

PROPOSED



2020-2021

OPERATING

BUDGET

**OFFICE
OF THE
CITY MANAGER**

PROPOSED

2020-2021



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 - Maya Esparza

D8 - Sylvia Arenas

D9 - Pam Foley

D10 - Johnny Khamis

SUBMITTED BY

DAVID SYKES
CITY MANAGER

PROPOSED

2020-2021

OPERATING BUDGET

OFFICE OF THE CITY MANAGER

Prepared by:

City Manager

DAVID SYKES

Assistant City Manager

JENNIFER A. MAGUIRE

Budget Director

JIM SHANNON

Deputy Budget Directors

BONNY DUONG

CLAUDIA CHANG

Operating Budget Coordinator

BRYCE BALL

Assistant to City Manager

SELENA UBANDO

Senior Budget Analysts

STEVE STAMOS

TRESHA GRANT

CHRIS PETAK

Budget Analysts

JAMES GOLD

TIEN TRUONG

ANDREW LOKE

NICOLE ALTAMIRANO

ELAINE TRINH

JAIDEEP SHERGILL

ADALI ARROYO

FABIOLA RUIZ

Budget Production

KATE HANDFORD

Special Assistance

SURYA UPADHYAYULA

INFORMATION TECHNOLOGY

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INFORMATION TECHNOLOGY

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2019-2020

Presented to the

City of San José

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

January 31, 2020



Steve Heide

**Steve Heide
CSMFO President**

Yolanda Rodriguez

**Yolanda Rodriguez, Chair
Recognition Committee**

Dedicated Excellence in Municipal Financial Reporting

2020-2021 PROPOSED OPERATING BUDGET



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Mayor's March Budget Message for Fiscal Year 2020-2021

May 12, 2020

Honorable Mayor and City Council:

I present the 2020-2021 Proposed Operating Budget during a time of tremendous change and anxiety for our community and workforce. The arrival of COVID-19 has upended lives, caused pain and tragedy, and has required extraordinary efforts of us all to limit the pandemic's reach. As a result, the necessary shelter-in-place restrictions to slow the virus' spread has severely impacted day-to-day economic activity. The longest economic expansion in U.S. history has abruptly ended and the recession we knew was eventually coming is now here. Businesses have shuttered and the unemployment rate is spiking. And even though suppression efforts have yielded early successes, we know that the virus is still present, and that restrictions related to social distancing – in some form – will be necessary for an extended period.

During this time we have also seen the strength of our community and our City organization. As difficult as the shelter-in-place has been, our collective effort has flattened the curve and given our health care community the space necessary to effectively care for those most at risk. The City has leaned into this crisis, taking a leadership role within the region to provide shelter for the medically vulnerable homeless population, and coordinating a vast array of government, non-profit, and private sector partners to provide food and necessities to those medically and economically impacted by the pandemic.

The willingness of our community and City workforce to meet these challenges head-on exemplifies a resiliency that will be needed for the foreseeable future. We have taken proactive steps throughout the pandemic to understand its likely economic fallout, address the anticipated budgetary shortfalls in 2019-2020, and completely revamped the 2020-2021 budget development process to ensure early and measured action in response to the deficit. Though issued at the beginning stages of the pandemic when the term “social distancing” was still a new concept, the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, appropriately identified the emergent budgetary risk and focused on fiscal resilience as one of the key drivers for the 2020-2021 Proposed Operating Budget.



Community Budget Meetings

May 13: 6:00pm – 8:00pm

May 16: 10:00am – 12:00pm

May 18: 6:00pm – 8:00pm

May 20: 6:00pm – 8:00pm

Budget Decision Milestones

May 14 -15

City Council Study Sessions

May 21/June 15

Public Hearings on 2020-2021 Proposed Budgets and Fees & Charges

June 8

2020-2021 Mayor's June Budget Message Released

June 16

Council Review/Approval of the 2020-2021 Mayor's June Budget Message

June 23

Adoption of the 2020-2021 Capital and Operating Budgets, 2021-2025 CIP, and the 2020-2021 Fees & Charges

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

The direction provided by the Mayor and City Council and quick action by our workforce have produced a Proposed Budget that addresses an anticipated General Fund shortfall of \$71.6 million. Driven by an overall estimated revenue decline of 9% from last year's revenue collections – levels well exceeding the “Great Recession” and “Dotcom Bust” – this shortfall is responsibly addressed with a combination of ongoing and one-time budget balancing recommendations. These recommendations, while mindful of community impacts and City Council priorities, will result in measurable service level reductions. As an attachment to this transmittal memorandum (Attachment C), a second package of budget reductions has been developed as a contingency plan should economic conditions further deteriorate. Those reductions would result in even greater service impacts and would only be brought forward for City Council consideration in early fall if needed.

Budget Balancing Considerations

The Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, identified three tiers of funding: Tier 1 - Fiscal Resilience, Tier 2 – Affordable Housing and Homelessness Solutions Funded by Measure E, and Tier 3 – Contingent Expenditures. While the 2020-2021 Proposed Operating Budget attempts to be as responsive as possible to the March Budget Message, resource constraints due to COVID-19 make full alignment impossible. The spirit of Tier 1 is met by the payoff of debt related to the Los Lagos Golf Course and the streetlight LED conversion project, and reserve levels have been carefully managed to lessen service impacts in 2020-2021 while still preserving resources should revenues fall further than expected, and to help with anticipated shortfalls in 2021-2022. In accordance with Tier 2, all proceeds anticipated from Measure E – the ballot measure approved by the voters in March 2020 that applies a general purpose tax on the transfer of real property – are allocated for homeless prevention and affordable housing purposes. As prudently considered in the March Message, the Tier 3 allocations were contingent upon significant improvement in economic conditions, which has unfortunately not come to pass. Attachment B to this transmittal memorandum identifies which one-time allocations are recommended to be funded within the City's constrained budgetary environment.

Under normal circumstances, the City is diligent to ensure that estimated ongoing expenditure levels are matched by ongoing revenues. However, due to the sudden onset of the pandemic, the uncertainty of revenue projections, and the compressed timeframe in which to produce a budget, the 2020-2021 Proposed Operating Budget uses a mix of ongoing and one-time solutions to balance the budget, with over 70% of the shortfall solved on an ongoing basis. This approach ensures that the City takes responsible and meaningful action to address what will likely be several years of budgetary shortfalls as the economy works its way out of the recession and returns to pre-crisis levels, while limiting the reduction of service levels until a more accurate economic picture is known.

More specifically, the approach to resolving the General Fund shortfall involves a mix of ongoing and one-time solutions, mindful of:

1. The need for ongoing service reductions driven by a significantly weakened economic environment, even after shelter-in-place restrictions are lifted;
2. City Council and community priorities with the understanding that service reductions can have disproportionate impacts within our community;
3. The fact that we are powered by people and minimizing layoffs limits the impact to both the organization and the community; and

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

Budget Balancing Considerations

4. The uncertainty of the medium to long-term impacts of COVID-19 and the corresponding need to preserve core service delivery.

Contingency Plan. The Administration has also considered the possibility that conditions may worsen further and that revenue shortfalls could be significantly greater than currently estimated. As discussed earlier, a contingency package of budget reduction proposals is attached to this transmittal memorandum describing additional actions that may be brought forward later, if necessary, to address an even larger shortfall. It is important to note that future City Council action would be necessary to enact these reductions, but the organization should be prepared to take these steps to ensure that the City's budget remains in balance.

Other City Funds. In addition to the actions necessary to balance the General Fund, a number of other City funds and operations are adversely affected by COVID-19, including the Airport, the San José McEnery Convention Center and other cultural facilities operated by Team San Jose, several funds that receive Transient Occupancy Tax (TOT) revenue, and the Development Fee Program, a cost-recovery program to regulate private development and construction activity. As described later in this transmittal memorandum, recommendations included in the Proposed Budget acknowledge significantly reduced revenue levels in these funds that are resolved through a mix of reduced service levels and utilization of reserves previously set aside to help manage through economic downturns.

Employee Engagement. Throughout the process of developing the 2020-2021 Proposed Operating Budget, I have committed to sharing information with and listening to our workforce. During the last two weeks, with the City Manager's Office leadership team, I held four virtual town hall meetings via Zoom with 1,285 employees in attendance to discuss both the COVID-19 public health emergency and its impact on the 2020-2021 budget. During these sessions we answered over 180 questions and we received a number of ideas from our employees on how to generate potential budgetary savings. These ideas were in addition to the employee budget suggestions that we received through online submittals directly to the Budget Office. An information memorandum was recently issued that included 17 of the 48 employee suggestions that the Administration was given permission to share publicly. While some suggestions would be subject to meet and confer and extend beyond the current timeline for budget development, several suggestions are incorporated into this Proposed Budget. A Manager's Budget Addendum will be issued later during the budget process outlining those employee suggestions that were included.

COVID-19 Response. It is important to note that this budget does not include costs associated with the City's response efforts to the COVID-19 pandemic, as both the nature of the response and the guidance for how eligible federal and state funding can be used to offset those costs are still evolving. In addition, this budget does not assume the reimbursement of any lost revenue, though the City will continue its strong advocacy efforts toward this goal.

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

Total Proposed Budget

In the 2020-2021 Proposed Budget, the total net funding is \$4.1 billion for all City funds (General, Special, and Capital). This is \$523.6 million (11.2%) below the 2019-2020 Adopted Budget (Table 1 below). This decrease primarily reflects the loss of revenue anticipated across all City resources as a result of the COVID-19 pandemic. The Proposed Budget, however, does not yet include funds that will be rebudgeted and added to the final 2020-2021 Adopted Budget to complete multi-year projects. Once these rebudgets are included, the General Fund will draw somewhat closer to 2019-2020 levels, as well the Special and Capital Funds.

2020-2021 Proposed Budget — All Funds (Table 1)			
	2019-2020 Adopted	2020-2021 Proposed	% Change
General Fund	\$ 1,510,135,437	\$ 1,318,447,965	(12.7%)
Special Funds	2,532,532,607	2,527,196,317	(0.2%)
<Less: Operating Transfers>	(894,663,225)	(759,038,291)	(15.2%)
Net Operating Funds	3,148,004,819	3,086,605,991	(2.0%)
Capital Funds	1,520,183,753	1,055,062,934	(30.6%)
<Less: Capital Transfers>	(7,024,000)	(4,095,000)	(41.7%)
Net Capital Funds	1,513,159,753	1,050,967,934	(30.5%)
Total	\$ 4,661,164,572	\$ 4,137,573,925	(11.2%)

Position Impacts

The Proposed Budget includes decreases to position levels throughout the organization. While layoffs are not anticipated as part of this budget primarily due to the number of vacant positions in the organization, those positions funded on a one-time basis in 2019-2020 that are not renewed in 2020-2021, along with the net elimination of positions in 2020-2021 to support a variety of activities, will result in employees who have rights to either 1) remain in their classification, but move to another position; 2) move to another position in a lower classification; or 3) be redeployed to a different position within the organization. The remaining employees who had positions that were scheduled to end on June 30 and do not have rights to other permanent City positions will no longer be employed. Overall, the level of staffing will decrease by a net 103 positions, from 6,647 full-time equivalent positions in the 2019-2020 Adopted Budget to 6,544 positions in the 2020-2021 Proposed Budget, as shown in Table 2 below.

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

Position Impacts

Changes in Position Count (All Funds) from 2019-2020 Adopted to 2020-2021 Proposed Budget (Table 2)	
2019-2020 Adopted Budget	6,647 positions
2020-2021 Base Budget Changes	(88) positions
2020-2021 Proposed Budget Changes – General Fund	(40) positions
2020-2021 Proposed Budget Changes – Other Funds	25 positions
Total Net Position Changes	(103) positions
2020-2021 Proposed Budget	6,544 positions

General Fund Forecast – Challenging Times Now and in the Future

In February 2020, the Administration prepared the 2021-2025 Five-Year Forecast and Revenue Projections document to estimate the condition of the General Fund and selected Capital Funds over the next five years. While preparing the Five-Year Forecast in early February, most economic signs indicated that 2020-2021 would continue to have slow, but steady growth, resulting in a small General Fund surplus of \$0.5 million. However, during the last week of February, as that publication was being finalized, the initial impacts of COVID-19 were just beginning to be felt. As stated in the 2021-2025 Five-Year Forecast’s transmittal memorandum, the economic repercussions of COVID-19 would continue to be monitored and any resulting budgetary impacts would be incorporated as part of the 2020-2021 Proposed Budget process. The table below displays the various General Fund operating margins included in the February Forecast depending on varying levels of assumed economic conditions.

**General Fund Operating Margins (Table 3)
(Base, Optimistic, Pessimistic, and Recession Cases)**

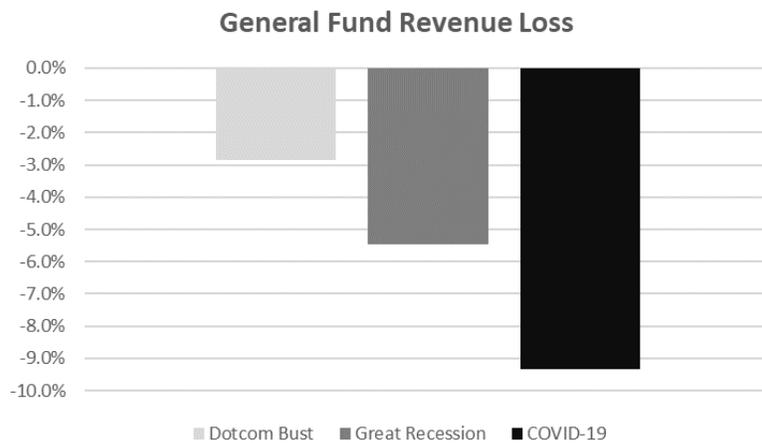
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Five-Year Surplus/ (Shortfall)
Base Case	\$0.5 M	(\$11.1 M)	\$14.0 M	(\$2.2 M)	\$ 1.0 M	\$2.2 M
Optimistic Case	\$13.4 M	\$7.3 M	\$30.1 M	\$11.3 M	\$16.7 M	\$78.8 M
Pessimistic Case	(\$13.1 M)	(\$19.8 M)	\$4.2 M	(\$12.1 M)	(\$6.6 M)	(\$47.4 M)
Recession Case	(\$38.3 M)	(\$53.7 M)	(\$19.4 M)	(\$33.7 M)	(\$32.9 M)	(\$178.0 M)

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

It is clear from all accounts that the recession has already begun, and in a severe fashion. The Recession Case shown above would have had a significant detrimental impact on City service levels over a five-year period. Unfortunately, conditions currently forecasted for 2020-2021 indicate a situation considerably worse for that year alone.

At the City Council meeting on April 7th, the Administration presented a preliminary revision to the General Fund forecast, estimating revenue shortfalls of approximately \$65 million. With continued study of the situation and evaluation of additional data, that revenue shortfall has been revised to a total decrease of \$78.6 million. With additional downward adjustments to Base Budget expenditures of \$6.5 million, the originally forecasted General Fund surplus for 2020-2021 of \$0.5 million has been revised to an overall shortfall of \$71.6 million.

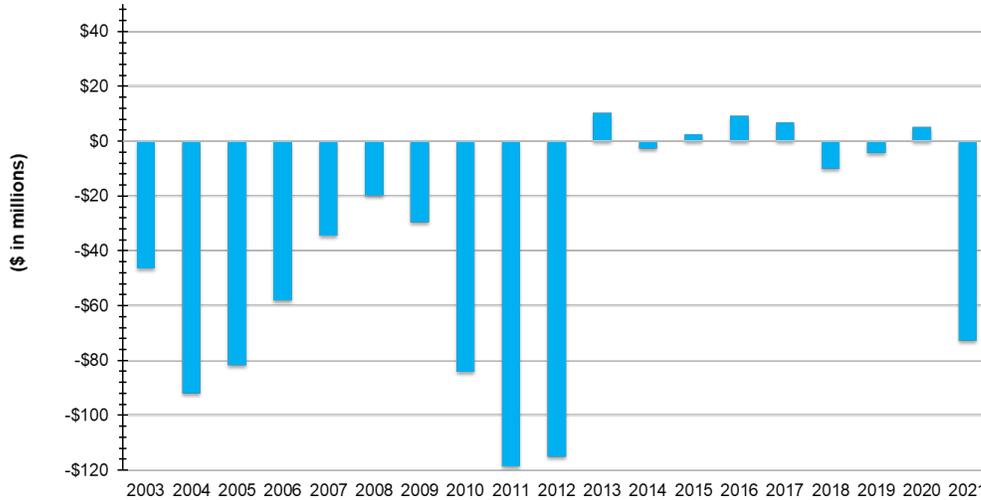
Led by deep year-over-year reductions in Sales Tax, Business Taxes, and Transient Occupancy Tax (TOT), combined with shortfalls in Utility Taxes and Franchise Fees, and reduced growth rates for Property Tax proceeds, General Fund revenues are forecast to drop 9% compared to 2018-2019 actuals. This magnitude is substantially higher than the decreases experienced during the Great



Recession and Dotcom Bust. Though the exact depth or length of this recession is not known – especially when considering the need for some levels of social distancing to continue for an extended period of time – we can assume that the after effects of the pandemic will linger and that the City will likely struggle with General Fund shortfalls over the next several years. As shown in the chart below, the City did not emerge from a decade of deficits until 2012-2013, and has never experienced a significant surplus during the recently ended economic expansion despite years of implementing structural deficit elimination plans. Now at the start of a new recession, the City will need to be prepared to make the difficult decisions necessary to balance the 2020-2021 budget and ensure a structurally balanced budget in future years as the economic impact becomes clearer.

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

General Fund Shortfalls and Surpluses 2002-2003 to 2020-2021



Balancing the General Fund Budget

As displayed in Table 4 on the following page, the 2020-2021 Proposed General Fund Budget Balancing Plan includes actions to resolve the \$71.6 million shortfall forecast for 2020-2021. This table shows the matrix of balancing strategies and the dollars associated with each action. A discussion of the balancing strategies can be found in Attachment A to this message and throughout the Proposed Budget. In addition to the balancing approach described earlier in this message in response to the dramatic revenue shortfalls caused by the pandemic, the Administration is also guided by the Budget Balancing Strategy Guidelines contained in the City Manager’s Budget Request for Fiscal Year 2020-2021 that were adopted by the City Council as part of the approval of the Mayor’s March Budget Message for Fiscal Year 2020-2021, and by the City Council-approved City of San José Budget Principles; these guidelines and principles are included in Exhibit 1 to this message.

Of the \$71.6 million shortfall in the General Fund, \$51.9 million (70%) is resolved on an ongoing basis. The remaining shortfall of \$19.7 million (or 30%) is solved using one-time funds. Though in a normal budgeting cycle the City would strive to keep estimated ongoing revenues and expenditures in balance, given the extraordinary and sudden nature of the economic decline and a compressed timeline for budget development, the prudent use of one-time bridge funding into 2021-2022 is our recommended approach to address our current situation.

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

2020-2021 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's) (Table 4)		
	2020-2021	Ongoing
2020-2021 General Fund Deficit	\$ (71,578)	\$ (71,578)
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
2020-2021 Future Deficit Reserve	\$ 10,894	\$ 0
Budget Stabilization Reserve	5,000	0
Other Reserve Liquidations	671	0
Grants/Reimbursements/Fees		
Google-Diridon Station Development and Planning	1,272	0
UASI Grant – Office of Emergency Management	641	0
Merchant Card Transaction Fee	415	800
PRNS Fee Rev (Summer Swim, Family Camp, Comm Centers, HHPZ Corp)	(1,875)	(150)
Library Juvenile Fines	(175)	(175)
Viva CalleSJ and Viva Parks Placemaking	(144)	0
Other Fee Programs/Reimbursements/Grants	1,451	1,311
Other Revenue		
Real Property Transfer Tax (Measure E)	30,000	30,000
City Hall Lease-Revenue Bonds Refunding	26,000	0
Sales Tax (Revenue Capture Agreement Annualization)	22,000	22,000
Sale of Surplus Property (Future Affordable Housing Developments)	11,100	0
Communications Facilities Property Rentals	300	300
Interest Earnings (Pre-funding of City Retirement Contributions)	(2,573)	(2,573)
Overhead Reimbursements/Transfers from Other Funds	1,323	860
Subtotal Source of Funds	\$ 106,300	\$ 52,373
Use of Funds		
Measure E Allocation (Homelessness Prevention and Affordable Housing)	\$ 30,000	\$ 30,000
2021-2022 Future Deficit Reserve	11,076	0
2019-2020 One-Time Funded Services	6,454	591
Unmet/Deferred Technology, Infrastructure, and Maintenance	5,407	0
Service Level Enhancements	1,699	731
Earmarked Reserves (Essential Services, and Litigation Reserve)	1,500	0
Other Fee Programs/Grants/Reimbursements	745	(25)
New Infrastructure/Equipment Operations and Maintenance	125	214
Use of Reserves (Deferred Maintenance, Committed Additions)	(1,375)	(214)
Cost Reductions/Service Delivery Efficiencies/Funding Shifts	(20,909)	(30,843)
Subtotal Use of Funds	\$ 34,722	\$ 454
Total Balancing Strategy	\$ 71,578	\$ 51,919
Remaining Balance	\$ 0	\$ (19,659)

Balancing the General Fund Budget – Equity Considerations

Though an in-depth equity analysis of each proposal during the process of balancing the budget was not possible given limited capacity, the Administration was sensitive to the service impacts associated with potential budget actions. For purposes of considering impacts, the 2020-2021 Proposed Operating Budget General Fund budget proposals are grouped into the following categories:

- ***COVID-19 Impacted Services*** – proposals that directly relate to the social distancing or other requirements necessary to combat the pandemic that will impact the community services;
- ***Other Direct Service Impacts*** – other proposals that have a direct impact on the community through service reductions or, in very limited instances, service enhancements;
- ***Strategic Support Impacts*** – proposals that do not have a direct impact on community services, but impacts support functions that help enable service delivery; and
- ***Proposals with No Impact*** – a limited number of proposals that reduce costs with no or only a very minor service impact.

As described in an information memorandum released on May 8, 2020, a Manager’s Budget Addendum will be issued later in the budget process on the results of a “sprint” equity review that will provide more information on the grouping of proposals by the above categories, as well as a general assessment of equity impact.

As a demonstration of the Administration’s efforts to limit service reductions, it is important to highlight that recommendations categorized as “Proposals with No Impact” play a substantial role in resolving the General Fund shortfall of \$71.6 million. Combined with actions to recognize additional Sales Tax revenue, these no-impact strategies resolve nearly \$40 million, or 55%, of the ongoing estimated shortfall. The most significant recommendations that are not isolated to one CSA are highlighted next; the remaining actions are contained within the proposal actions summarized by CSA below, and within the budget document.

Sales Tax – Revenue Capture Agreement Annualization (Additional revenue of \$22.0 million).

As described in the memorandum approved at the City Council meeting on April 28, 2020 to resolve the estimated General Fund shortfall for 2019-2020, the proceeds from the Revenue Capture Agreement with eBay are anticipated to yield ongoing sales tax revenues for the City. The amount estimated in 2020-2021 is \$22 million. More information regarding Sales Tax and other General Fund revenue estimates are discussed in the *General Fund Revenue Estimates* section of this document.

Pre-Funding of City Retirement Contributions (Net savings of \$7.4 million).

Actions are included to facilitate prepayment of the City’s retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees’ Retirement System Plan and the Police and Fire Department Retirement Plan. Prepayment was a standard practice for the City until Fiscal Year 2019-2020, when market conditions were no longer favorable. However, with market conditions changing once again, the City and Retirement Boards are both receptive to pre-payment strategies. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated \$2.6 million loss in interest earnings and \$1.4 million in short-term borrowing costs (TRANS debt service), resulting in a total net savings of \$7.4 million.

Pay Down Debt (Savings of \$4.2 million). As described in the Mayor's March Budget Message for Fiscal Year 2020-2021, the City will leverage the refunding of lease revenue bonds related to the construction of City Hall to yield one-time funds of \$26 million that will pay off the remaining debt associated with the LED streetlight conversion project (\$10.6 million) and the Los Lagos Golf Course (\$7.9 million). The elimination of these debt obligations, along with the lower debt service anticipated for the new City Hall lease-revenue bonds, is anticipated to yield a total ongoing savings of \$4.2 million.

Fuel Savings (Savings of \$940,000). Fuel savings are recognized through an updated forecast of oil and fuel prices impacted by global and regional economic conditions, resulting in city-wide savings of \$1.24 million, of which \$940,000 is in the General Fund.

Other Budgetary Considerations

The City has structured its operations into "City Service Areas" (CSAs) that encourage interdepartmental coordination of efforts, resources, and goals to provide the array of services funded by the City's \$4.1 billion budget. A breakdown of these services is displayed by core service and program within each department summary section of this budget, giving context to how much both core services and programs cost and how many positions are assigned to each program. Before highlighting a number of proposals by CSA below, several important budgetary issues are addressed in the Proposed Budget document that do not directly relate to resolving the General Fund shortfall.

Measure E and Affordable Housing. Most notable among the additions for 2020-2021 is the infusion of real property transfer tax revenues from Measure E, estimated at \$30 million. Though available for any governmental purpose, in accordance with previous City Council direction, these revenues are targeted toward supporting homelessness prevention efforts and affordable housing development. A Manager's Budget Addendum will be brought forward later in the budget process to update City Council Policy 1-18 with the Measure E spending allocations approved by the City Council on December 10, 2019. In addition to Measure E resources, critical work also continues in the leveraging of federal housing dollars to further the development of affordable housing, including the allocation of \$11.1 million from federal sources to acquire surplus City property as sites for future affordable housing. This funding provides a one-time revenue source for the General Fund in 2020-2021.

Development Fee Programs. Reflective of the anticipated economic climate, activity levels in the four Development Fee Programs are expected to decline 30% from previous estimates. Similar to the General Fund revenue estimates, activity will be closely monitored and revenue estimates adjusted as necessary, but the elimination of vacant positions and use of reserves are recommended in this document to make sure these programs remain in balance. It is the Administration's intent to maintain appropriate levels of support for the private development community, while still ensuring that these cost recovery programs within the Planning, Building and Code Enforcement (PBCE), Public Works, and Fire Departments remain cost recovery without additional support from the General Fund.

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

Airport Operations. Passenger traffic at the Norman Y. Mineta San José International Airport has also seen severe impacts due to the pandemic. A number of vacant positions are eliminated in the 2020-2021 Proposed Budget as the Airport looks to contain costs and work collaboratively with Airport tenants to manage through the negative economic impacts to achieve long-term stability.

Special Funds Impacted by Hotel and Convention Activity. In connection with the pandemic and steep drop in leisure and business travel, revenues associated with hotel taxes and convention activities, including the Transient Occupancy Tax Fund, the Convention Center and Cultural Affairs Fund, and the Convention Center Facilities District Revenue Fund are estimated to experience significant revenue losses. As shown in the Source and Use of Funds Statements section of the budget document, these losses are mitigated through the reduction of expenses and use of reserves originally established to help buffer economic impacts. However, as social distancing restrictions are expected to continue into 2020-2021, and the level of conventions and special event activity at facilities managed by Team San Jose are expected to remain low, the City will need to carefully monitor revenues and expenses throughout the year to further adjust as necessary.

Recycle Plus and the Integrated Waste Management Fund. Contractual hauler costs and City costs attributable to the Recycle Plus collection program are currently forecast to require rate increases of 15% for Single-Family Dwellings and 7% for Multi-Family Dwellings. Although these rate increases are included in the Integrated Waste Management Fund Source and Use Statement, the Administration is working to identify means to achieve both lower costs and lower rate increases. A Manager's Budget Addendum will be released later in the budget process outlining a strategy to achieve lower rates for Fiscal Year 2020-2021.

Key Budget Proposals by City Service Area

A listing of key budget proposals, both reductions and additions across all City funds, comprising the 2020-2021 Proposed Operating Budget are listed below by CSA, with a reference to the specific section of the document that describes the proposal in more detail.

Key Budget Proposals by City Service Area

Community and Economic Development

- Diridon Station Area Development Planning (\$1.4 million, reimbursement agreement)/City-Wide Expenses
- Affordable Housing Transactions Staffing (\$356,000)/Housing
- Business Outreach and Policy Development (\$250,000)/Economic Development
- Responsible Landlord Engagement Initiative (\$205,000)/Housing
- City-wide Storefronts Activation Grant Program (\$200,000)/ City-Wide Expenses
- Blight Busters (\$150,000)/ City-Wide Expenses
- Accessory Dwelling Unit (ADU) Ally Program Staffing (\$147,000)/PBCE
- CommUniverCity Program (\$53,000)/City-Wide Expenses
- Rapid Rehousing Funding Shift to the Multi-Source Housing Fund (-\$2.0 million in the General Fund annually for two years)/City-Wide Expenses
- Planning and Building Development Fee Program Staffing Reduction (-\$800,000)/PBCE
- Economic Development Staffing Reduction (-\$521,000)/Economic Development

Environmental and Utility Services

- Regional Wastewater Facility Radio Systems Upgrade (\$1.7 million)/ Environmental Services
- Regional Wastewater Facility Cogeneration Engine Facility Maintenance (\$1.3 million)/ Environmental Services
- Biosolids Management Transition Planning and Implementation (\$800,000)/Environmental Services
- Commercial Solid Waste Outreach and Enforcement Staffing (\$794,000)/ Environmental Services
- Community Energy Staffing (\$712,000)/Community Energy
- Energy Resiliency Strategic Planning (\$550,000)/Community Energy
- Climate Smart San José Plan Implementation (\$500,000)/City-Wide Expenses
- Information Technology Staffing Support (\$182,000)/Transportation

Key Budget Proposals by City Service Area

Neighborhood Services

- Transitional Jobs Program (SJ Bridge, \$700,000)/PRNS
- Project Hope Expansion (\$469,000)/PRNS
- Vietnamese-American Cultural Center (\$296,000)/PRNS
- Education and Digital Literacy Initiative (\$296,000)/Library
- Emergency Program Manager (\$179,000)/PRNS
- Beautify SJ Grants (\$100,000)/City-Wide Expenses
- Library Branch Hours Reduction (-\$1.5 million)/Library
- Community Center Cost Savings (-\$1.4 million)/PRNS
- Parks and Landscape Watering Reduction (-\$1.3 million)/PRNS
- Aquatics, Bascom Community Center, and Family Camp Suspension (-\$1.4 million)/PRNS
- Placemaking and Activation Elimination (-\$999,000)/PRNS

Public Safety

- Public Records Request Staffing (\$725,000)/Police
- Police and Fire Department Computer-Aided Dispatch Upgrade (\$685,000)/Police
- Urban Area Security Initiative Grant Staffing (\$641,000)/City Manager's Office
- Emergency Medical Service Equipment (LUCAS Devices, \$437,000)/Fire
- Special Victims Unit Staffing (\$390,000)/Police
- Emergency Medical Service Technology Staff (\$183,000)/Fire
- Sworn Hire Ahead Program (-\$7.2 million)/Police
- Community Service Officer Staffing (-\$1.4 million)/Police
- Fire Apparatus Reorganization (-\$205,000)/Fire
- Bureau of Field Operations Admin Staffing (-\$118,000)/Fire

Key Budget Proposals by City Service Area

Transportation and Aviation

- Special Assessment District Landscape and Infrastructure Projects (\$790,000)/Transportation
- Contract Vehicle Abatement (\$712,000)/Transportation
- Beautify San José Landscape Maintenance Program (\$500,000)/Transportation
- Vision Zero Quick Build Project Delivery Team (\$354,000)/Transportation
- Airport Passenger Processing and Transportation (-\$1.6 million)/Airport
- Airport Business Development and Fiscal Administration (-\$1.3 million)/Airport
- Airport Airside and Terminal Operations (-\$1.0 million)/Airport
- Airport Building Maintenance (-\$917,000)/Airport
- Neighborhood Traffic Management Staffing (-\$355,000)/Transportation
- Streetlight Maintenance Staffing (-\$300,000)/Transportation

Strategic Support

- Police Phase 2 Elevator Modernization (\$2.2 million)/General Fund Capital Contributions
- Public Works Department CIP Staffing Plan (\$490,000)/Public Works
- Proactive Legal Enforcement of Blighted and Nuisance Properties (\$237,000)/City Attorney
- Capital Project Management System (CPMS) Upgrades (\$195,000)/Public Works
- Equity Education and Analysis Framework (\$100,000)/City Manager
- Talent Development Program (\$100,000)/Human Resources
- Mayor/City Council Office (-\$1.0 million)
- Unanticipated/Emergency Maintenance (-\$500,000)/General Fund Capital Contributions
- Office of Employee Relations Management and Analytical Staffing (-\$423,000)/City Manager
- City Attorney's Office Staffing (-\$336,000)
- Employee Health Services Staffing (-\$182,000)/Human Resources
- Cashiering Staffing (-\$139,000)/Finance
- Utility Billing Staffing (-\$129,000)/Finance
- City Hall HVAC Energy Savings (-\$120,000)/Public Works
- Program Performance Auditor Staffing (-\$125,000)/City Auditor
- City Clerk's Office Front Desk Staffing (-\$90,000)

2020-2021 PROPOSED OPERATING BUDGET MESSAGE

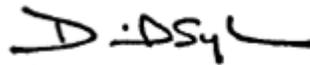
Conclusion

This 2020-2021 Proposed Budget reflects the continuing effort by the Mayor and City Council to have the City of San José engage in sound budget discipline and deliberate decision-making, even during these extraordinary circumstances. The recommendations included in this document take serious steps to address what we know will be a substantially weaker economic environment for the foreseeable future, while still mindful that much of the long-term impact from the pandemic is uncertain.

Though service impacts in 2020-2021 are real, this budget preserves many of the City's most critical functions and minimizes workforce impacts by leveraging available revenues, vacancies, and cost saving strategies to minimize more severe actions that would otherwise be necessary. However, should those additional actions become necessary, the Administration has prepared a contingency package of proposals represented in Attachment C that may be brought forward later in the fiscal year if economic conditions worsen further than anticipated. In advance of that possibility, now is also the time for the City to continue its long-standing 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 once the region begins to recover.

Once again, I want to express appreciation for our extremely dedicated and talented staff who prepared this budget document. Though budget development is always a demanding task, in less than two months the City transformed its budget development process to resolve sudden and severe revenue shortfalls in both 2019-2020 and 2020-2021, an extraordinary accomplishment. These efforts represent an organization-wide focus, from the front lines of each department to the incredibly hard-working staff in the City Manager's Budget Office, and reflects the commitment our employees have for our residents, businesses, visitors, and each other.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "D. Sykes". The signature is stylized with a large initial "D" and a long horizontal stroke at the end.

David Sykes
City Manager

2020-2021 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. Consider current needs in the context of long-term service delivery priorities.
2. Balance ongoing expenditures 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.
3. 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.
4. Evaluate program-level budgets and determine if there are opportunities to shift resources or reconfigure operations to close service delivery gaps, generate new revenues, address truly significant community or organizational risks, fund programs added on a one-time basis in 2019-2020, and/or respond to City Council direction and organizational risks. Review existing vacancies for opportunities to reorganize work groups to realize cost savings or to achieve current service level demands through alternative means. Factor in performance measure data in the development of proposals.
5. 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).
6. 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.
7. Identify City policy changes that would enable/facilitate service delivery improvements or other budget balancing strategies to ensure equity and inclusion for how services are delivered.
8. 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.
9. Explore expanding existing revenue sources and/or adding new revenue sources.
10. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers whereby a cost recovery structure may be lower in certain circumstances, and explore opportunities to establish new fees and charges for services, where appropriate.
11. Focus any available one-time resources on investments that 1) address the City's unmet or deferred infrastructure needs; 2) leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions; 3) continue high-priority programs funded on a one-time basis in 2019-2020 for which ongoing funding is not available; 4) accelerate the pay down of existing debt obligations; 5) increase budget stabilization reserves to address future budget uncertainty; and/or 6) funding needs for non-bond eligible furniture, fixtures, and equipment associated with the continued implementation of Measure T.
12. Engage employees in department and/or city-wide budget proposal idea development.
13. 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.
14. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

2020-2021 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.

2020-2021 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.

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

INTRODUCTION

This attachment is intended to provide a more detailed summary of the key actions taken to balance the 2020-2021 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 2020, the Administration prepared formal projections for the 2020-2021 Proposed General Fund Budget as part of the *2020-2024 City Manager's Budget Request & 2021-2025 Five-Year Forecast and Revenue Projections* document that was released to the City Council. In that document, the 2020-2021 February Base Budget Forecast projections estimated a small 2020-2021 General Fund surplus of approximately \$0.5 million. This surplus represented the difference between projected 2020-2021 General Fund resources and the expected cost of approved 2020-2021 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 2020-2024 Capital Improvement Program or for projects approved by the City Council during 2019-2020).

Subsequent to the release of the February Forecast and as a result of the COVID-19 pandemic and the resulting shelter-in-place mandate, 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 a deficit in the overall General Fund sources and uses. These changes resulted in a decrease of \$72.1 million to the estimated General Fund surplus, for a revised deficit of \$71.6 million. These adjustments to the February Base Budget Forecast are listed later in this section.

The Proposed Budget contains a set of recommended actions that increase both the General Fund sources (by \$106.3 million), and uses (by \$34.7 million) from the Revised Base Budget Forecast, bringing the overall General Fund into balance for 2020-2021. The increase in sources of \$106.3 million includes several major components, including: liquidation of various earmarked reserves for specific purposes (\$16.6 million); Real Property Transfer Tax (Measure E) (\$30.0 million); City Hall Lease-Revenue Bonds Refunding (\$26.0 million), annualization of the Revenue Capture Agreement (\$22.0 million); Sale of Surplus Properties for Future Affordable Housing Developments (\$11.1 million); reduction of interest earnings (\$2.6 million); and other revenue changes (\$3.2 million).

The increase in uses of \$34.7 million in 2020-2021 includes additional funding for the following: Measure E Allocation (\$30.0 million); service level enhancements (\$1.7 million); funding for the 2021-2022 Future Deficit Reserve (\$11.1 million); earmarked reserves (\$1.5 million); critical unmet/deferred infrastructure and maintenance needs (\$5.4 million); continuation of 2019-2020 one-time funded services (\$6.5 million); and other positive changes (\$870,000).

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

INTRODUCTION

These increases were partially offset by savings realized from cost reductions, service delivery efficiencies, and funding shifts (\$20.9 million) and the use of reserves that had been established for specific purposes (\$1.4 million) that were included in the February Forecast. The result of these actions was a balanced 2020-2021 Proposed General Fund Budget of \$1.3 billion.

Table I below displays the overall projections for the 2020-2021 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
2020-2021 PROPOSED OPERATING BUDGET
Forecast To Proposed Budget Reconciliation (in \$000s)

	Total Sources	Total Uses	(Shortfall)/ Surplus
February Base Budget Forecast	\$ 1,290,746	\$ 1,290,202	\$544
Forecast Revisions	(78,598)	(6,476)	(72,122)
Revised Base Budget Forecast (no fee impact)	1,212,148	1,283,726	(71,578)
Proposed Revisions	106,300	34,722	71,578
2020-2021 Proposed Budget	1,318,448	1,318,448	0

General Fund Balancing Strategy Detail

2020-2021 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 incorporated 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 resulted in a deficit of \$71.6 million, a decrease of \$72.1 million from the \$0.5 million surplus in the February Base Budget Forecast. Changes are detailed in Table II below.

Table II
2020-2021 REVISED BASE BUDGET FORECAST
Summary of Changes (in \$000s)

Sources	Revision
Sales Tax	\$ (47,200)
Business Taxes	(7,000)
Property Tax	(5,800)
Transient Occupancy Tax	(5,800)
Fees, Rates, and Charges	(3,254)
Transfers and Reimbursements	(2,540)
Franchise Fees	(2,402)
Other Revenues	(1,102)
Fines, Forfeitures and Penalties	(900)
Utility Tax	(600)
Beginning Fund Balance	(2,000)
Net Change in Sources	\$ (78,598)
Uses	Revision
Transfers to Other Funds	\$ (2,000)
Position and Fund Realignments/Corrections	(3,876)
Non-Personal/Equipment and City-Wide Expenses	(599)
Net Change in Uses	\$ (6,475)
Total Change (Shortfall)/Surplus	\$ (72,122)

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Source of Funds

A summary table is provided below for the revenue changes incorporated into the Revised Base Budget Forecast, which were used as the starting point in preparing the 2020-2021 Budget.

<u>Category</u>	<u>\$ Change</u>	<u>Description</u>
Revenue from Local Agencies	\$ 40,000	Increase of \$40,000 reflects an increase of revenue anticipated to be received from Santa Clara County for the Central Fire District payment.
Sales Tax	(47,200,000)	Decrease of \$47.2 million as a result of the COVID-19 pandemic (from \$267.7 million to \$220.5 million). The revised 2020-2021 revenue reflects a 6.0% decline from the 2019-2020 estimated receipts (excluding the Revenue Capture Agreement) and a 16.3% decline from 2018-2019 actual collections.
Business Taxes	(7,000,000)	Decrease of \$7.0 million as a result of the COVID-19 pandemic (from \$77.9 million to \$70.9 million). The revised 2020-2021 revenue reflects a slight (0.7%) increase from 2019-2020 estimated receipts due to the timing of General Business Tax receipts. However, 2020-2021 revenue reflects a 5.3% decline from 2018-2019 actual collections.
Property Tax	(5,800,000)	Net decrease of \$5.8 million primarily as a result of the COVID-19 pandemic (from \$376.3 million to \$370.5 million). The revised 2020-2021 revenue reflects a 0.8% increase from 2019-2020 estimated revenue and 12.2% increase from 2018-2019 actual collections. This net decrease is due to lower anticipated Educational Revenue Augmentation Fund (ERAF) revenue (\$4.5 million) and Unsecured Property Tax revenue (\$2.3 million), partially offset by slightly higher general Secured Property Tax revenue (\$1.0 million).
Transient Occupancy Tax	(5,800,000)	Net decrease of \$5.8 million as a result of the COVID-19 pandemic (from \$20.8 million to \$15.0 million). The revised 2020-2021 revenue reflects an 11.1% increase from the 2019-2020 estimated revenue, but a 27.0% decline from 2018-2019 actual collections.

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Source of Funds

Category	\$ Change	Description
Transfers and Reimbursements	\$(2,539,922)	Net decrease of \$2.5 million reflects updated overhead reimbursements from capital and operating funds based on the final 2020-2021 base budget and overhead rates (\$233,000), lower transfers to the General Fund (-\$773,000) and decreased Gas Tax revenue (-\$2.0 million).
Franchise Fees	(2,402,000)	Net decrease of \$2.4 million primarily reflects updated information received in April 2020, which reduces the 2020-2021 estimates for Electric Franchise Fees by \$2.4 million (from \$22.4 million to \$20.0 million).
Beginning Fund Balance	(2,000,000)	Net decrease of \$2.0 million reflects a lower transfer to the new Development Program Fee Funds in 2020-2021, as a result of less funding anticipated to be available after the end of 2019-2020 due to adjusted costs in the respective fee programs.
Fines, Forfeitures, and Penalties	(900,000)	Net decrease of \$900,000 to parking fine citations (\$700,000; from \$12.7 million to \$12.0 million) and business tax penalties (\$200,000; from \$1.2 million to \$1.0 million) as a result of the COVID-19 pandemic.
Utility Tax	(600,000)	Net decrease of \$600,000 as a result of the COVID-19 pandemic (from \$96.4 million to \$95.8 million). The revised 2020-2021 revenue reflects a 0.3% decrease from the 2019-2020 estimated revenue and a 3.5% decline from 2018-2019 actual collections.
Licenses and Permits	(442,000)	Decrease of \$442,000 aligns revenues with anticipated activity levels for Fire Dept Non-Development Fee Program permits.
Revenue from the State	(400,000)	Decrease of \$400,000 reflects updated information from the State of California regarding Tobacco Settlement funds.
Use of Money and Property	(300,000)	Decrease aligns the interest earning revenue with updated projection levels. Less revenue is anticipated in 2020-2021 due to declining interest rates coupled with lower cash flow projections.
Total	<u>\$(78,597,747)</u>	

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Use of Funds

Provided below is a listing for all expenditure changes incorporated into the Revised Base Budget Forecast, which were used as the starting point in preparing the 2020-2021 Budget.

