revenue from State of California (Strike Team Reimbursement)

Fire Department

- \$698,000 \$698,000

This action increases the Fire Department Personal Services appropriation and corresponding estimate for Revenue from State of California by \$698,000 for Fire Department Strike Team deployments. Strike Teams were deployed to 15 sites in 12 counties throughout the state during the summer and fall of 2017 to assist with fire and disaster problems in those areas. The Department incurs costs while the Strike Teams are deployed to back fill the staff on deployment along with the associated apparatus costs. These costs are reimbursable by the California Office of Emergency Services under the California Fire Assistance Agreement.

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<p>Building Development Fee Program - Non-Personal/Equipment (Peak Staffing)</p> <p>This action increases the Planning, Building and Code Enforcement Department's Building Development Fee Program Non-Personal/Equipment appropriation by \$250,000 to provide funding for peak staffing agreements (from \$500,000 to \$750,000), which will be funded by vacancy savings in the Building Development Fee Program Personal Services budget. Development services has experienced a continued high level of plan checks and plan reviews. In order to meet the high demand, on a temporary as-needed basis, this funding will augment current staffing with contractual services. The additional funding is needed for the continued use of eight peak staffing contracted employees through the remainder of the fiscal year. A corresponding decrease to the Building Development Fee Program Personal Services appropriation is also recommended in this report to offset this action.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$250,000	-
<p>San José Creates and Connects/Other Revenue</p> <p>This action establishes the San José Creates and Connects appropriation and recognizes \$140,000 in grant funding from the David and Lucile Packard Foundation to support the San José Creates and Connects Initiative. This initiative leverages the influence of community arts leaders through a "Creative License Ambassador" program in order to reach deeper into arts and community-based networks, demonstrating the value of creative expression as a means to foster meaningful connection. This initiative was launched in 2016 with a goal of connecting people through creative and participatory experiences. This citywide campaign aims to build awareness among San José residents for the various ways in which creative expression adds value to everyday life and provide actionable examples of how to increase cultural participation and creativity. In addition, this program provides arts and arts-aligned organizations with easily-applicable tools and resources to engage residents in the act of creative expression. The grant funding will be used as follows: \$75,000 will fund a contractual agreement with a communications firm to launch a citywide public service announcement (PSA); \$40,000 will fund contractual agreements with community art leaders to serve as "Create License Ambassadors;" and \$25,000 will fund PSA items such as paper advertisements and online videos to support the Initiative.</p>	<p>Office of Economic Development</p>	-	\$140,000	\$140,000

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Council District #02/Other Revenue  This action increases the Council District #02 appropriation and the corresponding estimate for Other Revenue by \$10,324 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 2, including the 2017 Village Fest event.	Mayor & City Council	-	\$10,324	\$10,324
Personal Services/Revenue from Federal Government (FBI San Francisco Joint Terrorism Task Force)  This action increases the Police Department's Personal Services appropriation and the corresponding estimate for Revenue from Federal Government in the amount of \$18,042 to reflect the reimbursement agreement between the Police Department and the Federal Bureau of Investigation (FBI). Per the agreement, the FBI will reimburse the Police Department for overtime expenses incurred while working on the FBI Program known as San Francisco Joint Terrorism Task Force, which provides investigation and prosecution of crimes against the United States.	Police Department	-	\$18,042	\$18,042
Library Grants/Other Revenue (Yes We Can READ)  This action increases the Library Grants appropriation and the estimate for Other Revenue by \$2,000 to recognize receipt of the Grail Family Services grant. This will help fund the "Yes We Can...READ!" initiative, a Library Early Education program. The initiative is a comprehensive literacy program designed to address the low reading levels of children in the Alum Rock Union Elementary School District.	Library Department	-	\$2,000	\$2,000
Council District #03/Other Revenue  This action increases the Council District #03 appropriation and the corresponding estimate for Other Revenue by \$700 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 3, including the 2017 National Night Out event.	Mayor & City Council	-	\$700	\$700

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Personal Services (Bay Area Child Exploitation Task Force)/Revenue from Federal Government	Police Department	-	\$18,000	\$18,000
<p>This action increases the Police Department's Personal Services appropriation and the corresponding estimate for Revenue from Federal Government in the amount of \$18,000 to reflect the reimbursement agreement between the Police Department and the Federal Bureau of Investigation (FBI). Per the agreement, the FBI will reimburse the Department for overtime expenses incurred while working on the FBI Program known as Bay Area Child Exploitation Task Force (formerly known as South Bay Child Exploitation Task Force). This task force provides rapid, proactive, and intelligence-driven investigative response to the sexual victimization of children in San José.</p>				
Library Grants/Revenue from Federal Government (Immigration Alliance for Bilingual Books)	Library Department	-	\$10,000	\$10,000
<p>This action increases the Library Grants appropriation and the estimate for Revenue from Federal Government by \$10,000 to recognize receipt of the Pacific Library Partnership grant. This funding will allow for the purchase of bilingual books.</p>				
Council District #08/Other Revenue	Mayor & City Council	-	\$8,500	\$8,500
<p>This action increases the Council District #08 appropriation and the corresponding estimate for Other Revenue by \$8,500 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 8, including the 2017 Day in the Park Festival event.</p>				
Personal Services/Revenue from Local Agencies (Partners to Improve Community Health Grant)	Parks, Recreation and Neighborhood Services Department	-	(25,000)	(25,000)
<p>This action decreases the Parks, Recreation and Neighborhood Services Personal Services appropriation and the estimate for Revenue from Local Agencies by \$25,000. The funds from Santa Clara County for the Partners to Improve Community Health Grant were inadvertently recognized and appropriated twice and this action corrects the budget.</p>				

