



Memorandum

TO: MAYOR LICCARDO
SUBJECT: BUDGET DOCUMENT

FROM: Councilmember Tam Nguyen
DATE: May 24, 2017

Approved

T. Lee

Date

5.24.17.

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Employee Benefits for San Jose Arena Authority Staff

Amount of City Funding Required: \$31,500

Employee Health Plans (1.5 Positions)	\$23,000
Simple IRA (Retirement; 3% Employer Contribution)	\$6,000
Dental, Vision, LTD, and Life Insurance for Admin. Assistant	\$2,500
Total:	\$31,500

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

Since being created through a resolution of the San Jose City Council, the San Jose Arena Authority has served an essential role on behalf of the City. Originally, the organization was charged with the administrative oversight and contract administration of one facility: San Jose Arena (now SAP Center at San Jose). Since then, the Arena Authority has expanded its oversight responsibilities to include Solar4America Ice at San Jose, San Jose Municipal Stadium, and the South Campus Operations Team, a group created by the Authority that includes park and facility operators in the area in and around the south campus of San Jose State University. More recently, the Arena Authority has been deeply involved in the transit development discussions in the Diridon Station area, including BART, High Speed Rail, Caltrain electrification, vehicular parking inventories, and the function of the multimodal Diridon Transit Center. This expansion of oversight and involvement has come about during a period when the Arena Authority's base funding from the City has been greatly reduced and thus the organization has taken severe measures to maintain basic operations.

When the Arena Authority began operations, the organization employed three full-time staff (Executive Director, Assistant to the Executive Director, and Administrative Assistant) to oversee the operation of San Jose Arena and provided full employee benefits. Today, the Arena Authority employs one full-time staff (Executive Director; minimal employee benefits) and a part-time Administrative Assistant (no employee benefits) to administer to a growing number of City assets.

Despite the many responsibilities undertaken by the Arena Authority, the Authority is significantly underfunded and understaffed to adequately support these programs and contractual obligations in the fashion described in the management agreements between the City, the Arena Authority, and San Jose's professional sports organizations. Recognizing the valuable contributions of the

San Jose Arena Authority, I am requesting that we consider providing funding for employee benefits (health and retirement) for both Arena Authority staff positions.

Below is detail of City funding to the Arena Authority for the current fiscal year, which has not seen a significant funding change in an extended period:

<u>FY 2016-17 City Funding</u>	<u>Amount</u>
City Base Funding	\$194,200
Oversight of Solar4America Ice at San Jose	\$45,700
Total:	\$239,900

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund): **General Fund**

Department or Organization: **San Jose Arena Authority**

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

Name: **Chris Morrisey, Executive Director**

Phone number: **(408) 977-4780**

E-mail address: **morrisey@sjaa.com**