Category	\$ Change	Department
Personal Services Adjustments		
Salaries and Benefits Reserve	\$(4,000,000)	Citywide
Personal Services Savings	(2,420,387)	Citywide
Federated Retirement Costs (Administration Expense)	2,544,000	Citywide
Non-Personal/Equipment Adjustments		
Public Life and Parks Activation	(635,000)	PRNS
Updated Database Environment Licensing	(260,000)	Information Technology
Workers Compensation State License	(200,000)	Human Resources
Non-Personal/Equipment (Versaterm)	(115,061)	Police
Non-Personal/Equipment Savings	(73,689)	Fire
Cloud Services (Microsoft)	(60,000)	Information Technology
Business Incentive - Business Cooperation Program Administration	(56,000)	Economic Development
Business Incentive - Business Cooperation Program	(51,000)	Economic Development
Cloud Services (Azure)	(50,000)	Information Technology
Re-architecting and Re-procurement of Network Perimeter	(50,000)	Information Technology
Senior Nutrition Program	(40,000)	PRNS
Revenue Management Lien Fees	(40,000)	Finance
Tape Backups	(38,000)	Information Technology
Non-required Software for Server Administration	(30,000)	Information Technology
Online Storage Requests (Oracle)	(17,500)	Information Technology
City Facilities Solid Waste	(11,773)	Environmental Services
City Dues/Memberships	(5,000)	Clerk
Civil Service Commission	(4,000)	Clerk
Electronic Document Management System Maintenance	(3,300)	Clerk
Alum Rock Counseling Ctr, Inc (Crisis Intervention Program for Youth)	404	Police
Truancy Abatement and Burglary Suppression (TABS) counseling	1,397	Police
YWCA (Domestic Violence)	2,696	Police

General Fund Balancing Strategy Detail 2020-2021 Proposed Operating Budget

Category	\$ Change	Department
Non-Personal/Equipment Adjustments		
Our City Forest	9,351	Transportation
My San Jose Application Support	14,400	Information Technology
Electronic Time Clocks (HHPZ, Family Camp, and EOC)	43,000	Information Technology
Microsoft Support Services	110,000	Information Technology
City-wide Retail Attraction Program	200,000	Economic Development
Parks Rehabilitation Strike and Capital Infrastructure Team	760,000	PRNS
Transfers to Other Funds		
Public Works Development Fee Program Fund	(2,500,000)	Public Works
Citywide Planning Fee Program Fund	500,000	PBCE
Total	\$ (6,475,462)	

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Table III
2020-2021 PROPOSED OPERATING BUDGET
General Fund Balancing Strategy (in \$000s)

	2020-2021	Ongoing
2020-2021 General Fund Deficit	\$ (71,578)	\$ (71,578)
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
2020-2021 Future Deficit Reserve	\$ 10,894	\$ 0
Budget Stabilization Reserve	5,000	0
Other Reserve Liquidations	671	0
Grants/Reimbursements/Fees		
Google-Diridon Station Development and Planning	1,272	0
UASI Grant – Office of Emergency Management	641	0
Merchant Card Transaction Fee	415	800
PRNS Fee Rev (Summer Swim, Family Camp, Comm Centers, HHPZ Corpl)	(1,875)	(150)
Library Juvenile Fines	(175)	(175)
Viva CalleSJ and Viva Parks Placemaking	(144)	0
Other Fee Programs/Reimbursements/Grants	1,451	1,311
Other Revenue		
Real Property Transfer Tax (Measure E)	30,000	30,000
City Hall Lease-Revenue Bonds Refunding	26,000	0
Sales Tax (Revenue Capture Agreement Annualization)	22,000	22,000
Sale of Surplus Property (Future Affordable Housing Developments)	11,100	0
Communications Facilities Property Rentals	300	300
Interest Earnings (Pre-funding of City Retirement Contributions)	(2,573)	(2,573)
Overhead Reimbursements/Transfers from Other Funds	1,323	860
Subtotal Source of Funds	\$ 106,300	\$ 52,373
Use of Funds		
Measure E Allocation (Homelessness Prevention and Affordable Housing)	\$ 30,000	\$ 30,000
2021-2022 Future Deficit Reserve	11,076	0
2019-2020 One-Time Funded Services	6,454	591
Unmet/Deferred Technology, Infrastructure, and Maintenance	5,407	0
Service Level Enhancements	1,699	731
Earmarked Reserves (Essential Services, and Litigation Reserve)	1,500	0
Other Fee Programs/Grants/Reimbursements	745	(25)
New Infrastructure/Equipment Operations and Maintenance	125	214
Use of Reserves (Deferred Maintenance, Committed Additions)	(1,375)	(214)
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(20,909)	(30,843)
Subtotal Use of Funds	\$ 34,722	\$ 454
Total Balancing Strategy	\$	\$ 51,919
Remaining Balance	\$ 0	\$ (19,659)

General Fund Balancing Strategy Detail

2020-2021 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 2020-2021, 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 a package of contingency proposals that the City Council may consider for action later in the fiscal year if budgetary conditions worsen.

Source of Funds

From the Revised Forecast of \$1.21 billion, a net increase of \$106.3 million to the General Fund revenue estimates are recommended, bringing the 2020-2021 Proposed Budget estimate to \$1.32 billion. The components of this change includes an increase to the estimate for 2019-2020 Ending Fund Balance/2020-2021 Beginning Fund Balance (\$16.6 million) and increases to various revenue categories (\$89.7 million). The proposed changes are summarized in the following table. Further detail is incorporated into the General Fund Revenue and departmental sections of this document.

Category	\$ Change	Description
Other Revenue	\$ 39,094,313	Increase of \$39.0 million primarily reflects the refunding of outstanding City Hall lease-revenue bonds (\$26.0 million) and the sale of five City-owned properties to the Housing Department (\$11.1 million).
Real Property Transfer Tax	30,000,000	Increase of \$30.0 million to reflect anticipated revenue related to the new Real Property Transfer Tax (Measure E), which becomes effective on July 1, 2020.
Sales Tax	22,000,000	Increase of \$22.0 million to reflect the annualization of General Sales Tax revenue anticipated to be received in 2020-2021 as a result of the Revenue Capture Agreement.
Beginning Fund Balance	16,565,768	Net increase of \$16.6 million reflects the liquidation of various reserves, the largest of which include the 2020-2021 Future Deficit Reserve (\$10.9 million) and the Budget Stabilization Reserve (\$5.0 million).
Transfers and Reimbursements	1,322,413	Net increase of \$1.3 million reflects the increase in overhead from the budget actions that change the staffing levels funded by special and capital funds.
Licenses and Permits	719,837	Increase of \$720,000 reflects various license and permit changes recommended to the Fire Permits (\$421,000) and Other Licenses and Permits (\$299,000) categories to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels.

General Fund Balancing Strategy Detail

2020-2021 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

<u>Category</u>	<u>\$ Change</u>	<u>Description</u>
Revenue from the Federal Government	\$ 640,709	Increase of \$641,000 to recognize Urban Areas Security Initiative (UASI) grant revenue, which will be allocated to the Office of Emergency Management.
Franchise Fees	202,096	Increase of \$202,000 reflects an increase in the Commercial Solid Waste fees by 1.81% based on the change in the Consumer Price Index.
Revenue from Use of Money and Property	(2,273,000)	Net decrease of \$2.3 million reflects reduced interest earning receipts as lower cash balances are anticipated in 2020-2021 as the City will return to pre-paying retirement contributions (\$2.6 million). This reduction is partially offset by higher anticipated communication facilities property rental revenue (\$300,000).
Fees, Rates, and Charges	\$(1,828,301)	Net decrease of \$1.8 million is primarily due to Parks, Recreation and Neighborhood Services Department Fees, Rates, and Charges reducing in 2020-2021 to reflect summer swim not occurring in summer 2020, Family Camp not being operational in 2020, community center hours and activities being greatly reduced, and the Corporate Rentals at Happy Hollow Park and Zoo being eliminated (-\$1.9 million). In addition, an ongoing reduction to the Library Department fee revenue (-\$175,000) is reflected for the elimination of youth library fines. These reductions are partially offset by various fee changes recommended in 2020-2021 to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels (\$222,000).
Revenue from Local Agencies	(144,000)	Decrease of \$144,000 to reflect the elimination of funding from the County of Santa Clara for Viva CalleSJ and ¡Viva Parks! as these placemaking events will no longer be funded with City resources.
Total	\$ 106,299,835	

General Fund Balancing Strategy Detail 2020-2021 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

From the Revised Base Budget Forecast of \$1.28 billion, a net increase of \$34.7 million to the General Fund expenditures is recommended, bringing the 2020-2021 Proposed Budget Use of Funds estimate to \$1.32 billion. A listing of the Proposed Budget modifications is provided by specific categories in Table III. Further detail is incorporated into the departmental and City-Wide sections of this document.

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Status of Mayor and City Council Referrals

2020-2021 Proposed Operating Budget

The Mayor’s March Budget Message for Fiscal Year 2020-2021, as approved by City Council on March 17, 2020, 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 Budget 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 2020-2021 Proposed Budget. It is important to note that, due to the economic impact from the COVID-19 pandemic, many of the items included in Tier III of the Mayor’s March Budget Message are not included in the 2020-2021 Proposed Budget or have been modified in acknowledgement of the City’s changed budgetary outlook.

Referral	Resolution
<p>Balanced Budget - Submit a balanced budget for Fiscal Year 2020-2021 that is guided by the policy direction and framework of priorities outlined in the Mayor’s March Budget Message.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction to submit a balanced budget for Fiscal Year 2020-2021 that is guided by the policy direction and priorities as outlined in the Mayor’s March Budget Message to the extent possible given the economic impacts of the COVID-19 pandemic.</p>
<p>Eliminating Debts – Use the bulk of the nearly \$25 million in one-time funds from the Finance team’s excellent work on refunding of City Hall debt—approximately \$19 million—to pay the remaining debt balances on both the Los Lagos Golf Course and the LED streetlight conversion contract (aka, ESCO Master Lease Agreement). Combined, these actions will inure to the benefit of City taxpayers about \$4 million annually, which will surely improve critical services in the years ahead.</p>	<p>The 2020-2021 Proposed Operating Budget recognizes one-time funds of \$26 million from the refunding of City Hall and allocates \$7.9 million to retire debt associated with the Los Lagos Golf Course and \$10.6 million to pay off the ESCO Master Equipment Lease. The elimination of these debt obligations, combined with the lower debt service anticipated for the new City Hall lease-revenue bonds, is anticipated to yield a total ongoing savings of \$4.2 million in the General Fund.</p>
<p>Future Deficit Reserve – Allocate \$11.1 million to address the projected shortfall in 2021-2022 on a one-time basis. Return to Council with a Manager’s Budget Addendum identifying proactive strategies that will address an anticipated larger gap, including consideration of cost saving efficiencies and reduction strategies.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction to allocate \$11.1 million to establish a 2021-2022 Future Deficit Reserve. Due to economic impacts of the COVID-19 pandemic and the need to develop a contingency plan if economic conditions worsen, the focus has been to develop additional budget balancing strategies for 2020-2021 if needed rather than focus on further strategies through a Manager’s Budget Addendum for 2021-2022. The 2020-2021 Contingency Plan “Package 2” is contained in Attachment C to this transmittal memorandum.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Budget Stabilization Reserve – Review the current balance of this reserve and make contributions as necessary to maintain a protective level of funds. Specifically, to address what is almost certainly going to be a substantial shortfall, deposit into this fund all of the anticipated one-time revenues from the Revenue Capture Agreement between the City and eBay.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. Instead, the 2020-2021 Proposed Operating Budget allocates a modest \$5.0 million from the Budget Stabilization Reserve to retain as much of the Reserve as possible to help with future anticipated shortfalls and recognizes \$22 million of additional Sales Tax proceeds from the Revenue Capture Agreement to help resolve the projected \$71.6 million General Fund shortfall.</p>
<p>Essential Services Reserve – Set aside \$3 million in one-time funds that may be used to support services that are of essential importance to our residents. Services deemed essential by the City Council may be funded with the use of these one-time funds.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. Instead, the 2020-2021 Proposed Operating Budget establishes a \$1 million Essential Services Reserve that will be used to support one-time services that are deemed essential by the City Council.</p>
<p>Sinking Funds – Review the City’s capital programs to ensure “sinking fund” policies exist to address future capital replacement and maintenance needs. Consider how new funding sources for parks and recreation capital improvements, such as a parks bond or community financing district, can provide a set-aside for capital replacement and (if legally feasible) maintenance. Review and augment our sinking fund to address our IT “tech debt,” including last year’s contribution of \$2 million, while considering future critical replacement and repair needs for our aging IT.</p>	<p>The Administration will review the City’s capital programs to ensure that “sinking fund” policies exist to address future capital replacement and maintenance needs where appropriate and affordable. Consideration will be given to how funding sources for parks and recreation capital improvements, such as a parks bond or community financing district, can provide a set-aside for capital replacement and (if legally feasible) maintenance. The IT sinking fund balance of \$2 million will be rebudgeted into 2020-2021 later in the budget process. Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include the direction to augment this fund.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Bridge Housing Communities (BHC)/ “Tiny Homes”/“Cabins” – Report to Council in May with an update about (a) the lease-up of the Mabury BHC, (b) the status and well-being of its residents, and (c) the development of the second BHC site. Return to Council in September with the identification of two additional BHC sites, and to obtain Council approval to begin construction that will at least double our transitional housing capacity.</p>	<p>Transitional or bridge housing is a current strategy of the City’s COVID-19 response: (a) the Maybury BHC site is currently occupied with both Rapid Rehousing recipients who are actively seeking a home (27) and COVID-19 vulnerable people (13); (b) the Maybury BHC site is meeting its goal to transition residents (12) into permanent housing while four have exited out of the program, (c) the second BHC site is scheduled to open by the end of this summer.</p>
<p>Homelessness Prevention – Triple the City’s current commitment of \$3 million to \$9 million. This funding will be particularly critical to address the disruptive impacts of economic shutdowns prompted by the spread of the coronavirus. In partnership with a consortium of non-profits led by Destination: Home, recommend that the Council and City Manager work together to encourage other public and private organizations to match the City’s enhanced contribution dollar-for-dollar.</p>	<p>In accordance with the estimated revenue projection for Measure E real property transfer tax revenues due to the economic impacts of the COVID-19 pandemic as well as the Measure E spending allocation approved by the City Council on December 10, 2019, the 2020-2021 Proposed Operating Budget establishes a \$2.85 million Measure E – Homelessness Prevention Reserve. The Council and City Manager will work with public and private organizations to match the City’s contribution dollar-for-dollar.</p>
<p>Homeless Students – Provide the Bill Wilson Center up to \$55,000 in 2020-2021, and matching funds of up to \$60,000 over the following two years in support of this effort, from the tranche of funds allocated to Extremely Low Income residents.</p>	<p>The 2020-2021 Proposed Operating Budget allocates \$115,000 from Measure E proceeds to support this effort.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>SJ Bridge Employment – Report to Council during the Budget Process on both the efficacy of the cleaning crews in combatting blight, and in the efficacy of the program in enabling clients to reclaim a path to self-sufficiency. Continue the program for another year and expand the program to ensure sufficient transitional jobs and work crews are available to routinely clean Guadalupe River Park and St. James Park, in addition to their current routes. Explore non-General Fund potential future sources of funding, with support from the Mayor’s Office.</p>	<p>The 2020-2021 Proposed Operating Budget includes \$500,000 from the General Fund and \$200,000 from the St. James Park Management District Fund to continue the SJ Bridge Program as directed.</p> <p>The Administration will issue a Manager’s Budget Addendum later in this budget process to report on both the efficacy of the cleaning crews in combatting blight, and in the efficacy of the program in enabling clients to reclaim a path to self-sufficiency</p>
<p>Backyard Homes – Return to Council by June with a proposal that will allocate the first \$5 million generated within the 10% moderate-income tranche of Measure E revenues for this program, with the requirement that rent restrictions remain on the units for an extended period of time, of not less than 5 years, or until the homeowner pays off the City loan.</p>	<p>The Administration will return to City Council in response to this direction on Backyard Homes as soon as the Housing Department is able to resume working on non-COVID-19 work.</p>
<p>Navigation Center – Inform the Council, verbally at Council or through information memorandum, by May, of the status of efforts to identify a site, and with specific options for the City to move this important work forward.</p>	<p>Funds that were previously directed for the development and operations of a potential navigation center were approved by the City Council on April 7, 2020 to be reallocated towards the lease, purchase, and/or construction of emergency housing, including prefabricated modular units during the declared Shelter Crisis for individuals impacted by the COVID-19 pandemic.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Police Staffing – Add 20 sworn officers to the current budget authorization of 1,151, with an emphasis on expanding such units as Street Crimes, sexual assaults and domestic violence investigations, and traffic enforcement. The Five-Year Forecast should be adjusted to reflect this investment. To help support the hiring of the sworn staff, apply for a federal COPS Hiring Program grant. If awarded, this grant will help provide substantial one-time funding, and mitigate the General Fund impact over multiple years.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include the addition of 20 sworn officers. However, the 2020-2021 Proposed Operating Budget adds 1.0 Police Lieutenant to the Bureau of Investigations to support the creation of a new Special Victims Unit (SVU), facilitating an internal reorganization of the Sexual Assaults Investigative Unit (SAIU) to more effectively prioritize sexual assault response.</p>
<p>Improving Deployment Efficiency – Allocate one-time funding of \$350,000 to the Police Department to support the redistricting effort.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>Downtown Foot Patrol – Fund the \$600,000 Downtown Foot Patrol Program with ongoing dollars, but only upon the addition of this beat as a routinely-assigned, non-voluntary shift in the next fiscal year. The City Manager is further directed to engage in discussions with the County Sheriff, under contract with the VTA, to offer a visible presence for the benefit of transit riders along the light rail and Santa Clara Street bus corridors, and to further report to the PSFSS Committee outcomes of prior years’ spending on Downtown Foot Patrol, and to discuss plans to get officers on walking beats Downtown.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include funding for the Downtown Foot Patrol. As a result, a report to the PSFSS Committee on the outcomes of the Downtown Foot Patrol is not anticipated to be scheduled. The Administration will engage in discussion with the County Sheriff, under contract with VTA, to offer a visible presence for the benefit of transit riders along the light rail and Santa Clara Street bus corridors.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Fire Station 37 – Staffing for Adequate Fire and Emergency Response (SAFER) grants provide funding directly to local fire departments to boost the numbers of trained firefighters in their communities. We have used SAFER grants in the past to rebuild our Fire Department from the days of browned-out stations during the Great Recession. With the addition of new stations, we should again commit a City “match” to ensure we can secure these grants to offset early years of funding. The City Manager is directed to do so, with the addition of any ongoing expenditures in the Five-Year projection to account for the future staffing of Fire Station 37.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>Fire Station 20/ARFF – Evaluate the addition of an engine company in the future, but in the meantime, identify additional funding in Measure T or other capital sources to move forward with this expansion of Fire Station 20. Due to the FAA’s March 31st deadline for the City’s commitment to the project, comply with that schedule and allow full funding to allow off airport operations. Reimburse the Measure T program as part of future budget cycles from the Fire Construction and Conveyance Tax Fund, the General Fund, or other eligible sources.</p>	<p>A total of \$4.6 million was allocated in the Measure T, San Jose Disaster Preparedness, Public Safety and Infrastructure Bond Program to advance the reconstruction and expansion of Fire Station 20, otherwise known as the Airport Rescue and Fire Fighting (ARFF) services. Fire Station 20 was not identified as a Measure T project; therefore, the \$4.6 million will be replenished as part of future budget cycles from eligible funding sources.</p>
<p>Gun Violence: Ordinance Completion and Support of Recovery of Public Subsidy for Guns – Allocate one-time funding over the next two years, to support research, implementation, and legal analysis to evaluate and, with Council approval, implement these measures.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Traffic Safety and Automated Speed Warnings – Assess the cost and legal feasibility of this approach, and, if legally feasible, present (in this budget year) for Council approval the capital cost of installing automated speed detectors along at least five pilot PSC corridors.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>Traffic Safety and Street Improvements – Designate \$300,000 previously allocated and an additional \$1.7 million in traffic capital funding (\$2.0 million total) for traffic calming, traffic mitigation, and safety-enhancing improvement projects in targeted neighborhoods and/or major roads. Communicate to Council verbally or through an Information Memorandum to identify the funded projects, utilizing a data-driven approach that focuses on investments that can most substantially reduce the risk of harm to pedestrians and cyclists.</p>	<p>The City Council approved the elimination of this funding as one of the actions taken at its meeting on April 28, 2020 to address the \$45 million revenue shortfall anticipated for 2019-2020 due to the COVID-19 pandemic. However, funding for traffic calming, traffic mitigation, and safety-enhancing improvement projects in targeted neighborhoods and/or major roads is included in the 2020-2021 Proposed Capital Budget and 2021-2025 Capital Improvement Program. The Administration will communicate to Council verbally or through an Information Memorandum to identify the funded projects, utilizing a data-driven approach that focuses on investments that can most substantially reduce the risk of harm to pedestrians and cyclists.</p>
<p>Development Services Action Team – Create a Development Services Action Team to drive the transformation of the development process and delivery of priority projects, led by a newly-created Deputy City Manager position. That Deputy’s portfolio must consist solely of the work of change management, trouble-shooting, and meeting clear outcome-focused metrics across all of the development services departments. To the extent recommended by the City Attorney, the City Manager should use development services fees to fund this position for two years.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. However, the Proposed Budget shifts a Deputy City Manager position from the Office of Economic Development to the City Manager’s Office, allowing for a dedicated position rather than one that is also performing Office Director duties. With this shift, this position will be able to focus on development services work as well as economic recovery efforts among other key work..</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Attorney Affordable Housing – Use one-time housing funds to add an Affordable Housing Attorney for a two-year period for legal research and review, help with housing grants, homelessness issues, and consultant contracts that will enable City staff to scale up expertise and protocols for greater affordable development activity in the years ahead.</p>	<p>The 2020-2021 Proposed Operating Budget adds 1.0 Senior Deputy City Attorney limit-dated through June 30, 2022. More details about this position can be found within the Housing Department section of the budget document.</p>
<p>Backyard Homes—ADU Allies – Allocate sufficient resources from the appropriate Development Services Fee Program dedicated to the ADU program’s need for engineering, building inspection, and permitting services.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget results in a net reduction to Planning Development Fee Staffing by 2.0 position; however, 1.0 Analyst position limit-dated to June 30, 2021 has been added to continue the ADU Ally program launched in August 2019. More details about these actions can be found in the Planning, Building and Code Enforcement Department section of the budget document.</p>
<p>Facilitating the Siting of Transitional and Permanent Housing Solutions – Allocate funding to develop and deploy this program at future interim and permanent supportive housing sites within the City, after providing the Council with a report of the outcomes of our pilot efforts and with opportunity for input. The City Manager and City Attorney are further directed to return to Council this Spring with a set of recommendations about how and whether the City can provide a geographically-defined local preference for the housing of homeless individuals or low-income family in any new housing site.</p>	<p>Transitional or bridge housing is a current strategy of the City’s COVID-19 response. The Administration will return to the City Council as soon as is feasible in response to this direction on facilitating the strategy of transitional and permanent housing strategies.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Equity Framework – Allocate one-time funding for two years to develop a workplan that 1) integrates an equity framework into decision-making, and operationalizes this practice in our daily work, 2) creates a coordinated community engagement approach that builds effective partnerships, 3) creates infrastructure to ensure the City has a data-driven approach, 4) sets aside resources for external consultants or facilitators to assist the City, where necessary, and 5) substantially expands language access capacity. The City Manager is further recommended to change the title of the Office of Immigrant Affairs to better reflect the expanded scope of its work on racial equity.</p>	<p>The 2020-2021 Proposed Operating Budget adds \$100,000 for one year, rather than two years, due to the economic impacts of the COVID-19 pandemic. This funding will provide for equity framework development, focused on training and capacity building within the organization and integrating an equity framework into decision-making on select programs. No name change for the Office of Immigrant Affairs is recommended in the Proposed Budget; however, the Administration will incorporate a name change as part of the 2020-2021 Adopted Budget.</p>
<p>Equity and Budgeting – Issue a Manager’s Budget Addendum that outlines this year’s progress on implementing an equity screen to guide the distribution of resources for neighborhood services, as directed by Council through my June 2019-20 Budget Message, including specific description of the criteria used for resource allocation. Include a summary description of work undertaken by departments to incorporate an equity review and analysis in the City Manager’s current budget proposals.</p>	<p>A Manager’s Budget Addendum will be issued later in the budget process in accordance with this direction on equity and budgeting.</p>
<p>Storefront Activation Program – Allocate one-time funding of \$250,000 to continue this program, and to proactively communicate the availability of the program to less traditional storefront tenants, such as community-based non-profits, arts organizations, and day-care centers.</p>	<p>The 2020-2021 Proposed Operating Budget adds one-time funding of \$200,000, rather than \$250,000, to continue the Storefront Activation Grant Program due to the economic impacts of the COVID-19 pandemic. More details on this action is provided in the City-Wide Expenses Community and Economic Development CSA section of this document.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Neighborhood Business District (NBD) Grants – Consolidate its NBD grants and allocate an additional \$10,000 in ongoing funding to increase the current grant program to \$60,000, with priority given to business districts providing services addressing small business and non-profit anti-displacement strategies.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>Affordable Housing and Commercial Space – Convene key partners in the Departments of Housing, Planning, and Economic Development, the County, Housing Authority, housing builders, and financing partners to explore and identify alternative sources of funding and new approaches to financing that would enable inclusion of ground-floor commercial space uses for retail, restaurants, and neighborhood services, such as child care, laundry, and gyms, within affordable housing projects.</p>	<p>The Administration will follow this direction and convene key partners to explore and identify alternate sources of funding and new approaches to funding that would enable ground floor commercial spaces within affordable housing projects.</p>
<p>Education and Digital Literacy – On February 11, our City Council unanimously approved the San Jose Education Policy to articulate and institutionalize the City's approach to education. San Jose's future prosperity depends enormously on the educational success of our youth. Driven by the values of equity, opportunity, quality, and accountability, the Policy guides the City investment and focuses our efforts on improving outcomes for our children. As our Library Department assumes primary leadership and support responsibilities with PRNS and other departments, identify citywide resources that can be used to continue this work.</p>	<p>The 2020-2021 Proposed Operating Budget adds one-time funding from the Library Parcel Tax Fund and the San Jose Public Library Foundation for 2.0 positions to continue the expansion of the Education and Digital Literacy Program. More details on this action can be found in the Library Department section of the budget document.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>SJ Learns – Allocate another \$300,000 in one-time funds to SJ Learns.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>BeautifySJ: Inter-Departmental Coordination – Explore consolidating the effort under a single manager focused on ridding our City of blight. Evaluate both one-time and ongoing beautification investments that allow for more effective blight-reduction strategies.</p>	<p>Prior to the COVID-19 pandemic, the Administration was pursuing the consolidation of the BeautifySJ program and will continue these efforts in the future. The 2020-2021 Proposed Operating Budget allocates one-time funding of \$500,000 for the BeautifySJ Program. More details on this action can be found in the Transportation Department section of the budget document.</p>
<p>BeautifySJ: Interagency Coordination – Negotiate with other entities to facilitate City response to a blight complaint on another agency’s land, but with compensation from that landowning agency.</p>	<p>The Administration will follow this direction on interagency coordination for the Beautify SJ program.</p>
<p>BeautifySJ Sponsorships – Authorize department directors to accept sponsorships and donations for BeautifySJ programming of departments operating within enterprise funds, and to do so without having to return to Council for approval.</p>	<p>The Administration will follow this direction on BeautifySJ program sponsorships.</p>
<p>BeautifySJ Grant Program – Allocate \$200,000 in one-time funds to the BeautifySJ Grant program to continue the momentum.</p>	<p>The 2020-2021 Proposed Operating Budget adds one-time funding of \$100,000, rather than \$200,000, due to the economic impacts of the COVID-19 pandemic, to the BeautifySJ Grant Program. More details on this action can be found in the City-Wide Expenses Neighborhood Services CSA section of this document.</p>
<p>Cash for Trash – Use one-time funds of \$55,000 to continue this program into the next fiscal year, and to explore other sources of potential funding, including the City’s sources and philanthropic contributions, to sustain the program.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>City-Owned Cultural Facilities – Identify appropriate one-time sources of funds to increase the contribution in 2020-2021 and evaluate a 5-year capital improvement program to identify and program funding to satisfy current and future needs. Explore re-instituting the previous increment funding approach, and further evaluate whether Team San Jose-operated City venues, such as the Center for Performing Arts, California Theater, and Montgomery Theater should be included within the fund, with supplemental annual contributions. Report back to the Council through the budget process.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. At this time, the Administration does not recommend the re-institution of incremental funding as it reduces the flexible use of the General Fund to resolve budgetary shortfalls that are expected over the next several years.</p>
<p>History San Jose – Allocate \$300,000 in funds from the Cultural Facilities Capital Reserve to address high-priority capital improvements such as paving its dirt employee parking lot or replacing its perimeter fence.</p>	<p>A Manager’s Budget Addendum will be released later in the budget process to allocate funding from the Cultural Facilities Capital Maintenance Reserve, including an allocation for History San José to address high priority capital improvements.</p>
<p>St. James Park/Levitt Pavilion – Work with Chuck Toeniskoetter, the former CEO of TBI, who has volunteered his time to collaborate with the Friends of Levitt and convene a group of private sector experts to review the development and construction of the project, and to propose changes to lower costs. Because this Pavilion will comprise the largest outdoor music venue in San Jose and will serve the entire community, explore and propose the expenditure of citywide sources, such as the Construction and Conveyance Tax City-Wide Fund, for the construction of the Pavilion.</p>	<p>The Administration will follow this direction to work with Chuck Toeniskoetter to lower project costs and explore and propose the expenditure of citywide funding sources as soon as practical.</p>
<p>Armory Renovation – Identify capital funds up to \$250,000 for planning of this space to support the artist community. Given that traffic mitigation funds originally designed for this project appear to be no longer needed, the City Manager should consider this as a source, if appropriate.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>

Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p>Children's Musical Theater San Jose (CMT) – Provide \$250,000 in one-time funds to CMT in the form of a Development Agreement to support its new space for calendar year 2020.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>Vietnamese American Cultural Center – Include funding to continue operations, and to bring forward a recommendation on the feasibility to make this funding ongoing.</p>	<p>The 2020-2021 Proposed Operating Budget continues operations of Vietnamese-American Cultural Center on an ongoing basis as described in more detail within the Parks, Recreation and Neighborhood Services Department section of the budget document.</p>
<p>Rotary and Fireworks – Identify this modest one-time funding necessary to defray the entire cost of ‘active shooter’ insurance, and to work with Rotary and our Office of Cultural Affairs to identify ongoing funding for the purpose.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p>Innovation Imperative – Identify grant funding that can stabilize City Manager’s Office of Civic Innovation staffing for the coming fiscal year, and allocate sufficient ongoing resources to sustain at least three positions addressing high priority areas such as the digital inclusion program, privacy policy, small wonders, data analytics and digital transformation.</p>	<p>The 2020-2021 Proposed Budget includes funding for the Office of Civic Innovation as described within the City Manager’s Office section in the budget document.</p>
<p>Prior One-Time Funded Items – Evaluate programs funded on a one-time basis in 2019-2020 for continuation in Fiscal Year 2020-2021.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction to evaluate programs funded on a one-time basis in 2019-2020 for potential continuation in 2020-2021. While a small number of one-time programs have been included in the Proposed Budget, unfortunately, due to the economic impacts of COVID-19, many programs were unable to be funded in 2020-2021 and are recommended to end as scheduled. A Manager’s Budget Addendum will be issued later in the budget process to identify those items not recommended for funding in the 2020-2021 Proposed Budget.</p>

**Status of Mayor and City Council Referrals
2020-2021 Proposed Operating Budget**

Referral	Resolution
<p>Budget Balancing Strategy Guidelines – Use the 2020-2021 Budget Balancing Strategy Guidelines as detailed in Attachment A to develop a balanced budget for the next fiscal year.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction and used the 2020-2021 Budget Balancing Strategy Guidelines for budget development.</p>

Contingency Budget Proposal Package 2020-2021 Proposed Operating Budget

Attachment C

The following list of proposals are not part of the City Manager's 2020-2021 Proposed Operating Budget. These proposals represent implementable reductions that the City Council may need to consider later in the fiscal year if budgetary conditions deteriorate further.

Department	2020-2021 FTE	2020-2021 Amount	2021-2022 FTE	2021-2022 Amount
Attorney	(3.43)	(633,931)	(3.43)	(633,931)
City Attorney's Office Attorney Staffing	(3.43)	(633,931)	(3.43)	(633,931)
Auditor	(2.00)	(264,061)	(2.00)	(264,061)
City Auditor Audit Staffing	(2.00)	(231,261)	(2.00)	(231,261)
City Auditor Non-Personal/Equipment (Annual Survey)		(32,800)		(32,800)
City Manager	(4.50)	(985,231)	(4.50)	(985,231)
Office of Emergency Management Training and Analytical Staffing and Emergency Plans	(2.00)	(394,772)	(2.00)	(394,772)
Office of Civic Innovation Project Staffing Elimination	(1.00)	(222,305)	(1.00)	(222,305)
Office of Employee Relations Analytical Staffing	(1.00)	(147,386)	(1.00)	(147,386)
Office of Administration, Policy, and Intergovernmental Relations Policy Staffing	(0.50)	(141,768)	(0.50)	(141,768)
Customer Satisfaction Survey (Bi-Annual)		(79,000)		(79,000)
City Manager - Office of Economic Development		(35,617)		(35,617)
Joint Venture Silicon Valley Elimination		(35,617)		(35,617)
Clerk	(1.00)	(108,147)	(1.00)	(108,147)
City Clerk Accounting Staffing	(1.00)	(108,147)	(1.00)	(108,147)
Environmental Services	(0.50)	(85,930)	(0.50)	(85,930)
Climate Smart Outreach Staffing	(0.50)	(65,930)	(0.50)	(65,930)
RAPID Program Supplies and Materials		(20,000)		(20,000)
Finance	(7.00)	(853,814)	(7.00)	(853,814)
General Ledger & Specialized Accounting Staffing	(2.00)	(279,153)	(2.00)	(279,153)
Accounts Receivable Staffing	(2.00)	(234,497)	(2.00)	(234,497)
Administration Division Staffing	(1.00)	(121,415)	(1.00)	(121,415)
Business Tax Program Staffing	(1.00)	(113,147)	(1.00)	(113,147)
Cashiering Staffing	(1.00)	(105,602)	(1.00)	(105,602)
Fire	-	(230,468)	-	(230,718)
Emergency Medical Services Staffing Civilianization	-	(230,468)	-	(230,718)
Human Resources	(2.00)	(551,097)	(2.00)	(551,097)
Learning and Development Program Elimination		(250,000)		(250,000)
Strategic Support Administrative Staffing	(1.00)	(127,681)	(1.00)	(127,681)
Employment Support Staffing	(1.00)	(123,416)	(1.00)	(123,416)
Wellness Program Elimination		(50,000)		(50,000)
Information Technology	(4.00)	(846,452)	(4.00)	(846,452)
SharePoint Management Staffing	(1.00)	(260,426)	(1.00)	(260,426)
Community WiFi and Digital Inclusion Products-Projects Management Staffing	(1.00)	(207,393)	(1.00)	(207,393)
Data Governance and Business Analytics Products-Project Management Staffing	(1.00)	(207,393)	(1.00)	(207,393)
Information Technology Procurement Staffing	(1.00)	(171,240)	(1.00)	(171,240)
Library	(21.76)	(983,088)	(21.76)	(983,088)
Library Branch Hours (Reduce by Six Additional Hours)	(21.76)	(983,088)	(21.76)	(983,088)

**Contingency Budget Proposal Package
2020-2021 Proposed Operating Budget**

Attachment C

Department	2020-2021 FTE	2020-2021 Amount	2021-2022 FTE	2021-2022 Amount
Mayor/City Council		(1,019,250)		(1,019,250)
Office of the Mayor		(387,500)		(387,500)
Council District #1		(62,939)		(62,939)
Council District #2		(65,168)		(65,168)
Council District #3		(62,939)		(62,939)
Council District #4		(62,939)		(62,939)
Council District #5		(62,939)		(62,939)
Council District #6		(62,939)		(62,939)
Council District #7		(62,939)		(62,939)
Council District #8		(62,981)		(62,981)
Council District #9		(63,032)		(63,032)
Council District #10		(62,939)		(62,939)
Parks, Recreation and Neighborhood Services	(20.63)	(4,342,341)	(20.63)	(4,342,341)
Water Budget Reduction (Turf Browning)		(2,000,000)		(2,000,000)
Park Ranger Staffing	(3.00)	(337,250)	(3.00)	(337,250)
Neighborhood and Regional Parks Staffing Consolidation	(3.00)	(310,267)	(3.00)	(310,267)
Park Restrooms Cleaning		(260,857)		(260,857)
Anti-Litter Staffing	(2.00)	(244,305)	(2.00)	(244,305)
Litter & Liner Pick Up Staffing	(5.00)	(237,375)	(5.00)	(237,375)
Regional Parks Monday Closure	(2.63)	(228,931)	(2.63)	(228,931)
Grace Therapeutics Staffing	(1.00)	(140,193)	(1.00)	(140,193)
San José BEST Program		(140,000)		(140,000)
Senior Services Staffing	(1.00)	(139,407)	(1.00)	(139,407)
Safe Summer Campus Initiative Staffing	(1.00)	(114,465)	(1.00)	(114,465)
City Hall 9th Floor Front Desk Staffing	(1.00)	(102,246)	(1.00)	(102,246)
BeautifySJ Staffing	(1.00)	(87,045)	(1.00)	(87,045)
Planning, Building and Code Enforcement	(1.40)	(156,611)	(1.40)	(156,611)
General Code Enforcement Staffing	(1.00)	(106,208)	(1.00)	(106,208)
Administrative Support Staffing	(0.40)	(50,403)	(0.40)	(50,403)
Public Works	(5.00)	(1,026,674)	(5.00)	(1,026,674)
Facilities Maintenance Staffing	(3.00)	(418,861)	(3.00)	(418,861)
Facilities Preventative Maintenance Staffing and Contractual Services	(1.00)	(309,220)	(1.00)	(309,220)
Fleet Management Staffing	(2.00)	(184,428)	(2.00)	(184,428)
Animal Care & Services Staffing	(1.00)	(114,165)	(1.00)	(114,165)
Grand Total	(75.22)	(12,122,712)	(75.22)	(12,122,962)

CITY OF SAN JOSE 2020-2021 PROPOSED OPERATING BUDGET

ROSTER OF ELECTED OFFICIALS

CITY COUNCIL	DISTRICT	TELEPHONE	E-MAIL
Sam Liccardo	Mayor	535-4800	mayoremail@sanjoseca.gov
Chappie Jones	1	535-4901	district1@sanjoseca.gov
Sergio Jimenez	2	535-4902	district2@sanjoseca.gov
Raul Peralez	3	535-4903	district3@sanjoseca.gov
Lan Diep	4	535-4904	district4@sanjoseca.gov
Magdalena Carrasco	5	535-4905	district5@sanjoseca.gov
Dev Davis	6	535-4906	district6@sanjoseca.gov
Maya Esparza	7	535-4907	district7@sanjoseca.gov
Sylvia Arenas	8	535-4908	district8@sanjoseca.gov
Pam Foley	9	535-4909	district9@sanjoseca.gov
Johnny Khamis	10	535-4910	district10@sanjoseca.gov



CITY COUNCIL MEETINGS

- Every Tuesday at 1:30 p.m. in the Council Chambers.
- Evening meetings at 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
2020-2021 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

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

2020s Initiatives

Measure E, Real Property Transfer Tax, was placed on the ballot by the City Council. It amended the San José Municipal Code to allow funding for affordable housing and permanent housing through real property transfer tax. Measure E was approved by the voters in March 2020.

2010s Initiatives

Measure S, Construction Contract Procurement Modernization, was placed on the ballot by the City Council. It allowed the City to amend the City Charter to modify construction contract procurement and the bidding process. Measure S was approved by the voters in November 2018.

Measure T, Disaster Preparedness, Public Safety, and Infrastructure Bond, was placed on the ballot by the City Council. It authorized the issuance of up to \$650 million in general obligation bonds to upgrade 9-1-1 communications, police, fire, and paramedics facilities to improve emergency disaster response; repair deteriorating bridges vulnerable to earthquakes; repave streets and potholes in the worst condition; prevent flooding and water quality contamination; and repair critical infrastructure. Measure T was approved by the voters in November 2018.

Measure U was placed on the ballot by the City Council. It allowed the City Charter to be amended to remove the City Council from voting on their own salaries, require the Salary Setting Commission to adjust the base salaries for the Mayor and City Council once every five years, and limit base salary increases after each five-year

adjustment to annual adjustments for inflation based on the Consumer Price Index. Additionally, Measure U amended the City Charter to align with State Law, allowing Council to submit an alternative measure to a citizen initiative. Measure U was approved by the voters in November 2018.

Measure C, an Act to Limit Urban Sprawl and the Fiscal and Environmental Effects of Specified Development in Outlying Areas, was placed on the ballot by the City Council. This measure restricts the development of non-employment uses on designated lands in outlying areas near San José's Urban Growth Boundary, including Almaden Valley, Coyote Valley, and Evergreen Foothills, unless City Council determines such development will not adversely affect the City financially, will satisfy increased affordable housing requirements, and will mitigate environmental impacts, and pay appropriate fees for road improvements to address traffic impacts. Measure C was approved by the voters in June 2018.

Proposition 64 legalized recreational marijuana for persons aged 21 years or older under state law. Effective January 1, 2018, Proposition 64 allowed for the sale and taxation of recreational marijuana. Proposition 64 was approved by California voters in November 2016.

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.

CITY OF SAN JOSE

2020-2021 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

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; 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 an amount per San José meter connection; and 5) raises the annual caps on the maximum amount of tax payable. 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 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).

CITY OF SAN JOSE

2020-2021 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

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. This Measure was superseded by Measure F in November 2016. 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.

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

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

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 25th of the following month. The tax is not applicable to State, County, or City agencies. Measure K was passed by the voters in 2008.

Proposition 1A prohibits the State from reducing local governments' property tax revenue. The provisions may be suspended only if the governor declares a fiscal necessity and two-thirds of the 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.