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Council District #09/Other Revenue  This action increases the Council District #09 appropriation and the corresponding estimate for Other Revenue by \$11,950 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 9, including the 2017 Celebrate Cambrian event.	Mayor & City Council	-	\$11,950	\$11,950
Personal Services and Non-Personal/Equipment/Other Revenue (Kaiser Permanente Grant)  This action increases the Parks, Recreation and Neighborhood Services Personal Services appropriation by \$8,000, Non-Personal/Equipment appropriation by \$67,000 and the estimate for Other Revenue by \$75,000 to recognize receipt of the Kaiser Permanente grant. This grant funding will support new equipment at the Capital Park Exercise Area.	Parks, Recreation and Neighborhood Services Department	-	\$75,000	\$75,000
Council District #10/Other Revenue  This action increases the Council District #10 appropriation and the corresponding estimate for Other Revenue by \$4,873 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 10, including the 2017 SVCTA Smart City Conference event.	Mayor & City Council	-	\$4,873	\$4,873
Library Grants/Revenue from State of California (California Library Literacy Services)  This action increases the Library Grants appropriation and the estimate for Revenue from State of California by \$72,672 to recognize receipt of the California Library Literacy Services grant. This funding will allow for the purchase of books, materials, and computer software as well as support the Adult Literacy and Families for Literacy program. This program helps adults increase their basic literacy skills and address the literacy needs of their young children.	Library Department	-	\$72,672	\$72,672

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Broadband and Digital Inclusion Strategy/Other Revenue</p> <p>This action establishes a new City-Wide appropriation for the Broadband and Digital Inclusion Strategy (Strategy) in the amount of \$1,000,000 to implement recommendations made by the City Council during its November 13, 2017 Special Meeting. This allocation will support the costs of temporary staffing for the broadband execution team, which will initially consist of a Broadband Manager, Broadband Policy Analyst, Demonstration Project Manager, and FUSE Fellows serving as IoT Project Manager and SCRUM Practice Lead. Additionally, this action recognizes \$1.0 million in Other Revenue pursuant to a Funding and Reimbursement Agreement with a private broadband provider for process re-engineering and associated technological improvements to be implemented as part of the Strategy. In support of this program, separate actions are recommended to recognize an additional \$850,000 from the private broadband provider and allocate these funds to the Public Works Development Fee Program (\$400,000) and the Public Works Development Fee Program Reserve (\$450,000).</p>	City Manager's Office	-	\$1,000,000	\$1,000,000
<p>Building Development Fee Program - Personal Services (Vacancy Savings)</p> <p>This action decreases the Planning, Building and Code Enforcement Department's Building Development Fee Program Personal Services appropriation by \$250,000 to reflect vacancy savings. These savings will be reallocated to the Building Development Fee Program Non-Personal/Equipment appropriation to provide additional funding for peak staffing agreements as described elsewhere in this report.</p>	Planning, Building and Code Enforcement Department	-	(250,000)	-



## General Fund Recommended Budget Adjustments Summary 2017-2018 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Fire Development Fee Program-Non-Personal/Equipment (Radio Purchase & Equipment Replacement)	Fire Department	-	\$72,000	-

This action increases the Fire Department Development Fee Program Non-Personal/Equipment appropriation by \$72,000 (from \$197,000 to \$269,000) for the replacement of a vehicle and the purchase of new radios. A replacement vehicle is required for one of the Bureau of Fire Prevention Fee Program's vehicles that was deemed inoperable due to excessive repair and maintenance costs (\$30,000). In addition, the purchase of 10 radios (\$42,000) is recommended for the Bureau of Fire Prevention for operational acceptance testing of the Emergency Responder Radio Coverage (ERRC) System when inspecting new buildings. The Fire Department has the responsibility to ensure the ERRC systems installed in new buildings comply with the provisions of the California Fire Code, section 510 that require interoperability with other outside agency emergency personnel. Compliance is demonstrated through testing the systems with the radios used by safety personnel. A corresponding decrease to the Fire Development Fee Program Reserve is recommended in this report to offset this action.

Public Works Development Fee Program - Non-Personal/Equipment (Broadband Strategy)/Fees, Rates, and Charges	Public Works Department	-	\$10,000	\$10,000
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This action increases the Public Works Development Fee Program – Non-Personal/Equipment appropriation by \$10,000 (from \$272,478 to \$282,478) for equipment and supplies for temporary staffing in the Public Works Department in support of the City's Broadband and Digital Inclusion Strategy as adopted by the City Council during its November 13, 2017 Special Meeting. The Strategy aims to improve and streamline the City's permitting process for private attachments to City infrastructure and the City's Asset Management System for City streetlights and traffic signal poles to provide needed information to technology and telecommunications companies who wish to utilize City assets for their projects. This action also increases the estimate for Fees, Rates and Charges by a corresponding \$10,000 supplied by a private broadband provider to begin fee-related work. In the future, these costs will be supported by anticipated Utility Fee revenue associated with a significant increase in small cell utility permits.