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

1990s Initiatives

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

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

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

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

1970s Initiatives

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

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

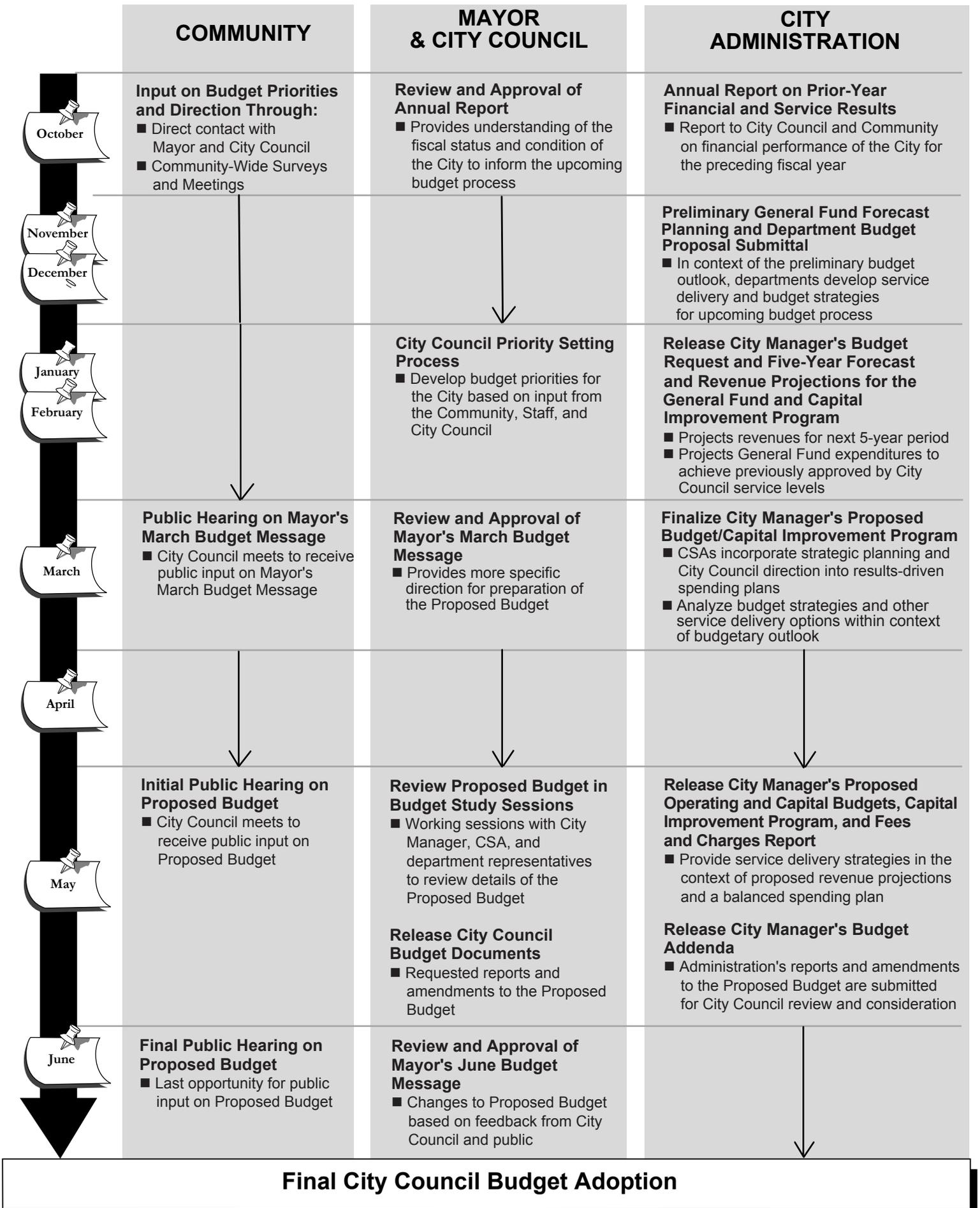
1890 – 1970 Initiatives

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

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

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CITY OF SAN JOSE ANNUAL BUDGET PROCESS



**CITY OF SAN JOSE
2020-2021 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 Public Services
 Rent Stabilization and Tenant Protection

Planning, Building and Code Enforcement
 Development Plan Review and Building Construction
 Citywide Land Use Planning

Public Works
 Regulate/Facilitate Private Development

Environmental and Utility Services

Community Energy
 Providing Clean Energy to the Community
 Community Energy Customer Support
 Community Energy Community Programming

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

City Manager
 City-Wide Emergency Management

Fire
 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

Finance Disbursements Financial Reporting Purchasing and Risk Management Revenue Management Treasury Management	Information Technology Customer Contact Center Business Solutions Technology Infrastructure and Operations
Human Resources Employee Benefits Employment Services Health and Safety Training and Development	Public Works Facilities Management Fleet and Equipment Services Plan, Design, and Construct Public Facilities and Infrastructure

Mayor, City Council, and Appointees

Mayor and City Council City Council Council General Office of the Mayor	City Clerk City Clerk Services
City Attorney Legal Services	City Manager Lead and Manage the Organization
City Auditor Audit Services	Retirement Services Retirement Plan Administration

**CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET**

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

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

City Manager
Public Safety CSA City-Wide Emergency Management Office of Emergency Management Strategic Support CSA Lead and Manage the Organization Office of Administration, Policy, and Intergovernmental Relations Budget Office Civic Innovation Communications Office of Employee Relations Executive Leadership/City Management Office of Immigrant Affairs Strategic Support*

City Attorney
Strategic Support CSA Legal Services Legal Representation Legal Transactions Strategic Support*

Community Energy
Environmental and Utility Services CSA Providing Clean Energy to the Community Community Energy Renewable Energy Supply Community Energy Conventional Energy Supply Community Energy Hydro Power Supply Community Energy Power Scheduling and Other Supply Community Energy Risk Management Community Energy Regulatory Compliance Community Energy Customer Support Community Energy Marketing and Public Affairs Community Energy Data and Call Center Management Community Energy Community Programming Local Energy Programs Strategic Support*

City Auditor
Strategic Support CSA Audit Services Performance Audits Strategic Support*

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

City Clerk
Strategic Support CSA City Clerk Services Facilitate the City's Legislative Process Strategic Support*

**CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET**

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

Environmental Services
Environmental and Utility Services CSA
Potable Water Delivery
Municipal Water System Operations and Maintenance
Municipal Water System Planning and Capital Project Delivery
Recycled Water Management
South Bay Water Recycling Operations and Maintenance
South Bay Water Recycling Planning and Capital Project Delivery
Recycling and Garbage Services
Civic/Other Solid Waste Collection Services
Commercial Solid Waste Collection Services
Recycling and Garbage Services Administration
Residential Solid Waste Collection Services
Stormwater Management
Stormwater Administration
Stormwater Enforcement
Stormwater Policy and Compliance
Sustainability and Environmental Health
Environmental Compliance and Safety
Policy, Legislative Advocacy, and Education
Wastewater Management
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
Strategic Support*

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

Fire
Public Safety CSA
Fire Department Emergency Response
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
Fire Prevention
Fire Cause Investigation
Fire Safety Education, Review, and Inspections
Strategic Support*
Community and Economic Development CSA
Fire Safety Code Compliance
Fire Development Services
Strategic Support*

**CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET**

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

Housing

Community and Economic Development CSA
Affordable Housing Portfolio Management
 Loan Compliance
 Property Maintenance and Inspection
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
 Tenant Based Rental Assistance and Rapid Rehousing
Neighborhood Capital Investment and Public Services
 Community Development Block Grant -
 Infrastructure Investments
 Non-Profit Service Grants to Support Housing and
 Community Development Needs
 Place-Based Neighborhood Strategy
Rent Stabilization and Tenant Protection
 Apartment Rent Ordinance Administration
 Mobile Home Rent Ordinance Administration
Strategic Support*

Independent Police Auditor

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

Information Technology

Strategic Support CSA
Customer Contact Center
 City Customer Contact Center
Business Solutions
 Advanced Applications and Services
 Data Services
 Enterprise Resource Management
 Productivity and Collaboration Applications
Technology Infrastructure and Operations
 Cybersecurity Office
 IT Customer Care
 IT Systems and Operation
 Voice and Data Network Infrastructure
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*

Library

Neighborhood Services CSA
**Access to Information, Library Materials, and Digital
Resources**
 Access and Borrower Services
 Electronic Resources Implementation 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
2020-2021 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 Ranger Program
- 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 Program
- RCS Administration (includes Youth Commission)
- Senior Services
- Youth Gang Prevention and Intervention Program
- 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

Citywide Land Use Planning

- Citywide 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 Code Enforcement

Strategic Support*

Police

Public Safety CSA

Crime Prevention and Community Education

- Crime Prevention
- Police Activity 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
- Cannabis Regulation
- Permits

Respond to Calls for Service and Patrol Support

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

Strategic Support*

**CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET**

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

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

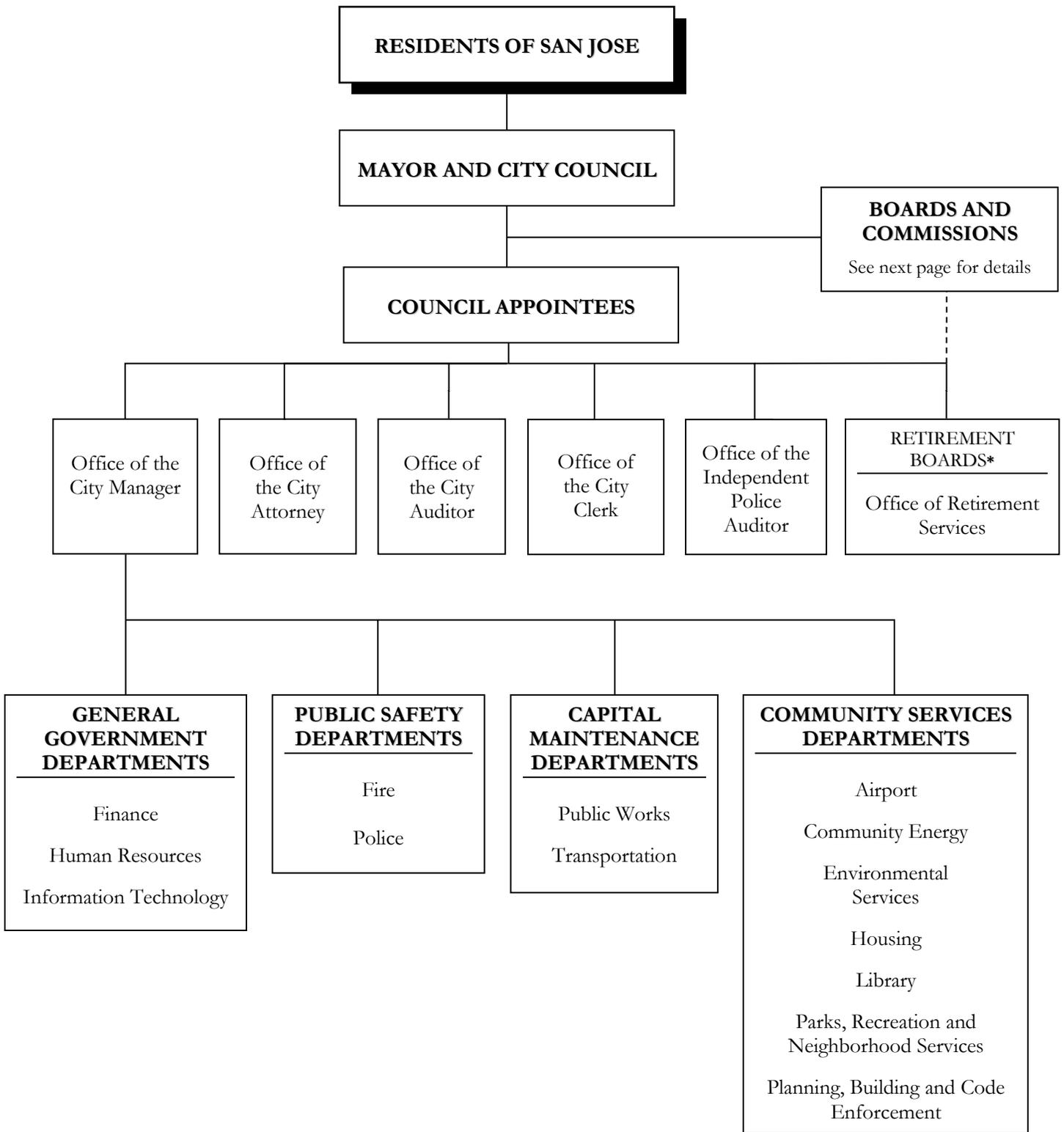
Retirement Services
Strategic Support CSA
Retirement Plan Administration
Benefits
Investments
Strategic Support*

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

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

CITY OF SAN JOSE
2020-2021 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
2020-2021 PROPOSED OPERATING BUDGET

BOARDS, COMMISSIONS AND COMMITTEES

Airport Commission
Appeals Hearing Board
Arts Commission
Bicycle Pedestrian Advisory Committee
Board of Fair Campaign and Political Practices
Civil Service Commission
Clean Energy Community Advisory Commission
Council Appointment Advisory Commission
Deferred Compensation Advisory Committee
Downtown Parking Board
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
Measure T Community Oversight Committee
Neighborhoods Commission
Parks and Recreation Commission
Planning Commission
Planning Director's Hearing
Police and Fire Department Retirement Plan Board of Administration
Retirement Stakeholder Working Group
Salary Setting Commission
San José Arena Authority
Senior Citizens Commission
Station Area Advisory Group
Treatment Plant Advisory Committee
Voluntary Employees Beneficiary Association (VEBA) Advisory Committee
Work2Future Board
Youth Commission

CITY OF SAN JOSE 2020-2021 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

Due to the enormous impact of COVID-19 on City operations and the capacity of staff to adjust budgetary projections on a very compressed timeline, this document looks significantly different than in previous years. The most notable changes include the reduction in the number of summary reports, the removal of History and Trend Information section, shortened City Service Areas section, and the removal of Performance Measures in the City Department section. The 2020-2021 Adopted Operating Budget, scheduled for release at the end of summer 2020, will restore some of these changes as conditions and capacity allow.

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 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; a list of boards, commissions, and committees; fund descriptions; a glossary of terms; and an acronyms index. **Summary Information** of the Total City Source and Use of Funds is then presented. 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, a **City Service Area/Core Service Map** is provided.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

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 **CSA Dashboard** highlights key performance measures for the CSA.

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** and provides program descriptions.

This framework is followed by a **Department Budget Summary**, which includes a summary description of expected 2020-2021 service delivery, impacts of 2020-2021 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: 2018-2019 Actual Expenditures, 2019-2020 Adopted Budget, 2020-2021 Forecast (Base Budget), and 2020-2021 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. 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 2019-2020 Adopted Budget to the 2020-2021 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 Actions for 2020-2021 is included.

CITY OF SAN JOSE
2020-2021 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, and the amount and nature of the funding involved.

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).

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Airport Capital Funds

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

Airport Operating Funds

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

Benefit Funds

These Internal Service Funds account for the provision and financing of benefits to City employees, retirees, and their dependents. It consists of the Dental Insurance Fund, Life Insurance Fund, Unemployment Insurance Fund, 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
2020-2021 PROPOSED OPERATING BUDGET

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 Assessment District 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 Capital Fund

This Capital Fund accounts for transfers received from the Convention Center and Cultural Affairs Fund for the use of capital improvements and repairs to the McEnery Convention Center and other City owned Cultural Facilities.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Convention and Cultural Affairs Fund

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

Convention Center Facilities District Project Fund

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

Convention Center Facilities District Capital Fund

This Capital Fund, supported by transfers from the Convention Center Facilities District Revenue Fund, accounts for capital rehabilitation and improvements to the San Jose McEnery Convention Center.

Convention Center Facilities District Revenue Fund

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

Downtown Property and Business Improvement District Fund

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

Economic Development Administration Loan Fund

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

Edward Byrne Memorial Justice Assistance Grant Trust Fund

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

Emergency Reserve Fund

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

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.

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 Capital Fund

This Capital Fund accounts for capital construction of certain parking facilities. The parking system provides parking to the general public. This Fund is supported by a transfer from the General Purpose Parking Fund.

General Purpose Parking Fund

This Enterprise Fund accounts for the operation of City parking lot facilities and parking meters.

Gift Trust Fund

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

Home Investment Partnership Program Trust Fund

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

Housing Trust Fund

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

Ice Centre Revenue Fund

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

Improvement District Fund

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Inclusionary Fee Fund

This Special Revenue Fund accounts for fees, related to the Mitigation Fee Act requirement, for the new program on new housing developments as approved by the City.

Integrated Waste Management Fund

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

Lake Cunningham Fund

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

Library Parcel Tax Capital Fund

This Capital Fund supports Library Program capital improvements and is funded by a transfer from the Library Parcel Tax Fund revenue.

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

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.

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 Safety and Infrastructure Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the November 2018 ballot (Measure T). The use of this fund is for acquisition of property or construction related to improvements in public safety and disaster preparedness. A portion of the fund will be used to pave streets and repair potholes.

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Rent Stabilization Program Fee Fund

This Special Revenue Fund accounts for fees, collected in accordance with the Mitigation Fee Act requirements, associated with implementing the Apartment Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and Mobilehome Ordinance programs.

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 Clean Energy Operating Fund

This Enterprise Fund accounts for revenues from the sale of electricity and the costs of the San José Clean Energy Program.

San José Municipal Stadium Capital Fund

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

San José-Santa Clara Treatment Plant Capital Fund

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

**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 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.

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.

**South Bay Water Recycling Capital
Improvement Fund**

This Capital Fund accounts for revenues from the sale of recycled water to South Bay Water Recycling (SBWR) retail customers and supports the expenditures for acquisition, construction, and installation of SBWR capital improvements.

**South Bay Water Recycling Operating
Fund**

This Enterprise Fund accounts for the monies received from the sale of wholesale recycled water produced by the South Bay Water Recycling (SBWR) program for the operations and maintenance of the SBWR system.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

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 St. James Park.

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

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.

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.

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.

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Accrual Basis

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

Appropriation

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

Balanced Budget

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

Base Budget

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

Capital Budget

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

Capital Expenditures

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

Capital Improvement Program (CIP)

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

Carryover

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

City Service Area (CSA)

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

CSA Primary Partners

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

CSA Outcome

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

Contingency Reserve

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

Contractual Services

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

Core Services

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

Debt Service

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

Encumbrance

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

Fiscal Year

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

Fund

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Fund Balance

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

General Fund

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

Infrastructure Management System (IMS)

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

Mission

A unifying statement of why an organization exists.

Non-Personal/Equipment Expenses

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

Ongoing Cost/Savings

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

Operating Budget

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

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
2020-2021 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Performance Measure Goals and Targets

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

Personal Services

Salary and fringe benefit costs of City employees.

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
2020-2021 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
ARC	Annual Retirement Contribution
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

D

DCAC	Deferred Compensation Advisory Committee
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CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

	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
	GFOA	Government Finance Officers Association
	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
J		
K		

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

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

P

PIO	Park Impact Ordinance
PLF	Public Library Fund
PM	Performance Measure
PMMS	Parks Maintenance Management System

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

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
RDA	Redevelopment Agency
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
SRTF	Sunshine Reform Task Force

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

	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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CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2018-2019</u> <u>Adopted</u>	<u>2019-2020</u> <u>Adopted</u>	<u>2020-2021</u> <u>Proposed</u>
GENERAL FUND			
Fund Balance			
Encumbrance Reserve	\$ 48,885,515	\$ 38,466,874	\$ 46,555,359
Carryover	233,635,080	289,425,284	121,758,268
Beginning Fund Balance	\$ 282,520,595	\$ 327,892,158	\$ 168,313,627
General Revenue			
Property Tax	\$ 320,450,000	\$ 354,000,000	\$ 370,500,000
Sales Tax	233,500,000	258,300,000	242,500,000
Transient Occupancy Tax	19,700,000	22,500,000	15,000,000
Franchise Fees	50,474,798	48,641,000	45,921,096
Utility Tax	102,400,000	99,645,000	95,800,000
Telephone Line Tax	20,000,000	20,000,000	20,000,000
Business Taxes	69,400,000	72,200,000	70,900,000
Real Property Transfer Tax	0	0	30,000,000
Licenses and Permits	60,893,631	62,009,468	20,023,167
Fines, Forfeitures, and Penalties	14,983,000	16,213,000	15,722,000
Revenue from the Use of Money/Property	6,897,000	13,144,000	11,754,800
Revenue from Local Agencies	13,711,247	14,830,210	13,095,000
Revenue from the State of CA	12,692,057	12,960,805	12,030,000
Revenue from Federal Government	2,211,600	4,769,023	761,709
Fees, Rates, and Charges	53,860,013	58,951,740	25,575,702
Other Revenue	13,640,839	23,502,394	48,198,439
Subtotal General Revenue	\$ 994,814,185	\$ 1,081,666,640	\$ 1,037,781,913
Transfers and Reimbursements			
Overhead Reimbursements	\$ 52,549,884	\$ 56,272,963	\$ 69,197,893
Transfers	25,564,914	27,222,851	27,408,535
Reimbursements for Services	18,225,395	17,080,825	15,745,997
Subtotal Transfers and Reimbursements	\$ 96,340,193	\$ 100,576,639	\$ 112,352,425
Total General Fund	\$ 1,373,674,973	\$ 1,510,135,437	\$ 1,318,447,965
Less Transfers, Loans, and Contributions	(166,022,363)	(186,503,674)	(188,926,304)
NET GENERAL FUND TOTAL	\$ 1,207,652,610	\$ 1,323,631,763	\$ 1,129,521,661

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2018-2019</u> Adopted	<u>2019-2020</u> Adopted	<u>2020-2021</u> Proposed
SPECIAL FUNDS			
Airport Customer Facility and Transportation Fee Fund	\$ 35,085,014	\$ 35,754,949	\$ 29,943,627
Airport Fiscal Agent Fund	180,401,112	177,275,564	178,984,262
Airport Maintenance and Operation Fund	133,836,643	144,530,433	147,921,826
Airport Revenue Fund	274,726,660	310,409,053	262,309,359
Airport Surplus Revenue Fund	99,554,707	64,963,053	16,086,320
Benefit Funds - Benefit Fund	64,476,375	72,692,460	79,897,769
Benefit Funds - Dental Insurance Fund	15,758,928	15,709,950	16,739,453
Benefit Funds - Life Insurance Fund	1,634,440	1,849,784	1,923,714
Benefit Funds - Self-Insured Medical Fund	14,387,685	13,610,033	780,288
Benefit Funds - Unemployment Insurance Fund	2,330,918	1,501,708	1,423,242
Building Development Fee Program Fund	0	0	46,106,400
Business Improvement District Fund	4,051,818	4,044,279	3,700,816
Cash Reserve Fund	5,828	5,974	6,105
City Hall Debt Service Fund	28,358,000	28,483,000	27,199,000
Citywide Planning Fee Program Fund	0	0	4,452,830
Community Development Block Grant Fund	17,992,112	16,947,398	11,438,196
Community Facilities Revenue Fund	13,711,411	3,160,906	2,079,396
Convention and Cultural Affairs Fund	24,251,889	27,127,574	12,104,267
Convention Center Facilities District Revenue Fund	38,701,316	47,392,485	38,535,130
Downtown Property and Business Improvement District Fund	4,554,880	4,804,327	5,080,180
Economic Development Administration Loan Fund	6,836	6,920	7,060
Emergency Reserve Fund	1,439,847	1,281,736	5,837,655
Federal Drug Forfeiture Fund	197,993	3,578,120	6,896
Fire Development Fee Program Fund	0	0	11,339,280
Gas Tax Maintenance and Construction Fund - 1943	7,800,000	7,100,000	6,600,000
Gas Tax Maintenance and Construction Fund - 1964	3,700,000	3,600,000	3,200,000
Gas Tax Maintenance and Construction Fund - 1990	5,800,000	5,600,000	5,200,000
General Purpose Parking Fund	40,623,477	41,716,664	18,091,890
Gift Trust Fund	4,914,888	3,219,762	2,668,904
Home Investment Partnership Program Trust Fund	13,509,043	10,396,162	13,466,273
Housing Trust Fund	4,226,556	3,503,394	3,306,914
Ice Centre Revenue Fund	7,676,250	5,949,645	3,611,568
Inclusionary Fee Fund	0	11,202,044	31,083,523
Integrated Waste Management Fund	168,328,018	179,060,047	186,976,565
Library Parcel Tax Fund	18,159,244	17,233,028	15,240,470
Low and Moderate Income Housing Asset Fund	128,928,134	140,295,789	142,185,293
Multi-Source Housing Fund	85,357,393	113,406,294	70,030,699
Municipal Golf Course Fund	3,451,132	9,502,369	10,738,152
Planning Development Fee Program Fund	0	0	7,422,328
Public Works Development Fee Program Fund	0	0	14,550,200
Public Works Program Support Fund	19,146,999	21,222,199	21,414,080
Public Works Small Cell Permitting Fee Program Fund	0	0	4,209,000
Rent Stabilization Program Fee Fund	0	4,765,500	5,697,375
San José Arena Capital Reserve Fund	6,487,056	6,386,938	8,206,631
San José Clean Energy Operating Fund	138,172,000	341,976,351	380,189,219

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2018-2019</u> <u>Adopted</u>	<u>2019-2020</u> <u>Adopted</u>	<u>2020-2021</u> <u>Proposed</u>
SPECIAL FUNDS			
San José Municipal Stadium Capital Fund	\$ 39,000	\$ 39,000	\$ 39,000
San José-Santa Clara Treatment Plant Income Fund	815,911	336,413	539,764
San José-Santa Clara Treatment Plant Operating Fund	123,700,121	127,232,935	170,903,093
Sewage Treatment Plant Connection Fee Fund	15,219,233	16,426,760	21,142,355
Sewer Service and Use Charge Fund	220,163,927	241,772,459	252,391,082
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	644,110	697,889	713,502
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,467,703	3,383,417	3,383,278
Community Facilities District No. 8 (Communications Hill) Fund	2,680,710	2,427,688	1,574,529
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	352,902	356,808	249,123
Community Facilities District No. 12 (Basking Ridge) Fund	1,473,923	1,447,475	831,025
Community Facilities District No. 13 (Guadalupe Mines) Fund	370,318	439,118	444,827
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	1,264,023	1,521,658	1,220,758
Community Facilities District No. 15 (Berryessa - Sierra) Fund	514,266	637,992	679,276
Community Facilities District No. 16 (Raleigh - Coronado) Fund	0	976,076	1,171,779
Community Facilities District No. 17 (Capitol Exp - Evergreen Place)	0	0	104,300
Maint. District No. 1 (Los Paseos) Fund	457,838	518,621	562,376
Maint. District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	201,467	236,231	256,300
Maint. District No. 5 (Orchard Parkway - Plumeria Dr.) Fund	315,538	345,801	223,407
Maint. District No. 8 (Zanker - Montague) Fund	371,674	383,228	374,596
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	393,141	453,408	469,903
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	338,302	348,097	253,063
Maint. District No. 13 (Karina - O'Nel) Fund	167,375	193,968	207,391
Maint. District No. 15 (Silver Creek Valley) Fund	2,999,987	2,093,574	1,807,066
Maint. District No. 18 (The Meadowlands) Fund	189,469	220,051	233,021
Maint. District No. 19 (River Oaks Area Landscaping) Fund	404,735	471,832	405,938
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	274,632	310,971	241,996
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	203,773	230,179	253,061
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	291,180	279,459	271,760
Maint. District No. 16 (Raleigh Coronado) Fund	486,907	0	0
Southbay Water Recycling Fund	12,540,000	17,288,414	16,710,572
St. James Park Management District Fund	3,817,717	3,991,633	2,610,657
State Drug Forfeiture Fund	19,722	339,372	230,281
Storm Sewer Operating Fund	46,750,612	55,642,274	52,899,178
Supplemental Law Enforcement Services Fund	2,966,194	3,440,043	2,518,326
Transient Occupancy Tax Fund	33,682,454	40,697,781	24,140,056
Vehicle Maintenance and Operations Fund	27,563,408	29,843,467	28,251,878
Water Utility Fund	64,707,337	64,498,529	70,175,843
Workforce Development Fund	11,005,651	11,172,827	10,719,802
Total Special Funds	\$ 2,192,615,483	\$ 2,532,532,607	\$ 2,527,196,317
Less Transfers, Loans, and Contributions	(651,253,208)	(708,159,551)	(570,111,987)
NET SPECIAL REVENUE FUNDS TOTAL	\$ 1,541,362,275	\$ 1,824,373,056	\$ 1,957,084,330

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	2018-2019 Adopted	2019-2020 Adopted	2020-2021 Proposed
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Beginning Fund Balance	\$ 402,118,232	\$ 463,378,355	\$ 562,206,889
Commercial Paper Proceeds/Sale of Bonds	54,913,000	430,634,000	91,452,000
Taxes, Fees, and Charges	103,253,000	103,035,000	74,685,000
Revenue from Other Agencies	175,261,775	260,454,034	187,294,304
Transfers, Loans, and Contributions	233,958,500	241,578,064	115,686,141
Interest Income	8,524,000	14,515,300	16,699,600
Miscellaneous Revenue	8,953,000	5,489,000	6,389,000
Development Contribution	1,027,000	1,100,000	650,000
Total Capital Improvement Program Funds	\$ 988,008,507	\$ 1,520,183,753	\$ 1,055,062,934
Less Transfers, Loans, and Contributions	(8,777,000)	(7,024,000)	(4,095,000)
NET CAPITAL FUNDS TOTAL	\$ 979,231,507	\$ 1,513,159,753	\$ 1,050,967,934
NET CITY SOURCE OF FUNDS	\$ 3,728,246,392	\$ 4,661,164,572	\$ 4,137,573,925
GENERAL FUND EXPENDITURES			
City Attorney	\$ 15,511,555	\$ 16,916,763	\$ 16,333,103
City Auditor	2,542,781	2,575,634	2,372,657
City Clerk	2,766,544	2,641,674	2,413,660
City Manager	20,672,259	23,825,466	18,171,175
Economic Development	5,825,909	6,617,184	5,223,815
Environmental Services	3,064,255	4,207,647	4,630,003
Finance	17,654,510	19,813,579	18,603,740
Fire	220,582,151	242,010,991	242,584,463
Housing	689,466	588,664	491,404
Human Resources	10,282,579	11,838,681	10,270,086
Independent Police Auditor	1,354,188	1,454,042	1,316,672
Information Technology	24,162,365	28,879,189	23,788,809
Library	33,251,571	36,536,464	35,749,297
Mayor and City Council	14,650,987	17,746,442	13,047,430
Parks, Recreation and Neighborhood Services	79,150,738	91,688,374	80,984,636
Planning, Building and Code Enforcement	57,713,776	62,151,627	15,206,476
Police	410,039,331	446,810,786	440,587,360
Public Works	47,026,811	50,116,413	36,710,756
Transportation	35,827,610	38,425,011	36,557,328
Subtotal Departmental Charges	\$ 1,002,769,386	\$ 1,104,844,631	\$ 1,005,042,870
City-Wide Expenses	\$ 95,373,150	\$ 113,254,637	\$ 87,709,898
Capital Contributions	32,534,500	49,224,500	9,530,000
Transfers	38,536,064	37,707,745	68,080,886
Earmarked Reserves	119,076,358	128,137,050	61,528,952
Contingency Reserve	36,500,000	38,500,000	40,000,000
Encumbrance Reserve	48,885,515	38,466,874	46,555,359
Subtotal Non-Departmental Charges	\$ 370,905,587	\$ 405,290,806	\$ 313,405,095
Total General Fund Expenditures	\$ 1,373,674,973	\$ 1,510,135,437	\$ 1,318,447,965

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	2018-2019	2019-2020	2020-2021
	Adopted	Adopted	Proposed
SPECIAL FUNDS			
Airport Customer Facility and Transportation Fee Fund	\$ 35,085,014	\$ 35,754,949	\$ 29,943,627
Airport Fiscal Agent Fund	180,401,112	177,275,564	178,984,262
Airport Maintenance and Operation Fund	133,836,643	144,530,433	147,921,826
Airport Revenue Fund	274,726,660	310,409,053	262,309,359
Airport Surplus Revenue Fund	99,554,707	64,963,053	16,086,320
Benefit Funds - Benefit Fund	64,476,375	72,692,460	79,897,769
Benefit Funds - Dental Insurance Fund	15,758,928	15,709,950	16,739,453
Benefit Funds - Life Insurance Fund	1,634,440	1,849,784	1,923,714
Benefit Funds - Self-Insured Medical Fund	14,387,685	13,610,033	780,288
Benefit Funds - Unemployment Insurance Fund	2,330,918	1,501,708	1,423,242
Building Development Fee Program Fund	0	0	46,106,400
Business Improvement District Fund	4,051,818	4,044,279	3,700,816
Cash Reserve Fund	5,828	5,974	6,105
City Hall Debt Service Fund	28,358,000	28,483,000	27,199,000
Citywide Planning Fee Program Fund	0	0	4,452,830
Community Development Block Grant Fund	17,992,112	16,947,398	11,438,196
Community Facilities Revenue Fund	13,711,411	3,160,906	2,079,396
Convention and Cultural Affairs Fund	24,251,889	27,127,574	12,104,267
Convention Center Facilities District Revenue Fund	38,701,316	47,392,485	38,535,130
Downtown Property and Business Improvement District Fund	4,554,880	4,804,327	5,080,180
Economic Development Administration Loan Fund	6,836	6,920	7,060
Edward Byrne Memorial Justice Assistance Grant Trust Fund	15,621	571,267	0
Emergency Reserve Fund	1,439,847	1,281,736	5,837,655
Federal Drug Forfeiture Fund	197,993	3,578,120	6,896
Fire Development Fee Program Fund	0	0	11,339,280
Gas Tax Maintenance and Construction Fund - 1943	7,800,000	7,100,000	6,600,000
Gas Tax Maintenance and Construction Fund - 1964	3,700,000	3,600,000	3,200,000
Gas Tax Maintenance and Construction Fund - 1990	5,800,000	5,600,000	5,200,000
General Purpose Parking Fund	40,623,477	41,716,664	18,091,890
Gift Trust Fund	4,914,888	3,219,762	2,668,904
Home Investment Partnership Program Trust Fund	13,509,043	10,396,162	13,466,273
Housing Trust Fund	4,226,556	3,503,394	3,306,914
Ice Centre Revenue Fund	7,676,250	5,949,645	3,611,568
Inclusionary Fee Fund	0	11,202,044	31,083,523
Integrated Waste Management Fund	168,328,018	179,060,047	186,976,565
Library Parcel Tax Fund	18,159,244	17,233,028	15,240,470
Low and Moderate Income Housing Asset Fund	128,928,134	140,295,789	142,185,293
Multi-Source Housing Fund	85,357,393	113,406,294	70,030,699
Municipal Golf Course Fund	3,451,132	9,502,369	10,738,152
Planning Development Fee Program Fund	0	0	7,422,328
Public Works Development Fee Program Fund	0	0	14,550,200
Public Works Program Support Fund	19,146,999	21,222,199	21,414,080
Public Works Small Cell Permitting Fee Program Fund	0	0	4,209,000
Rent Stabilization Program Fee Fund	0	4,765,500	5,697,375
San José Arena Capital Reserve Fund	6,487,056	6,386,938	8,206,631

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2018-2019</u> Adopted	<u>2019-2020</u> Adopted	<u>2020-2021</u> Proposed
SPECIAL FUNDS			
San José Clean Energy Operating Fund	\$ 138,172,000	\$ 341,976,351	\$ 380,189,219
San José Municipal Stadium Capital Fund	39,000	39,000	39,000
San José-Santa Clara Treatment Plant Income Fund	815,911	336,413	539,764
San José-Santa Clara Treatment Plant Operating Fund	123,700,121	127,232,935	170,903,093
Sewage Treatment Plant Connection Fee Fund	15,219,233	16,426,760	21,142,355
Sewer Service and Use Charge Fund	220,163,927	241,772,459	252,391,082
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	644,110	697,889	713,502
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,467,703	3,383,417	3,383,278
Community Facilities District No. 8 (Communications Hill) Fund	2,680,710	2,427,688	1,574,529
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	352,902	356,808	249,123
Community Facilities District No. 12 (Basking Ridge) Fund	1,473,923	1,447,475	831,025
Community Facilities District No. 13 (Guadalupe Mines) Fund	370,318	439,118	444,827
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	1,264,023	1,521,658	1,220,758
Community Facilities District No. 15 (Berryessa - Sierra) Fund	514,266	637,992	679,276
Community Facilities District No. 16 (Raleigh - Coronado) Fund	0	976,076	1,171,779
Community Facilities District No. 17 (Capitol Exp - Evergreen Place)	0	0	104,300
Maint. District No. 1 (Los Paseos) Fund	457,838	518,621	562,376
Maint. District No. 2 (Trade Zone - Lundy Ave.) Fund	201,467	236,231	256,300
Maint. District No. 5 (Orchard Parkway - Plumeria Drive) Fund	315,538	345,801	223,407
Maint. District No. 8 (Zanker - Montague) Fund	371,674	383,228	374,596
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	393,141	453,408	469,903
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	338,302	348,097	253,063
Maint. District No. 13 (Karina - Onel) Fund	167,375	193,968	207,391
Maint. District No. 15 (Silver Creek Valley) Fund	2,999,987	2,093,574	1,807,066
Maint. District No. 18 (The Meadowlands) Fund	189,469	220,051	233,021
Maint. District No. 19 (River Oaks Area Landscaping) Fund	404,735	471,832	405,938
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	274,632	310,971	241,996
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	203,773	230,179	253,061
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	291,180	279,459	271,760
Maint. District No. 16 (Raleigh Coronado) Fund	486,907	0	0
Southbay Water Recycling Fund	12,540,000	17,288,414	16,710,572
St. James Park Management District Fund	3,817,717	3,991,633	2,610,657
State Drug Forfeiture Fund	19,722	339,372	230,281
Storm Sewer Operating Fund	46,750,612	55,642,274	52,899,178
Supplemental Law Enforcement Services Fund	2,966,194	3,440,043	2,518,326
Transient Occupancy Tax Fund	33,682,454	40,697,781	24,140,056
Vehicle Maintenance and Operations Fund	27,563,408	29,843,467	28,251,878
Water Utility Fund	64,707,337	64,498,529	70,175,843
Workforce Development Fund	11,005,651	11,172,827	10,719,802
Total Special Funds	\$ 2,192,615,483	\$ 2,532,532,607	\$ 2,527,196,317

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	2018-2019 Adopted	2019-2020 Adopted	2020-2021 Proposed
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Airport Capital Improvement Fund	\$ 32,447,977	\$ 40,589,058	\$ 36,047,421
Airport Passenger Facility Charge Fund	39,910,886	47,009,374	33,893,686
Airport Renewal and Replacement Fund	87,458,762	83,231,121	17,030,314
Airport Revenue Bond Improvement Fund	5,623,439	5,138,008	268,303
Branch Libraries Bond Projects Fund	6,448,130	6,802,470	6,769,574
Building and Structure Construction Tax Fund	55,951,489	75,715,751	106,788,802
Construction and Conveyance Tax Funds:			
Communications C&C Tax Fund	3,869,413	2,998,232	3,215,402
District 1 Parks C&C Tax Fund	3,571,220	3,828,003	4,195,458
District 2 Parks C&C Tax Fund	2,135,976	2,575,454	2,479,968
District 3 Parks C&C Tax Fund	2,925,750	2,384,708	1,807,413
District 4 Parks C&C Tax Fund	3,863,679	3,306,277	1,793,701
District 5 Parks C&C Tax Fund	7,489,818	5,969,784	6,019,490
District 6 Parks C&C Tax Fund	3,326,368	3,559,374	3,736,183
District 7 Parks C&C Tax Fund	4,348,088	2,866,534	5,315,970
District 8 Parks C&C Tax Fund	3,474,830	3,647,678	3,774,853
District 9 Parks C&C Tax Fund	4,577,297	4,736,834	2,726,398
District 10 Parks C&C Tax Fund	3,150,958	1,941,809	1,713,721
Fire C&C Tax Fund	11,081,277	10,982,496	7,334,829
Library C&C Tax Fund	14,509,490	13,883,456	10,478,339
Park Yards C&C Tax Fund	3,888,514	4,059,113	4,049,363
Parks Central C&C Tax Fund	28,167,735	27,157,676	20,880,700
Parks City-Wide C&C Tax Fund	34,077,526	28,960,748	22,270,794
Service Yards C&C Tax Fund	6,505,915	7,075,067	6,525,091
Construction Excise Tax Fund	179,816,308	168,056,436	156,181,975
Contingent Lien District Fund	2,694,669	3,524,908	3,003,108
Convention and Cultural Affairs Capital Fund	11,208,000	15,110,203	3,302,872
Convention Center Facilities District Capital Fund	2,281,000	4,789,473	4,420,679
Emma Prusch Fund	362,719	415,154	436,765
General Fund Capital Improvement	32,534,500	49,224,500	5,230,000
General Purpose Parking Capital Fund	22,333,912	42,712,000	35,729,140
Improvement District Fund	8,297	33,181	87,302
Lake Cunningham Fund	2,428,863	2,472,631	2,511,621
Library Parcel Tax Capital Fund	3,277,000	2,646,607	2,100,000
Major Collectors and Arterial Fund	1,667,627	1,888,108	1,740,134
Major Facilities Fund	5,256,362	5,711,318	4,419,992
Neighborhood Security Act Bond Fund	4,914,264	4,786,270	3,547,499
Parks and Recreation Bond Projects Fund	15,113,365	19,446,722	19,413,454
Public Safety and Infrastructure Bond Fund - Municipal Improvements	0	55,000,000	3,865,000
Public Safety and Infrastructure Bond Fund - Parks	0	500,000	440,000
Public Safety and Infrastructure Bond Fund - Public Safety	0	70,800,000	85,917,000
Public Safety and Infrastructure Bond Fund - Storm Sewer	0	17,600,000	1,916,000
Public Safety and Infrastructure Bond Fund - Traffic	0	96,000,000	65,509,000
Residential Construction Tax Contribution Fund	2,118,773	1,789,290	2,397,748
San José-Santa Clara Treatment Plant Capital Fund	174,742,816	395,409,755	195,485,292
Sanitary Sewer Connection Fee Fund	3,307,997	3,491,181	2,680,262
Sewer Service and Use Charge Capital Improvement Fund	47,926,888	49,910,024	48,240,270
South Bay Water Recycling Capital Fund	0	3,857,000	3,955,975
Storm Drainage Fee Fund	823,018	855,534	870,953

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2018-2019</u> Adopted	<u>2019-2020</u> Adopted	<u>2020-2021</u> Proposed
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Storm Sewer Capital Fund	\$ 16,303,160	\$ 20,849,314	\$ 13,999,867
Subdivision Park Trust Fund	73,408,397	73,539,176	58,573,187
Underground Utility Fund	4,841,966	8,399,093	8,748,583
Water Utility Capital Fund	11,834,069	12,946,850	11,223,483
Total Capital Improvement Program Funds	\$ 988,008,507	\$ 1,520,183,753	\$ 1,055,062,934
 GRAND TOTAL (Gross City Use of Funds)	 \$ 4,554,298,963	 \$ 5,562,851,797	 \$ 4,900,707,216
Less Transfers, Loans, and Contributions	<u>(826,052,571)</u>	<u>(901,687,225)</u>	<u>(763,133,291)</u>
 NET CITY USE OF FUNDS	 \$ 3,728,246,392	 \$ 4,661,164,572	 \$ 4,137,573,925

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

BUDGET POLICIES

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

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

OPERATING BUDGET

1. General

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

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

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

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

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
2020-2021 PROPOSED OPERATING BUDGET

BUDGET POLICIES

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

OPERATING BUDGET

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

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

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

2) Budget Stabilization Reserve

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

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

3) Workers' Compensation/General Liability Catastrophic Reserve

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

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OPERATING BUDGET

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

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

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

b) Cash Reserve Fund

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

c) Emergency Reserve Fund

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

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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 allocated 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) After setting aside funding to address the projected deficit for the following year, if applicable, the remaining funds shall be allocated for the following uses:
 - 1) Budget Stabilization Reserve and/or Contingency Reserve.
 - 2) Unmet/deferred infrastructure and maintenance needs.
 - 3) Other one-time urgent funding needs.
- c) Annual surplus funds shall not be used for ongoing expenditures, unless those expenditures can be accommodated in Year Two and possibly Year Three of the five-year financial forecast. Any available carryover balance should only be used to offset one-time costs or to increase revenues.

5. Mid-Year Adjustments

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

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

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

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

6. *Overhead Cost Allocation*

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

7. *Budget System*

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

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

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

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

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

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

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8. *Debt*

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

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

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

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

9. *Self Insurance*

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

10. *Capital and Equipment Maintenance*

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

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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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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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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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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

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(COUNCIL POLICY 1-18)**

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

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

2. Capital Improvement Plan Policies

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

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

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CAPITAL IMPROVEMENT PROGRAM

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

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

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

3. Debt

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

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

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

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

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BUDGET POLICIES

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

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

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

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

POLICY

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

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

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

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

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

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

SIGNIFICANT ACCOUNTING PRACTICES

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

BUDGETARY BASIS

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

FUND STRUCTURE AND BASIS OF ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

SIGNIFICANT ACCOUNTING PRACTICES

FUND STRUCTURE AND BASIS OF ACCOUNTING

- *Proprietary Fund Types*

Proprietary funds, which include Enterprise and Internal Service funds, are used to account for the City's business-type activities. Proprietary funds use the economic resources measurement focus and accrual basis of accounting, which are the same as used for private-sector business enterprises. These funds are used where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net position 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 and are not included in the government-wide financial statements. Fiduciary funds include pension (and other post-employment 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

2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

OVERVIEW

The City's debt service obligations include general obligation bonds, lease revenue bonds and commercial paper notes, enterprise revenue bonds, special assessment bonds, and special tax bonds. 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

OVERVIEW

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

2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

DEBT STATUS AND CAPACITY

The City of San José Charter limits bonded indebtedness for General Obligation bonds to fifteen percent (15%) of the total assessed valuation of all real and personal property within the City. As of June 30, 2019, the total assessed value of taxable property was \$195.2 billion, which results in a total debt limit capacity of approximately \$29.3 billion. On July 9, 2019, the City issued \$502.02 million in general obligation bonds to refund the prior General Obligation Bonds, in the amount of \$323.1 million, and to provide funds for Measure T capital projects. As of June 30, 2020, the City estimates \$469.0 million of General Obligation bonds outstanding which represents approximately 1.6% of the debt limit and a debt margin of \$28.8 billion.

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. SARA is expected to have total debt outstanding of \$1.48 billion, consisting of three series of Merged Area Tax Allocation Bonds (TABs), as of June 30, 2020.

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 had additions in long-term debt of \$468,980,000 and repayment, or are expected to repay \$399,575,000 of long-term debt in 2019-2020 resulting in an estimated total long-term debt balance of \$2.1 billion as of June 30, 2020. 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 \$2.3 billion estimated at June 30, 2020. 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 and reaffirmed by the City Council on March 27, 2018.

Descriptions of City of San José and related entity debt activity for 2019-2020, as well as issues planned for 2020-2021, are provided in the following sections.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

2019-2020 DEBT ISSUANCE

The following debt issues were or are expected to be completed in 2019-2020:

- **City of San José General Obligation Bonds.** On November 6, 2018, City of San José voters authorized the issuance of up to \$650,000,000 for the purpose of acquiring property for and constructing improvements in order to improve emergency and disaster response, repair deteriorating bridges vulnerable to earthquakes, repave streets and potholes in the worst condition, prevent flooding and water contamination including the acquisition of land in the Coyote Valley for these purposes, and repair critical infrastructure (“Measure T”). On July 9, 2019, the City sold \$502,020,000 of General Obligation Bonds, Series 2019 A-D (“Series 2019 Bonds”) under the Measure T authorization. Of that amount, the Series 2019 Bonds provided \$239,900,000 for Measure T - Disaster Preparedness, Public Safety, and Infrastructure projects; \$9,230,000 for Library and Public Safety Improvements (utilizing remaining voter approved bond measures); and \$252,890,000 to refund the prior General Obligation Bonds (previously outstanding in the amount of \$323,110,000).

- **City of San José, San José International Airport Subordinate Commercial Paper Notes.** The City issued \$3.0 million in commercial paper notes in 2019-2020 in support of the Airport Interim Facility Project.

2019-2020 PLANNED DEBT ISSUANCE

The following debt issues are planned for 2019-2020:

- **City of San José Financing Authority Commercial Paper Notes.** The City anticipates issuing \$1.2 million commercial paper notes for the completion of the Public Works ESCO-Streetlights Project in June 2020.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

2020-2021 PLANNED DEBT ISSUANCE

The following debt issues are planned for 2020-2021:

- **City of San José Financing Authority Lease Revenue Bonds, Series 2020A.**
The City anticipates the issuance of approximately \$350 million in Lease Revenue Bonds to refund the Lease Revenue Refunding Bonds, Series 2006A, defease the Lease Revenue Bonds, Series 2007A and ESCO lease payments, and advance refund the Lease Revenue Refunding Bonds, Series 2013A to achieve economic savings and fund the acquisition and construction of the public improvements benefitting the City, including the build-out of existing space within the 4th and San Fernando Garage for office space to be occupied by the San José Clean Energy Department (“SJCE”) and other city operations.

- **City of San José Financing Authority Lease Revenue Bonds, Series 2020B.**
The City anticipates the issuance of approximately \$150.0 million in Lease Revenue Bonds to provide financing for acquisition and construction of two additional ice rinks and additional renovations at the Solar4America Ice Centre. In addition, the City anticipates to refund the outstanding Taxable Lease Revenue Bonds, Series 2008E-1 and 2008E-2 (Ice Centre Refunding Project) to achieve economic savings.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

(A) Summary of Changes in Long-Term Debt for the Year Ending June 30, 2020
(In Thousands of Dollars)

	Balance June 30, 2019	Additions to Long-Term Obligations	Current Maturities and Retirements	Estimated Balance June 30, 2020
GENERAL LONG TERM DEBT				
General Obligation Bonds	\$ 323,110	\$ 468,980	\$ 323,110	\$ 468,980
Lease-Purchase Agreement (Taxable)	13,891	-	1,460	12,431
Special Assessment and Special Tax Bonds with Limited Governmental Commitment	125,185	-	14,485	110,700
CITY OF SAN JOSE FINANCING AUTHORITY				
Lease Revenue Bonds, Series 2003A	7,400	-	1,355	6,045
Lease Revenue Bonds, Series 2006A	51,670	-	-	51,670
Lease Revenue Bonds, Series 2007A	18,550	-	9,355	9,195
Lease Revenue Bonds, Series 2008E-1 (Taxable)	6,550	-	960	5,590
Lease Revenue Bonds, Series 2008E-2 (Taxable)	6,540	-	955	5,585
Lease Revenue Bonds, Series 2011A	28,705	-	665	28,040
Lease Revenue Bonds, Series 2013A	277,975	-	10,145	267,830
Lease Revenue Bonds, Series 2013B	26,555	-	870	25,685
CITY OF SAN JOSE ENTERPRISE FUNDS				
Airport Revenue Bonds	1,158,730	-	31,040	1,127,690
Sewer Revenue Bonds/State Revolving Fund Loan	10,585	-	5,175	5,410
TOTAL	\$ 2,055,446	\$ 468,980	\$ 399,575	\$ 2,124,851

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

B) Summary of Bonds and Notes Payable at June 30, 2020 by Individual Issue

	<u>Due To</u>	<u>Effective</u>	<u>Estimated (\$ Thousands)</u>
CITY OF SAN JOSE			
General Obligation Bonds, Series 2019A-1	2049	5.0%	\$ 140,360
General Obligation Bonds, Series 2019B	2027	2.35-2.60%	66,500
General Obligation Bonds, Series 2019C	2035	5.0%	158,185
General Obligation Bonds, Series 2019D	2024	2.30-2.35%	103,935
Lease-Purchase Agreement (Taxable)	2034	3.94-6.01%	12,431
Total City of San José			<u>\$ 481,411</u>
SPECIAL ASSESSMENT AND SPECIAL TAX BONDS WITH LIMITED GOVERNMENTAL COMMITMENT			
	2042	5.00-6.65%	<u>\$ 110,700</u>
CITY OF SAN JOSE FINANCING AUTHORITY			
Lease Revenue Bonds, Series 2003A	2023	4.40-4.70%	6,045
Lease Revenue Bonds, Series 2006A	2039	4.38-5.00%	51,670
Lease Revenue Bonds, Series 2007A	2030	4.50-4.75%	9,195
Lease Revenue Bonds, Series 2008E-1 (Taxable)	2025	Variable Rate	5,590
Lease Revenue Bonds, Series 2008E-2 (Taxable)	2025	Variable Rate	5,585
Lease Revenue Bonds, Series 2011A	2042	4.00-5.75%	28,040
Lease Revenue Bonds, Series 2013A	2039	4.00-5.00%	267,830
Lease Revenue Bonds, Series 2013B	2039	3.00-5.00%	25,685
Commercial Paper Notes	Short Term	Various	76,659
Total City of San José Financing Authority			<u>\$ 476,299</u>

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

(B) Summary of Bonds and Notes Payable at June 30, 2020 by Individual Issue

	<u>Due To</u>	<u>Effective</u>	<u>Estimated (\$ Thousands)</u>
ENTERPRISE FUNDS			
Norman Y. Mineta San José International Airport			
Revenue Bonds, Series 2011A-1 (AMT)	2034	5.00-6.25%	118,575
Revenue Bonds, Series 2011A-2 (Non-AMT)	2034	4.00-5.25%	68,225
Revenue Bonds, Series 2011B	2041	4.75-6.75%	255,760
Revenue Bonds, Series 2014A (AMT)	2026	3.38-5.00%	42,135
Revenue Bonds, Series 2014B (Non-AMT)	2028	3.10-5.00%	28,010
Revenue Bonds, Series 2014C (Non-AMT)	2031	5.00%	40,285
Revenue Bonds, Series 2017A (AMT)	2047	4.00-5.00%	435,995
Revenue Bonds, Series 2017B (Non-AMT)	2047	4.00-5.00%	138,705
Commercial Paper Notes	Short Term	Various	51,930
San José-Santa Clara Clean Water Financing Authority:			
Revenue Refunding Bonds, Series 2009A	2020	4.00-5.00%	5,410
Regional Wastewater Facility	Short Term	Various	89,076
Total Enterprise Funds			<u>\$ 1,274,106</u>
GRAND TOTAL			<u><u>\$ 2,342,516</u></u>

CITY OF SAN JOSE
2020-2021 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, 2020***
(In Thousands of Dollars)

Year Ending June 30	City of San José	Special Assessment and Special Tax Bonds	City of San José Financing Authority	Enterprise Funds
2021	\$ 43,358	\$ 12,499	\$ 35,958	\$ 99,433
2022	44,279	12,492	35,899	94,010
2023	43,360	12,491	36,027	81,926
2024	42,427	12,162	36,141	82,789
2025	41,477	8,209	34,576	83,665
Thereafter	532,687	139,573	439,094	1,605,530
Total	\$ 747,588	\$ 197,426	\$ 617,695	\$ 2,047,353

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

	Taxable
2020-2021	2.50%
2021-2022	2.55%
2022-2023	2.60%
2023-2024	2.65%
2024-2025	2.70%
Thereafter	2.80%

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CITY OF SAN JOSE

2020-2021 PROPOSED OPERATING BUDGET

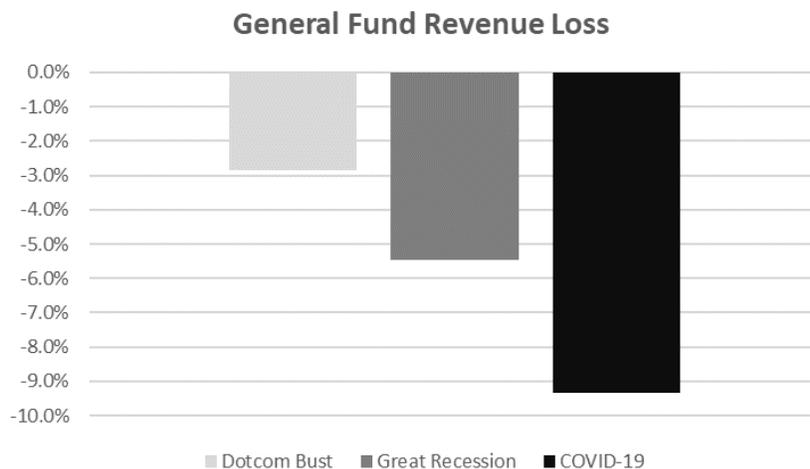
GENERAL FUND REVENUE OVERVIEW

Introduction

For 2020-2021, General Fund revenue estimates (excluding fund balance) total \$1.15 billion, representing a 2.7% decrease from the 2019-2020 Adopted Budget level. When Fund Balance-Carryover is included, General Fund resources total \$1.27 billion, which is 13.6% below the prior year.

Estimates for the 2020-2021 Beginning Fund Balance and for over 450 separate General Fund revenue accounts were formulated as part of the 2021-2025 Five-Year Forecast that was released at the end of February 2020. While preparing the Five-Year Forecast in early February, most economic signs indicated that 2020-2021 would continue to have slow, but steady growth, resulting in a small General Fund surplus of \$0.5 million. However, during the last week of February, as the Forecast publication was being finalized, the initial impacts of COVID-19 were just beginning to be felt. As stated in the 2021-2025 Five-Year Forecast's transmittal memorandum, the economic repercussion of COVID-19 would continue to be monitored and any resulting budgetary impacts would be incorporated as part of the 2020-2021 Proposed Budget process.

The global impact of the COVID-19 pandemic accelerated rapidly during March, with much of the United States having some form of suppressed daily activity to help limit the spread of COVID-19. Locally, a shelter-in-place mandate was issued by seven Bay Area Counties, including Santa Clara County, on March 17th, which has been extended until May 31st (as of the date of this publishing). To comply with the order, a significant portion of economic activity immediately halted, which has deep impacts to many of the economically sensitive revenues in the General Fund. On April 7, 2020, the Estimated Budget Impacts of COVID-19 memorandum was presented to the City Council, which began to preliminarily quantify the budgetary impacts of the pandemic on General Fund resources. Given the limited amount of information available in early April, the collective revenue shortfall estimated in the memorandum totaled \$45 million in 2019-2020 and \$65 million in 2020-2021. Throughout April, as new information and data was received, the economic impact that COVID-19 was having on General Fund revenues was continuously monitored. Based on this analysis, the 2020-2021 revised General Fund Forecast has been updated to reflect a \$78.6 million shortfall in 2020-2021, bringing total General Fund revenues down from \$1.14 billion that was estimated in the Five-Year Forecast to a revised estimate of \$1.06 billion. The revised 2020-2021 General Fund revenue estimate of \$1.06 billion represents a 9.3% decrease from 2018-2019 actual receipts (excluding TRANS proceeds and the Development Fee Programs). Over a two-year span revenues dropped only 2.9% during the Dotcom Bust and 5.5% during the Great Recession.



CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE OVERVIEW

Introduction

In addition to the revisions to the 2020-2021 General Fund Forecast, several budget proposals are included in this document for City Council consideration that would have a revenue impact of \$89.7 million, bringing the 2020-2021 Proposed revenue estimate (excluding fund balance) to \$1.15 billion. The 2020-2021 Revised Forecast and Proposed General Fund sources are summarized below and discussed in detail in the material that follows.

Revenue Category	1 2018-2019 Actuals	2 2019-2020 Adopted	3 2020-2021 Forecast	4 2020-2021 Proposed	2 to 4 % Change	% of Total
Property Tax	\$ 330,199,269	\$ 354,000,000	\$ 370,500,000	\$ 370,500,000	4.7%	29.1%
Sales Tax	263,530,326	258,300,000	220,500,000	242,500,000	(6.1%)	19.1%
Transient Occupancy Tax	20,536,084	22,500,000	15,000,000	15,000,000	(33.3%)	1.2%
Franchise Fees	48,397,444	48,641,000	45,719,000	45,921,096	(5.6%)	3.6%
Utility Taxes	99,252,672	99,645,000	95,800,000	95,800,000	(3.9%)	7.5%
Business Taxes	74,902,578	72,200,000	70,900,000	70,900,000	(1.8%)	5.6%
Real Property Transfer Tax	0	0	0	30,000,000	N/A	2.4%
Telephone Line Tax	21,593,485	20,000,000	20,000,000	20,000,000	0.0%	1.6%
Licenses and Permits	65,294,743	62,009,468	19,303,330	20,023,167	(67.7%)	1.6%
Fines, Forfeitures and Penalties	17,401,606	16,213,000	15,722,000	15,722,000	(3.0%)	1.2%
Rev. from Money and Property	10,072,279	13,144,000	14,027,800	11,754,800	(10.6%)	0.9%
Rev. from Local Agencies	16,685,364	14,830,210	13,239,000	13,095,000	(11.7%)	1.0%
Rev. from State of California	15,101,735	12,960,805	12,030,000	12,030,000	(7.2%)	0.9%
Rev. from Federal Government	3,106,128	4,769,023	121,000	761,709	(84.0%)	0.1%
Fees, Rates, and Charges	55,703,033	58,951,740	27,404,003	25,575,702	(56.6%)	2.0%
Other Revenue	247,368,271	23,502,394	9,104,126	48,198,439	105.1%	3.8%
Transfers and Reimbursements	105,732,097	100,576,639	111,030,012	112,352,425	11.7%	8.8%
Subtotal	\$ 1,394,877,114	\$ 1,182,243,279	\$ 1,060,400,271	\$ 1,150,134,338	(2.7%)	90.4%
Fund Balance-Carryover (1)	249,953,260	289,425,284	105,192,500	121,758,268	(57.9%)	9.6%
Total General Fund Sources	\$ 1,644,830,374	\$ 1,471,668,563	\$ 1,165,592,771	\$ 1,271,892,606	(13.6%)	100.0%

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

Economic Performance

The following is a discussion of both the national and local economic outlooks used to develop the 2020-2021 revenue estimates. Various economic forecasts and models were reviewed in the development of the 2020-2021 revenue estimates. The City also uses an economic forecasting consultant and consultants that focus on particular revenue categories, such as Sales Tax and Transient Occupancy Tax. However, given the unprecedented nature of this pandemic and the necessary response to protect community health and safety, estimating its economic impact to the City is difficult. Therefore, the economic conditions resulting from COVID-19 will continue to be closely monitored and any new developments will be reported back to the City Council as part of the year-end clean-up process, the 2019-2020 Annual Report, and future Bi-Monthly Financial Reports.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE OVERVIEW

Economic Performance

National Outlook

Until March 2020, the United States was experiencing the longest economic expansion in this Country's history. How much of an impact the COVID-19 pandemic will have on the United States economy is a question currently facing many government agencies and businesses around the Country. There is a great deal of uncertainty regarding when a vaccine will be available and, in the absence of a vaccine, how consumers will react as various states slowly ease shelter-in-place mandates and re-open their economies.

The Consumer Confidence Index, which is a survey that measures how optimistic or pessimistic consumers are regarding their expected financial situation, declined sharply in March and then further deteriorated April. Lynn Franco, Senior Director of Economic Indicators at The Conference Board stated "Consumer confidence weakened significantly in April, driven by a severe deterioration in current conditions. The 90-point drop in the Present Situation Index (consumers' assessment of current business and labor market conditions), the largest on record, reflects the sharp contraction in economic activity and surge in unemployment claims brought about by the COVID-19 crisis. Consumers' short-term expectations for the economy and labor market improved, likely prompted by the possibility that stay-at-home restrictions will loosen soon, along with a re-opening of the economy. However, consumers were less optimistic about their financial prospects and this could have repercussions for spending as the recovery takes hold. The uncertainty of the economic effects of COVID-19 will likely cause expectations to fluctuate in the months ahead"¹.

The real Gross Domestic Product (GDP) represents the value of all goods and services produced for a specific period of time for a country. The GDP includes multiple factors (such as consumption and investment) and is often used to determine the overall health of an economy, including whether an economy is expanding or experiencing a recession. In the fourth quarter of 2019, real GDP increased 2.1%. However, the advance estimate for the first quarter of 2020 decreased at an annual rate of 4.8%. The decline in the first quarter GDP was, in part, due to the response to the spread of COVID-19, as stay-at-home orders were issued in March.² Second quarter GDP information will not be released from the U.S. Bureau of Economic Analysis until July 2020, but record-setting declines are anticipated. Important to note is that there are several measurements of a recession, with one of them being two consecutive quarters of negative GDP growth generally meaning the economy has entered a recession. Consequently, it is likely the national economy will enter a recession as a result of the pandemic; however, the magnitude and length of the recession is unknown.

¹ The Conference Board, Consumer Confidence Survey, April 28, 2020

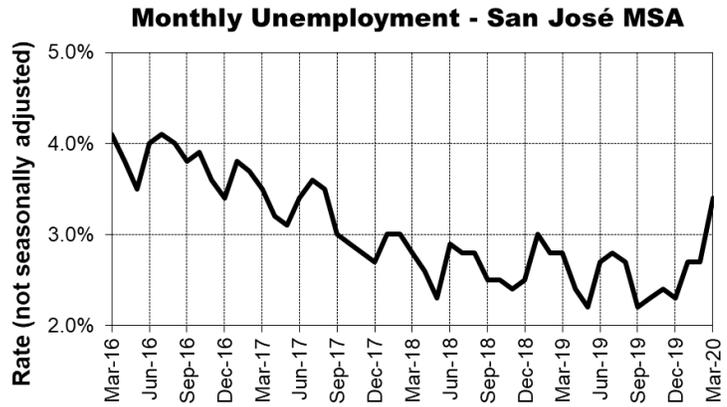
² U.S. Department of Commerce, Bureau of Economic Analysis, April 29, 2020

CITY OF SAN JOSE
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GENERAL FUND REVENUE OVERVIEW

Economic Performance

City of San José Outlook

Similar to strong growth that was experienced in the national economy, the City of San José had been experiencing strong economic growth coupled with low unemployment levels for over a decade. However, the shelter-in-place mandate issued in March 2020 had an immediate impact to daily economic activity that will be felt at least through 2020-2021, and likely much longer.



From January 2018 through February 2020, the average unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) was 2.6%. After the shelter-in-place order was issued in March 2020, unemployment immediately began to rise. The March 2020 unemployment level totaled 3.4%, up from the February 2020 figure of 2.7%.³ The unemployment rate is anticipated to grow significantly over the next year, possibly reaching levels of 15% or greater.

As noted in the April 2020 Beacon Employment Report, California’s employment was negatively impacted in March as a result of the halt in economic activity, and will likely significantly worsen in April. Taner Osman, Research Manager at Beacon Economics and the UC Riverside Center for Forecasting, stated “While the current report paints a bleak enough picture, unfortunately, things are likely even worse, and have very likely become much worse in April. Just how quickly employment growth returns will depend on when stay-at-home orders are lifted, and when the state’s residents feel comfortable resuming their normal activities...but at this point, we can’t put a timeline on when this will happen.”⁴

Unemployment Rate (Unadjusted)			
	March 2019	Feb. 2020	March 2020**
San Jose Metropolitan Statistical Area*	2.8%	2.7%	3.4%
State of California	4.5%	4.3%	5.6%
United States	3.9%	3.8%	4.5%

* San Benito and Santa Clara Counties
Source: California Employment Development Department.
** March 2020 estimates are preliminary and may be updated.

As noted in the Unemployment Rate chart, local, state and national unemployment levels rose in March 2020 as a result of the shelter-in-place mandate. However, while the San José MSA unemployment rate increased, the March 2020 unemployment rate of 3.4% continues to be lower than the State (5.6%) and the nation (4.5%). April unemployment information is scheduled to be released on May 22, 2020, and is anticipated to be significantly higher than the figures report as of March 2020.

³ State of California Employment Development Department Labor Market Information Division Press Release, April 17, 2020

⁴ Beacon Economics, Beacon Employment Report, April 17, 2020

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE OVERVIEW

Economic Performance

City of San José Outlook

Due to strong commercial activity that occurred in the first half of the year, coupled with an extremely high level of industrial activity in July 2019, overall construction activity through March 2020 has increased 47.4% from 2018-2019 levels. The 2019-2020 Adopted Budget was developed with the expectation that private development activity would remain strong, though will likely moderate over the course of the year.

Private Sector Construction Activity (Valuation in \$ Millions)			
	July 2018 - March 2019	July 2019 - March 2020	% Increase/ Decrease
Residential	\$ 449.5	\$ 323.1	(28.1%)
Commercial	\$ 383.4	\$ 758.4	97.8%
Industrial	\$ 322.5	\$ 628.1	94.8%
TOTAL	\$ 1,155.4	\$ 1,709.6	48.0%

Through March, residential permit valuation has decreased from prior year levels (\$323.1 million in 2019-2020 and \$449.5 million in 2018-2019). Residential activity through March included 1,060 multi-family units and 447 units of single-family construction for a total of 1,507 units. Commercial valuation through March 2020 is higher than the 2018-2019 level (\$758.4 million in 2019-2020 and \$383.4 million in 2018-2019). The commercial activity in the month of March was modestly strong (\$67.3 million) with new construction accounting for most of the commercial activity (\$58.7 million). Industrial construction valuation through March was much higher than prior year levels (\$628.1 million in 2019-2020 vs. \$322.5 million in 2018-2019). This increase is primarily due to an extremely high level of new construction activity in July that is attributable to exceptional industrial activity, setting a valuation record of \$100 million. Alterations accounted for all industrial activity in January, February and March of 2020. Industrial activity in March totaled \$1.2 million which represents the lowest level that has occurred since January 2014.

The shelter-in-place mandate that began in March significantly restricted in-progress construction activity. Development partners have continued to work remotely on all other aspects of project review, such as planning entitlement and construction plan checking, in preparation for when restrictions would be lifted. As of May 4, 2020, the shelter-in-place was revised to allow for the return of all construction work if the requirements for small or large projects were met. Although it is still early COVID-19 is projected to reduce construction revenue by 40% for the remainder of 2019-2020 and 30% in 2020-2021. As additional data is known, these figures will be updated accordingly.

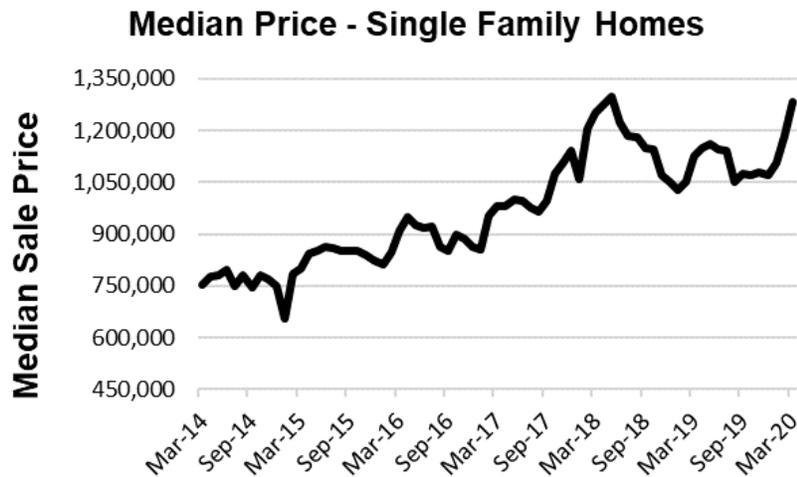
From spring 2012 through fall 2018, the median sale price for homes had consistently experienced year-over-year growth. Beginning in October 2018, however, Santa Clara County experienced a slow down in the local real estate market, with median sale prices dropping, the average days on market increasing, and the number of sales decreasing. This slowdown lasted for about 12 months, until the real estate market began stabilizing, with median home prices and property sales once again growing compared to prior year levels.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE OVERVIEW

Economic Performance

City of San José Outlook

Real estate activity is anticipated to significantly decline over the next year. During the shelter-in-place order, there is anticipated to be little movement in the real estate market; and as restrictions are lifted



it is anticipated that the real estate market will be sluggish due to higher unemployment coupled with lower anticipated consumer confidence. Real estate data has been received from the Santa Clara County Association of Realtors for March 2020, which indicates the single-family home price in March 2020 totaled \$1.3 million, which is 14.0% higher than the March 2019 price. However, the number of property transfers (sales) declined 26.0% compared to

the same period in the prior year. Due to the timing of real estate data, it may be several months before the true impacts of COVID-19 are realized.

Economically Sensitive and Non-Economically Sensitive Revenue Drivers

Economic conditions are the primary drivers for a number of the City’s revenues, with the most significant impacts in the Sales Tax and Property Tax categories. As a result of the COVID-19 pandemic and the necessary response to protect community health and safety, the global, country, and local economies have all shuttered. As anticipated, the immediate halt to daily economic activity has a significant negative impact to many of the economically sensitive revenue categories that are received in the General Fund. Economically sensitive revenue categories such as Sales Tax, Business Taxes, and Transient Occupancy Taxes are anticipated to drop up to 27% in 2020-2021 from 2018-2019 pre-Covid collection levels. On a positive note, General Secured Property Taxes (which is the single largest revenue category in the General Fund) are not anticipated to significantly change in 2020-2021 as the revenue is based on property values as of January 1, 2020. Any changes in the local real estate market that occurs in 2020 as a result of the COVID-19 pandemic will not be felt until 2021-2022. It is important to note that the 2020-2021 Property Tax assumptions are based on current practices and does not assume any significant policy changes that may be made at the County or State level.

Although there are several economically sensitive revenues that will be impacted by the COVID-19 pandemic, there are also many revenue categories in the General Fund that are considered non-economically sensitive and are typically driven by outside factors. For example, the Utility Tax and

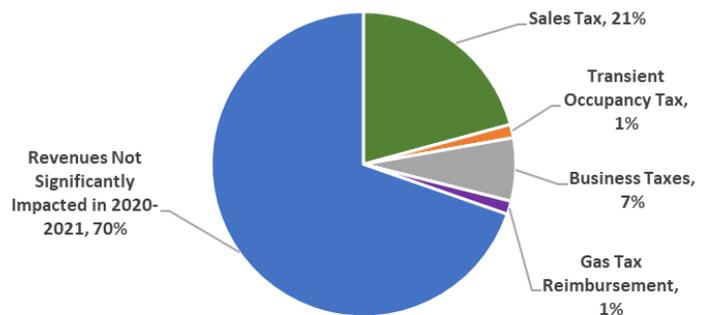
CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE OVERVIEW

Economically Sensitive and Non-Economically Sensitive Revenue Drivers

Franchise Fees categories have historically been more heavily impacted by utility rate changes, energy prices, and consumption levels. As a result, in the past these General Fund revenues have experienced no significant net gain or loss in times of an economic expansion or slowdown. Due to the unprecedented times the City is currently facing, this budget does assume a small number of these non-economically sensitive categories may drop approximately 3% as unemployment levels rise and residents may not have the means to pay their monthly bills.

In total, economically sensitive categories that are anticipated to be impacted by COVID-19 and the ensuing recession constitute 30% of all 2020-2021 General Fund revenue. Therefore, although 70% of General Fund revenues are not significantly impacted in 2020-2021, total revenue (as of the Revised Forecast) is estimated to decline by 9.3% from 2018-2019 actual collection levels (excluding TRANS proceeds and the Development Fee Programs).

General Fund Revenue 2020-2021
(Economically Sensitive Impacted by COVID-19)



Revised General Fund Forecast

As previously discussed, during the last week of February (as the Forecast publication was being finalized), the initial impacts of COVID-19 were just beginning to be felt. As stated in the 2021-2025 Five-Year Forecast’s transmittal memorandum, the economic repercussion of COVID-19 would continue to be monitored and any resulting budgetary impacts would be incorporated as part of the 2020-2021 Proposed Budget process.

The Five-Year Forecast issued in February included a small General Fund surplus of \$0.5 million in 2020-2021. However, based on the most recent analysis of data that is available, the 2020-2021 revised General Fund Forecast has been updated to reflect a \$78.6 million shortfall in 2020-2021. As a result, the revised Total General Fund Sources totals \$1.17 billion, down from \$1.24 billion estimated in the Five-Year Forecast.

On the following page is a summary table of the changes incorporated into the Revised Forecast, which were used as the starting point in preparing the 2020-2021 Proposed Budget.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE OVERVIEW

Revised General Fund Forecast

<u>Category</u>	<u>\$ Change</u>	<u>Description</u>
Revenue from Local Agencies	\$ 40,000	Increase of \$40,000 reflects an increase of revenue anticipated to be received from Santa Clara County for the Central Fire District payment.
Sales Tax	(47,200,000)	Decrease of \$47.2 million as a result of the COVID-19 pandemic (from \$267.7 million to \$220.5 million). The revised 2020-2021 revenue reflects a 6.0% decline from the 2019-2020 estimated receipts (excluding the Revenue Capture Agreement) and a 16.3% decline from 2018-2019 actual collections.
Business Taxes	(7,000,000)	Decrease of \$7.0 million as a result of the COVID-19 pandemic (from \$77.9 million to \$70.9 million). The revised 2020-2021 revenue reflects a slight (0.7%) increase from 2019-2020 estimated receipts due to the timing of General Business Tax receipts. However, 2020-2021 revenue reflects a 5.3% decline from 2018-2019 actual collections.
Property Tax	(5,800,000)	Net decrease of \$5.8 million primarily as a result of the COVID-19 pandemic (from \$376.3 million to \$370.5 million). The revised 2020-2021 revenue reflects a 0.8% increase from 2019-2020 estimated revenue and 12.2% increase from 2018-2019 actual collections. This net decrease is due to lower anticipated Educational Revenue Augmentation Fund (ERAF) revenue (\$4.5 million) and Unsecured Property Tax revenue (\$2.3 million), partially offset by slightly higher general Secured Property Tax revenue (\$1.0 million).
Transient Occupancy Tax	(5,800,000)	Net decrease of \$5.8 million as a result of the COVID-19 pandemic (from \$20.8 million to \$15.0 million). The revised 2020-2021 revenue reflects an 11.1% increase from the 2019-2020 estimated revenue, but a 27.0% decline from 2018-2019 actual collections.
Fees, Rates, and Charges	(3,253,825)	Net decrease of \$3.3 million aligns revenue with estimated base activity levels in departmental fee revenue. A significant portion of this decrease (\$3.0 million) is related to Parks, Recreation, and Neighborhood Services Department Fee revenue, which is anticipated to be significantly impacted by the COVID-19 pandemic.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE OVERVIEW

Revised General Fund Forecast

<u>Category</u>	<u>\$ Change</u>	<u>Description</u>
Transfers and Reimbursements	\$(2,539,922)	Net decrease of \$2.5 million reflects updated overhead reimbursements from capital and operating funds based on the final 2020-2021 base budget and overhead rates (\$233,000), lower transfers to the General Fund (-\$773,000) and decreased Gas Tax revenue (-\$2.0 million).
Franchise Fees	(2,402,000)	Net decrease of \$2.4 million primarily reflects updated information received in April 2020, which reduces the 2020-2021 estimates for Electric Franchise Fees by \$2.4 million (from \$22.4 million to \$20.0 million).
Beginning Fund Balance	(2,000,000)	Net decrease of \$2.0 million reflects a lower transfer to the new Development Program Fee Funds in 2020-2021, as a result of less funding anticipated to be available after the end of 2019-2020 due to adjusted costs in the respective fee programs.
Fines, Forfeitures, and Penalties	(900,000)	Net decrease of \$900,000 to parking fine citations (\$700,000; from \$12.7 million to \$12.0 million) and business tax penalties (\$200,000; from \$1.2 million to \$1.0 million) as a result of the COVID-19 pandemic.
Utility Tax	(600,000)	Net decrease of \$600,000 as a result of the COVID-19 pandemic (from \$96.4 million to \$95.8 million). The revised 2020-2021 revenue reflects a 0.3% decrease from the 2019-2020 estimated revenue and a 3.5% decline from 2018-2019 actual collections.
Licenses and Permits	(442,000)	Decrease of \$442,000 aligns revenues with anticipated activity levels for Fire Dept Non-Development Fee Program permits.
Revenue from the State	(400,000)	Decrease of \$400,000 reflects updated information from the State of California regarding Tobacco Settlement funds.
Use of Money and Property	(300,000)	Decrease aligns the interest earning revenue with updated projection levels. Less revenue is anticipated in 2020-2021 due to declining interest rates coupled with lower cash flow projections.
Total	<u>\$(78,597,747)</u>	

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE OVERVIEW

Changes from Forecast to Proposed Budget

From the Revised Forecast of \$1.17 billion (including fund balance), a net increase of \$106.3 million to the General Fund revenue estimates are included in the Proposed Budget, bringing the 2020-2021 revenue estimate to \$1.27 billion (including fund balance). The components of this change include an increase to the estimate for 2019-2020 Ending Fund Balance/2020-2021 Beginning Fund Balance (\$16.6 million) and an increase to various revenue categories (\$89.7 million). The revenue changes are summarized in the table below.

<u>Category</u>	<u>\$ Change</u>	<u>Description</u>
Other Revenue	\$ 39,094,313	Increase of \$39.0 million primarily reflects the refunding of outstanding City Hall lease-revenue bonds (\$26.0 million) and the sale of five City-owned properties to the Housing Department (\$11.1 million).
Real Property Transfer Tax	30,000,000	Increase of \$30.0 million to reflect anticipated revenue related to the new Real Property Transfer Tax (Measure E), which becomes effective on July 1, 2020.
Sales Tax	22,000,000	Increase of \$22.0 million to reflect the annualization of General Sales Tax revenue anticipated to be received in 2020-2021 as a result of the Revenue Capture Agreement.
Beginning Fund Balance	16,565,768	Net increase of \$16.6 million reflects the liquidation of various reserves, the largest of which include the 2020-2021 Future Deficit Reserve (\$10.9 million) and the Budget Stabilization Reserve (\$5.0 million).
Transfers and Reimbursements	1,322,413	Net increase of \$1.3 million reflects the increase in overhead from the budget actions that change the staffing levels funded by special and capital funds.
Licenses and Permits	719,837	Increase of \$720,000 reflects various license and permit changes recommended to the Fire Permits (\$421,000) and Other Licenses and Permits (\$299,000) categories to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels.
Revenue from the Federal Government	640,709	Increase of \$641,000 to recognize Urban Areas Security Initiative (UASI) grant revenue, which will be allocated to the Office of Emergency Management.
Franchise Fees	202,096	Increase of \$202,000 reflects an increase in the Commercial Solid Waste fees by 1.81% based on the change in the Consumer Price Index.
Revenue from Use of Money and Property	(2,273,000)	Net decrease of \$2.3 million reflects reduced interest earning receipts as lower cash balances are anticipated in 2020-2021 as the City will return to pre-paying retirement contributions (\$2.6 million). This reduction is partially offset by higher anticipated communication facilities property rental revenue (\$300,000).

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE OVERVIEW

Changes from Forecast to Proposed Budget

Category	\$ Change	Description
Fees, Rates, and Charges	\$(1,828,301)	Net decrease of \$1.8 million is primarily due to Parks, Recreation and Neighborhood Services Department Fees, Rates, and Charges reducing in 2020-2021 to reflect summer swim not occurring in summer 2020, Family Camp not being operational in 2020, community center hours and activities being greatly reduced, and the Corporate Rentals at Happy Hollow Park and Zoo being eliminated (-\$1.9 million). In addition, an ongoing reduction to the Library Department fee revenue (-\$175,000) is reflected for the elimination of youth library fines. These reductions are partially offset by various fee changes recommended in 2020-2021 to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels (\$222,000).
Revenue from Local Agencies	(144,000)	Decrease of \$144,000 to reflect the elimination of funding from the County of Santa Clara for Viva CalleSJ and ¡Viva Parks! as these placemaking events will no longer be funded with City resources.
Total	\$106,299,835	

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CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

2018-2019 Actual	\$ 330,199,269
2019-2020 Adopted	\$ 354,000,000
2019-2020 Estimate	\$ 367,582,000
2020-2021 Forecast*	\$ 370,500,000
2020-2021 Proposed	\$ 370,500,000
% of General Fund	29.1 %
% Change from 2019-2020 Adopted	4.7 %

* The 2020-2021 Forecast was decreased \$5.8 million from the February Forecast due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Revenue Estimates

Property Tax Category	2020-2021 Proposed Budget
Secured Property Tax	\$ 347,500,000
Unsecured Property Tax	13,100,000
SB 813 Property Tax	6,000,000
Aircraft Property Tax	3,000,000
Homeowner's Property Tax Relief	900,000
Total	\$ 370,500,000

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), Aircraft Property Tax, and Homeowner's Property Tax Relief.

In 2019-2020 Property Tax receipts of \$367.6 million are estimated to be received, which represents growth of \$37.4 million (11.3%) from the 2018-2019 actual collection level of \$330.2 million. A significant portion of the growth from the prior year is due to increased Secured Property Tax receipts, which includes general Secured Property Tax receipts (\$20.7 million), Successor Agency to the Redevelopment Agency (SARA) Residual Property

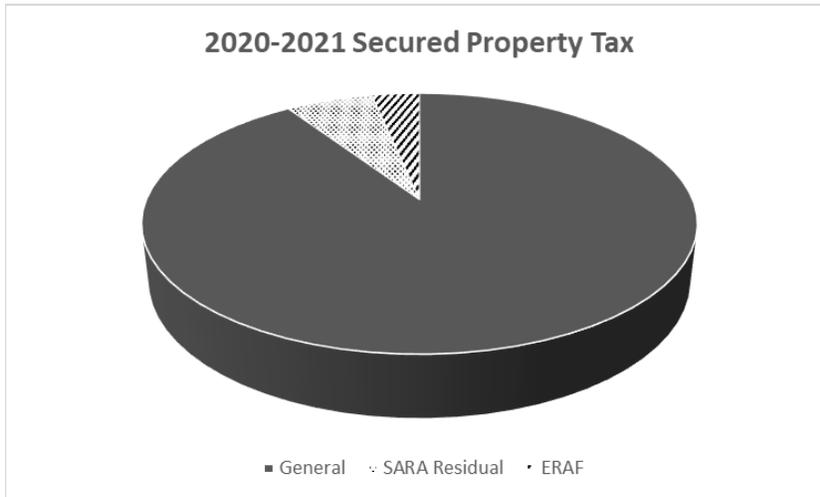


CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

Tax receipts (\$11.9 million), and Educational Revenue Augmentation Fund (ERAF) revenue (\$7.1 million). In 2020-2021, Property Tax collections are expected to increase by less than 1% to \$370.5 million.

Secured Property Tax



Secured Property Taxes account for over 90% of the revenues in the Property Tax category. In 2019-2020, Secured Property Tax receipts are expected to total \$342.1 million, including \$299.0 million in general Secured Property Taxes, \$23.0 million in ERAF revenue, and \$20.1 million from SARA Residual Property Tax receipts. This collection level is up 13.1% from the 2018-2019 receipts. In 2020-2021, Secured Property

Tax receipts, which will be based on real estate activity through January 1, 2020, are expected to increase slightly by 1.6% to \$347.5 million. This primarily reflects the net impact of a 5.5% increase in general Secured Property Tax receipts and additional SARA Residual Property Tax receipts of \$900,000, partially offset by lower anticipated ERAF revenue of \$11.5 million.

The general Secured Property Tax receipts growth of 7.5% in 2019-2020 primarily reflects an increase in assessed value due to the California Consumer Price Index (CCPI) increase of 2%, and increased valuation due to changes in ownership or new construction. 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. On a County-wide basis, the 2019-2020 roll growth was driven primarily by changes in ownership (55.0%), change in the CCPI (23.4%), and new construction (15.9%).

In 2020-2021, the general Secured Property Tax receipts are estimated to grow by approximately 5.5%. The CCPI adjustment for the 2020-2021 tax roll is 2%, which is consistent with the prior year level. In addition, while the high property sale prices will continue to be a positive factor driving growth in this category, the rate of growth is anticipated to be lower in 2020-2021 than has been experienced in recent years. This lower rate of growth is attributable to the local real estate market cooling off in calendar year 2019. The average median single-family home price of \$1.10 million in 2019 dropped 6.7% from the median price of \$1.17 million in 2018. Additionally, the number of sales continued to decline, which negatively impacts growth. The total number of property transfers for single-family and multi-dwelling homes declined approximately 5%, from 7,083 sales in calendar year 2018 to 6,750

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

Secured Property Tax (Cont'd.)

sales in calendar year in 2019. As mentioned above, since general Secured Property Tax revenue is based off calendar year 2019, there is no anticipated impact to receipts in 2020-2021 as a result of COVI-19. However, as the real estate market is anticipated to sharply decline in calendar year 2020, the 2021-2022 general Secured Property Tax revenue will likely be significantly negatively impacted.

In addition to the changes in assessed value, Secured Property Tax collections are impacted by excess ERAF revenue. Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it. In 2018-2019, the City received \$15.9 million primarily from excess 2017-2018 ERAF funds. In 2019-2020, based on information provided by Santa Clara County (that receives information from the State of California), excess ERAF receipts are estimated to total approximately \$23.0 million, which has been incorporated into the 2019-2020 Secured Property Tax estimate. This unusually high funding level represents an approximately 45% increase from the 2018-2019 collection level. Due to uncertainty regarding the ongoing nature of the high collections experienced in recent years, receipts in 2020-2021 are estimated at \$11.5 million.

The final component of the Secured Property Tax category is the SARA Residual Property Tax receipts. As a result of the SARA bond refunding that occurred in December 2017, the City began receiving a residual property tax distribution in 2017-2018. In 2017-2018, receipts totaled \$11.8 million, but dropped to \$8.2 million in 2018-2019. This decrease was due to outstanding Supplemental Education Revenue Augmentation Fund (SERAF) loans that were paid off in 2019. In 2019-2020, SARA residual property tax revenue is estimated at \$20 million, and it is anticipated receipts will grow approximately 5% to \$21 million in 2020-2021.

It should be noted that final data on the actual tax levy for 2019-2020 is not yet available as adjustments are made through June 30, 2020. Each month, the County of Santa Clara provides information on the status of the property tax roll for the upcoming year. Some of the adjustments, however, are not reflected until the latter months of a given fiscal year, such as the reassessments of commercial property. As this information becomes available, refinements to the Property Tax estimates may be brought forward during the 2020-2021 budget process. In addition, any significant policy changes made at the local or State level in response to the COVI-19 pandemic that significantly impact Property Tax collections will be closely monitored and be reported back to the City Council as part of the 2019-2020 Annual Report and future Bi-Monthly Financial Reports.

CITY OF SAN JOSE
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GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

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 information provided by Santa Clara County, Unsecured Property Tax receipts are estimated at \$15.4 million in 2019-2020, which is approximately 2% below the unusually high collection level in 2018-2019. In 2020-2021 Unsecured Property Taxes could potentially be impacted by the COVID-19 pandemic, therefore, revenue is estimated at \$13.1 million, which represents a 15% drop from the 2019-2020 estimated collection level.

Other Property Taxes

For the other Property Tax categories, collections are estimated at \$10.0 million in 2019-2020 and decrease slightly to \$9.9 million in 2020-2021. SB 813 Property Tax receipts are estimated at \$6.04 million in 2019-2020 and \$6.0 million in 2020-2021; Aircraft Property Tax receipts are estimated at \$3.04 million in 2019-2020 and \$3.0 million in 2020-2021; and Homeowners Property Tax Relief revenue are anticipated to total \$930,000 in 2019-2020 and \$900,000 in 2020-2021.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

SALES TAX

2018-2019 Actual	\$ 263,530,236
2019-2020 Adopted	\$ 258,300,000
2019-2020 Estimate	\$ 252,500,000
2020-2021 Forecast*	\$ 220,500,000
2020-2021 Proposed	\$ 242,500,000
% of General Fund	19.1 %
% Change from 2019-2020 Adopted	(6.1 %)

* The 2020-2021 Forecast was decreased \$47.2 million from the February Forecast due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

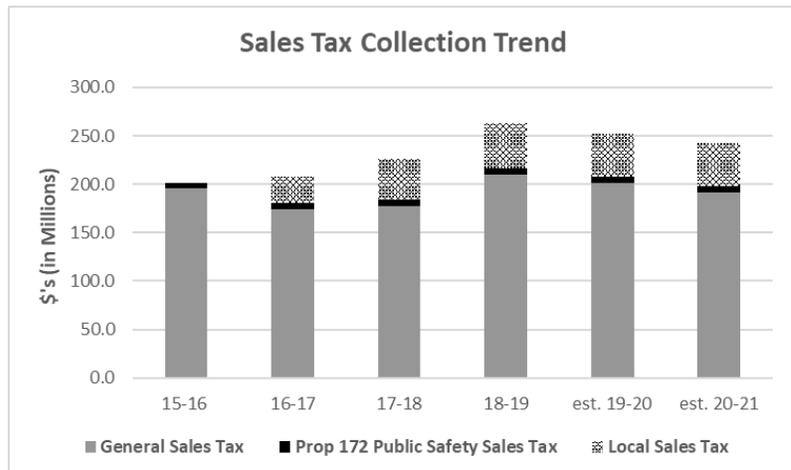
Distribution of Sales Tax

As shown in the following table, the City receives 1.25% of the 9.25% Sales Tax collected for items sold in San José. 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%
Public Safety Fund (Proposition 172)	0.500%
Santa Clara County (Including VTA)	2.000%
Total	9.250%

Revenue Estimates

In early February 2020, while preparing the Five-Year General Fund Forecast, it was anticipated that 2019-2020 Sales Tax revenue would total \$261.5 million, which reflected actual receipts for the first two quarterly payments of the fiscal year, plus estimated receipts for the final two payments. This estimate did not include any revenue related to the Revenue Capture Agreement, as funding was still being evaluated. Furthermore, based on overall



CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

SALES TAX

Sales Tax Category	2020-2021 Proposed Budget
General Sales Tax (including Revenue Capture Agreement)	\$192,000,000
Local Sales Tax	44,500,000
Proposition 172 Sales Tax	6,000,000
Total	\$242,500,000

economic activity and assumptions at that point in time, Sales Tax revenue was anticipated to grow by approximately 2.5% to \$267.7 million in 2020-2021. In March 2020, as the COVID-19 pandemic rapidly accelerated, the County of

Santa Clara instituted a shelter-in-place order, which halted all economic activity. The shelter-in-place mandate will likely impact almost all sectors of Sales Tax revenue, including retail sales, construction, transportation, and business-to-business. Additionally, high unemployment rates and recessionary economic conditions are likely to ensue post COVID-19. Therefore, after analyzing the limited Sales Tax available data and consulting with economists, a revised 2019-2020 Sales Tax estimate of \$234.5 million (excluding the Revenue Capture Agreement) is anticipated to be received, which is 10.3% lower than the 2019-2020 estimate included in the 5-Year Forecast. Additionally, the 2020-2021 revised Sales Tax revenue is estimated at \$220.5 million (excluding the Revenue Capture Agreement), which reflects a 17.6% decline from the estimate included in the 5-Year Forecast.

When the 2021-2025 Five-Year Forecast was being developed, revenue anticipated to be received as part of the Revenue Capture Agreement, had not been fully analyzed; therefore, funding was not included in the 2019-2020 or 2020-2021 estimates. However, since February, the City has received confirmation the funding was received from the California Department of Tax and Fee Administration (CDTFA). When including the Revenue Capture Agreement funding, the 2019-2020 Sales Tax estimate increases to \$252.5 million and the 2020-2021 estimate increases to \$242.5 million. It is important to note that although this revenue is included in the revised Sales Tax estimates, the Revenue Capture Agreement continues to be analyzed by the CDTFA.

General Sales Tax

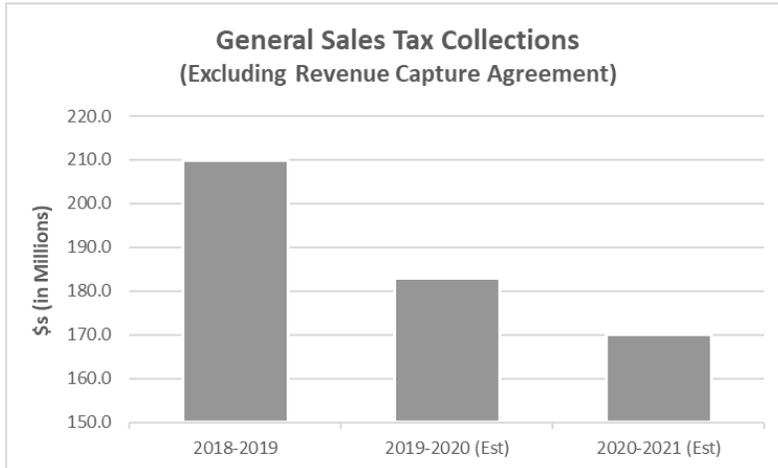
General Sales Tax revenue is the largest driver of the Sales Tax category, and accounts for almost 80% of all Sales Tax receipts. When the 2021-2025 Five-Year General Fund Forecast was being developed, General Sales Tax receipts for the first quarter (sales tax activity for July-September) and second quarter (sales tax activity for October-December) had been received. Based on those collections and steady economic growth for the remainder of 2019-2020 and 2020-2021, it was anticipated that 2019-2020 General Sales Tax receipts would total \$208.0 million in 2019-2020 and grow by approximately 2.5% to \$213.0 million in 2020-2021.