**General Fund Recommended Budget Adjustments Summary  
2017-2018 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Revenue from Federal Government (Jon Boat Trailers)	Fire Department	-	\$32,000	\$32,000

This action increases the Fire Department's Non-Personal/Equipment appropriation and corresponding estimate for Revenue from the State of California by \$32,000 for the grant funded purchase of a boat trailer and equipment for Urban Search and Rescue purposes. In 2016-2017 and 2017-2018, the Fire Department was awarded State Homeland Security Grant Program (SHSGP) funds to purchase Jon boats to enhance the departments urban search and rescue resources. The trailer and equipment will be used to transport these boats.

Fire Development Fee Program Reserve	Fire Department	-	(72,000)	-
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This action decreases the Fire Development Fee Program Reserve by \$72,000 (from \$8.03 million to \$7.96 million) to offset the increase to the Fire Department Fee Program Non-Personal/Equipment appropriation for the purchase of a replacement vehicle and radios as recommended in this report.

Non-Personal/Equipment/Revenue from State of California (Strike Team Reimbursement)	Fire Department	-	\$126,000	\$126,000
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This action increases the Fire Department Non-Personal/Equipment appropriation and the corresponding estimate for Revenue from State of California by \$126,000 for Fire Department Strike Team deployments. Strike Teams were deployed to 15 sites in 12 counties throughout the state during the summer and fall of 2017 to assist with fire and disaster problems in those areas. The Department incurs costs while the Strike Teams are deployed to back fill the staff on deployment along with the associated apparatus costs. These costs are reimbursable by the California Office of Emergency Services under the California Fire Assistance Agreement.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Public Works Development Fee Program - Personal Services (Broadband Strategy)/Fees, Rates, and Charges	Public Works Department	-	\$390,000	\$390,000

This action increases the Public Works Development Fee Program – Personal Services appropriation by \$390,000 (from \$10.2 million to \$10.6 million) for temporary staffing in support of the City's Broadband and Digital Inclusion Strategy as adopted by the City Council during its November 13, 2017 Special Meeting. The Strategy aims to improve and streamline the City's permitting process for private attachments to City infrastructure and the City's Asset Management System for City streetlights and traffic signal poles to provide needed information to technology and telecommunications companies who wish to utilize City assets for their projects. This funding supports staffing costs for permitting, electrical, plan check, electrical inspection services, project inspection services, and program management. Temporary employees will be added in 2017-2018 and permanent staffing will be considered during the development of the 2018-2019 Proposed Budget. This action also increases the estimate for Fees, Rates and Charges by a corresponding \$390,000 supplied by a private broadband provider to begin fee-related work. In the future, these costs will be supported by anticipated Utility Fee revenue associated with a significant increase in small cell utility permits.

Public Works Development Fee Program - Small Cell Permitting Reserve/Fees, Rates, and Charges	Public Works Department	-	\$450,000	\$450,000
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This action establishes the Broadband Strategy Reserve in the amount of \$450,000 and recognizes a corresponding increase to the estimate for Fees, Rates, and Charges. Provided by a private broadband provider, this funding will be reserved for future Public Works Department permitting costs related to the City's implementation of its Broadband and Digital Inclusion Strategy as adopted by the City Council during its November 13, 2017 Special Meeting. In support of this program, separate actions are recommended to recognize an additional \$400,000 from the private broadband provider for Public Works Development Fee Program activity in the current year, and an additional \$1.0 million for a City-Wide appropriation for the broadband execution team as described elsewhere in this report.

**General Fund Recommended Budget Adjustments Summary  
2017-2018 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Internet Crimes Against Children State Grant 2017-2018/Revenue from State of California  This action establishes the Internet Crimes Against Children State Grant 2017-2018 appropriation to the Police Department and the corresponding revenue estimate for Revenue from State of California in the amount of \$200,000. This grant funds the procurement of laptops and tablets as well as the update of the Silicon Valley Internet Crimes Against Children website to bring awareness to the community about how to keep children safe on the internet.	Police Department	-	\$200,000	\$200,000
Northern California Regional Intelligence Center - Police 2017/Revenue from Federal Government  This action establishes the Northern California Regional Intelligence Center – Police 2017 appropriation to the Police Department and increases the revenue estimate for Revenue from Federal Government in the amount of \$242,380. The Northern California Regional Intelligence Center (NCRIC) works to improve the region's ability to detect, prevent, investigate, and respond to criminal and terrorist activity. This grant will fund the salary, benefits, and overtime associated for one San José Police Department Lieutenant as a member of the NCRIC through December 31, 2018.	Police Department	-	\$242,380	\$242,380
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<b>Grants-Reimbursements-Fees</b>		-	<b>\$3,501,856</b>	<b>\$3,501,856</b>