As discussed above, the shelter-in-place mandate that began on March 17th and has been extended until May 31st (as of the date of this publishing), is anticipated to significantly impact Sales Tax receipts. After analyzing the limited available Sales Tax data and consulting with economists, a revised 2019-2020 General Sales Tax estimate of \$183.0 million is anticipated to be received (excluding the Revenue Capture Agreement), which is 12.0% lower than the estimate included in the 5-Year Forecast and almost 13% below 2018-2019 actual collections. Additionally, in 2020-2021 the revised General Sales Tax revenue is estimated at \$170.0 million (excluding the Revenue Capture Agreement), which reflects

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GENERAL FUND REVENUE ESTIMATES

SALES TAX

General Sales Tax (Cont'd.)



a 20.2% decline from the estimate included in the 5-Year Forecast and a 7.1% drop from revised 2019-2020 estimated collections. The estimates for 2020-2021 assume recessionary conditions throughout the fiscal year, with the social distancing restrictions through much of the first half of the year further limiting sales activity. While proceeds from internet transactions are expected to increase, they will not offset the decline of more traditional sales tax generators. It is

important to note that the revenue estimate does not assume another shelter-in-place order later in the fiscal year. Were that to happen, the forecasted revenue would fall significantly lower.

After allocating the funding associated with the Revenue Capture Agreement, the 2019-2020 General Sales Tax estimate increases to \$201.0 million and 2020-2021 estimate increases to \$192.0 million.

General Sales Tax revenue for January-March 2020 is anticipated to be received from the CDTFA at the end of May; however, the receipts will only capture two weeks of the shelter-in-place mandate. The more significant decline will be encompassed in the final payment for the fiscal year (April-June sales tax activity), which will not be received until late August 2020. General Sales Tax receipts will continue to be closely monitored and any new developments will be reported back to the City Council as part of the 2019-2020 Annual Report and future Bi-Monthly Financial Reports. In addition, it is important to note that the State of California has enacted several programs to assist small businesses that may result in some General Sales Tax collections being received in 2020-2021 that is actually attributable to 2019-2020 activity.

Local Sales Tax

In June 2016, San José voters approved a ¼ cent local sales tax, which was implemented in October 2016. As a result, beginning in 2016-2017, Local Sales Tax revenue started to be received in San José. Similar to General Sales Tax collections, when the 2021-2025 Five-Year General Fund Forecast was being developed, Local Sales Tax receipts for the first two quarters of the fiscal year had been received. Based on those collections and steady economic growth for the remainder of 2019-2020 and 2020-2021, it was anticipated that 2019-2020 Local Sales Tax receipts would total \$47.0 million in 2019-2020 and grow by approximately 2.5% to \$48.0 million in 2020-2021.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE ESTIMATES

SALES TAX

Local Sales Tax (Cont'd.)

As a result of the shelter-in-place mandate and recessionary conditions that are likely to follow, Local Sales Tax is anticipated to be heavily impacted. After analyzing the limited available Sales Tax data and consulting with economists, a revised Local Sales Tax estimate of \$45.0 million is anticipated to be received in 2019-2020 and \$44.5 million is anticipated to be received in 2020-2021. Because Local Sales Tax is generated based on the destination of the purchased product, this subcategory is expected to experience less of a decline relative to the General Sales Tax subcategory. In addition, due to the Local Sales Tax revenue being received on a destination basis, all out-of-state online retailers (including marketplace facilitators) sales tax collections are directly distributed to the City of San José, versus General Sales Tax revenue that is deposited in the County Pool, with the City only receiving approximately 40% of the proceeds.

Public Safety (Proposition 172) Sales Tax

Proposition 172 Sales Tax collections (representing the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs) are expected to total \$6.5 million in 2019-2020 and \$6.0 million in 2020-2021.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TRANSIENT OCCUPANCY TAX

2018-2019 Actual	\$ 20,536,084
2019-2020 Adopted	\$ 22,500,000
2019-2020 Estimate	\$ 13,500,000
2020-2021 Forecast*	\$ 15,000,000
2020-2021 Proposed	\$ 15,000,000
% of General Fund	1.2 %
% Change from 2019-2020 Adopted	(33.3 %)

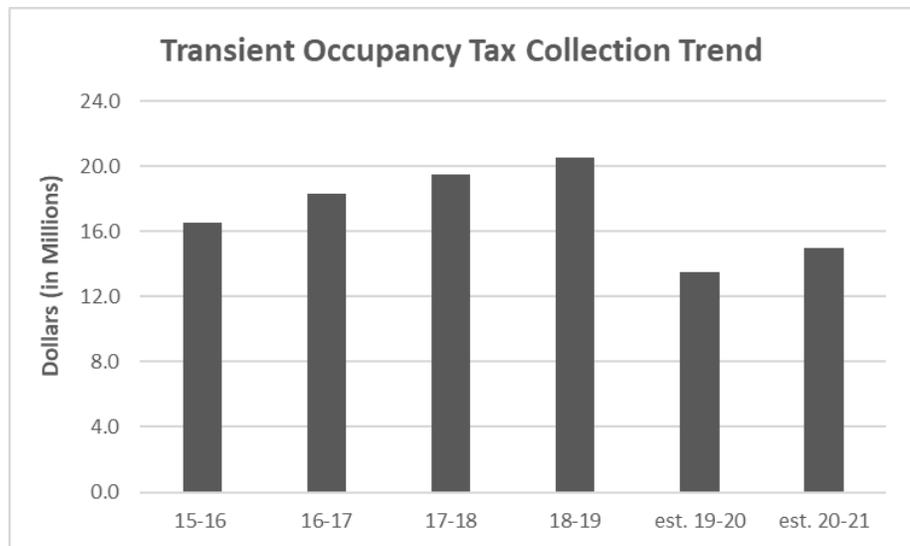
* The 2020-2021 Forecast was decreased \$5.8 million from the February Forecast due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Distribution of Transient Occupancy Tax

The City of San José assesses a 10% Transient Occupancy Tax (TOT) on the rental price for transient lodging. Of this 10%, 6% is placed in the Transient Occupancy Tax Fund and 4% is deposited in the General Fund. This discussion addresses the portion of the Transient Occupancy Tax that is allocated to the General Fund.

Revenue Estimates

As a result of COVID-19 and the resulting shelter-in-place order issued in March 2020 and declines in business-related travel, Transient Occupancy Tax (TOT) receipts are anticipated to be heavily impacted for the remainder of 2019-2020 through 2020-2021. Receipts in 2019-2020 are estimated at \$13.5 million, which reflects a



37% decline from the 2018-2019 actual collection level. Activity from mid-March through June are estimated at only a 15% occupancy rate.

In 2020-2021 TOT revenues are anticipated to continue to be impacted as business-related travel and conventions will likely not resume for an extended period of time. Estimated TOT receipts of \$15.0 million in 2020-2021 assume very little activity during the summer months, with moderate growth occurring later in the fiscal year, but still ending well below prior year levels.

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2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FRANCHISE FEES	
2018-2019 Actual	\$ 48,397,444
2019-2020 Adopted	\$ 48,641,000
2019-2020 Estimate	\$ 43,770,000
2020-2021 Forecast*	\$ 45,719,000
2020-2021 Proposed	\$ 45,921,096
% of General Fund	3.6 %
% Change from 2019-2020 Adopted	(5.6 %)

* The 2020-2021 Forecast was decreased \$2.4 million from the February Forecast due to additional information being received; additional details can be found in the General Fund Overview section.

Revenue Estimates

Franchise Category	2020-2021 Proposed Budget
Electric	\$ 20,000,000
Gas	5,700,000
Commercial Solid Waste	11,646,096
Cable Television	8,100,000
City Generated Tow	150,000
Great Oaks Water	260,000
Nitrogen Gas Pipeline Fees	65,000
Total	\$ 45,921,096

Franchise Fees are collected in the Electricity, Gas, Commercial Solid Waste, Cable, City-Generated Tow, Water, and Nitrogen Gas Pipeline categories. Overall, collections are projected at \$43.8 million in 2019-2020, reflecting a 9.6% drop from prior year receipts of \$48.4 million. The projected decrease in 2019-2020 is primarily due to lower collections in Electric, Cable, Great Oaks Water, and Tow receipts, partially offset by higher Gas Franchise Fees collections. In 2020-2021, Franchise Fees are expected to grow by approximately 5% to \$45.9 million, which primarily reflects growth in Electricity, Commercial Solid Waste, and Great Oaks Water Franchise Fee receipts, partially offset by lower Gas, Cable, and Tow Franchise Fees.

Franchise Fees for electricity and gas services are based on the revenues in the calendar year (revenues in 2019-2020 are based on calendar year 2019 and revenues in 2020-2021 will be based on calendar year 2020). Year-end estimates are typically based upon an examination of electricity and gas rate changes, industry actions, and actual collection patterns in the utility tax categories. The reconciliation of annual receipts from PG&E are typically received in April of each calendar year.

Electricity Franchise Fee

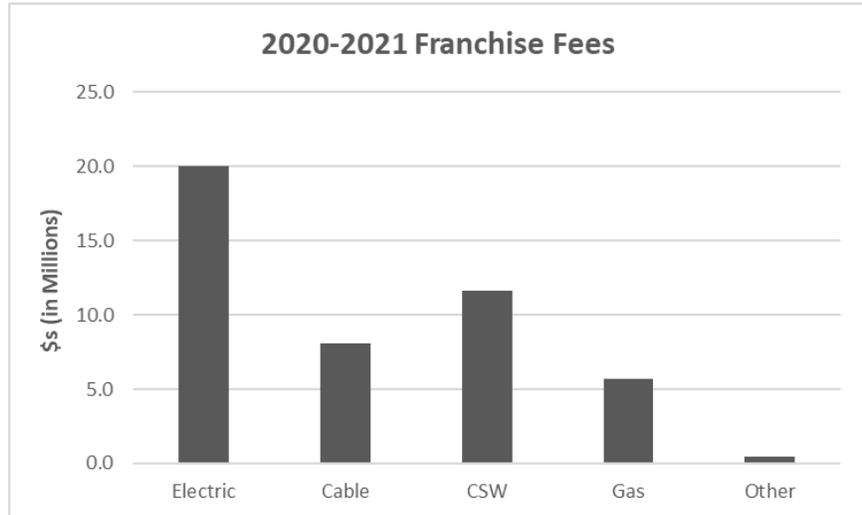
In the Electricity Franchise Fee category, the 2019-2020 Adopted Budget totaled \$22.4 million, reflecting a projected 3% increase from the 2018-2019 receipts. In April 2020, the reconciliation of receipts from PG&E was received for both Electricity and Gas Franchise Fees. Based on the updated

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FRANCHISE FEES

Electricity Franchise Fee (Cont'd.)

information, 2019-2020 Electricity Franchise Fee receipts are now estimated at \$17.3 million, down over 20% from prior year collections. Due to the unusually low 2019-2020 collection level, receipts are anticipated to increase to \$20.0 million in 2021-2022. The 2021-2022 collection level reflects growth of almost 16% from 2019-2020 receipts, but an 8% decline from 2018-2019 collections.



In May 2016, San José City Council established the San José Clean Energy (SJCE), the City of San José’s Community Choice Energy (CCE) program, which allows governments to purchase electricity for their business and residents. SJCE will provide the same electricity service currently provided but with more renewable energy options at competitive rates. SJCE municipal launched in summer 2018 and the residential and large commercial accounts launch occurred in early 2019.

Gas Franchise Fee

In the Gas Franchise Fee category, the 2019-2020 Adopted Budget totaled \$5.0 million, reflecting a projected 3% increase from the 2018-2019 receipts. In April 2020, the reconciliation of receipts from PG&E was received for both Electricity and Gas Franchise Fees. Based on the updated information, 2019-2020 Gas Franchise Fee receipts are now estimated at \$5.9 million, up 21% from prior year collections. The 2019-2020 collections reflect the California Climate Credit, which began in 2018 and are anticipated to occur annually. In 2021-2022 Gas Franchise Fee revenue is estimated to drop slightly to \$5.7 million, however, collections can fluctuate significantly due to consumption changes associated with the weather and future rate changes.

Commercial Solid Waste Fee

Commercial Solid Waste (CSW) Franchise Fee collections are estimated at \$11.5 million in 2019-2020, which is approximately 2% below the prior year actual collections. 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

CITY OF SAN JOSE
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FRANCHISE FEES

Commercial Solid Waste Fee (Cont'd.)

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 2020-2021 Forecast of \$11.4 million does not automatically assume a CPI adjustment. The Proposed Budget includes a 1.81% CPI increase, which will generate an additional \$202,000, bringing the revenue estimate to \$11.6 million in 2020-2021.

Cable Television Fee

In the Cable Franchise Fee category, the estimated 2019-2020 collections of \$8.5 million is 6.0% below the prior year receipts of \$9.0 million. In addition, revenue in 2020-2021 is anticipated to drop an additional 4.7% to \$8.1 million. As people continue to move from cable to less expensive streaming options (that do not include a Franchise Fee), this revenue source is anticipated to continue to decline.

City Generated Tow Fees

City Generated Tow Fees in 2019-2020 are projected at \$250,000, reflecting a 56% decline from the 2018-2019 actual collection level. The decline in this revenue category is reflective of the new City-Generated Tow Services Delivery Model that was approved by the Transportation and Environment Committee in February 2020 and will be evaluated by the City Council in 2020-2021. In order to provide financial relief to tow operators, changes to tow agreements are recommended to be implemented. Due to the burden placed on tow operators and the need for changes to the City-Generated Tow Fees, revenues are anticipated to drop to \$150,000 in 2020-2021.

Water Utility and Nitrogen Gas Pipelines

Remaining franchise fees include the Great Oaks Water and Nitrogen Gas Pipeline categories. Nitrogen Gas Pipeline receipts are estimated at \$65,000 in 2019-2020 and 2020-2021. Great Oaks Water fees are anticipated to reach \$250,000 in 2019-2020 and grow by 4% to \$260,000 in 2020-2021.

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2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

UTILITY TAXES

2018-2019 Actual	\$ 99,252,672
2019-2020 Adopted	\$ 99,645,000
2019-2020 Estimate	\$ 96,100,000
2020-2021 Forecast*	\$ 95,800,000
2020-2021 Proposed	\$ 95,800,000
% of General Fund	7.5 %
% Change from 2019-2020 Adopted	(3.9 %)

* The 2020-2021 Forecast was decreased \$600,000 from the February Forecast due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Revenue Estimates

Utility Taxes Category	2020-2021 Proposed Budget
Electricity	\$ 46,600,000
Telephone	21,400,000
Water	16,500,000
Gas	11,300,000
Total	\$ 95,800,000

Utility Taxes are imposed on electricity, gas, water, and telephone usage. Collections in 2019-2020 are anticipated to total \$96.1 million, representing a 3.2% drop from the 2018-2019 collection level of \$99.3 million. In 2020-2021, Utility Tax collections are projected to further drop to \$95.8 million.

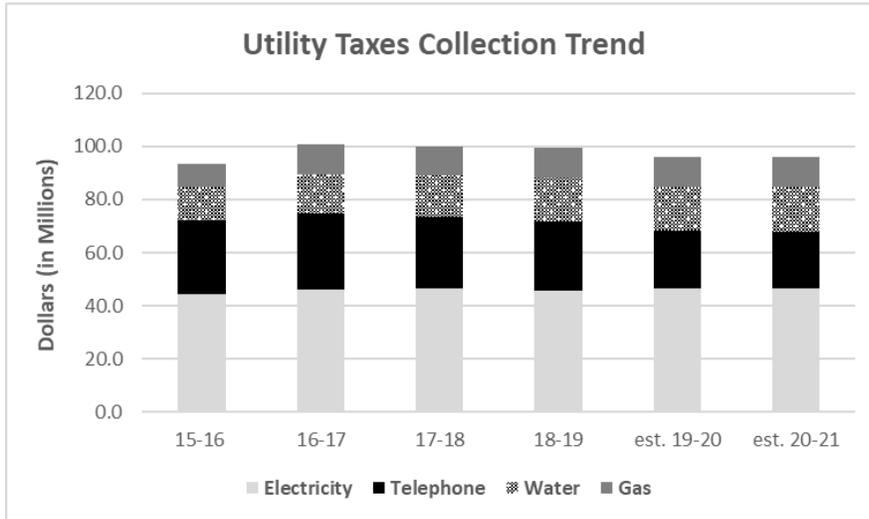
Electricity Utility Tax

The Electricity Utility Tax is anticipated to generate \$46.5 million in 2019-2020, a 2.0% increase from 2018-2019 actual collection levels. In 2020-2021, revenues are estimated to remain relatively flat at \$46.6 million. In May 2016, San José City Council established the San José Clean Energy (SJCE), the City of San José’s Community Choice Energy (CCE) program, which allows governments to purchase electricity for their business and residents. SJCE will provide the same electricity service currently provided but with more renewable energy options at competitive rates. SJCE municipal launched in summer 2018 and the residential and large commercial accounts launched occurred in early 2019. Rate changes are not currently anticipated in 2020-2021, however, higher consumption and a population increase is projected to occur. The higher consumption and population figures in 2020-2021, however, are offset by a loss of revenue associated with consumers possibly not paying utility bills as a result of the high unemployment rates anticipated in 2020-2021.

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2020-2021 PROPOSED OPERATING BUDGET
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UTILITY TAXES

Gas Utility Tax



Gas Utility Tax revenues are projected at \$11.3 million in 2019-2020 and 2020-2021, a 1.5% increase from 2018-2019 levels. Rate changes in 2020-2021 of 2% are anticipated, however, this increase is partially offset by a loss of revenue associated with consumers possibly not paying utility bills as a result of the high unemployment rates anticipated in 2020-2021. Gas Utility Tax

receipts can also fluctuate significantly due to consumption changes associated with the weather and future rate changes.

Telephone Utility Tax

In the Telephone Utility Tax category, revenues are collected on landlines, wireless, VoIP, and prepaid wireless services sold at retail locations. Receipts (excluding compliance revenue) in 2019-2020 are projected at \$21.8 million, a 16% drop from 2018-2019 collection levels. In 2020-2021 receipts are anticipated to drop further to \$21.4 million. The decline in this revenue category is the result of wireless consumers shifting to less expensive prepaid wireless plans, competition with cellular companies that keep prices down, and the taxable base of wireless communications not including data plans.

Water Utility Tax

Water Utility Tax receipts of \$16.5 million are anticipated to be received in 2019-2020 and 2020-2021, which is consistent with 2018-2019 collection levels. The annualization of a 2% rate change that became effective in January 2020 is anticipated to be received in 2020-2021. However, this increase is offset by a loss of revenue associated with consumers possibly not paying utility bills as a result of the high unemployment rates anticipated in 2020-2021.

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2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

BUSINESS TAXES

2018-2019 Actual	\$ 74,902,578
2019-2020 Adopted	\$ 72,200,000
2019-2020 Estimate	\$ 70,400,000
2020-2021 Forecast*	\$ 70,900,000
2020-2021 Proposed	\$ 70,900,000
% of General Fund	5.6 %
% Change from 2019-2020 Estimate	(1.8 %)

* The 2020-2021 Forecast was decreased \$7.0 million from the February Forecast due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Revenue Estimates

Business Taxes Category	2020-2021 Proposed Budget
General Business Tax	\$ 25,700,000
Cardroom Tax	17,100,000
Cannabis Business Tax	17,000,000
Disposal Facility Tax	11,100,000
Total	\$ 70,900,000

The Business Taxes category consists of the General Business Tax, Cardroom Tax, Cannabis Business Tax, and Disposal Facility Tax. Collections in this category in 2019-2020 are anticipated to total \$70.4 million, which is approximately 6% below the 2018-2019 collection level of \$74.9 million. In 2020-2021, collections are projected to increase slightly to \$70.9 million.

General Business Tax

Beginning in 2017-2018, General Business Tax collections reflect the modernization of the San José business tax, which was approved by San José voters on November 8, 2016 and took effect on July 1, 2017. The adjustments to the business tax included 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.

In 2019-2020, General Business Tax proceeds are anticipated to reach \$28.0 million, which is consistent with 2018-2019 actuals. In 2020-2021 revenues are anticipated to decrease by approximately 8% to \$25.7 million. This drop reflects a net increase of the 2% CPI adjustment that will be assessed in 2020-2021, offset by a 10% anticipated reduction to General Business Tax proceeds as a result of the COVID-19 pandemic’s impact on local businesses.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

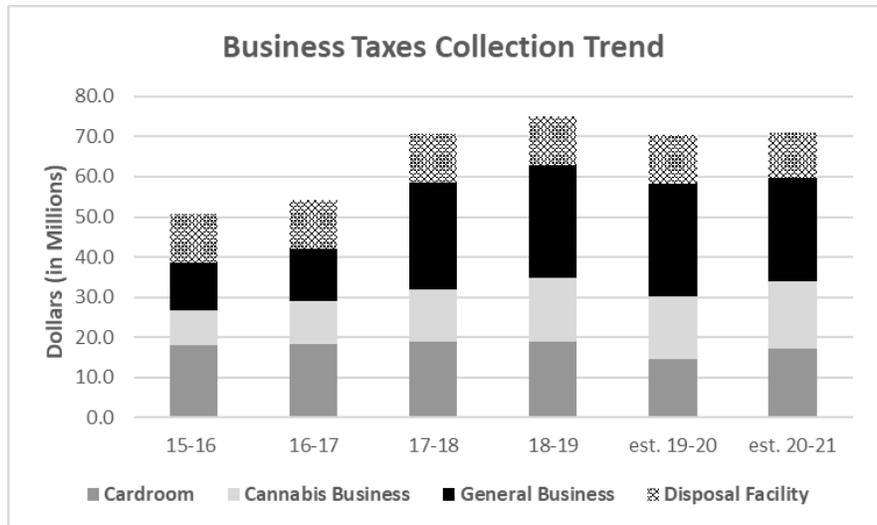
BUSINESS TAXES

Cardroom Tax

During the shelter-in-place mandate, cardrooms have not been operational. As a result, Cardroom Tax revenues are estimated at \$14.5 million in 2019-2020, which represents a 23% drop from 2018-2019 actual collections. Due to uncertainty regarding when the cardrooms will be operational again and social distancing requirements that will be in place when they do open, 2020-2021 revenue is estimated at \$17.1 million, which is approximately \$2 million below average yearly receipts.

Cannabis Business Taxes

The Cannabis Business Tax category includes the Cannabis Business Tax as well as Cannabis Business Tax compliance revenues. Cannabis Business Taxes are currently being collected at a 10% rate on gross receipts as approved by the voters in Ballot Measure U in 2010. In November 2016, the California Marijuana Legalization Initiative (Proposition 64) legalized recreational



marijuana use in the State of California. With this change, the sale of recreational cannabis at the 16 licensed dispensaries in San José began in January 2018.

During the shelter-in-place mandate, cannabis dispensaries have had limited operations. As a result, Cannabis Business Tax revenues are estimated at \$15.6 million in 2019-2020, which represents a 2% drop from 2018-2019 actual collections. In 2020-2021 Cannabis Business Tax receipts are anticipated to return to a normalized level of \$17.0 million.

Disposal Facility Tax

Disposal Facility Taxes (DFT) are business taxes received based on the tons of solid waste disposed at landfills within the City. This revenue can vary 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. When preparing the Five-Year General Fund Forecast, the 2019-2020 estimate for DFT totaled \$13.0 million. However, as a result of the shelter-in-place mandate, revenues are anticipated to fall to \$12.3 million in 2019-2020. In addition, revenues are anticipated to drop again by approximately 10% in 2020-2021 to \$11.1 million.

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2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

REAL PROPERTY TRANSFER TAX	
2018-2019 Actual	\$ 0
2019-2020 Adopted	\$ 0
2019-2020 Estimate	\$ 0
2020-2021 Forecast	\$ 0
2020-2021 Proposed	\$ 30,000,000
% of General Fund	2.4 %
% Change from 2019-2020 Adopted	N/A

Revenue Estimates

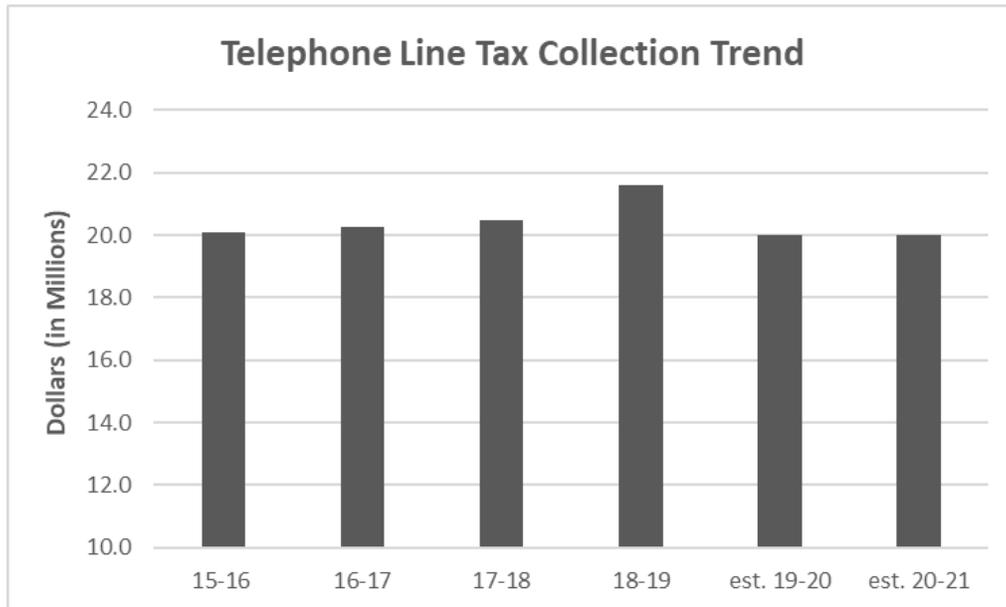
On March 3, 2020, San José voters approved Measure E, the Real Property Transfer Tax. This new tax, which becomes effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over \$2.0 million. In 2020-2021, revenue of \$30.0 million is anticipated to be received, which will be expended on homeless prevention and affordable housing projects and programs. Additional information regarding the use of funds related to the Real Property Transfer Tax is provided in the *General Fund Capital, Transfers, and Reserves* section of this document.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TELEPHONE LINE TAX	
2018-2019 Actual	\$ 21,593,485
2019-2020 Adopted	\$ 20,000,000
2019-2020 Estimate	\$ 20,000,000
2020-2021 Forecast	\$ 20,000,000
2020-2021 Proposed	\$ 20,000,000
% of General Fund	1.6 %
% Change from 2019-2020 Adopted	0.0 %

Revenue Estimates

Based on the current collection trend and historical patterns, receipts in 2019-2020 are estimated to total \$20.0 million, which is \$1.6 million below the 2018-2019 actual collection level of \$21.6. However, receipts in 2018-2019 included a one-time compliance revenue of \$1.4 million that was received on a one-time basis. When the compliance revenue is excluded, the 2018-2019 collections totaled \$20.2 million, which is consistent with the 2019-2020 estimate. Given the steady nature of the tax collections in this category and the uncertain level of compliance revenue that may be received, receipts are anticipated to remain at \$20.0 million in 2020-2021.



CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

LICENSES AND PERMITS

2018-2019 Actual	\$ 65,294,743
2019-2020 Adopted	\$ 62,009,468
2019-2020 Estimate	\$ 62,293,260
2020-2021 Forecast*	\$ 19,303,330
2020-2021 Proposed	\$ 20,023,167
% of General Fund	1.6 %
% Change from 2019-2020 Adopted	(67.7 %)

* The 2020-2021 Forecast was decreased \$442,000 from the February Forecast due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Revenue Estimates

Licenses and Permits Category	2020-2021 Proposed Budget
Fire Permits	5,678,640
Other Licenses and Permits	14,344,527
Total	\$ 20,023,167

The Licenses and Permits category contains fees and charges collected by various departments. Historically, a significant portion of the revenue captured in this category were associated with Building and Fire development-related fees. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs will no longer be captured in the General Fund, but will be allocated to specific Development Fee Program Funds. As before, the Development Fee Programs will remain at 100% cost recovery. The movement into separate funds is designed to improve the internal administration and tracking of resources, and to provide greater transparency since the new funds have separate source and use statements, which can be found in Section X of the Proposed Budget.

Remaining non-development fees are projected based on City Council-approved cost-recovery policies with the goal of a net-zero impact on the General Fund. In 2020-2021, the Licenses and Permits category is estimated at \$20.0 million.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
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FINES, FORFEITURES, AND PENALTIES

2018-2019 Actual	\$ 17,401,606
2019-2020 Adopted	\$ 16,213,000
2019-2020 Estimate	\$ 13,820,000
2020-2021 Forecast*	\$ 15,722,000
2020-2021 Proposed	\$ 15,722,000
% of General Fund	1.2 %
% Change from 2019-2020 Adopted	(3.0 %)

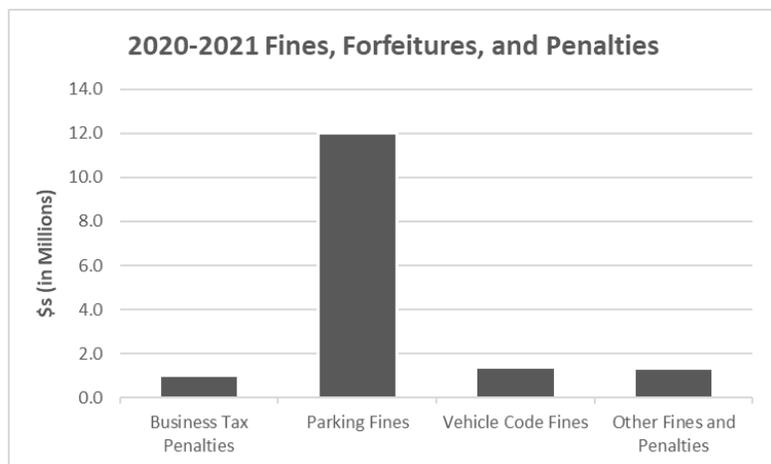
* The 2020-2021 Forecast was decreased \$900,000 from the February Forecast, primarily due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Revenue Estimates

Fines, Forfeitures, and Penalties revenue in 2019-2020 is estimated at \$13.8 million, which is 20.6% below the 2018-2019 actual collection level. The projected decrease in 2019-2020 is primarily attributable to lower Parking Fine and Business License Penalties. Parking Fine revenue is anticipated to drop in 2019-2020 due to parking citations not occurring during the shelter-in-place order. Business License Penalties are estimated to be lower than 2018-2019 collections due to the prior year collections being unusually high, coupled with the General Business Tax Amnesty Program that occurred in 2019-2020 resulting in reduce penalty revenue. In 2020-2021 Fines, Forfeitures, and Penalties are anticipated to increase 13.8% to \$15.7 million.

Parking Fines

Parking Fines are the largest driver in the Fines, Forfeitures, and Penalties revenue category. Parking Fines are expected to generate approximately \$10.2 million in 2019-2020, which is approximately 19% below the prior year actual collection level of \$12.5 million. This decrease is due to the parking citations not being issued once the shelter-in-place order began in March 2020. In 2020-2021 Parking Fines are anticipated to increase to \$12.0 million, which continues to reflect suppressed activity levels



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.

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2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

REVENUE FROM USE OF MONEY AND PROPERTY

2018-2019 Actual	\$ 10,072,279
2019-2020 Adopted	\$ 13,144,000
2019-2020 Estimate	\$ 14,771,800
2020-2021 Forecast*	\$ 14,027,800
2020-2021 Proposed	\$ 11,754,800
% of General Fund	0.9 %
% Change from 2019-2020 Adopted	(10.6 %)

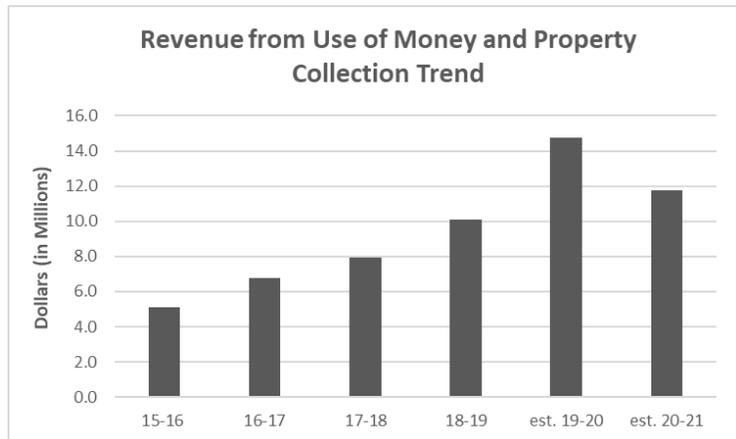
* The 2020-2021 Forecast was decreased \$300,000 from the February Forecast due to updated information being received; additional details can be found in the General Fund Overview section.

Revenue Estimates

Revenue from Use of Money and Property in 2019-2020 is estimated at \$14.8 million, which is 46.7% above 2018-2019 actual collection levels. This increase is due to higher interest earning projections and Small Cell Lease revenue. In 2020-2021, overall collections are anticipated to drop to \$11.8 million, which is primarily due to lower interest earning projections that are further described below.

Rental of City-Owned Property

Collections reflected in the Rental of City-Owned Properties category include revenue related to the City Hall lease to the United States Patent and Trademark Office (USPTO), rental of communications facilities, and rental of various City-owned properties. In 2019-2020 Rental of City-Owned Property revenue totaling \$3.4 million is anticipated. In 2020-2021 the collection level is anticipated to drop to \$2.9 million, which primarily reflects lower lease revenue for the USPTO, partially offset by a proposed increase for communications facilities property rentals.



General Fund Interest Earnings

The anticipated interest earnings collection on the General Fund in 2020-2021 is \$5.9 million, which is significantly lower than the \$8.5 million estimated in 2019-2020. This decrease is primarily due to lower assumed cash balances as the City will return to pre-funding City retirement contributions.

Small Cell Lease Revenue

Lease revenue received for small cells represents revenue for lease of City-owned light poles from wireless carriers including Verizon, Mobilitie, and AT&T. In 2020-2021 revenues are anticipated to total \$2.0 million, which is set aside in the Digital Inclusion Fund allocation in City-Wide Expenses.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FEES, RATES, AND CHARGES

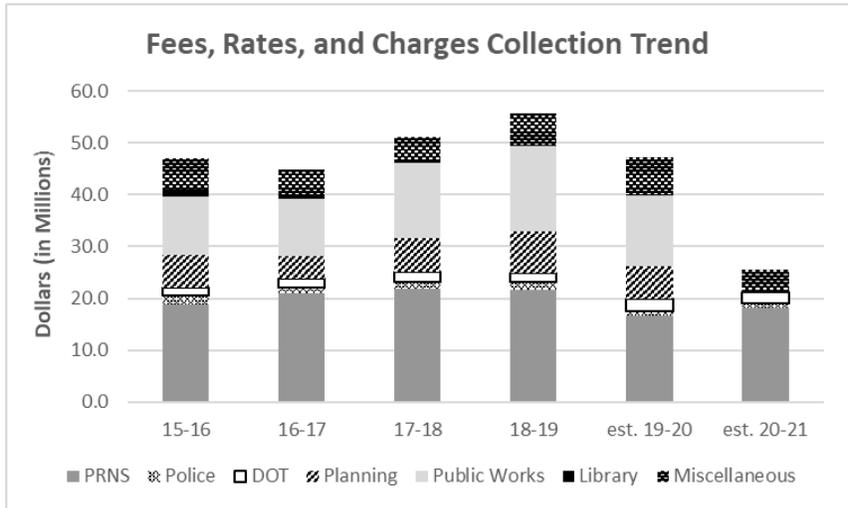
2018-2019 Actual	\$ 55,703,033
2019-2020 Adopted	\$ 58,951,740
2019-2020 Estimate	\$ 47,262,502
2020-2021 Forecast*	\$ 27,404,003
2020-2021 Proposed	\$ 25,575,702
% of General Fund	2.0 %
% Change from 2019-2020 Adopted	(56.6 %)

* The 2020-2021 Forecast was decreased \$3.3 million from the February Forecast, primarily due to the COVID-19 pandemic; additional details can be found in the General Fund Overview section.

Revenue Estimates

Fees, Rates, and Charges Category	2020-2021 Proposed Budget
Parks, Recreation and Neighborhoods Services	\$ 18,075,004
Transportation	2,324,550
Police	911,622
Library	224,000
Miscellaneous	4,040,526
Total	\$ 25,575,702

The Fees, Rates, and Charges revenue category includes various fees and charges levied to recover costs of services provided by several City departments. Historically, a significant portion of the revenue captured in this category were associated with Planning and Public Works development-related fees. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs will no longer be captured in the General Fund, but will be allocated to specific Development Fee Program Funds. As before, the Development Fee Programs will remain at 100% cost recovery. The movement into separate funds is designed to improve the internal administration and tracking of resources, and to provide greater transparency since the new funds have separate source and use statements, which can be found in Section X of the Proposed Budget.

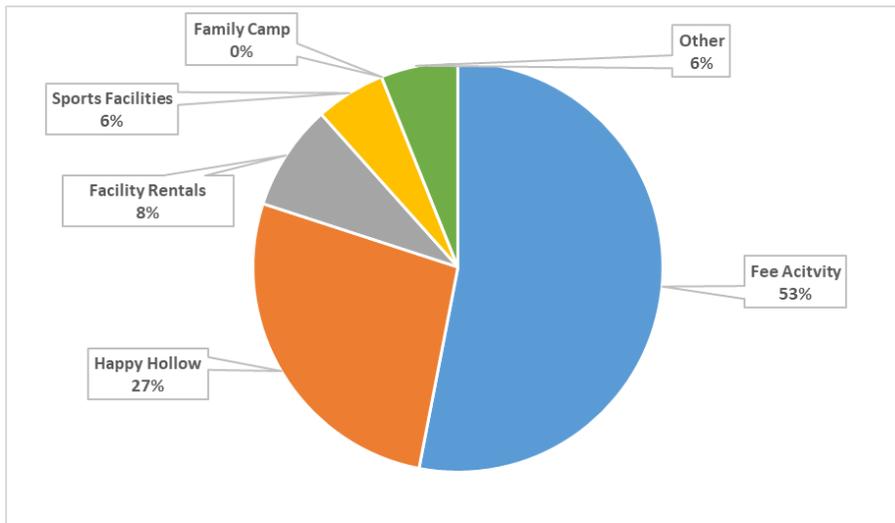


CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FEES, RATES, AND CHARGES

Remaining non-development fees are projected based on City Council-approved cost-recovery policies with the goal of a net-zero impact on the General Fund. In 2020-2021, the Fees, Rates, and Charges category is estimated at \$25.6 million, which is primarily attributable to Parks, Recreation and Neighborhood Services (PRNS) departmental revenue (\$18.0 million).

Parks, Recreation and Neighborhood Services Fees



Parks, Recreation, and Neighborhood Services Department (PRNS) fee collections are estimated at approximately \$17 million in 2019-2020 and \$18 million in 2020-2021. These collections are significantly lower than 2018-2019 actual collections of almost \$22 million. Due to the shelter-in-place mandate, PRNS fee collections are anticipated to be

significantly affected. Happy Hollow Park and Zoo is closed, community centers are not operational, sports fields may not be rented, and fee activity classes have all been cancelled (as of the publication of this document). In addition, when the shelter-in-place restrictions are lifted, social distancing requirements will continue to affect many of these activities. The 2020-2021 Proposed Budget includes revenue reductions totaling \$1.9 million to reflect summer swim not occurring in summer 2020, Family Camp not being operational in 2020, community center hours and activities being greatly reduced, and the catering program at Happy Hollow Park and Zoo being eliminated. Additional detail on these budget actions is provided in the Parks, Recreation and Neighborhood Services Department under the *City Departments* section of this document.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

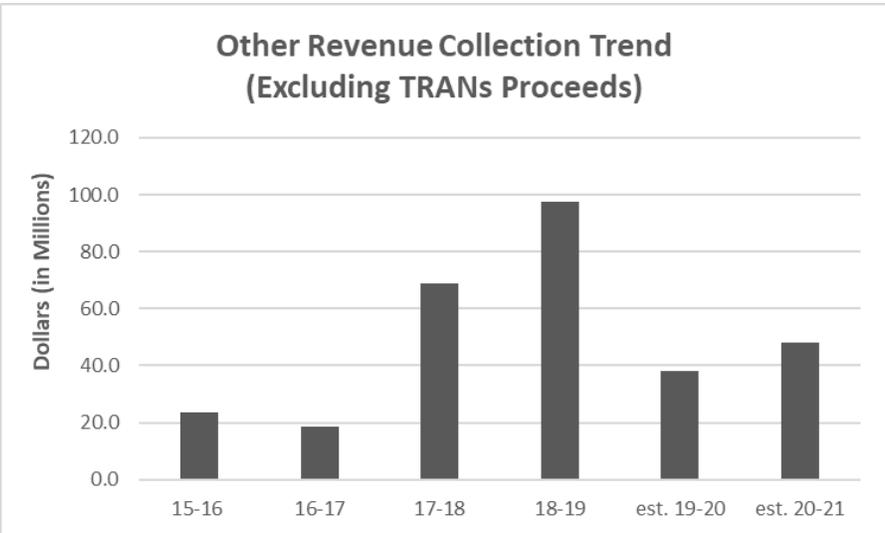
OTHER REVENUE

2018-2019 Actual*	\$ 247,368,271
2019-2020 Adopted	\$ 23,502,394
2019-2020 Estimate	\$ 37,929,461
2020-2021 Forecast	\$ 9,104,126
2020-2021 Proposed	\$ 48,198,439
% of General Fund	3.8 %
% Change from 2019-2020 Adopted	105.1 %

* The 2018-2019 Actual includes revenues associated with the issuance of a \$150 million TRANs based on cash flow needs.

Revenue Estimates

The Other Revenue category consists of miscellaneous revenues received from a variety of sources, including payments from Comcast and AT&T required under the Franchise Agreement, cost reimbursements for the Investment Program, proceeds from the Sale of Surplus Property, SAP Center at San José, Sidewalk Repair and Tree Maintenance Activities, and Miscellaneous Other Revenue.



In 2019-2020, the Other Revenue category is expected to generate \$37.9 million. The 2019-2020 estimate includes several one-time allocations that were not included in 2018-2019, the largest of which reflects outstanding Supplemental Education Revenue Augmentation Fund (SERAF) loans that were repaid in 2019-2020 (\$10.2 million).

Various actions are included in the Proposed Budget to recognize one-time funding in 2020-2021 in the Other Revenue category. These actions, which total \$39.0 million, primarily reflect the refunding of outstanding City Hall lease-revenue bonds (\$26.0 million) and the sale of five city-owned properties to the Housing Department (\$11.1 million) for future affordable housing development. Additional information on these actions, as well as the major components of the Other Revenue category are described on the following page.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE ESTIMATES

OTHER REVENUE

City Hall Lease-Revenue Bonds Refunding

Work is currently underway to refund the City do San Jose Financing Authority's Series 2008A and 2013A bonds (City Hall) which will release \$26 million from the debt service reserve for deposit into the General Fund. The Proposed Budget allocates these proceeds to retire other debt obligations related to the Los Lagos Golf Course and the ESCO Master Equipment Lease.

Investment Program Reimbursement

The 2020-2021 revenue estimate for Investment Program Reimbursements is \$1.1 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 2020-2021, payments from Comcast and AT&T required under the Franchise Agreement are estimated at \$1.7 million, which is slightly below the 2019-2020 estimate of \$1.8 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

The proceeds from the sale of surplus property is estimated to generate \$12.1 million in 2020-2021, which includes \$1.0 million for the sale of various City-owned properties and \$11.1 million for the sale of five City-owned properties to the Housing Department. The properties purchased with federal housing funding will be slated for future affordable housing development.

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 2020-2021 revenue estimate for this category is \$1.9 million, which includes a recommendation to increase the 2020-2021 estimate by \$150,000 in the Proposed Budget. 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. In 2020-2021 this fee revenue is estimated at \$750,000, which includes a recommendation to increase the 2020-2021 estimate by \$150,000 in the Proposed Budget. There is a corresponding City-Wide Expenses allocation to provide this service, which is further described in the *City-Wide Expenses* section of this document.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

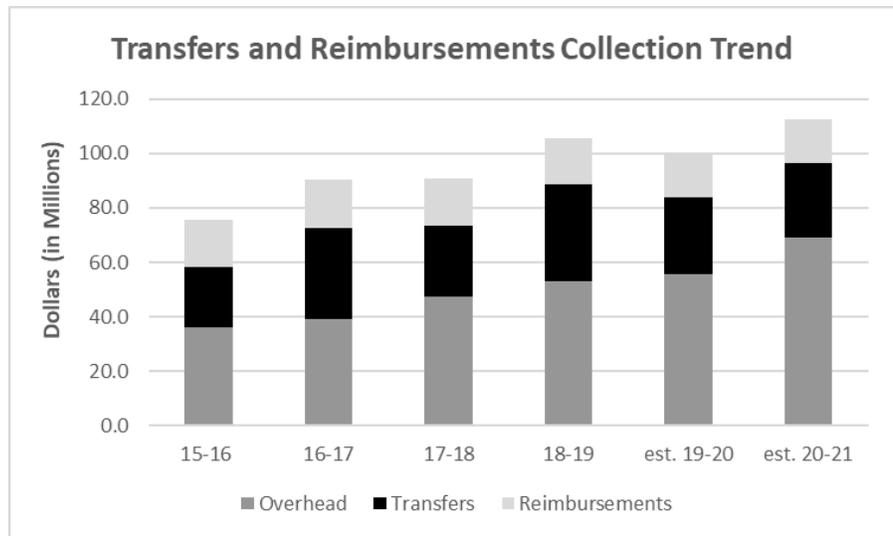
TRANSFERS AND REIMBURSEMENTS

2018-2019 Actual	\$ 105,732,097
2019-2020 Adopted	\$ 100,576,639
2019-2020 Estimate	\$ 99,343,339
2020-2021 Forecast*	\$ 111,030,012
2020-2021 Proposed	\$ 112,352,425
% of General Fund	8.8 %
% Change from 2019-2020 Adopted	11.7 %

* The 2020-2021 Forecast was decreased \$2.5 million from the February Forecast due to updated information being received; additional details can be found in the General Fund Overview section.

Revenue Estimates

The Transfers and Reimbursements revenue category accounts for funds received by the General Fund from other City funds through a combination of means, including overhead charges, reimbursements for services rendered, or transfers. In total, Transfers and Reimbursements are anticipated to generate approximately \$112.4 million in 2020-2021.



This amount is 13.1% above the 2019-2019 estimate of \$99.3 million due primarily to increased overhead reimbursements. The following is a discussion of the three major subcategories included in the Transfers and Reimbursements revenue category: Overhead Reimbursements; Transfers; and Reimbursements for Services.

Overhead Reimbursements

The Overhead Reimbursements category includes overhead reimbursements from both operating and capital funds. In 2020-2021, a total of \$69.2 million in overhead reimbursements are projected based on 2020-2021 overhead rates prepared by the Finance Department applied against the projected 2020-2021 applicable salaries. This figure reflects the following: an increase of \$233,000 incorporated into the Revised Forecast based on final overhead rates and updated allocations of staff across funds; and an increase of \$1.3 million incorporated into the 2020-2021 Proposed Budget generated from various budget actions that changed the staffing levels funded by capital and special funds. Descriptions of

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

Overhead Reimbursements (Cont'd.)

the budget actions that generate these overhead reimbursement changes can be found in the *City Departments* Section of this document. A summary of the overhead reimbursement changes from the Revised Forecast by fund is detailed below.

Fund	Overhead Adjustment
Capital Funds	\$ 633,283
Rent Stabilization Program Fee Fund (450)	13,725
Life Insurance Fund (156)	(8,527)
Unemployment Insurance Fund (157)	(1,023)
Benefit Fund (160)	(7,504)
San José/Santa Clara Treatment Plant Operating Fund (513)	40,980
Airport Maintenance and Operation Fund (523)	(269,740)
Walter Utility Fund (515)	60,393
Sewer Service and Use Charge Fund (541)	213,088
Integrated Waste Management Fund (423)	120,132
Building Development Fee Program Fund (237)	(109,345)
Low and Moderate Income Housing Asset Fund (346)	78,255
Public Works Program Support Fund (150)	91,884
Inclusionary Fee Fund (451)	1,778
General Purpose Parking Fund (533)	116,978
Storm Sewer Operating Fund (446)	29,427
South Bay Water Recycling Operating Fund (570)	1,244
Maintenance Assessment District Funds	49,750
City-Wide Planning Fee Program Fund (239)	(36,414)
Fire Development Fee Program Fund (240)	54,119
Planning Development Fee Program Fund (238)	(42,733)
Homeless Emergency Aid Fund (497)	46,705
Community Development Block Grant Fund (441)	2,398
San José Clean Energy Fund (501)	235,025
Multi-Source Housing Fund (448)	8,535
Total Adjustments	\$ 1,322,413

Transfers

The Transfers category is projected at \$27.4 million in 2020-2021, which is slightly below the \$28.0 million anticipated to be received in 2019-2020. The largest component of this category in 2020-2021 is a transfer from the Airport Maintenance and Operating Fund of \$18.2 million 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 2020-2021 direct costs as well as the indirect costs. Additional large transfers programmed for 2020-2021 include the following: Construction and Conveyance Tax Funds (\$3.0 million) associated with park maintenance costs and methane monitoring; Construction Excise Tax Fund (\$1.8 million); General Purpose Parking Fund (\$707,000); Convention and Cultural Affairs Fund (\$360,000); and interest earnings from various funds (\$1.9 million), the largest of which is the Construction and Conveyance Tax Funds (\$1.7 million).

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

Reimbursements for Services

The largest single source of revenue in the Reimbursement for Services category is reimbursements from the Gas Tax Funds for the cost of City street-related expenses. In 2019-2020 and 2020-2021 Gas Tax receipts are estimated at \$15.0 million, which is approximately 10% below the 2018-2019 actual collections of \$16.7 million. Revenue received from the Gas Tax Fund is heavily reliant on activity levels. Due to the shelter-in-place order, less people are driving, which will negatively affect consumption levels. Decreased gas consumption is anticipated to occur through the remainder of 2019-2020 and 2020-2021. 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 reimburses the City for actual costs associated with the Deferred Compensation Program, Voluntary Employee Beneficiary Association (VEBA) Fund, and the Maintenance Assessment District Funds. These amounts have been set to recover costs in 2020-2021 of \$746,000.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

BEGINNING FUND BALANCE	
Rebudget: Contingency Reserve	\$ 40,000,000
Unexpended Earmarked Reserves*	\$ 58,758,268
2019-2020 Expenditure Savings/Additional Revenue*	\$ 22,000,000
Liquidation of Prior Year Encumbrances*	\$ 1,000,000
Fund Balance Subtotal:	\$ 121,758,268
Reserve for Encumbrances	\$46,555,359
Fund Balance Total:	\$ 168,313,627
% of General Fund**	9.6%

* Used for 2020-2021 Proposed Budget balancing purposes.

** Excludes Reserve for Encumbrances.

Estimates for both the unrestricted and restricted (reserve for encumbrances) portions of the 2019-2020 Ending Fund Balance/2020-2021 Beginning Fund Balance, totaling \$168.3 million, are included as part of the 2020-2021 Proposed Budget. The estimate for the encumbrance reserve is set at the 2018-2019 actual level (\$46.6 million). The Proposed Budget includes a matching expenditure amount intended to reflect the corresponding encumbrances that are estimated for 2020-2021.

The estimate for unrestricted beginning fund balance is set at \$121.8 million in 2020-2021, which represents a \$16.6 million increase from the 2020-2021 Revised Forecast level of \$105.2 million. When the initial Forecast was developed, the Beginning Fund Balance projection totaled \$107.2 million and included the following: an unexpended (rebudgeted) Contingency Reserve estimate of \$40.0 million; liquidation of Development Fee Program Reserves totaling \$35.5 million that will be transferred to the new Development Fee Program Funds in 2020-2021; a combination of excess revenues, expenditure savings, and the liquidation of prior year carryover encumbrances totaling \$23.0 million; and additional funding of \$8.7 million from various reserves to support specific costs programmed in 2020-2021.

Development Fee Program Reserves being liquidated include the Building Development Fee Program Reserve (\$21.0 million), Public Works Development Fee Program Reserve (\$6.0 million), Fire Development Fee Program Reserve (\$5.0 million), Citywide Planning Development Fee Program Reserve (\$1.5 million), Planning Development Fee Program Reserve (\$1.5 million), and Public Works Small Cell Development Fee Program Reserve (\$500,000). These funds will be transferred to the specific Development Fee Program Fund in 2020-2021 to cover costs associated with these fee programs as the revenue and expenditures related to the Development Fee Programs will no longer be captured in the General Fund.

The use of various reserves to support specific costs in 2020-2021 included the following: Police Sworn Hire Ahead Program Reserve (\$7.2 million), Parks Rehabilitation Strike and Capital Infrastructure Team Reserve (\$725,000), Public Life and Parks Activation Reserve (\$500,000), Citywide Retail Attraction Program Reserve (\$187,500), and Pest Management Reserve (\$80,000).

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE ESTIMATES

BEGINNING FUND BALANCE

In the Revised Forecast, the reserves amount carried over was reduced by a net \$2.0 million to reflect a lower carryover amount of the Development Fee Program Reserves, including a reduction of \$2.5 million for the Public Works Development Fee Program Reserve and increase of \$500,000 for the Citywide Planning Development Fee Program Reserve. As a result of the net reduction, the Revised Forecast Beginning Fund Balance projection reduced from \$107.2 million to \$105.2 million.

In the Proposed Budget, Beginning Fund Balance adjustments totaling \$16.6 million are included, which is attributable to the liquidation of various reserves. Liquidation of reserves include the 2020-2021 Future Deficit Reserve (\$10.9 million), Budget Stabilization Reserve (\$5.0 million), 2020-2021 Talent Development Reserve (\$330,000), 2020-2021 Proactive Legal Enforcement of Blighted/Nuisance Properties Reserve (\$226,768), and 3-1-1 Call Transition Reserve (\$115,000). As a result of these actions, the Beginning Fund Balance increased from the Revised Base level of \$105.2 million to \$121.8 million (excluding the Reserve for Encumbrances).

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

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 1% 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
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 California Department of Tax and Fee Administration 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.

On November 2, 1993, Proposition 172 (Public Safety Fund) 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 0.5% tax be diverted from the State to counties and cities on an ongoing basis for funding public safety programs.

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.

Sales Tax Rates	
State – General Fund.....	3.9375%
State – Local Revenue Fund.....	1.5625
State – County Transportation Funds	0.2500
State – City of San José.....	1.0000
Public Safety Fund (Proposition 172) ⁽¹⁾	0.5000
Sub-Total Statewide Sales and Use Tax	7.2500
Local – City of San José ⁽²⁾	0.2500
Santa Clara County Transit District ⁽³⁾	0.5000
Santa Clara County Valley Transportation Authority ⁽⁴⁾	0.5000
Santa Clara VTA BART Operating and Maintenance Transactions and Use Tax ⁽⁵⁾	0.1250
Santa Clara County Retail Transactions and Use Tax ⁽⁶⁾	0.1250
Silicon Valley Transportation Solutions Tax ⁽⁷⁾	0.5000
Total Sales and Use Tax	9.2500%

⁽¹⁾ City of San José receives a portion of this Sales and Use Tax revenue that varies from year to year.
⁽²⁾ Approved by voters in June 2016, and effective October 1, 2016, (limited to 15 years) to fund essential City services.
⁽³⁾ Approved by voters in 1976; does not expire. Imposed by VTA.
⁽⁴⁾ Approved by voters in November 2000, and effective April 1, 2006 (limited to 30 years). Imposed by VTA.
⁽⁵⁾ Approved by voters in November 2008 to support BART and effective on July 1, 2012 (limited to 30 years). Imposed by VTA.
⁽⁶⁾ Approved by voters in November 2012 and effective April 1, 2013 (limited to 10 years).
⁽⁷⁾ Approved by voters in June 2016, and effective April 1, 2017 (limited to 30 years). Imposed by VTA.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

SALES AND USE TAX

Major items, such as services, are exempt from the tax code. As part of a 1991-1992 legislative action, tax exemptions were removed from candy and snack foods, bottled water, newspapers and periodicals, and fuel and petroleum products sold to certain carriers. The removal of these exemptions became effective July 1991. On November 3, 1992, however, the voters approved Proposition 163, which partially repealed the prior action, re-establishing the exemption for snack foods, candy, and bottled water effective December 1, 1992.

REAL PROPERTY TRANSFER TAX

On March 3, 2020, San José voters approved Measure E, Real Property Transfer Tax. This new tax, which becomes effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over \$2.0 million. The Real Property Transfer Tax is a general tax, which means the City of San José can use the revenue for any governmental purpose.

The tiered rate for the Real Property Transfer Tax is as follows:

- 1) Under \$2.0 million – Exempt;
- 2) \$2.0 million to \$5.0 million – 0.75% of the transferred property value;
- 3) \$5.0 million to \$10.0 million – 1.0% of the transferred property value; and
- 4) Over \$10.0 million – 1.5% of the transferred property value

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

TRANSIENT OCCUPANCY TAX

The Transient Occupancy Tax is assessed as a percentage of the rental price for transient lodging charged when the period of occupancy is 30 days or less. The tax rate is currently 10%, of which 6% is placed in the Transient Occupancy Tax Fund and 4% 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 (6% 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 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

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

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

FRANCHISE FEES

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.

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.

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 5% 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) 2% 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) 1% 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 County Superior Court ruling that states San José cannot impose a franchise fee on that company.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

UTILITY TAX

The Utility Tax is charged to all users of a given utility (gas, electricity, telephone, and water) 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% of their utility charges to the utility company that acts as a collection agent for the City. For the telephone utility tax, consumers pay 4.5% on all intrastate, interstate, and international communication services regardless of the technology used to provide such services. Private communication services, voice mail, paging, and text messaging are treated the same as traditional telephone services. In November 2008, voters approved Measure K that reduced the telephone utility rate from 5.0% to 4.5% and broadened the base for the tax and the definition of technologies covered by the tax. The tax is not applicable to State, County, or City agencies. Also, per State regulations, insurance companies and banks are exempted from the tax. This tax is authorized by Title 4 of the Municipal Code, Section 4.68.

TELEPHONE LINE TAX

In November 2008, voters approved Measure J that replaced the Emergency Communication System Support (ECSS) Fee with a tax in an amount that is 10% less than the ECSS Fee. The tax amount is \$1.57 per telephone line per month and \$11.82 per commercial type trunk line. The City ceased collecting the fee and began collecting the tax by April 1, 2009. The tax is collected from telephone users on their telephone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service.

BUSINESS TAXES

The **General Business Tax** was first adopted on July 15, 1963. The methodology used for calculating the Business Tax (Chapter 4.76 of the San José Municipal Code) was adopted in 1984 and adjusted in 1986. 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 were returned to the levels prior to November 1996. Those rates stayed in effect until San José voters approved the Business Tax Modernization measure on November 8, 2016. In addition to expanding the application of tax to more business classes, the Business Tax Modernization measure increased the base tax, the incremental tax, and the cap (the maximum amount of tax affecting large businesses). The Business Tax Modernization measure rates went into effect July 1, 2017 and will be adjusted annually on July 1st for inflation changes.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

The following charts present the business tax rate structure after the Business Tax Modernization, along with the inflation adjusted rates for the periods listed.

Employee Count

Every person engaged in business in the City shall pay a business tax based on employee count¹, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Businesses: Employee Count ¹	July 2019- June 2020	Effective July 1, 2020 ³
Base Tax: 1-2 employees	\$200.85	\$203.85
Incremental Tax: 3-35 ²	\$31.80	\$32.70
Incremental Tax: 36-100 ²	\$42.40	\$43.60
Incremental Tax: 101-500 ²	\$53.00	\$54.50
Incremental Tax: 501+ ²	\$63.65	\$65.45
Cap	\$159,135	\$163,745

¹ Businesses 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).

² Incremental tax rates are applicable per employee.

³ As prescribed in San José Municipal Code Section 4.76.365, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the preceding base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2019 to February 2020, the CPI grew by 2.9%.

Residential Rental Property Units

Every person in the City engaged in the business of renting or leasing any residential real estate shall pay a business tax based on the number of rental units held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Residential Landlords: Rental Units	July 2019- June 2020	Effective July 1, 2020 ²
Base Tax: 1-2 units	\$200.85	\$203.85
Incremental Tax: 3-35 ¹	\$10.60	\$10.90
Incremental Tax: 36-100 ¹	\$15.90	\$16.35
Incremental Tax: 101-500 ¹	\$21.20	\$21.80
Incremental Tax: 501+ ¹	\$26.50	\$27.25
Cap	\$159,135	\$163,745

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

Commercial (Non-Residential) Rental Property Units

Every person in the City engaged in the business of renting or leasing any non-residential real estate shall pay a business tax based on the square footage of space held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Commercial Landlords	July 2019- June 2020	Effective July 1, 2020 ²
Base Tax	\$200.85	\$203.85
Flat Incremental Tax: per Square Foot ¹	\$0.0265	\$0.0272
Cap	\$159,135	\$163,745

Mobile Home Parks Rental Units

Every person in the City engaged in the business of renting or leasing any mobile home parks shall pay a business tax based on the number of lots held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Mobile Home Parks – Rental Lot	July 2019- June 2020	Effective July 1, 2020 ²
Base Tax: 1-2 lots	\$200.85	\$203.85
Incremental Tax: 3+ lots ¹	\$10.60	\$10.90
Cap	\$159,135	\$163,745

¹ Incremental tax rates are applicable per unit.

² As prescribed in San José Municipal Code Section 4.76.450, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the preceding base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2019 to February 2020, the CPI grew by 2.9%.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

Water Meter Connections

Every person engaged in the business of a public water utility in the City shall pay a business tax based upon the number of active metered connections within the city, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Water Companies	July 2019- June 2020	Effective July 1, 2020 ²
Base Tax	\$200.85	\$203.85
Flat Incremental Tax: per connection ¹	\$1.06	\$1.09
Cap	\$159,135	\$163,745

¹ Incremental tax rates are applicable per connection.

² As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2019 to February 2020, the CPI grew by 2.9%.

Exclusions and Exemptions

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.

Specialty Business Taxes

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 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 amended the cardroom ordinance, increasing the tax rate schedule and expanding the permissible games authorized. A gross receipt monthly tax schedule was established with taxes ranging from 1% to 13% of gross receipts. In 1993-1994, 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

On November 2, 2010, San José voters approved Ballot Measure U, which allowed 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 an ordinance that set the **Cannabis Business Tax** (formerly Marijuana Business Tax) at 7%, and on June 4, 2013, the City Council increased the rate to 10% effective on July 1, 2013. On May 21, 2019, the City Council approved an ordinance that amended Chapter 4.66 to rename the Marijuana Business Tax to the Cannabis Business Tax (CBT) and to establish a tiered CBT rate structure for various categories of cannabis business activities. Effective July 1, 2019, the following CBT rates are applicable on the gross receipts:

Business Activity	July 2013 - June 2019	Effective July 1, 2019
Cultivation	10%	4%
Manufacturing	10%	3%
Distribution	10%	2%
Laboratory Testing	10%	0%
Retail / Delivery Sales	10%	10%

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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

FINES, FORFEITURES AND PENALTIES

The City receives a portion of the fines collected in connection with violations of the State Vehicle Code on city streets. Various fines may be assessed in addition to those imposed by the Santa Clara County bail schedule and judges' sentences. The County court system collects the fines as authorized by the State Vehicle Code and makes monthly remittances to the City. Only "on call" emergency vehicles are exempt from Vehicle Code street laws. State legislative action in 1991-1992 reduced the amount (by approximately 50%) of Vehicle Code fine and forfeiture revenue forwarded to the City. On October 10, 1997, however, the Governor signed Assembly Bill 233 (AB 233), which became effective on July 1, 1998. AB 233 changed how the State and its counties and cities share in traffic citation fine revenues. This legislation essentially resulted in the doubling of the City's revenue collections in this area, reversing the impact of the 1991-1992 State legislative action.

The City receives fines and forfeitures of bail resulting from violation of State Health and Safety Codes and City Ordinances. These fees, authorized by the State Criminal Code and City Ordinances, are collected by the County and remitted to the City on a monthly basis. The City also receives revenue collected in connection with violations of the City's vehicle parking laws. These fines vary according to the nature of the violation. The City pays an agency to process and collect the fines. The only authorized exemption is for "on call" emergency vehicles.

USE OF MONEY AND PROPERTY

The City invests idle funds in order to earn interest. The total income varies with the market rates for 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 and Santa Clara County for the first responder of advanced life support (Paramedics Program).

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

REVENUE FROM THE STATE OF CALIFORNIA

On November 23, 1998, the attorneys general of most states and the major United States tobacco companies signed a Master Settlement Agreement (MSA) to settle more than 40 pending lawsuits brought by states against the tobacco industry. In exchange for the states dropping their lawsuits, and agreeing not to sue in the future, the tobacco companies agreed to pay, in perpetuity, various annual payments to the states to compensate them for some of the medical costs of caring for persons with smoking-related illnesses. Further, the companies have restricted their marketing activities and established new efforts to curb tobacco consumption. The City, along with the other states and local government entities, joined in the settlement. In the MSA, the Original Participating Manufacturers agreed to pay a minimum of \$206 billion over the first twenty-five years of the agreement.

The City has also previously received Motor Vehicle In-Lieu (MVLIF) Tax revenues, which are license fees collected by the California Department of Motor Vehicles (DMV). Until 1998-1999, the annual license fee was 2% 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 are divided equally between counties and cities, and their aggregate shares are 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

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/your-government/departments/parks-recreation-neighborhood-services).

OTHER REVENUE

This revenue category contains revenue received from a variety of miscellaneous sources. Significant sources of revenue include reimbursement related to Finance Department staff in the Investment Program, sale of surplus property receipts, one-time and/or varied levels of reimbursements, 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 Attorney, and the Office of the City Manager. 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.

CITY OF SAN JOSE
2020-2021 PROPOSED OPERATING BUDGET

GENERAL FUND REVENUE DESCRIPTIONS

TRANSFERS AND REIMBURSEMENTS

Reimbursements from other funds represent the cost to the General Fund for services provided on behalf of the other City funds. This category also includes the State Gas Tax funds that are used to reimburse the General Fund for eligible expenditures. The State Gas Tax is described in the following section.

STATE GAS TAX

A portion of the State Gas Tax is shared with cities and counties under separate sections of the Streets and Highways Code. The 1964 Gas Tax (Section 2106) provides for a \$0.0104 charge on every gallon of gasoline. Revenue is then allocated according to the following formula:

County Allocation :	a No. of Registered Vehicles in County \div b No. of Registered Vehicles in State x c \$0.0104 x d Gallons of Gas Sold
City Allocation:	a Incorporated Assessed Value in County \div b Total Assessed Value in County x c County Allocation
Individual City Allocation:	a Population in City \div b Population of all Cities in County x c City Allocation

The 1943 Gas Tax (Section 2107) authorized a per gallon charge of \$0.00725. The State allocates part of these revenues for snow removal; the balance is distributed by calculating the portion of the State population represented by the city's population.

As a result of the passage of Proposition 111, gas and diesel taxes were increased \$0.05 per gallon on August 1, 1990, and increased by \$0.01 per gallon each January 1 until and including January 1, 1994. For the 1990 Gas Tax (Section 2105), cities are apportioned a sum equal to the net revenues derived from 11.5% of highway users taxes in excess of \$0.09 per gallon in the proportion that the total city population bears to the total population of all cities in the State.

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Introduction
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.

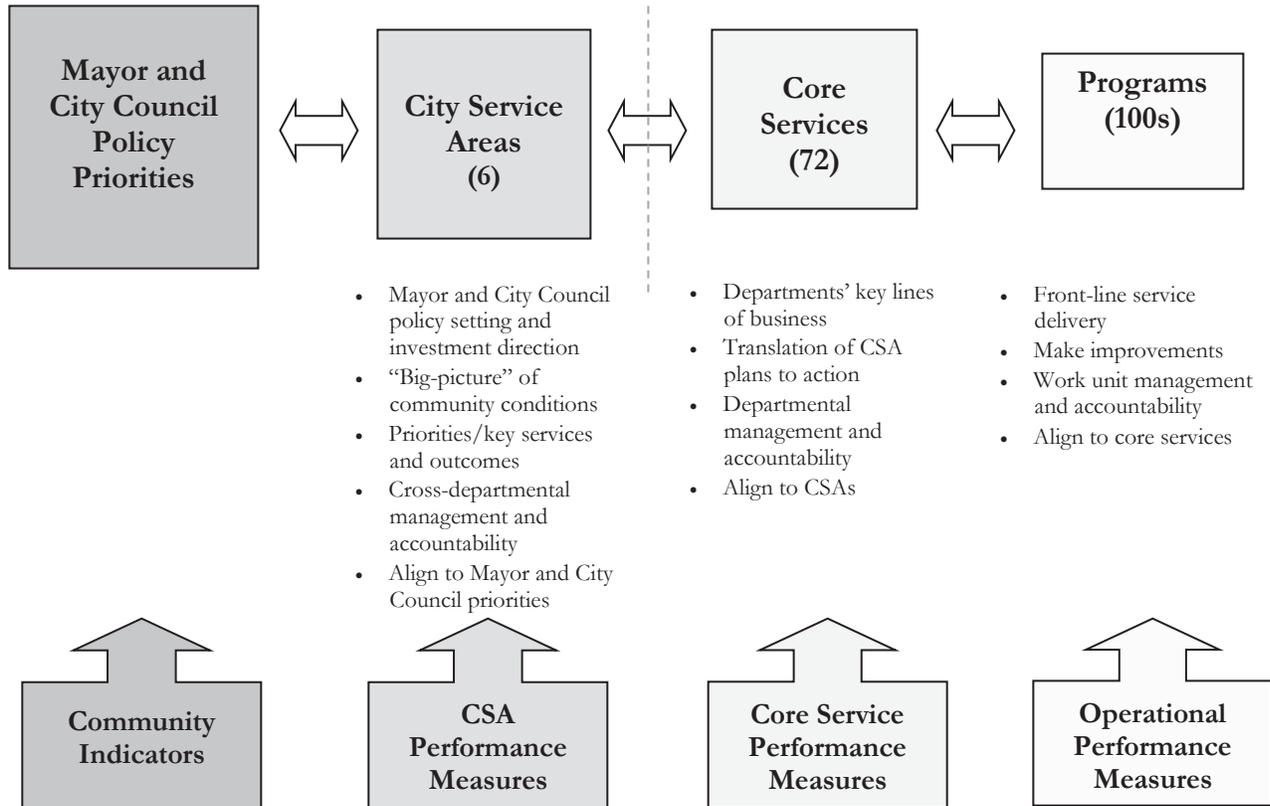
Each CSA is guided by a Mission Statement, which is informed by the City's Mission Statement. The City's Mission Statement can be found on the City Service Area – Core Service Map at the end of this section.

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.

Introduction

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.

Introduction

City Service Areas

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 72 departmental core services is aligned to one of six CSAs to which it contributes. A “map” detailing the alignment of the 72 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 CSA Dashboard is also included to highlight key performance measures for the CSA.

Introduction

City Service Area – Core Service Map

COMMUNITY AND ECONOMIC DEVELOPMENT CSA

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

Outcomes:

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks

Core Services

ECONOMIC DEVELOPMENT

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

FIRE

- Fire Safety Code Compliance

HOUSING

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

PBCE

- Citywide Land Use Planning
- Development Plan Review and Building Construction Inspection

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

COMMUNITY ENERGY

- Providing Clean Energy to the Community
- Community Energy Customer Support
- Community Energy Community Programming

ENVIRONMENTAL SERVICES

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

TRANSPORTATION

- Sanitary Sewer Maintenance
- Storm Sewer Maintenance

NEIGHBORHOOD SERVICES CSA

Mission: To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods.

Outcomes:

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities

Core Services

LIBRARY

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

PRNS

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

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.

Introduction

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

CITY MANAGER

- City-Wide Emergency Management

FIRE

- Emergency Response
- Fire Prevention

INDEPENDENT POLICE AUDITOR

- Independent Police Oversight

POLICE

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

Mission: To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects.

Outcomes:

- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Safe and Functional Public Infrastructure, Facilities, and Equipment
- Effective Use of Technology
- Sound Fiscal Management that Facilitates Meeting the Needs of the Community

Core Services

FINANCE

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

HUMAN RESOURCES

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

INFORMATION TECHNOLOGY

- Customer Contact Center
- Business Solutions
- Technology Infrastructure and Operations

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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City Service Area

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

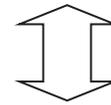
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Community & Economic Development CSA

Mission:

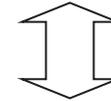
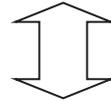
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



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

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

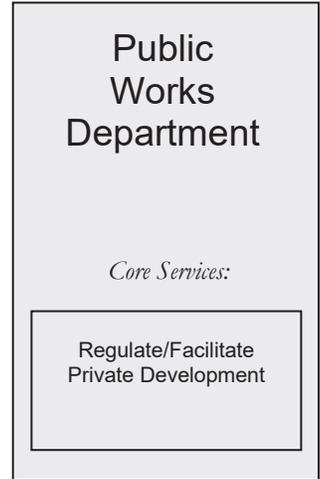
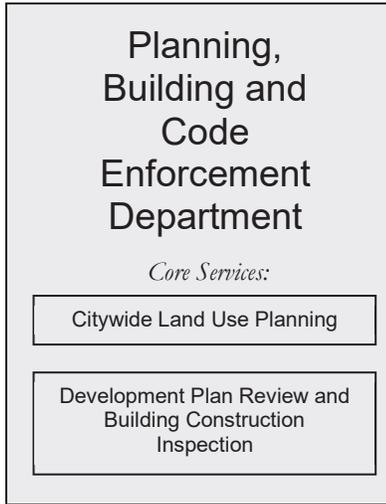
Core Services:

Fire Safety Code Compliance

CORE SERVICES
 Primary deliverables of the organization

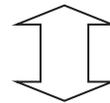
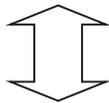
City Service Area
Community and Economic Development
SERVICE DELIVERY FRAMEWORK

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

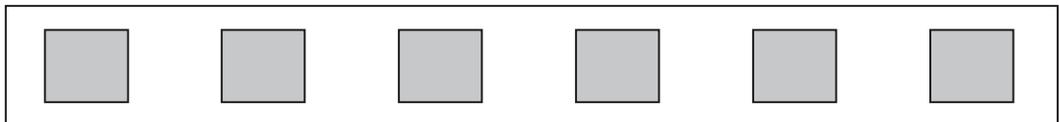


CORE SERVICES
 Primary deliverables of the organization

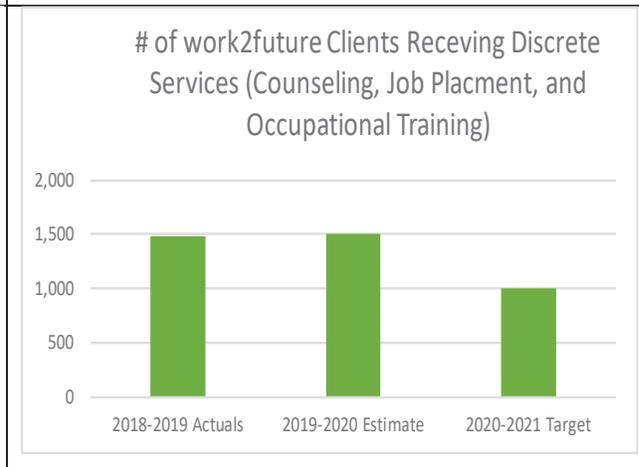
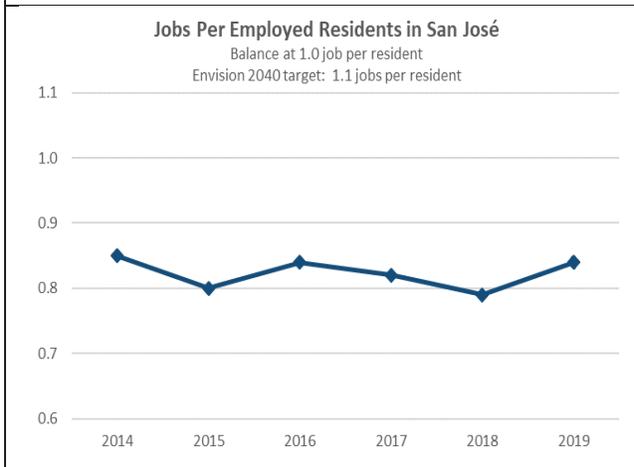
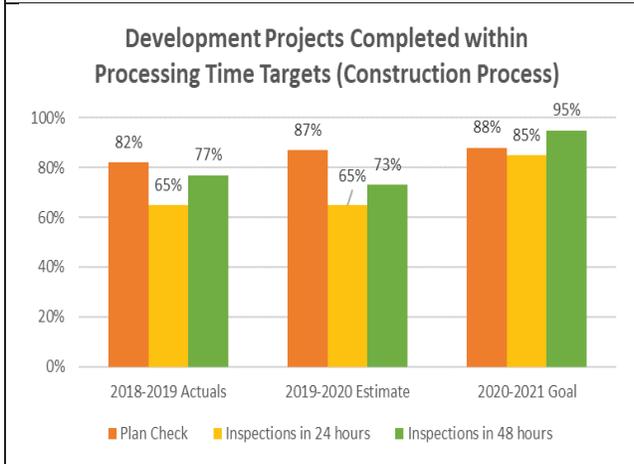
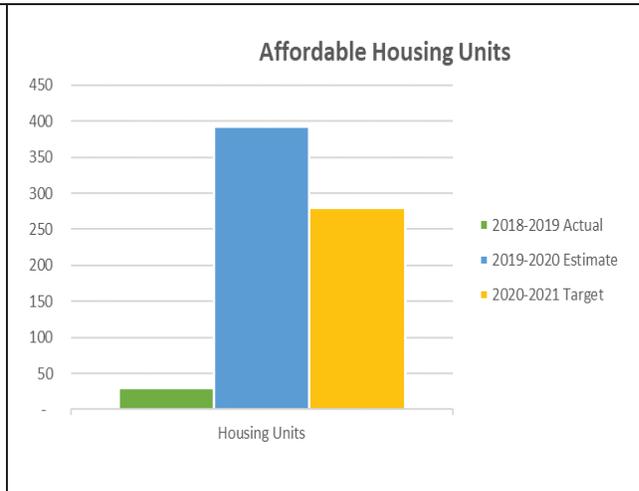
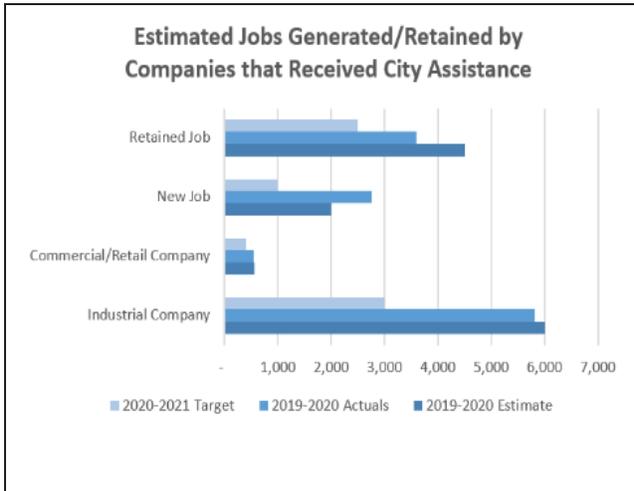
PROGRAMS
 Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



City Service Area Community and Economic Development DASHBOARD



City Service Area

Environmental and Utility Services



Mission: *Provide environmental leadership through policy development, program design, and reliable utility services*

Primary Partners
Community Energy
Environmental
Services
Transportation

CSA OUTCOMES

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

City Service Area
Environmental and Utility Services
SERVICE DELIVERY FRAMEWORK

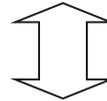
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Environmental & Utility Services CSA

Mission:

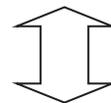
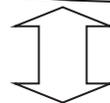
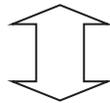
Provide environmental leadership through policy development, program design, and reliable utility services.



Outcomes:

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

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



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

Community Energy Department

Core Services:

Providing Clean Energy to the Community

Community Energy Customer Support

Community Energy Community Programming

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

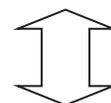
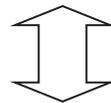
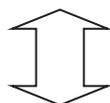
Core Services:

Sanitary Sewer Maintenance

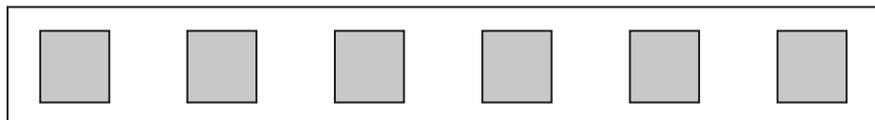
Storm Sewer Maintenance

CORE SERVICES
 Primary deliverables of the organization

PROGRAMS
 Elements of Core Services; the "front-line" of service delivery

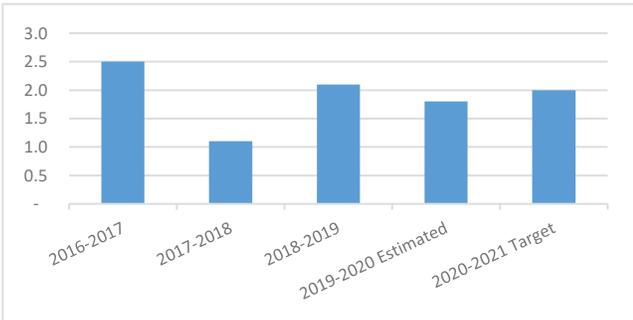


STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery

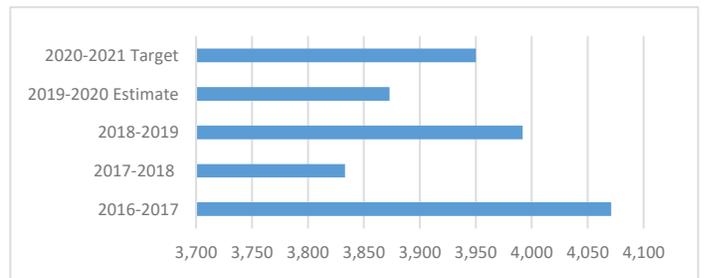


City Service Area
Environmental and Utility Services
DASHBOARD

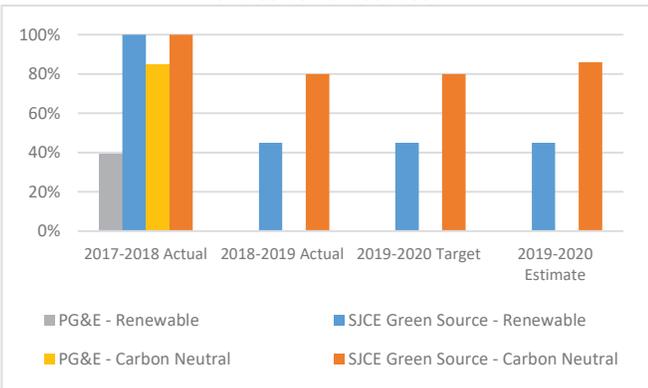
Number of Sanitary Sewer Overflows per 100 Miles of Sanitary Sewer Lines



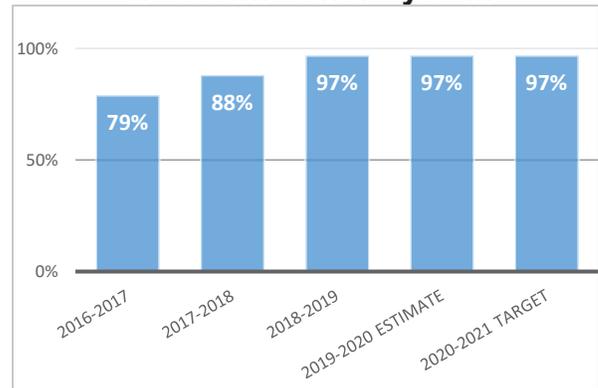
Millions of Gallons of Recycled Water Delivered Annually



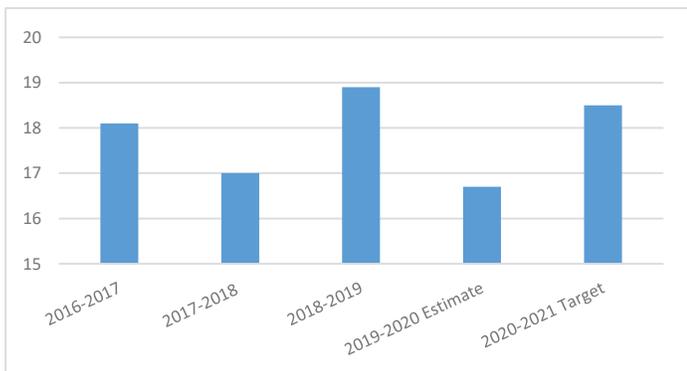
San Jose Clean Energy and PG&E Power Content



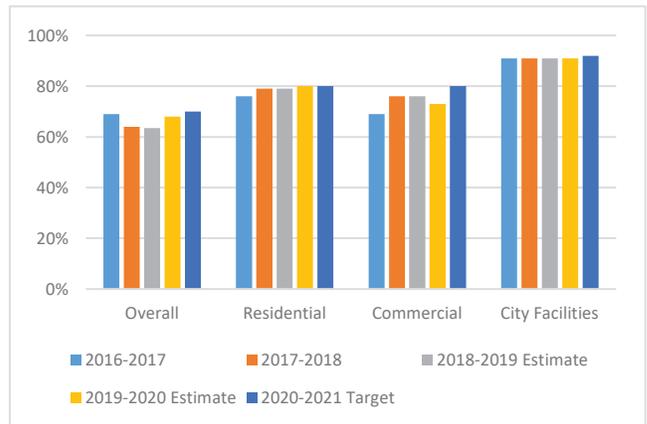
% of Trash Reduced from the Storm Sewer System



Millions of Gallons per Day Diverted from Flow to the Bay for Beneficial Purposes During the Dry Weather Period



% of Waste Diverted from Landfills



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City Service Area

Neighborhood Services



***Mission:** To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods*

Primary Partners

Library
Parks, Recreation and
Neighborhood Services
Planning, Building, and
Code Enforcement
Public Works

CSA OUTCOMES

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities

City Service Area Neighborhood Services SERVICE DELIVERY FRAMEWORK

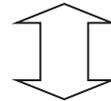
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
Why the CSA exists

Neighborhood Services CSA

Mission:

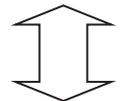
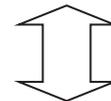
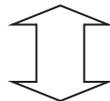
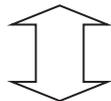
To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods



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

Outcomes:

- Safe and Clean Parks, Facilities, and Attractions
- Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
- Healthy Neighborhoods and Capable Communities



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

Library Department

Core Services:

Access to Information, Library Materials, and Digital Resources

Literacy and Learning, 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:

Code Enforcement

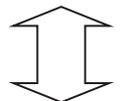
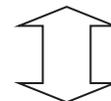
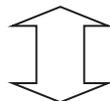
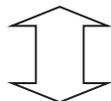
Public Works Department

Core Services:

Animal Care and Services

CORE SERVICES
Primary deliverables of the organization

PROGRAMS
Elements of Core Services; the "front-line" of service delivery



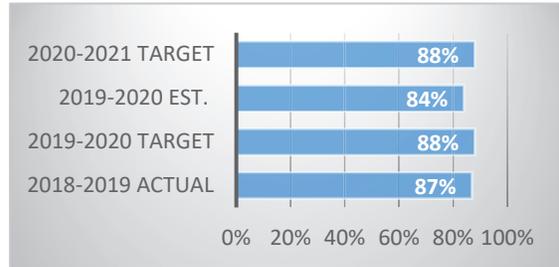
STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery

City Service Area Neighborhood Services DASHBOARD

% of customers rating library services as good or better (Point of Service)

2018-2019 Actual	2019-2020 Estimate	2020-2021 Target
93%	73%	92%

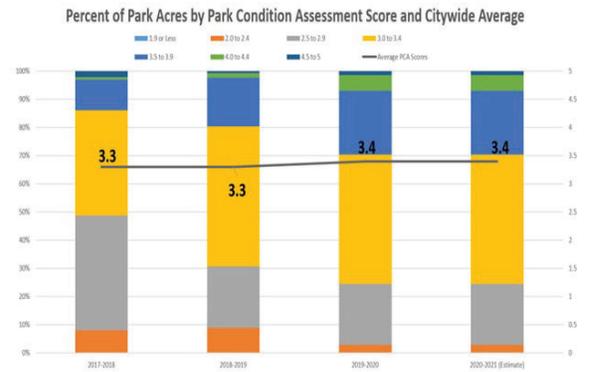
% of community center participants rating City efforts at providing recreational opportunities as "good" or "excellent" (Point of Service)



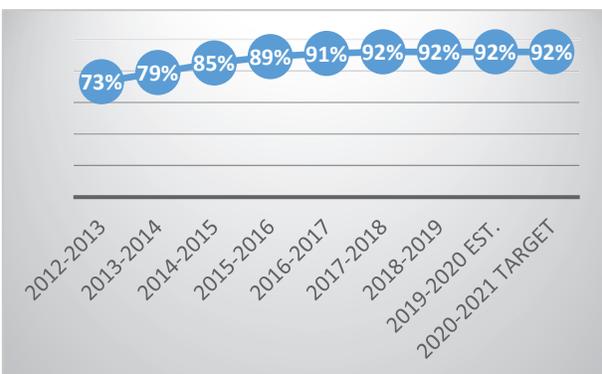
% of parents and caregivers who report reading more to their children following participation in a library program or activity



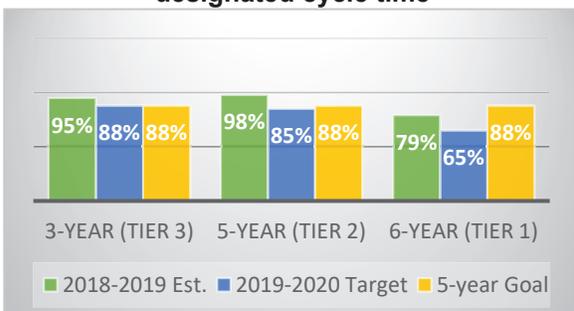
Percent of Park Acres by Park Condition Assessment Score and Citywide Average



Animal Care Center Live Release Rate



% of Multiple Housing Residential Occupancy Permit Program buildings receiving a routine inspection within designated cycle time



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City Service Area
Public Safety



***Mission:** Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations*

Primary Partners

City Manager's Office
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

City Manager's Office

Core Services:

City-Wide Emergency Management

Fire Department

Core Services:

Emergency Response

Fire Prevention

Independent Police Auditor

Core Services:

Independent Police Oversight

Police Department

Core Services:

Crime Prevention and Community Education

Investigative Services

Regulatory Services

Respond to Calls for Service and Patrol Support

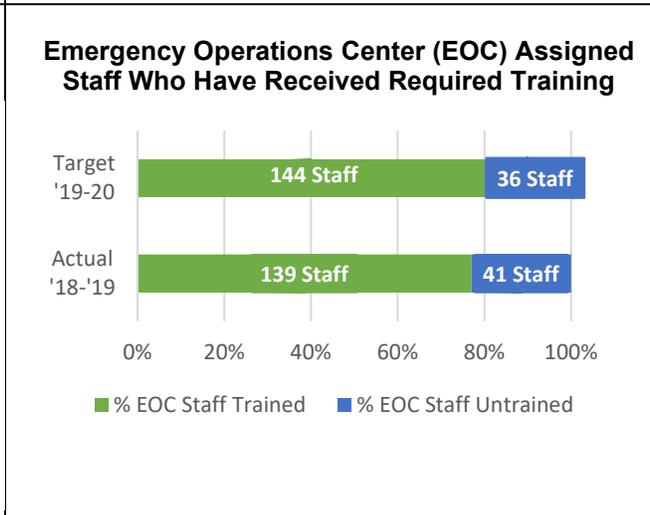
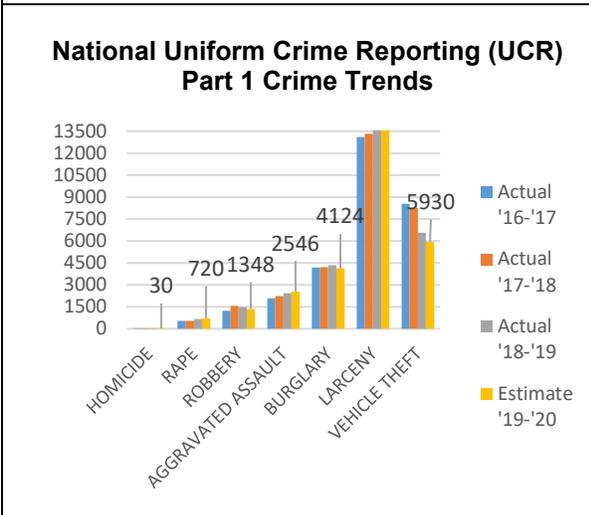
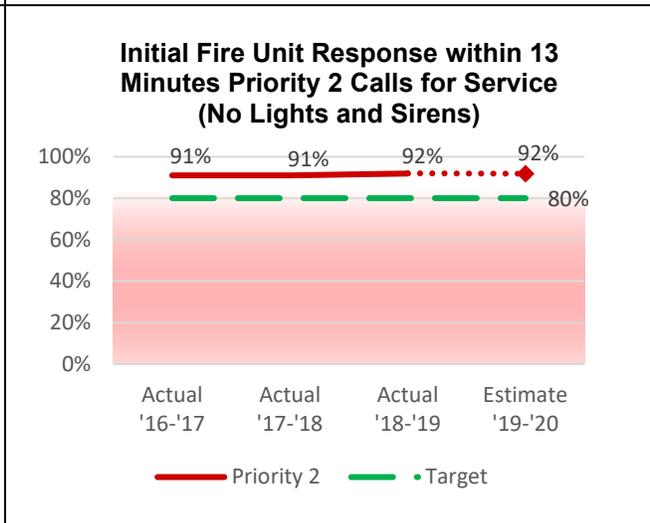
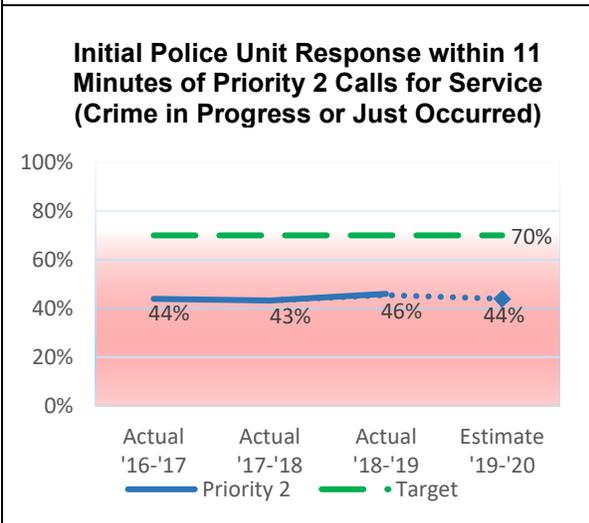
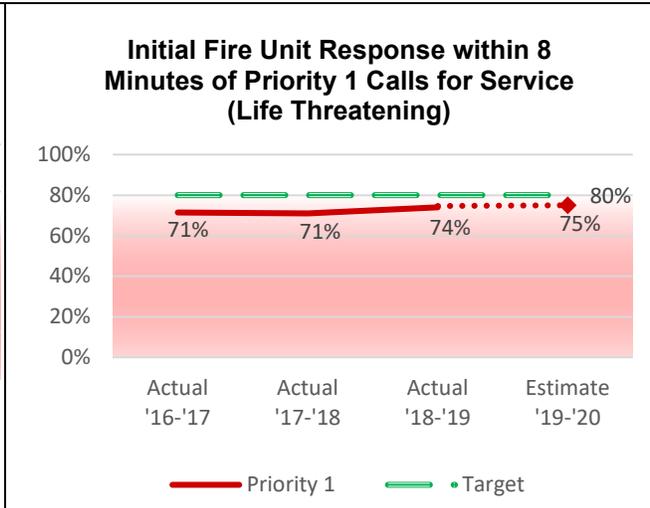
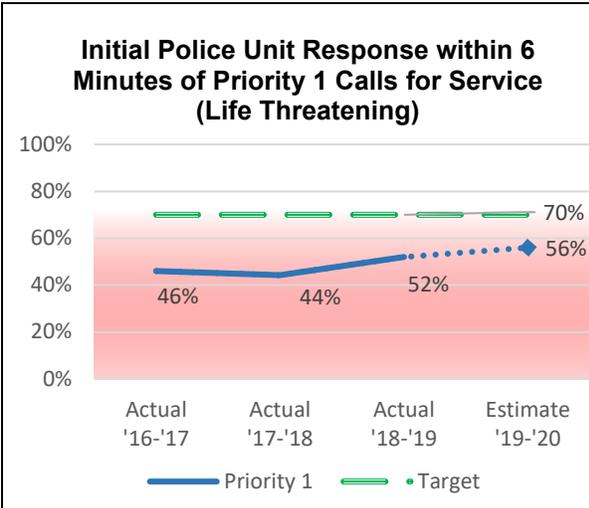
CORE SERVICES
 Primary deliverables of the organization

PROGRAMS
 Elements of Core Services; the "front line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery

City Service Area
Public Safety
DASHBOARD



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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

Transportation Department

Core Services:

Parking Services

Pavement Maintenance

Street Landscape Maintenance

Traffic Maintenance

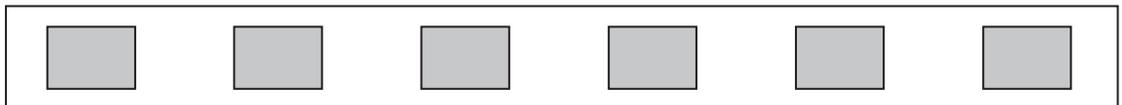
Transportation Planning and Project Delivery

Transportation Safety and Operations

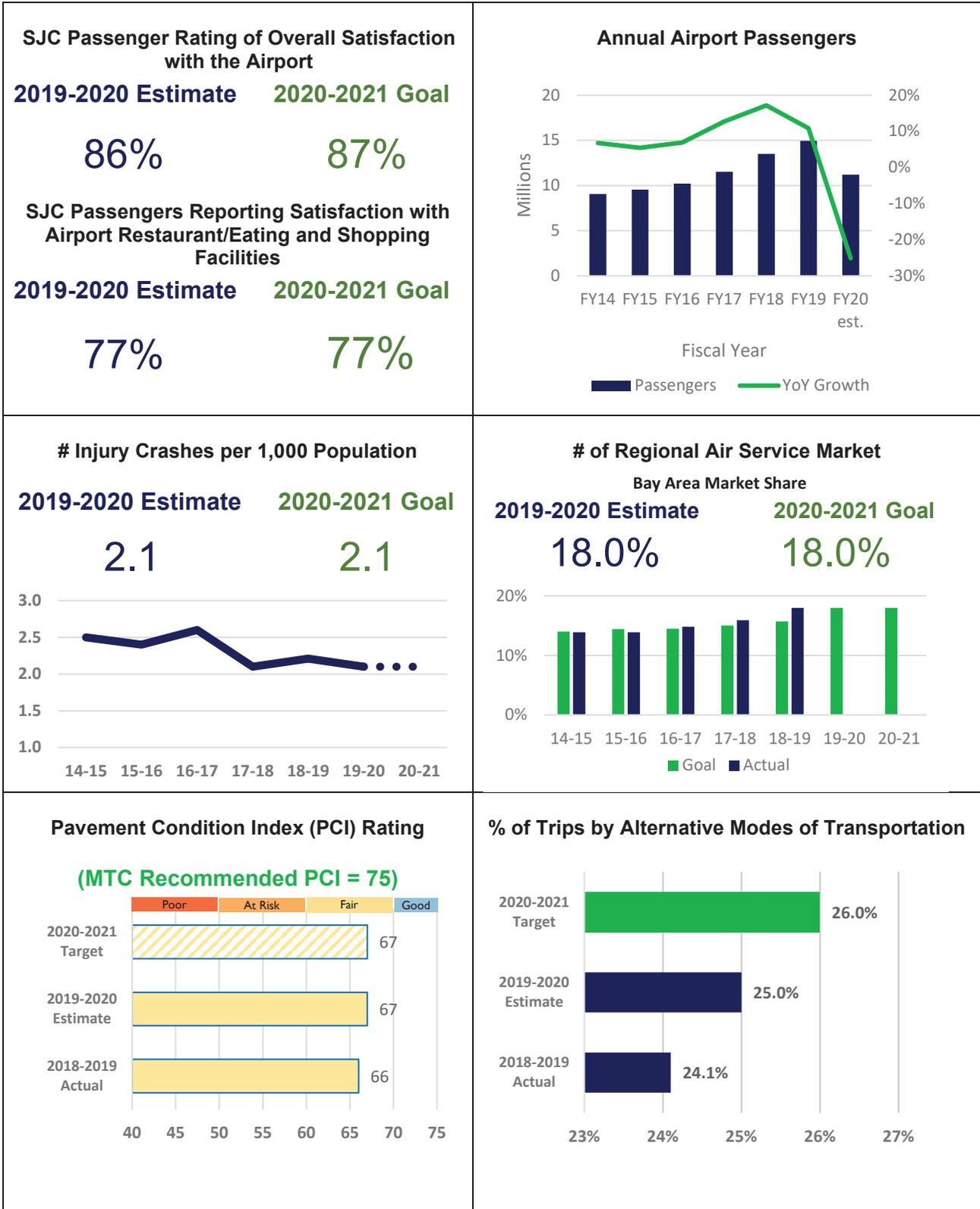
PROGRAMS
 Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



City Service Area
Transportation and Aviation Services
DASHBOARD



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City Service Area

Strategic Support



***Mission:** To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects*

Primary Partners

Finance
Human Resources
Information
Technology
Public Works

CSA OUTCOMES

- Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Effective Use of Technology
- Safe and Functional Public Infrastructure, Facilities, and Equipment

City Service Area *Strategic Support* SERVICE DELIVERY FRAMEWORK

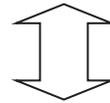
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's six (6) key "lines of business"

MISSION STATEMENT
Why the CSA exists

Strategic Support CSA

Mission:

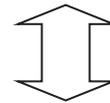
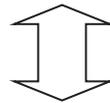
To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects



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

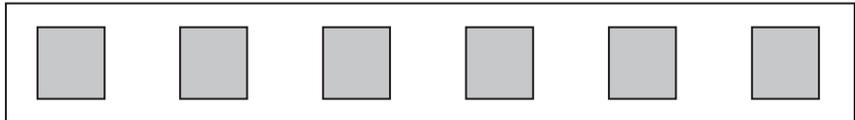
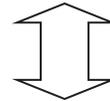
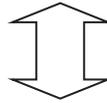
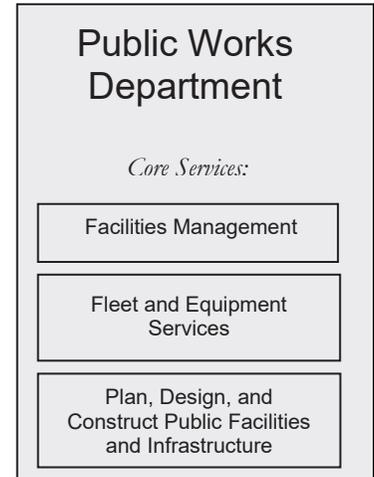
City Service Area *Strategic Support* SERVICE DELIVERY FRAMEWORK

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

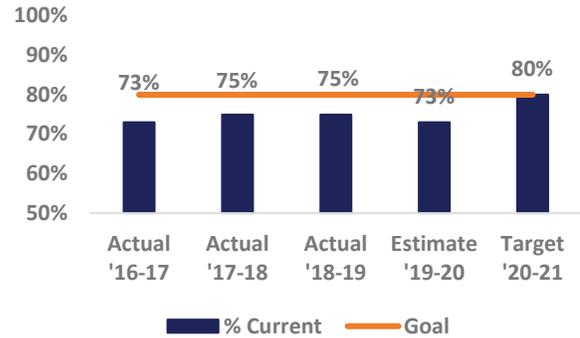


City Service Area
Strategic Support
DASHBOARD

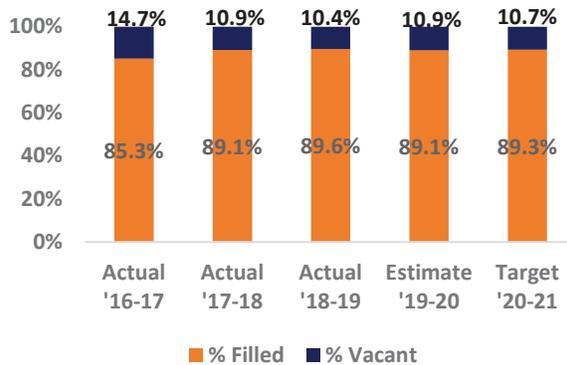
**City's Bond Ratings
(General Obligation Bond Rating)**

	Moody's	Standard & Poor's	Fitch
Actual '15-16	Aa1	AA+	AA+
Actual '16-17	Aa1	AA+	AA+
Actual '17-18	Aa1	AA+	AA+
Actual '18-19	Aa1	AA+	AA+
Estimate '19-20	Aa1	AA+	AA+
Target '20-21	Aa1	AA+	AA+

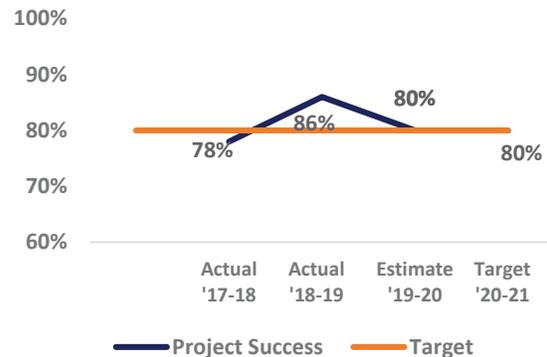
**% of Non-Management Employee
Performance Appraisals Completed on
Schedule**



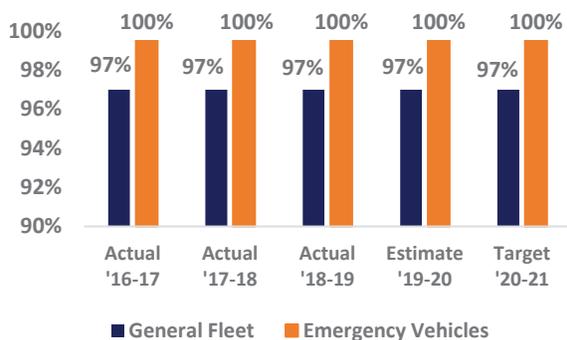
**% of Positions Filled as a Total of
Budgeted Positions**



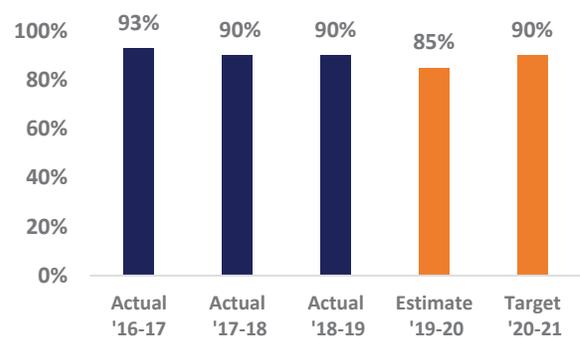
**% of Information Technology Project
Success Rate**



**% of Equipment that is Available for Use
When Needed**



**% of Facilities with a Condition
Assessment Rating of Good or Better**



Strategic Support

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

- City-Wide Emergency Management aligned to the Public Safety CSA
- 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

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Airport Department

John Aitken, Director of Aviation

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To connect, serve, and inspire

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 manage the Capital asset replacement program and implement the Capital Improvement Program, including planning and coordinating construction activities at the Airport, in compliance with applicable federal, State, and local regulations and environmental requirements

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

PROGRAM	DESCRIPTION
<i>Airport Business Development Core Service</i>	
Airport Business Development	Supports Airport business development by providing customer service for passengers traveling through the Airport; attracting new air service and airlines; identifying and developing sources of non-airline revenue; and communicating effectively with passengers, the public, and the media.
<i>Airport Facilities Core Service</i>	
Airport Facilities Administration	Provides services necessary for the administration of the Facilities Division, as well as management and oversight of the Facilities Division functions.
Airport Facilities Parking and Roadways Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of all Airport roadways, parking facilities, grounds and landscaping.
Airport Planning and Capital Development	Implements the Airport's Capital Improvement Program; plans and coordinates design and construction activities at the Airport; ensures compliance with applicable Federal, State and Local codes and environmental regulations and requirements; and coordinates with the Federal Aviation Administration, regional transportation planning agencies and providers.
Airport Terminals Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of all Airport terminal facilities, including public and common space, electrical and mechanical systems, HVAC and utilities, custodial services and baggage handling systems.
Airside Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of the airfield including pavement, runways and taxiways paint, lighting and grounds.
<i>Airport Operations Core Service</i>	
Airport Parking & Roadways Operations	Supports and manages landside operational activities, including parking facilities, airport shuttle bus operations, ground transportation and roadway/curbside management and enforcement programs.
Airside Operations	Supports and manages airside operational activities, including oversight of the airfield, airfield security and access control, noise monitoring, wildlife control, emergency planning and compliance with Federal Aviation Administration (FAA) Regulations.
Operations Administration	Provides services necessary for the administration of the Operations Division, as well as support for General Aviation and other non-commercial activities.
Terminals Operations	Provides on-site terminal support and management, including coordination with airlines and other terminal tenants. Staff provide management of shared-use services (gates, ticket counters), customer service for passenger related activities, terminal access and security controls and compliance with Transportation Security Administration (TSA) and Customs and Border Protection (CBP) regulations.

Airport Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Airport Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Airport Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Airport Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Airport Management and Administration	Provides executive-level, analytical and administrative support to the department.

Airport Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Continue to operate Norman Y. Mineta San José International Airport (SJC) efficiently while meeting all regulatory requirements for security and safety.
- Rebuild passenger traffic while managing through the COVID-19 health pandemic's shelter-in-place orders; the Airport remains operational as essential and critical infrastructure.
- Work collaboratively with Airport tenants to manage negative economic impacts resulting from COVID-19 to achieve long-term stability.
- Provide suitable levels of customer service for the evolving volume of passengers.
- 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.

2020-2021 Key Budget Actions

- Eliminates 6.0 vacant positions including 1.0 Air Conditioning Mechanic, 1.0 Building Maintenance Superintendent, 1.0 Electrician, 1.0 Maintenance Worker II, 1.0 Painter, and 1.0 Senior Electrician. While passenger levels have dropped in response to travel restrictions on all but nonessential travel, the building maintenance needs throughout the Airport campus can be maintained with current staffing levels.
- Eliminates 2.5 vacant positions including 1.0 Airport Operations Superintendent I, 1.0 Airport Operations Specialist I, and 0.50 Office Specialist II PT and \$699,000 of ongoing non-personal/equipment funding for shuttle bus ground boarding expenditures. The reduction in travelers is likely to ensure there are sufficient boarding gates to accommodate all departing flights; as a result, contractual services funding of \$699,000 to operate shuttle buses that bring passengers directly to aircraft from the terminals is eliminated. As well, vacant Operations Division staffing is proposed to be eliminated.
- Eliminates 1.0 Division Manager, and deletes 1.0 Program Manager while adding 1.0 Information Systems Analyst to more accurately reflect the Website Administrator responsibilities that role has assumed. Funding is included for project management software and licenses (\$125,000) and to upgrade Airport's WiFi equipment to expand coverage (\$66,000). These actions enable Airport to continue to provide technology infrastructure that supports efficient and effective operations.
- Adds \$100,000 to fund sustainability projects. The Airport recently developed a Sustainability Management Plan; this plan supports a variety of initiatives including the Airport's participation in a carbon offset program where travelers can purchase carbon credits while in the terminals.

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

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Airport Business Development	3,074,833	3,184,195	3,070,055	3,288,158
Airport Facilities	101,672,061	33,563,608	35,717,542	34,383,620
Airport Operations	31,380,700	31,983,869	36,394,928	33,243,758
Strategic Support - Other - Transportation & Aviation	118,579,587	106,178,631	106,438,291	104,557,868
Strategic Support - Transportation & Aviation	17,389,124	15,515,232	16,792,163	14,875,266
Total	\$272,096,306	\$190,425,535	\$198,412,979	\$190,348,670
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	30,919,438	35,562,342	36,601,152	34,491,807
Overtime	411,536	394,100	394,100	394,100
Subtotal Personal Services	\$31,330,974	\$35,956,442	\$36,995,252	\$34,885,907
Non-Personal/Equipment	39,261,742	48,181,962	54,870,936	50,768,395
Total Personal Services & Non-Personal/Equipment	\$70,592,716	\$84,138,404	\$91,866,188	\$85,654,302
<i>Other Costs*</i>				
Debt Service/Financing	102,685,580	97,369,825	97,369,825	95,906,680
Gifts	0	0	38,937	38,937
Housing Loans and Grants	0	0	0	0
Other	16,273,886	3,049,927	3,049,927	2,927,927
Other - Capital	82,889,286	0	0	0
Overhead Costs	0	5,233,879	5,454,602	5,187,324
Workers' Compensation	(345,162)	633,500	633,500	633,500
Total Other Costs	\$201,503,590	\$106,287,131	\$106,546,791	\$104,694,368
Total	\$272,096,306	\$190,425,535	\$198,412,979	\$190,348,670

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2018-2019 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget.

*** 2017-2018 Actuals may not subtotal due to rounding.

Airport Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Airport Customer Facility And Transportation Fee Fund (519)	2,293,857	2,749,722	2,506,996	2,359,996
Airport Fiscal Agent Fund (525)	92,044,894	93,257,618	93,257,618	93,906,680
Airport Maintenance And Operation Fund (523)	84,223,699	90,305,988	98,497,221	92,043,057
Airport Surplus Revenue Fund (524)	10,640,686	4,112,207	4,112,207	2,000,000
Gift Trust Fund (139)	0	0	38,937	38,937
Capital Funds	82,893,170	0	0	0
Total	\$272,096,306	\$190,425,535	\$198,412,979	\$190,348,670
Positions by Core Service**				
Airport Business Development	0.00	8.00	7.00	8.00
Airport Facilities	0.00	96.00	95.00	88.00
Airport Operations	0.00	67.50	68.50	66.00
Strategic Support - Transportation & Aviation	0.00	54.00	55.00	52.00
Total	0.00	225.50	225.50	214.00

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** The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget.

*** 2017-2018 Actuals may not subtotal due to rounding.

Airport Department

Department Budget Summary

	2018-2019 Actuals **	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Airport Business Development					
Airport Business Development Program	3,074,833	3,184,195	3,070,055	3,288,158	8.00
Sub-Total	3,074,833	3,184,195	3,070,055	3,288,158	8.00
Airport Facilities					
Airport Facilities Administration	2,562,990	2,510,563	2,298,799	2,213,263	8.75
Airport Facilities Parking and Roadways Maintenance	2,503,564	2,856,355	2,914,945	2,823,398	4.65
Airport Planning and Capital Development	76,036,197	4,961,765	5,253,365	4,946,147	22.00
Airport Terminals Maintenance	17,995,507	20,745,220	22,628,334	22,073,932	39.60
Airside Maintenance	2,573,803	2,489,705	2,622,099	2,326,880	13.00
Sub-Total	101,672,061	33,563,608	35,717,542	34,383,620	88.00
Airport Operations					
Airport Parking and Roadway Operations	17,654,390	15,841,410	19,469,394	17,712,106	11.12
Airside Operations	5,663,497	6,693,369	6,778,470	6,287,722	28.35
Operations Administration	1,222,124	1,510,994	1,488,762	1,441,366	8.00
Terminals Operations	6,840,689	7,938,096	8,658,302	7,802,564	18.53
Sub-Total	31,380,700	31,983,869	36,394,928	33,243,758	66.00
Strategic Support - Transportation & Aviation					
Airport Financial Management	6,249,242	7,934,946	9,000,031	7,495,457	31.00
Airport Human Resources	926,741	736,551	1,021,147	1,008,978	5.00
Airport Information Technology	8,234,953	4,757,194	4,855,345	4,509,717	11.00
Airport Management and Administration	1,978,189	2,086,541	1,915,640	1,861,114	5.00
Sub-Total	17,389,124	15,515,232	16,792,163	14,875,266	52.00
Strategic Support - Other - Transportation & Aviation					
Airport Capital	0	0	0	0	0.00
Airport Funds Debt/Financing Costs	102,658,453	97,369,825	97,369,825	95,906,680	0.00
Airport Gifts	0	0	38,937	38,937	0.00
Airport Other Operational - Administration	16,266,296	2,941,427	2,941,427	2,791,427	0.00
Airport Overhead	0	5,233,879	5,454,602	5,187,324	0.00
Airport Workers' Compensation	(345,162)	633,500	633,500	633,500	0.00
Sub-Total	118,579,587	106,178,631	106,438,291	104,557,868	0.00
Total	\$272,096,306	\$190,425,535	\$198,412,979	\$190,348,670	214.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The 2017-2018 Actuals may not subtotal due to rounding.

Airport Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2019-2020):	225.50	84,138,404
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Non-Airline Revenue Generation		(525,730)
• Airport Geographic Information Systems Staffing		(9,580)
• Airport Marketing and Communications Division Staffing		(1,460)
• Enhanced Airport Customer Experience		(1,200)
• Airport Terminal and Airfield Facilities Support		(730)
• Airport Finance Division Staffing		(730)
One-time Prior Year Expenditures Subtotal:	0.00	(539,430)
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations:		1,030,810
- 1.0 Senior Account Clerk to 1.0 Analyst I		
- 1.0 Senior Office Specialist to 1.0 Office Specialist II		
- 1.0 Warehouse Supervisor to 1.0 Maintenance Worker I		
• Airports Department Staffing Reorganization (City Council Approval August 13, 2019) adds 1.0 Airport Operations Supervisor III and deletes 1.0 Staff Specialist positions		
• Professional Development Program		8,000
• Information Technology services contracts and maintenance		(243,201)
• Shuttle bus management and maintenance		2,391,935
• Contractual services agreements		1,267,421
• Custodial services contractual services		739,487
• Third party security services		537,287
• Operations Division contractual services		475,118
• Insurance and taxes		448,775
• Parking operations		409,355
• Fleet Inventory (Airport offsite fueling)		296,690
• Baggage Handling System support		176,691
• Parking and traffic control services		120,837
• Facilities and Operations Divisions supplies and maintenance		105,910
• Elevator/escalator maintenance and repair		77,573
• Business Development and Advertising contractual services		74,030
• Fire alarm testing		33,667
• Dues and subscriptions		33,588
• Gas, electricity, and other utility costs		265,241
• Vehicle maintenance and operations		18,000
Technical Adjustments Subtotal:	0.00	8,267,214
2020-2021 Forecast Base Budget:	225.50	91,866,188

Airport Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)
Budget Proposals Recommended		
1. Airport Passenger Processing and Transportation		(1,637,960)
2. Airport Business Development and Fiscal Administration	(1.00)	(1,318,950)
3. Airport Airside and Terminal Operations	(2.50)	(1,035,450)
4. Airport Building Maintenance	(6.00)	(916,564)
5. Airport Information Technology	(1.00)	(725,957)
6. Airport Planning and Capital Development	(1.00)	(280,659)
7. City Retirement Contributions Pre-Funding		(244,346)
8. Vehicle Maintenance and Operations (Fuel Savings)		(52,000)
Total Budget Proposals Recommended	(11.50)	(6,211,886)
2020-2021 Proposed Budget Total	214.00	85,654,302

Airport Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
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1. Airport Passenger Processing and Transportation (1,637,960)

Transportation and Aviation Services CSA

Airport Operations Core Service

Airport Parking and Roadway Operations, Airside Operations

This action eliminates total non-personal/equipment funding of \$1.6 million. With the sudden and steep decline in Airport passenger traffic resulting from the COVID-19 pandemic, Airport must rebalance its operating expenditures in response to the decline in revenues. Reduced passenger levels allow the Airport to reduce the number of passenger shuttle buses in use thereby reducing lease and maintenance costs. As well, funding for overtime hours Airport pays for Customs and Border Protection staff who work above an eight-hour shift will also be cut. Given the recent steep decline in travel, the anticipated volume of flights will not require the agents to work as many overtime hours. (Ongoing savings: \$1,637,960)

2. Airport Business Development and Fiscal Administration (1.00) (1,318,950)

Transportation and Aviation Services CSA

Airport Business Development Core Service

Strategic Support Core Service

Airport Financial Management Program, Airport Human Resources, Airport Management and Administration, Airport Business Development Program

This action eliminates 1.0 vacant Senior Property Manager and 1.0 vacant Senior Analyst positions, \$1.1 million of net non-personal/equipment funding, offset by the addition of 1.0 Senior Public Information Representative position. The Airport's steep decline in passenger traffic has driven the need to rebalance its operating expenditures in response to the decline in revenues. The Senior Public Information Representative will serve as the department's Assistant Marketing Manager and will concentrate efforts on enhancing the Airport's digital marketing presence. A non-personal/equipment funding reduction of \$1.2 million reflects the elimination of funding for the additional fees associated with an increase to the Airport's Letter of Credit and Commercial Paper capacity for the TAIP Phase II capital project. If passenger levels and revenues recover quickly, the Airport may bring forward requests to add these positions and costs back. (Ongoing savings: \$1,303,898)

Airport Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
<p>3. Airport Airside and Terminal Operations</p> <p><i>Transportation and Aviation Services CSA</i> Airport Operations Core Service <i>Airport Parking and Roadway Operations, Airside Operations, Operations Administration, Terminals Operations</i></p> <p>This action eliminates 2.5 vacant positions including 1.0 Airport Operations Superintendent I, 1.0 Airport Operations Specialist I, and 0.50 Office Specialist II PT and \$699,000 of non-personal/equipment funding ongoing. The environment created by the COVID-19 pandemic is unprecedented and challenging for the aviation industry; Airport must rebalance its operating expenditures in response to the decline in revenues. A reduction in travelers means fewer demands on the facility and is likely to ensure there are enough boarding gates to accommodate all departing flights. Contractual services funding of \$699,000 to operate shuttle buses that bring passengers directly to aircraft from the terminals is eliminated. (Ongoing savings: \$1,038,668)</p>	<p>(2.50)</p>	<p>(1,035,450)</p>
<p>4. Airport Building Maintenance</p> <p><i>Transportation and Aviation Services CSA</i> Airport Facilities Core Service <i>Airport Facilities Parking and Roadways Maintenance, Airside Maintenance, Airport Facilities Administration, Airport Terminals Maintenance</i></p> <p>This action eliminates 6.0 vacant positions including 1.0 Air Conditioning Mechanic, 1.0 Building Maintenance Superintendent, 1.0 Electrician, 1.0 Maintenance Worker II, 1.0 Painter, and 1.0 Senior Electrician. With the sudden and steep decline in Airport passenger traffic resulting from the COVID-19 pandemic, Airport must rebalance its operating expenditures in response to the decline in revenues. With fewer travelers passing through the terminals, the building maintenance needs can be maintained with current staffing levels. (Ongoing savings: \$932,364)</p>	<p>(6.00)</p>	<p>(916,564)</p>
<p>5. Airport Information Technology</p> <p><i>Transportation and Aviation Services CSA</i> Airport Facilities Core Services <i>Airport Facilities Parking and Roadways Maintenance, Airside Maintenance, Airport Facilities Administration, Airport Terminals Maintenance</i></p> <p>This action eliminates 1.0 vacant Division Manager position, and deletes 1.0 Program Manager position while adding 1.0 Information Systems Analyst position. The add/delete more accurately reflects the Website Administrator responsibilities that role has assumed. This action also includes the ongoing net reduction of non-personal/equipment funding of \$466,000 for: the addition of \$125,000 for project management software and licenses; \$66,000 to upgrade Airport WiFi equipment to expand coverage; offset by the decrease of \$257,000 resulting from the transition of Airport's video storage capability to the Cloud, as well as the elimination of funding for miscellaneous IT equipment maintenance and some consultant support funding. (Ongoing savings: \$709,757)</p>	<p>(1.00)</p>	<p>(725,957)</p>

Airport Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
6. Airport Planning and Capital Development	(1.00)	(280,659)

Transportation and Aviation Services CSA
Airport Facilities Core Service
Airport Planning and Capital Development

This action eliminates 1.0 vacant Associate Engineer position and associated ongoing net non-personal/equipment funding of \$100,000 in the Planning and Capital Development Division. This action is in direct response to the Airport's need to rebalance its operating expenditures resulting from the decline in revenues. Non-personal/equipment savings of \$200,000 will be generated by eliminating funding to pay for project management services for the TAIP Phase II project, offset by the addition of \$100,000 to fund sustainability projects in support of the recently developed Airport Sustainability Management Plan, and include participation in a carbon offset program whereby, for example, travelers can purchase carbon credits while in the terminals. (Ongoing savings: \$280,659)

7. City Retirement Contributions Pre-Funding		(244,346)
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Transportation and Aviation Services CSA
Core Service: Department-wide
Program: Department-wide

This action reduces the Airport's Personal Services appropriation by \$244,346 in the Airport's Maintenance and Operation Fund to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing costs: \$244,346)

Airport Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
8. Vehicle Maintenance and Operations (Fuel Savings)		(52,000)
<i>Transportation and Aviation Services CSA Airport Facilities Core Service Airport Operations Core Service Airport Financial Management, Airport Facilities Parking and Roadways Maintenance, Airport Planning and Capital Development, Airside Maintenance, Airport Facilities Administration, Airport Terminals Maintenance, Airport Parking and Roadway Operations, Airside Operations, Operations Administration</i>		
<p>This action decreases the ongoing funding for vehicle operations costs by \$52,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$52,000)</p>		
2020-2021 Proposed Budget Changes Total	(11.50)	(6,211,886)

Airport Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accountant I/II	2.00	2.00	-
Accounting Technician	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	3.00	2.00	(1.00)
Air Service Development Manager	1.00	1.00	-
Airport Equipment Mechanic	6.00	6.00	-
Airport Maintenance Supervisor	4.00	4.00	-
Airport Operations Manager I/II	4.00	4.00	-
Airport Operations Superintendent I/II	5.00	4.00	(1.00)
Airport Operations Supervisor I/II/III	17.00	18.00	1.00
Analyst I/II	7.00	8.00	1.00
Assistant Director of Aviation	1.00	1.00	-
Associate Engineer	4.00	3.00	(1.00)
Associate Structure/Land Designer	1.00	1.00	-
Aviation Security and Permit Specialist	5.00	5.00	-
Building Maintenance Superintendent	1.00	0.00	(1.00)
Building Management Administrator	1.00	1.00	-
Carpenter	1.00	1.00	-
Dept Information Tech Manager	1.00	1.00	-
Deputy Director	5.00	5.00	-
Director of Aviation	1.00	1.00	-
Division Manager	1.00	0.00	(1.00)
Electrician I/II	4.00	3.00	(1.00)
Engineer I/II	4.00	4.00	-
Environmental Services Program Manager	1.00	1.00	-
Environmental Services Specialist	1.00	1.00	-
Geographic Info Systems Specialist I/II	2.00	2.00	-
Information Systems Analyst	1.00	2.00	1.00
Maintenance Assistant	1.00	1.00	-
Maintenance Contract Supervisor	1.00	1.00	-
Maintenance Superintendent	1.00	1.00	-
Maintenance Worker I/II	26.00	26.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	1.00	1.00	-
Office Specialist I/II	1.00	2.00	1.00
Office Specialist II, PT	0.50	0.00	(0.50)
Painter	3.00	2.00	(1.00)
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	3.00	2.00	(1.00)
Program Manager II	2.00	2.00	-
Property Manager I	1.00	1.00	-
Property Manager II	4.00	4.00	-
Public Information Manager	2.00	2.00	-

Airport Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Public Information Representative I/II	2.00	2.00	-
Senior Account Clerk	4.00	3.00	(1.00)
Senior Accountant	4.00	4.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Airport Equipment Mechanic	2.00	2.00	-
Senior Airport Operations Specialist I/II/III	28.00	27.00	(1.00)
Senior Analyst	9.00	8.00	(1.00)
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Electrician	2.00	1.00	(1.00)
Senior Electronic Systems Technician	1.00	1.00	-
Senior Engineer	2.00	2.00	-
Senior Engineering Technician	2.00	2.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Maintenance Worker	4.00	4.00	-
Senior Office Specialist	1.00	0.00	(1.00)
Senior Painter	1.00	1.00	-
Senior Property Manager I/II	3.00	2.00	(1.00)
Senior Public Information Representative	1.00	2.00	1.00
Senior Systems Applications Programmer	1.00	1.00	-
Sign Shop Technician	1.00	1.00	-
Staff Specialist	6.00	5.00	(1.00)
Supervising Accountant	2.00	2.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervisor, Trades	2.00	2.00	-
Warehouse Supervisor	1.00	0.00	(1.00)
Total Positions	225.50	214.00	(11.50)

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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: Provides administrative oversight for the department, including executive management, financial management, and human resources.

Office of the City Attorney

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Legal Services Core Service</i>	
Legal Representation	Provides legal representation to advocate, defend, and prosecute matters on behalf of the City and the Successor Agency to the Redevelopment Agency. This involves a variety of activities including defense of lawsuits; general liability claims management; prosecution of municipal code violations; workers' compensation investigations and litigation; seeking injunctions for general nuisance, gang and drug abatements; alternative dispute resolution and contract dispute assistance; and initiation of litigation which can result in significant revenue collections.
Legal Transactions	Provides oral and written legal counsel and advice to the Mayor, City Council, Council Appointees, City departments, City boards, commissions and committees, and to the Successor Agency to the Redevelopment Agency, and is responsible for review and preparation of ordinances, resolutions, contracts, permits and other legal documents to implement official City and Agency actions.
<i>Strategic Support Core Service</i>	
City Attorney Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.

Office of the City Attorney

Department Budget Summary

Expected 2020-2021 Service Delivery

- ❑ The City Attorney's Office will continue to provide legal representation and advice, while facing the challenge of meeting legal services demand that is largely driven by outside factors. Transactional legal assignments are generated by City Council direction and department requests that are often driven by technology innovations, economic conditions and state and federal mandates. Litigation matters often originate from claims and lawsuits against the City; consequently, workloads and liability exposure are largely out of the Office's control. In addition, the Office prosecutes criminal cases and files a variety of affirmative lawsuits. The Office will continue to provide in-house legal services while managing unpredictable fluctuations in demand for these services.
- ❑ 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) real estate-related projects, including the negotiations with Google and Parkside Hall for the Museum Place project; 4) advising staff related to the feasibility of forming a Community Facilities District to finance the acquisition of the Tech Expansion Space in connection with the Museum Place Project; 5) capital construction projects and issues relating to the Regional Wastewater Facility; and 6) innovation efforts to improve City technology.
- ❑ Litigation defense services will continue to take priority over proactive suits by the City. The net loss of litigation attorney positions has, at times, affected the Office's ability to adequately staff lawsuits and other litigation matters.
- ❑ Because of potential legal conflicts of interest, outside legal counsel will continue to be retained to represent the City's interests in pension-related litigation matters. When pension-related lawsuits are resolved, it is anticipated that use of outside legal counsel will 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 discovery.

2020-2021 Key Budget Actions

- ❑ As directed in the Mayor's March Budget Message for Fiscal Year 2019-2020, continues 1.0 Deputy City Attorney position for a second year, through June 30, 2021, to provide legal support for the purpose of proactive legal enforcement of blighted and nuisance properties.
- ❑ As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, continues 1.0 Senior Deputy City Attorney position through June 30, 2022 to support the Affordable Housing Program in the Low and Moderate Income Housing Asset Fund.
- ❑ Continues 1.0 Legal Analyst II position through June 30, 2021 to support Worker's Compensation Litigation matters.
- ❑ Continues 1.0 Legal Analyst II and 1.0 Senior Deputy City Attorney positions through June 30, 2021 to provide legal support to the Water Pollution Control and the Sanitary Sewer System Capital Improvement Programs.

Operating Funds Managed

N/A

Office of the City Attorney
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Legal Services	18,293,985	21,110,493	19,479,195	20,062,206
Strategic Support - City Council Appointees	1,588,656	1,495,157	1,765,053	1,751,734
Strategic Support - Other - Council Appointees	3,924,621	11,174,594	6,771,501	6,994,182
Total	\$23,807,262	\$33,780,244	\$28,015,749	\$28,808,122
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	18,202,127	20,357,747	19,689,750	20,259,442
Overtime	67,641	0	0	0
Subtotal Personal Services	\$18,269,768	\$20,357,747	\$19,689,750	\$20,259,442
Non-Personal/Equipment	1,650,035	2,247,903	1,554,498	1,554,498
Total Personal Services & Non-Personal/Equipment	\$19,919,803	\$22,605,650	\$21,244,248	\$21,813,940
<i>Other Costs*</i>				
City-Wide Expenses	3,800,224	10,287,474	6,000,000	6,000,000
Other	64,573	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	22,662	887,120	771,501	994,182
Total Other Costs	\$3,887,459	\$11,174,594	\$6,771,501	\$6,994,182
Total	\$23,807,262	\$33,780,244	\$28,015,749	\$28,808,122

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Attorney
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	408,590	427,708	265,385	465,564
General Fund (001)	20,130,594	27,204,237	22,824,939	22,333,103
Workforce Development Fund (290)	141,110	227,753	110,031	110,031
Low And Moderate Income Housing Asset Fund (346)	722,954	1,159,983	778,733	1,100,993
Integrated Waste Management Fund (423)	62,007	73,641	68,394	67,923
Housing Trust Fund (440)	276	39,369	38,402	38,102
Community Development Block Grant Fund (441)	18,650	20,746	20,712	20,576
Home Investment Partnership Program Trust Fund (445)	31,826	81,260	84,411	83,760
Multi-Source Housing Fund (448)	330,905	164,705	94,291	93,510
Rental Stabilization Program Fee Fund (450)	0	576,565	609,506	606,395
San José Clean Energy Operating Fund (501)	320,627	1,092,777	1,030,207	1,025,251
San José-Santa Clara Treatment Plant Operating Fund (513)	60,304	193,109	114,976	114,289
Water Utility Fund (515)	99,134	152,827	166,254	346,889
Airport Maintenance And Operation Fund (523)	755,979	834,640	861,749	836,714
Sewer Service And Use Charge Fund (541)	724,307	1,530,924	947,759	1,565,022
Total	\$23,807,262	\$33,780,244	\$28,015,749	\$28,808,122
Positions by Core Service**				
Legal Services	76.90	79.90	75.20	77.70
Strategic Support - City Council Appointees	7.10	7.10	7.80	7.80
Total	84.00	87.00	83.00	85.50

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Attorney
Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Legal Services					
Legal Representation	8,359,607	9,874,547	9,397,492	9,376,393	35.59
Legal Transactions	9,934,378	11,235,946	10,081,703	10,685,813	42.11
Sub-Total	18,293,985	21,110,493	19,479,195	20,062,206	77.70
Strategic Support - City Council Appointees					
City Attorney Management and Administration	1,588,656	1,495,157	1,765,053	1,751,734	7.80
Sub-Total	1,588,656	1,495,157	1,765,053	1,751,734	7.80
Strategic Support - Other - Council Appointees					
City Attorney Other Departmental - City-Wide	3,751,340	10,287,474	6,000,000	6,000,000	0.00
City Attorney Other Operational - Administration	16,925	0	0	0	0.00
City Attorney Overhead	156,356	887,120	771,501	994,182	0.00
Sub-Total	3,924,621	11,174,594	6,771,501	6,994,182	0.00
Total	\$23,807,262	\$33,780,244	\$28,015,749	\$28,808,122	85.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Attorney

Budget Changes By Office

Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Environmental Services Department Legal Support</p> <p><i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Transactions Program</i></p> <p>This action continues 1.0 Senior Deputy City Attorney and 1.0 Legal Analyst II to provide legal support to the Water Pollution Control and the Sanitary Sewer Capital Improvement Programs through June 30, 2021. Staff assigned to these capital projects will focus on consultant and contractor procurement. In addition to supporting these Capital Improvement Programs, 0.5 of the Legal Analyst II position will be assigned to the General Fund to support encroachment permits, street and easement vacations, creation of special assessment districts, mapping, and other public and private development issues. These positions will continue to be jointly funded: 35% from the Water Utility Fund, 30% from the San José-Santa Clara Treatment Plant Capital Fund, 25% from the General Fund, and 10% from the Sanitary Sewer System Capital Improvement Fund. (Ongoing costs: \$0)</p>	2.00	385,983	73,583
<p>2. Affordable Housing Legal Support</p> <p><i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Transactions Program</i></p> <p>As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action adds 1.0 Senior Deputy City Attorney position, limit-dated through June 30, 2022, to provide transactional legal services to support the Affordable Housing Program in the Low and Moderate Income Housing Asset Fund. This funding will increase the City Attorney's Office capacity to provide legal support to the projects associated with the Notice of Funding Availability (NOFA) process to award \$100 million for affordable housing developments. This funding will also support other Affordable Housing Project professional legal services for matters of considerable complexity as necessary, including 12 outstanding Affordable Housing projects that will begin in the near future. The City Attorney's Office is unable to absorb this additional workload with current staff. It is estimated that the legal work associated with these projects will warrant a dedicated full-time attorney. (Ongoing costs: \$307,548)</p>	1.00	307,548	0
<p>3. Proactive Legal Enforcement of Blighted and Nuisance Properties</p> <p><i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation Program</i></p> <p>As directed in the Mayor's March Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action provides second year funding for 1.0 Deputy City Attorney IV through June 30, 2021. As part of the 2019-2020 Adopted Budget, a reserve was established to fund this position through Fiscal Year 2020-2021 to provide legal support for the purpose of proactive legal enforcement of blighted and nuisance properties. This funding will enable the City Attorney to maintain a dedicated Deputy City Attorney for the purpose of litigating these matters for an additional year. (Ongoing costs: \$0)</p>	1.00	237,068	237,068

Office of the City Attorney

Budget Changes By Office

Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Workers' Compensation Litigation Support Staffing <i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation Program</i> <i>Legal Transactions Program</i> This action continues 1.0 Legal Analyst II position, through June 30, 2021, to continue legal support to the Workers' Compensation Program. This 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. This action allows greater efficiencies in the City Attorney's Office, as increased legal analyst support provides the Workers' Compensation team critical resources for case management. (Ongoing costs: \$0)	1.00	147,166	147,166
5. City Attorney's Office Staffing Realignments <i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation Program</i> This action shifts funding on a one-time basis for a total of 2.0 FTEs (0.5 Chief Deputy Attorney, 0.5 Senior Deputy Attorney, 0.5 Legal Admin Assistant, and 0.5 Legal Analyst) in the City Attorney's Office from the General Fund to the Sewer Service and Use Charge Fund. This funding will provide for staff work in the City Attorney's Office that will provide legal support and services required for litigation regarding a tributary matter. (Ongoing costs: \$0)	0.00	0	(488,744)
6. City Attorney's Office Staffing Reduction <i>Strategic Support CSA</i> <i>Legal Services Core Service</i> <i>Legal Representation Program</i> <i>Legal Transactions Program</i> This action eliminates ongoing funding for a total of 2.5 vacant FTEs (1.0 Legal Analyst II, 1.0 Legal Admin Assistant II, and 0.5 Messenger Clerk PT) in the City Attorney's Office from the General Fund and Airport Maintenance and Operations Fund. The remaining workload will be reallocated to current staff. The Office will continue to be proactive in seeking technology advancements to improve operational efficiencies and to lessen the impact on staff. (Ongoing savings: \$336,398)	(2.50)	(335,828)	(319,060)

Office of the City Attorney

Budget Changes By Office

Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. City Retirement Contributions Pre-Funding		(138,095)	(107,699)
<i>Strategic Support CSA</i>			
<i>Core Service: Department-wide</i>			
<i>Program: Department-wide</i>			
<p>This action reduces the City Attorney Office’s Personal Services appropriation by \$138,095 in all funds, and \$107,669 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City’s retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees’ Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$138,095)</p>			
8. Measure E - Legal Administration	0.00	(34,150)	(34,150)
<i>Strategic Support CSA</i>			
<i>Legal Services Core Service</i>			
<i>Legal Transactions Program</i>			
<p>This action shifts 0.1 Senior Deputy City Attorney IV position, ongoing, from the General Fund to funding from collected from Measure E. The position will support matters related to Measure E, a real property transfer tax that would provide funding to assist the homeless and provide affordable housing, as approved by the voters in March 2020. As approved by City Council, 5% of the overall revenues will be set aside for City Administration. This position will provide legal support to the Finance and Housing Departments regarding the appropriate use of Measure E funds for proposed projects. (Ongoing savings: \$34,150)</p>			
2020-2021 Proposed Budget Changes Total	2.50	569,692	(491,836)

Office of the City Attorney

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accounting Technician	1.00	0.00	(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	10.00	11.00	1.00
Executive Assistant	1.00	1.00	-
Legal Administrative Assistant	10.50	9.50	(1.00)
Legal Analyst II	16.00	15.00	(1.00)
Legal Services Administrator	1.00	1.00	-
Legal Services Manager	1.00	1.00	-
Messenger Clerk PT	0.50	0.00	(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	30.00	30.00	-
Senior Legal Analyst	3.00	3.00	-
Senior Supervisor, Administration	0.00	1.00	1.00
Total Positions	87.00	85.50	(1.50)

**Office of the
City Auditor**
Joe Rois, City Auditor

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Independently assess and report on City operations
and services

City Service Area

Strategic Support

Core Service

Audit Services

Identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

Strategic Support: Administrative Support

Office of the City Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Audit Services Core Service</i>	
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.
<i>Strategic Support Core Service</i>	
City Auditor Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.

Office of the City Auditor

Department Budget Summary

Expected 2020-2021 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 2020-2021 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2020, with a continued focus on searching for operational efficiencies, revenues, and cost-saving opportunities.
- Issue the Annual Report on City Services. 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, Public Safety and Infrastructure Bond, and Parcel Tax Funds; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.

2020-2021 Key Budget Actions

- Eliminates 1.0 filled Program Performance Auditor I/II position, which will result in fewer performance audits.

Operating Funds Managed

N/A

Office of the City Auditor
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Audit Services	2,473,106	2,935,690	2,897,438	2,758,913
Strategic Support - City Council Appointees	0	155,153	163,031	161,822
Strategic Support - Other - Council Appointees	380,188	0	0	0
Total	\$2,853,294	\$3,090,843	\$3,060,469	\$2,920,735
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,332,325	2,506,481	2,438,999	2,298,504
Subtotal Personal Services	\$2,332,325	\$2,506,481	\$2,438,999	\$2,298,504
Non-Personal/Equipment	69,862	69,153	74,153	74,153
Total Personal Services & Non-Personal/Equipment	\$2,402,187	\$2,575,634	\$2,513,152	\$2,372,657
<i>Other Costs*</i>				
City-Wide Expenses	380,188	406,209	435,214	435,214
Other	70,919	109,000	112,104	112,865
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$451,107	\$515,209	\$547,317	\$548,078
Total	\$2,853,294	\$3,090,843	\$3,060,469	\$2,920,735

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

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*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Auditor
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	2,782,375	2,981,843	2,948,366	2,807,871
Airport Maintenance And Operation Fund (523)	46,224	78,250	80,593	80,593
Sewer Service And Use Charge Fund (541)	24,695	30,750	31,511	32,272
Total	\$2,853,294	\$3,090,843	\$3,060,469	\$2,920,735
Positions by Core Service**				
Audit Services	14.00	14.00	14.00	13.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	15.00	15.00	15.00	14.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Auditor
Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Audit Services					
Performance Audits	2,473,106	2,935,690	2,897,438	2,758,913	13.00
Sub-Total	2,473,106	2,935,690	2,897,438	2,758,913	13.00
Strategic Support - City Council Appointees					
City Auditor Management and Administration	0	155,153	163,031	161,822	1.00
Sub-Total	0	155,153	163,031	161,822	1.00
Strategic Support - Other - Council Appointees					
City Auditor Other Departmental - City-Wide	380,188	0	0	0	0.00
Sub-Total	380,188	0	0	0	0.00
Total	\$2,853,294	\$3,090,843	\$3,060,469	\$2,920,735	14.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Auditor

Budget Reconciliation

**Personal Services and Non-Personal/Equipment
(2019-2020 Adopted to 2020-2021 Proposed)**

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	15.00	2,575,634	2,575,634
<hr/> Base Adjustments <hr/>			
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		(73,082)	(73,082)
• Professional Development Program		5,600	5,600
• Translation Services		5,000	5,000
Technical Adjustments Subtotal:	0.00	(62,482)	(62,482)
2020-2021 Forecast Base Budget:	15.00	2,513,152	2,513,152
<hr/> Budget Proposals Recommended <hr/>			
1. City Auditor's Office Staffing	(1.00)	(124,605)	(124,605)
2. City Retirement Contributions Pre-Funding		(15,890)	(15,890)
Total Budget Proposals Recommended	(1.00)	(140,495)	(140,495)
2020-2021 Proposed Budget Total:	14.00	2,372,657	2,372,657

Office of the City Auditor

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Program Performance Auditor Staffing <i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Performance Audits Program</i>	(1.00)	(124,605)	(124,605)
<p>This action eliminates 1.0 filled Program Performance Auditor I/II position scheduled to become vacant effective August 1, 2020 and reduces the City Auditor's Office Personal Services appropriation on a one-time basis to reflect anticipating savings from planned unpaid leave. Due to the elimination of the position, fewer performance audits will be performed, resulting in fewer audit recommendations to improve operations and lower audit benefits. (Ongoing savings: \$103,206)</p>			
2. City Retirement Contributions Pre-Funding <i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Program: Department-wide</i>	0.00	(15,890)	(15,890)
<p>This action reduces the City Auditor Office's Personal Services appropriation by \$15,890, all in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$15,890)</p>			
2020-2021 Proposed Budget Changes Total	(1.00)	(140,495)	(140,495)

Office of the City Auditor

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	8.00	7.00	(1.00)
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
Total Positions	15.00	14.00	(1.00)

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Office of the
City Clerk
Toni J. Taber, City Clerk

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Maximize public access to municipal government

City Service Area

Strategic Support

Core Service

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: City Clerk Management and Administration

Office of the City Clerk

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>City Clerk Services Core Service</i>	
Facilitate the City's Legislative Process	Maximizes public access to the City's legislative process by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public. Serves as a compliance officer for federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act.
<i>Strategic Support Core Service</i>	
City Clerk Management and Administration	Provides administrative oversight for the department, including financial management, human resources, and analytical support.

Office of the City Clerk

Department Budget Summary

Expected 2020-2021 Service Delivery

- Administer Sunshine/Open Government Reforms to provide transparent legislative services.
- Ensuring the public has access to information regarding 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 pertaining to Ordinances, Resolutions, and Charter Amendments.
- 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 regarding government business records including the City's legislative records and documents.
- Administer access to information 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.

2020-2021 Key Budget Actions

- Eliminates 1.0 filled Office Specialist II position which will affect timeliness and responsiveness to requests to both internal and external customers.
- Reduces Non-Personal/Equipment funding by \$70,000 to recognize anticipated savings related to training, travel, and supplies and materials.

Operating Funds Managed

N/A

Office of the City Clerk
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
City Clerk Services	2,098,156	2,310,962	2,320,701	2,145,350
Strategic Support - City Council Appointees	313,480	350,712	286,402	284,310
Strategic Support - Other - Council Appointees	3,433,052	4,724,580	2,760,342	2,697,000
Total	\$5,844,688	\$7,386,254	\$5,367,445	\$5,126,660
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,102,741	2,307,588	2,323,017	2,215,574
Overtime	14,465	0	0	0
Subtotal Personal Services	\$2,117,206	\$2,307,588	\$2,323,017	\$2,215,574
Non-Personal/Equipment	278,975	334,086	268,086	198,086
Total Personal Services & Non-Personal/Equipment	\$2,396,181	\$2,641,674	\$2,591,103	\$2,413,660
<i>Other Costs*</i>				
City-Wide Expenses	3,448,507	4,702,000	2,733,000	2,713,000
Gifts	0	42,580	43,342	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$3,448,507	\$4,744,580	\$2,776,342	\$2,713,000
Total	\$5,844,688	\$7,386,254	\$5,367,445	\$5,126,660

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Clerk

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	5,844,688	7,343,674	5,324,103	5,126,660
Gift Trust Fund (139)	0	42,580	43,342	0
Total	\$5,844,688	\$7,386,254	\$5,367,445	\$5,126,660
Positions by Core Service**				
City Clerk Services	13.00	13.00	13.00	12.00
Strategic Support - City Council Appointees	2.00	2.00	2.00	2.00
Total	15.00	15.00	15.00	14.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Clerk
Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
City Clerk Services					
Facilitate the City's Legislative Process	2,098,156	2,310,962	2,320,701	2,145,350	12.00
Sub-Total	2,098,156	2,310,962	2,320,701	2,145,350	12.00
Strategic Support - City Council Appointees					
Clerk Management and Administration	313,480	350,712	286,402	284,310	2.00
Sub-Total	313,480	350,712	286,402	284,310	2.00
Strategic Support - Other - Council Appointees					
Clerk Gifts	0	42,580	43,342	0	0.00
Clerk Other Departmental - City-Wide	3,433,052	4,682,000	2,717,000	2,697,000	0.00
Sub-Total	3,433,052	4,724,580	2,760,342	2,697,000	0.00
Total	\$5,844,688	\$7,386,254	\$5,367,445	\$5,126,660	14.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Clerk

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	15.00	2,641,674	2,641,674
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Electronic Document Management System		(66,000)	(66,000)
One-time Prior Year Expenditures Subtotal:	0.00	(66,000)	(66,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		14,929	14,929
• Professional Development Program		500	500
Technical Adjustments Subtotal:	0.00	15,429	15,429
2020-2021 Forecast Base Budget:	15.00	2,591,103	2,591,103
Budget Proposals Recommended			
1. City Clerk's Office Staffing	(1.00)	(90,115)	(90,115)
2. City Clerk's Office Non-Personal/Equipment Savings		(70,000)	(70,000)
3. City Retirement Contributions Pre-Funding		(17,328)	(17,328)
Total Budget Proposals Recommended	(1.00)	(177,443)	(177,443)
2020-2021 Proposed Budget Total			
	14.00	2,413,660	2,413,660

Office of the City Clerk

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. City Clerk's Office Front Desk Staffing	(1.00)	(90,115)	(90,115)
<i>Strategic Support CSA Strategic Support Core Service Facilitate the City's Legislative Process Program</i>			
<p>This action eliminates 1.0 Office Specialist I/II. Due to the elimination, customer service to both internal and external customers will be affected as timeliness and responsiveness to requests will be delayed. The workload will be absorbed by the remaining staff. (Ongoing savings: \$91,167)</p>			
2. City Clerk's Office Non-Personal/Equipment Savings		(70,000)	(70,000)
<i>Strategic Support CSA Strategic Support Core Service Facilitate the City's Legislative Process Program Clerk Management and Administration Program</i>			
<p>This action reduces the ongoing non-personal/equipment funding by \$70,000 to recognize anticipated savings for expenses related to training, traveling, and supplies and materials. There will be limited impact to service levels and performance measures. (Ongoing savings: \$70,000)</p>			
3. City Retirement Contributions Pre-Funding		(17,328)	(17,328)
<i>Strategic Support CSA Strategic Support Core Service Program: Department-wide</i>			
<p>This action reduces the Office of the City Clerk's Personal Services appropriation by \$17,328, all in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$17,328)</p>			
2020-2021 Proposed Budget Changes Total	(1.00)	(177,443)	(177,443)

Office of the City Clerk

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Analyst I/II	3.00	3.00	-
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Legislative Secretary	3.00	3.00	-
Office Specialist II	1.00	0.00	(1.00)
Records Specialist	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Total Positions	15.00	14.00	(1.00)

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Office of the
City Manager
David Sykes, City Manager

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Provide strategic leadership that supports the Mayor and the City Council, and motivates and challenges the organization to deliver high quality services that meet the community's needs

City Service Area
Strategic Support

Core Service

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

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: Administrative Support and Financial Management

Office of the City Manager

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>City-Wide Emergency Management Core Service</i>	
Emergency Management	Oversees emergency management efforts throughout the City, including: preparedness, response, recovery, and mitigation; maintains a citywide Emergency Management Roadmap to address preparedness gaps; ensures comprehensive all hazards planning, exercises, and training complies with State and federal requirements; and, engages the community through public education and training to encourage preparation for the next emergency.
<i>Lead and Manage the Organization Core Service</i>	
Administration, Policy, and Intergovernmental Relations	Supports city-wide leadership by ensuring greater capacity and alignment of policy priorities internally and externally, enhancing City Manager's Office internal management, and streamlining city-wide administrative approvals. Services include: agenda review and coordination; policy research and development; as well as development, monitoring and coordination of legislative activities with other local, state, and federal representatives.
Budget Office	Develops and monitors the City's operating and capital budgets that total over \$3.5 billion annually; works with City departments to develop a budget that meets the highest priority community and organizational needs while maintaining fiscal integrity; responds to City Council direction, improves operational efficiency; and supports data-driven public service delivery.
Civic Innovation	Leads the development and implementation of the City's Smart City Vision; focuses the City on the most important innovation opportunities; empowers staff to dramatically improve services for customers; and works with teams to address continuous process improvement and program evaluation.
Communications	Directs and implements the City's communications strategy to inform and engage San José residents. Provides strategic counsel to the City Manager and oversight of media relations; internal communications; open government initiatives; emergency public information; Civic Center TV; and digital, social, and creative services.
Employee Relations	Represents the City Council and City Administration in various labor relations issues and negotiates on behalf of the City on wages, hours, and other terms and conditions of employment. Manages employee relations matters for the City, and advises and assists departments regarding strategies and due process requirements when dealing with employee sub-performance or misconduct.
Executive Leadership/City Management	Provides strategic leadership that supports the Mayor and City Council in making public policy decisions and ensures the organization is delivering cost-effective services that meet the needs of our community with the highest standards of quality and customer service. Also guides 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.
Immigrant Affairs	Advances the Welcoming San José Plan to create a more welcoming experience for immigrants, and facilitates immigrant integration through civic, economic, linguistic and social inclusion.

Office of the City Manager

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
City Manager Management and Administration	Provides administrative oversight for the department, including financial management and human resources.

Office of the City Manager

Department Budget Summary

Expected 2020-2021 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 of Administration, Policy, and Intergovernmental Relations (API) supports the setting of City priorities among ordinances and initiatives and will monitor and report progress on the development and implementation of these priorities. API also supports the City Council in implementing fiscal sustainability programs, and protects the best interest of the City through legislative advocacy at the regional, state, and federal levels.
- 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 2021-2022 Budget for City Council consideration.
- 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 supporting departmental efforts to facilitate the use of technology, data, and evidence based decision making throughout the City.
- 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.
- The Office of Employee Relations will be engaged in a variety of labor relations with the City's eleven bargaining units as needed.
- The Office of Emergency Management will continue to 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.
- 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.

2020-2021 Key Budget Actions

- Continues positions in the Office of Emergency Management funded primarily by the Urban Areas Security Initiative grant through June 30, 2021. These four positions will work on the following: community resource planning; development of a City of San José Mass Care Plan; coordination of the Emergency Operations Center (EOC) Readiness; and coordination of emergency alert and warning services.
- Shifts a Deputy City Manager position from the Office of Economic Development to the City Manager's Office, allowing for a dedicated position rather than one that is also performing Office Director duties.
- As directed by the Mayor's March Budget Message for Fiscal Year 2020-2021, adds one-time non-personal/equipment funding of \$100,000 for equity framework development, focused on training and capacity building within the organization and integrating an equity framework into decision-making on select programs.
- Eliminates 2.0 positions in the Office of Employee Relations, 1.6 positions and a portion of the overtime budget in the Budget Office, and 1.0 position in the Office of Communications. Reorganizes and eliminates 1.0 positions in the Office of Administration, Policy and Intergovernmental Relations as well as 1.0 administrative staff. Current work assignments will be absorbed by existing staff and there will be some reduced administrative, analytical and management capacity.
- As directed by the Mayor's March Budget Message for Fiscal Year 2020-2021, begins to stabilize the Office of Civic Innovation by adding 3.0 ongoing positions and continuing 2.0 limit-dated positions through June 30, 2022, offset by eliminating 1.0 position.
- This action continues 1.0 position through June 30, 2021 in the Office of Civic Innovation and Digital Strategy. This position will manage the development of a digital customer platform for the Environmental Services Department's (ESD) Recycle Plus program.
- Reduces non-personal/equipment funding for supplies, travel, and Budget Office printing costs, as well as reduces the funding available for special projects and consultant services.

Operating Funds Managed

- Ice Centre Revenue Fund
- San José Arena Capital Reserve Fund
- San José Municipal Stadium Capital Fund

Office of the City Manager
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
City-Wide Emergency Management	2,162,766	6,001,483	2,088,568	2,713,205
Lead & Manage The Organization	15,719,547	25,456,561	19,331,785	18,349,639
Strategic Support - City Council Appointees	732,840	334,618	363,069	193,319
Strategic Support - Other - Council Appointees	18,021,749	4,124,369	2,376,125	2,336,951
Total	\$36,636,902	\$35,917,031	\$24,159,547	\$23,593,114
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	15,812,116	17,822,004	16,765,595	16,632,253
Overtime	54,341	50,000	50,000	25,000
Subtotal Personal Services	\$15,866,457	\$17,872,004	\$16,815,595	\$16,657,253
Non-Personal/Equipment	2,728,696	6,133,134	1,991,910	1,800,910
Total Personal Services & Non-Personal/Equipment	\$18,595,153	\$24,005,138	\$18,807,505	\$18,458,163
Other Costs*				
City-Wide Expenses	4,604,758	11,497,883	4,947,276	4,894,000
Debt Service/Financing	2,050,000	0	0	0
Gifts	328,343	398,641	401,152	183,000
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	11,058,648	15,369	3,614	57,951
Total Other Costs	\$18,041,749	\$11,911,893	\$5,352,042	\$5,134,951
Total	\$36,636,902	\$35,917,031	\$24,159,547	\$23,593,114

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Manager
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	23,060,957	35,323,349	23,668,326	23,065,175
Gift Trust Fund (139)	328,343	398,641	401,152	183,000
Low And Moderate Income Housing Asset Fund (346)	21,500	25,754	25,142	18,375
Community Facilities Revenue Fund (422)	2,050,000	0	0	0
Integrated Waste Management Fund (423)	0	0	0	150,824
Multi-Source Housing Fund (448)	63,338	105,127	0	0
San José Clean Energy Operating Fund (501)	0	0	0	126,740
San José-Santa Clara Treatment Plant Operating Fund (513)	11,080,148	25,720	26,154	18,375
Airport Maintenance And Operation Fund (523)	23,500	24,500	24,500	24,500
Sewer Service And Use Charge Fund (541)	9,117	13,940	14,273	6,125
Total	\$36,636,902	\$35,917,031	\$24,159,547	\$23,593,114
Positions by Core Service**				
City-Wide Emergency Management	12.00	12.00	7.00	11.00
Lead & Manage The Organization	68.95	67.45	66.45	66.85
Strategic Support - City Council Appointees	2.00	2.00	2.00	1.00
Strategic Support - Other - Council Appointees	0.65	3.65	0.65	0.65
Total	83.60	85.10	76.10	79.50

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Manager

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
City-Wide Emergency Management					
Emergency Management	2,162,766	6,001,483	2,088,568	2,713,205	11.00
Sub-Total	2,162,766	6,001,483	2,088,568	2,713,205	11.00
Lead & Manage The Organization					
Administration, Policy, and Intergovernmental Relations	2,547,474	3,688,601	2,951,779	2,917,112	12.00
Budget Office	4,014,219	4,524,437	4,254,127	3,971,379	19.00
Civic Innovation	1,513,173	7,495,049	3,493,193	3,387,792	8.50
Communications	1,367,307	2,502,717	1,776,046	1,416,619	5.35
Employee Relations	2,057,171	2,529,957	2,544,386	2,102,660	10.50
Executive Leadership/City Management	3,482,079	3,527,267	3,421,896	3,631,320	8.50
Immigrant Affairs	723,510	1,188,533	890,358	922,757	3.00
Intergovernmental Relations	14,612	0	0	0	0.00
Sub-Total	15,719,547	25,456,561	19,331,785	18,349,639	66.85
Strategic Support - City Council Appointees					
City Manager Management and Administration	732,840	334,618	363,069	193,319	1.00
Sub-Total	732,840	334,618	363,069	193,319	1.00
Strategic Support - Other - Council Appointees					
City Manager Gifts	328,343	0	2,511	0	0.00
City Manager Other Departmental - City-Wide	6,612,608	4,009,000	2,370,000	2,279,000	0.65
City Manager Other Departmental - Grants	22,151	100,000	0	0	0.00
City Manager Overhead	11,058,648	15,369	3,614	57,951	0.00
Sub-Total	18,021,749	4,124,369	2,376,125	2,336,951	0.65
Total	\$36,636,902	\$35,917,031	\$24,159,547	\$23,593,114	79.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of the City Manager

Budget Reconciliation

**Personal Services and Non-Personal/Equipment
(2019-2020 Adopted to 2020-2021 Proposed)**

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	85.10	24,005,138	23,825,466
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Office of Emergency Management		(190,000)	(190,000)
• Rebudget: Civic Innovation		(175,000)	(175,000)
• Rebudget: Office of Immigrant Affairs		(160,000)	(160,000)
• Rebudget: Census 2020		(140,000)	(140,000)
• Rebudget: Hyperion Support		(50,000)	(50,000)
• Urban Area Security Initiative Grant Funded Positions (4.0 Executive Assistants)	(4.00)	(626,179)	(626,179)
• City Website and Intranet Implementation		(550,000)	(550,000)
• Emergency Management Contractual Support		(550,000)	(550,000)
• Community Emergency Response Training (CERT) (1.0 Senior Executive Analyst)	(1.00)	(418,228)	(324,114)
• 2020 Election Outreach		(400,000)	(400,000)
• Emergency Management Training and Exercise		(400,000)	(400,000)
• Privacy Policy Development		(300,000)	(300,000)
• Safe City Data Integration		(300,000)	(300,000)
• Small Wonders Pipeline Resources		(270,000)	(270,000)
• Beautify SJ Gap Analysis (1.0 Executive Analyst)	(1.00)	(164,930)	(164,930)
• Equity Education and Analysis Framework		(150,000)	(150,000)
• Internet of Things Business Architecture		(150,000)	(150,000)
• KLIV Radio Station		(100,000)	(100,000)
• Gender Equity Analysis		(50,000)	(50,000)
• Language Access Planning and Coordination		0	0
• Digital Inclusion Fund Staffing (1.0 Assistant to the City Manager, 2.0 Senior Executive Analysts)	(3.00)	0	0
• Community Emergency Response Training		(80,000)	(80,000)
• Fuse		(200,000)	(200,000)
One-time Prior Year Expenditures Subtotal:	(9.00)	(5,424,337)	(5,330,223)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Office Specialist to 1.0 Senior Office Specialist - 1.0 Training Specialist to 1.0 Executive Analyst II - 1.0 Analyst II to 1.0 Executive Analyst II - 1.0 Executive Analyst II to 1.0 Senior Executive Analyst		122,928	122,031
• Web Content Management System		60,000	60,000
• Music Licenses/Agreements for Public Use		15,000	15,000
• Emergency Radio Upgrades		15,000	15,000
• Language Translation/Interpretation		10,000	10,000
• Vehicle Operations and Maintenance		7,000	7,000
• Emergency Operations Center Activation		4,448	4,448
• Adobe Pro and ArcGIS Software		1,000	1,000
• Budget Office Training and Support		328	328
• City Management Equipment and Supplies		(9,000)	(9,000)
Technical Adjustments Subtotal:	0.00	226,704	225,807
2020-2021 Forecast Base Budget:	76.10	18,807,505	18,721,050

Office of the City Manager

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Urban Area Security Initiative Grant Staffing	4.00	640,709	640,709
2. Executive Leadership Staffing	1.00	504,732	504,732
3. Recycle Plus Product Staffing	1.00	122,048	0
4. Equity Education and Analysis Framework		100,000	100,000
5. Community Energy Executive Leadership Support		0	(97,565)
6. Office of Employee Relations Management and Analytical Staffing	(2.00)	(423,324)	(423,324)
7. City Manager's Office General Non-Personal/Equipment Savings		(270,000)	(270,000)
8. Budget Office Analytical and Administrative Staffing and Overtime	(1.60)	(251,211)	(251,211)
9. Office of Communications Management Staffing	(1.00)	(240,078)	(240,078)
10. Office of Administration, Policy, and Intergovernmental Relations Reorganization	(1.00)	(202,117)	(183,097)
11. Administrative Staff Reorganization	(1.00)	(138,724)	(138,724)
12. City Retirement Contributions Pre-Funding		(113,536)	(113,536)
13. Civic Center TV Closed Captioning Modernization		(70,000)	(70,000)
14. Office of Civic Innovation Staffing	4.00	(4,009)	(4,009)
15. Vehicle Maintenance and Operations (Fuel Savings)		(1,000)	(1,000)
Total Budget Proposals Recommended	3.40	(346,510)	(547,103)
2020-2021 Proposed Budget Total:	164.60	18,460,995	18,173,947

Office of the City Manager

Budget Changes By Office Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Urban Area Security Initiative Grant Staffing <i>Strategic Support CSA</i> City-Wide Emergency Management Core Service <i>Emergency Management Program</i> This action continues 4.0 filled Executive Analyst positions in the Office of Emergency Management funded primarily by the Urban Areas Security Initiative (UASI) grant through June 30, 2021. These four positions will work on the following: community resource planning; development of a City of San José Mass Care Plan; coordination of the Emergency Operations Center (EOC) Readiness Plan that includes management of services, resources, and systems for San José’s primary, alternate, and mobile EOC; and coordination of emergency alert and warning services. (Ongoing costs: \$0)	4.00	640,709	640,709
2. Executive Leadership Staffing <i>Strategic Support CSA</i> Lead and Manage the Organization Core Service <i>Executive Leadership/City Management</i> This action shifts a Deputy City Manager position from the Office of Economic Development to the City Manager’s Office, allowing for a dedicated position rather than one that is also performing Office Director duties. This position is responsible for overseeing the Community and Economic Development City Service Area, providing leadership and strategic coordination to city departments shaping the future growth and development of the city. This includes execution of the City’s enterprise priorities focused on the transformation of downtown San José, achieving the City’s ambitious housing goals, and improving City facilitation of private development. The ongoing costs associated with this action are offset by the savings generated in the funding shift from the Office of Economic Development as described in that section of this document. (Ongoing costs: \$504,732)	1.00	504,732	504,732
3. Recycle Plus Product Staffing <i>Strategic Support CSA</i> Lead and Manage the Organization Core Service <i>Civic Innovation Program</i> This action continues 1.0 Senior Executive Analyst position through June 30, 2021 in the City Manager’s Office of Civic Innovation and Digital Strategy. This position will manage the development of a digital customer platform for the Environmental Services Department’s (ESD) Recycle Plus program and will work in close partnership with the Recycle Plus Program Manager in ESD, and other stakeholders throughout the City, including the Information Technology Department. The Recycle Plus Product Strategist Senior Executive Analyst will be dedicated to the development of a digital customer platform for the Recycle Plus program and will be responsible for driving the process to align internal and external stakeholders on desired outcomes and requirements for the Recycle Plus digital customer experience. Funding for the Digital Customer Platform for Recycle Plus Services was approved as part of the 2019-2020 Adopted Budget. This position is funded 75% by the Integrated Waste Management Fund and 25% by the Digital Inclusion Program. Funding for the Digital Inclusion Program can be found under the City-Wide Expenses section of this document. (Ongoing costs: \$0)	1.00	122,048	0

Office of the City Manager

Budget Changes By Office Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Equity Education and Analysis Framework <i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Immigrant Affairs</i> As directed by the Mayor’s March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action adds one-time non-personal/equipment funding of \$100,000 for equity framework development, focused on training and capacity building within the organization and integrating an equity framework into decision-making on select programs. (Ongoing costs: \$0)		100,000	100,000
5. Community Energy Executive Leadership Support <i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Executive Leadership/City Management</i> This action shifts 20% of a Deputy City Manager position to the Community Energy Fund to better align with current assignments and workload, including facilitating the development of communications and strategies to support a coalition campaign focused on the California Public Utilities Commission, Governor and State Legislature to not adopt PG&Es proposals to increase Power Exit Fees for customers who opt in to Community Choice Associations for their energy needs. (Ongoing costs: \$0)		0	(97,565)
6. Office of Employee Relations Management and Analytical Staffing <i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Employee Relations</i> This action eliminates a vacant Deputy Director position and a vacant Executive Analyst position in the Office of Employee Relations, resulting in current work assignments being absorbed by existing staff. With this reduction, there will be some reduced analytical and management capacity for labor relations issues and negotiations, as well as reduced ability to manage employee relations matters for the City and advise and assist departments when dealing with employee sub-performance or misconduct. (Ongoing savings: \$423,324)	(2.00)	(423,324)	(423,324)
7. City Manager's Office General Non-Personal/Equipment Savings <i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Department-wide</i> This action reduces non-personal/equipment funding (from \$918,000 to \$698,000) for supplies, travel, and Budget Office printing costs. This action also reduces the amount of funding available for special projects and consultant services. (Ongoing savings: \$270,000)		(270,000)	(270,000)

Office of the City Manager

Budget Changes By Office Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>8. Budget Office Analytical and Administrative Staffing and Overtime</p> <p><i>Strategic Support CSA Lead and Manage the Organization Core Service Budget Office</i></p> <p>This action eliminates a vacant Staff Specialist position and a vacant Senior Executive Analyst PT position in the Budget Office and reduces their overtime budget from \$50,000 to \$25,000. Projects and work assignments related to the development and monitoring of the City’s operating and capital budgets have been modified and absorbed by existing staff. Overtime will be carefully monitored, but it is possible that additional compensatory time may be needed to ensure all work can be completed on time. (Ongoing savings: \$253,787)</p>	(1.60)	(251,211)	(251,211)
<p>9. Office of Communications Management Staffing</p> <p><i>Strategic Support CSA Lead and Manage the Organization Core Service Communications</i></p> <p>This action eliminates a vacant Assistant to the City Manager position in the Office of Communications. This Office directs and implements the City’s communication strategy and provides oversight of media relations, internal communications, open government initiatives, digital, social and creative services, and emergency public information. Projects and work assignments have been modified and have been currently absorbed by existing staff. (Ongoing savings: \$240,078)</p>	(1.00)	(240,078)	(240,078)
<p>10. Office of Administration, Policy, and Intergovernmental Relations Reorganization</p> <p><i>Strategic Support CSA Lead and Manage the Organization Core Service Administration, Policy and Intergovernmental Relations</i></p> <p>This action eliminates a Staff Specialist position which provides administrative support to the Office of Intergovernmental Relations and Office of Immigrant Affairs within the Office of Administration, Policy, and Intergovernmental Relations; deletes an Analyst II position which provides department fiscal support and adds an Accounting Technician position; and shifts 20% of an Assistant to the City Manager position from the General Fund to the Digital Inclusion Program to work on city-wide privacy policy development. This action is not expected to have significant service impacts as the administrative and analytical duties will be absorbed by remaining staff. Funding for the Digital Inclusion Program can be found under the City-Wide Expenses section of this document. (Ongoing savings: \$205,003).</p>	(1.00)	(202,117)	(183,097)

Office of the City Manager

Budget Changes By Office Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
11. Administrative Staff Reorganization	(1.00)	(138,724)	(138,724)
<p><i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Leadership/City Management</i></p> <p>This action reorganizes the staff that support executive leadership and office-wide functions throughout the City Manager's Office. A filled Administrative Assistant position will be eliminated resulting in the Executive Team sharing remaining staff specialist positions to save costs and provide a broader skill set to support the office. (Ongoing savings: \$138,724)</p>			
12. City Retirement Contributions Pre-Funding		(113,536)	(113,536)
<p><i>Strategic Support CSA</i> <i>Department-wide Core Service</i> <i>Department-wide</i></p> <p>This action reduces the City Manager's Office's Personal Services appropriation by \$116,368 in the General Fund to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$113,536)</p>			
13. Civic Center TV Closed Captioning Modernization		(70,000)	(70,000)
<p><i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Communications</i></p> <p>This proposal shifts from using human-transcribed closed captioning services for City Council and other public meetings on Civic TV to using a hardware/Artificial Intelligence solution. General Fund savings will be generated by purchasing this service from public, educational and governmental fee capital funds rather than the General Fund. (Ongoing savings: \$70,000)</p>			

Office of the City Manager

Budget Changes By Office Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
14. Office of Civic Innovation Office Staffing	4.00	(4,009)	(4,009)
<p><i>Strategic Support CSA</i> <i>Lead and Manage the Organization Core Service</i> <i>Civic Innovation Program</i></p> <p>As directed by the Mayor’s March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action begins to stabilize the Office of Civic Innovation by adding three ongoing positions (2.0 Assistant to the City Managers, 1.0 Senior Executive Analyst) and continuing two filled limit dated positions (1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst) through June 30, 2022; This action also eliminates a vacant Senior Executive Analyst position in the General Fund.</p> <p>The three ongoing positions will work on the following: 1.0 Assistant to the City Manager position will manage digital inclusion and broadband programs; 1.0 Assistant to the City Manager position will manage data analytics projects; and 1.0 Senior Executive Analyst position will support digital inclusion and broadband programs, digital inclusion grants, and the partnership with the California Emerging Technology Fund. The two limit dated positions will work on the following: 1.0 Assistant to the City Manager position will manage deployment of community wi-fi projects; and 1.0 Senior Executive Analyst position will manage the Smart City Roadmap.</p> <p>All positions, with the exception of the Assistant to the City Manager focused on data analytics, are recommended to be funded from the Digital Inclusion Program. The Assistant to the City Manager focused on data analytics will be funded 60% in the General Fund and 40% from the Digital Inclusion Program. The duties of the 1.0 Senior Executive Analyst recommended for elimination in the General Fund have been absorbed by existing staff.</p> <p>Funding for the Digital Inclusion Program can be found in the City-Wide Expenses Section of this document. (Ongoing savings: \$4,009)</p>			
15. Vehicle Maintenance and Operations (Fuel Savings)		(1,000)	(1,000)
<p><i>Strategic Support CSA</i> <i>City-Wide Emergency Management Core Service</i> <i>Emergency Management Program</i></p> <p>This action decreases the ongoing funding for vehicle operations costs by \$1,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections document in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is in the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation if needed. (Ongoing savings: \$1,000)</p>			
2020-2021 Proposed Budget Changes Total	3.40	(346,510)	(547,103)

Office of the City Manager

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accounting Tech	0.00	1.00	1.00
Administrative Assistant	1.00	0.00	(1.00)
Analyst I/II	7.00	5.00	(2.00)
Assistant Budget Director	1.00	1.00	-
Assistant Employee Relations Director	1.00	1.00	-
Assistant City Manager	1.00	1.00	-
Assistant to the City Manager	12.00	13.00	1.00
Budget Director	1.00	1.00	-
City Manager	1.00	1.00	-
Deputy City Manager	3.00	4.00	1.00
Deputy Director	3.00	2.00	(1.00)
Director, City Manager's Office	2.00	2.00	-
Director of Communication	1.00	1.00	-
Director of Emergency Management	1.00	1.00	-
Employee Relations Director	0.50	0.50	-
Executive Analyst I/II	11.00	10.00	(1.00)
Executive Assistant	2.00	2.00	-
Executive Assistant to the City Manager	1.00	1.00	-
Office Specialist II	1.00	0.00	(1.00)
Program Manager I	1.00	1.00	-
Secretary	0.00	0.00	-
Senior Analyst	1.00	1.00	-
Senior Executive Analyst	23.00	23.00	-
Senior Executive Analyst PT	0.60	0.00	(0.60)
Senior Office Specialist	0.00	1.00	1.00
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	7.00	5.00	(2.00)
Staff Technician	0.00	0.00	-
Training Specialist	1.00	0.00	(1.00)
Total Positions	85.10	79.50	(5.60)

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**City Manager -
Office of
Economic Development**
Kim Walesh, Deputy City Manager

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Catalyze job creation, private investment, revenue generation, talent development and attraction, and a diverse range of arts, cultural and entertainment offerings.

City Service Area

Community and Economic Development

Core Services

Arts and Cultural Development

Support diverse cultural amenities, offerings, and organizations, commission and maintain public art, 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

PROGRAM	DESCRIPTION
<i>Arts and Cultural Development Core Service</i>	
Arts and Cultural Development Administration	Presents an annual arts leadership award event, sets priorities and plans for cultural development, addresses policy issues, manages cultural initiatives and programs, assists external initiatives that affect San José arts and culture, and supports the Arts Commission.
Cultural Grants	Awards and administers over 100 grants annually for non-profit arts organizations, special events, and creative entrepreneurs with services that include technical assistance to arts organizations and creative entrepreneurs in achieving their goals.
Cultural Facilities Operations and Maintenance	Provides stewardship of city-owned cultural facilities such as the Convention Center, the Hammer Theatre Center, and Mexican Heritage Plaza, including the management of operations and maintenance agreements with non-profit partners and the monitoring of those partners; coordinates with the Public Works Department on maintenance and capital needs of the cultural facilities; and manages legal agreements and the relationship with Team San José.
Outdoor Events	Authorizes and oversees over 500 annual outdoor special events citywide; produces special events such as CityDance series; leads the inter-departmental and inter-agency Special Events Team; provides event information to the public, businesses and neighborhood organizations; builds relationships with regional, national, and international event producers; and creates beneficial event sponsorship opportunities for the San José business community.
Public Art / Placemaking	Supports the commissioning of art for the public realm, City Hall exhibits, and the 250 artworks in the City's collection and encourages street life activation.
<i>Business Development and Economic Strategy Core Service</i>	
Business Outreach and Assistance	Works with existing and potential San José businesses and entrepreneurs to encourage business and job attraction, retention, expansion and creation including driving industry outreach, layoff prevention, small business assistance, and hiring and customized training; supports the development of neighborhood business centers citywide; increases retail amenities (in Neighborhood Business Districts and urban villages) including management of the wayfinding program, banner program, and small business inter-departmental coordination.
Downtown Management	Manages relationships, legal agreements, joint projects and policy changes between the City and major downtown partners, including San José Downtown Association, San José Sports Authority, San José State University, San José Hotels, and Japantown and Downtown Business Improvement Districts; manages the City's free use program and plays a lead role in public space activation in the Downtown.

City Manager - Office of Economic Development

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Business Development and Economic Strategy Core Service</i>	
Economic Policy Analysis / Communications	Leads development of economic development-related strategies (e.g., the Economic Strategy and North San José Area Development Policy), administers the Sister City and Foreign Trade Zone programs, and performs economic and data analysis to support policy development, business intelligence activities, and decision making by numerous departments and City Council.
<i>Real Estate Services Core Service</i>	
City Lease Administration	Manages leasing with the City as a lessee or lessor for facilities and/or telecommunications, including maintenance of City owned properties that are being leased to other entities or are vacant.
City Property Acquisition and Sales	Works with real estate brokers, developers and property owners to encourage new leasing and development activity, including acquisition of temporary or permanent property rights for City projects and initiatives; manages the sale of surplus property.
<i>Regional Workforce Development Core Service</i>	
Workforce Development Services	Provides assessments, career counseling, workshops, training, supportive services and job development support to approximately 3,000 youth and adult clients annually, while at the same time supporting thousands of businesses with recruiting, on-the-job training, layoff avoidance, and technical assistance directly and through the BusinessOwnerSpace network.
Workforce Innovation and Opportunity Act Board Support and Administration	Supports effective decision-making of the 21 member, federally mandated work2future Board and its committees through the preparation of memos, presentations and updates and development of board and committee packets; manages recruitment and onboarding of new board members; and ensures compliance with the Workforce Innovation and Opportunity Act Board governance requirements, Brown Act, Sunshine rules, Form 700, etc.
<i>Strategic Support Core Service</i>	
Economic Development Management and Administration	Provides administrative oversight for the office, including executive management, financial management, human resources, and analytical support.

City Manager - Office of Economic Development

Department Budget Summary

Expected 2020-2021 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, revenue-generators, and incoming foreign investment. Facilitate development projects that can generate property tax and sales tax revenues.
- Provide a range of re-employment services to residents by creating opportunities to learn job skills and earn 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.

2020-2021 Key Budget Actions

- Reorganizes the Executive Leadership within the Office of Economic Development by shifting 1.0 Deputy City Manager position to the City Manager's Office, deleting 1.0 Assistant Director position, and adding 1.0 Director of Economic Development to serve as the City's Chief Economic Strategist and focus on the priorities within the department.
- Deletes four vacant positions (2.0 Senior Executive Analyst, 1.0 Analyst, and 1.0 Secretary) that supported the city-wide retail attraction program, real estate services, and administrative functions.
- Adds ongoing funding of \$250,000 to continue to support business outreach and development, economic and policy analysis and development, and program marketing and expansion.
- Adds one-time funding, as described in the City-Wide Expenses section of this document:
 - o \$876,000 for Diridon Station Area Development Planning, which is partially offset by a \$772,000 reimbursement from Google, to add 1.0 Assistant to the City Manager and 1.0 Senior Executive Analyst positions through June 30, 2021 and to continue support for the planning, development, and civic engagement of the Diridon Station Area;
 - o \$500,000 for Diridon Station Area Development Planning – Post Application, fully reimbursed by Google, to support the post application development work conducted by the Transportation and Public Works Departments which includes transportation and construction permit planning and traffic mitigation plan;
 - o \$200,000 for Citywide Storefronts Grant Program, as directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by City Council, to assist small business owners leasing or occupying a vacant or existing ground floor space with funding to reimburse costs associated with City permits, fees and taxes;
 - o \$100,000 for Economic Development Pre-Development Activities to accelerate and facilitate project development; and
 - o \$100,000 for Retail Recovery Program, to provide resources to small businesses to help recover from the economic losses due to the COVID-19 pandemic.

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

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Arts and Cultural Development	20,288,916	35,451,844	35,876,784	29,220,772
Business Development and Economic Strategy	14,795,782	9,443,177	7,055,798	7,013,059
Real Estate Services	2,083,587	2,504,985	2,656,513	2,651,958
Regional Workforce Development	8,528,931	11,248,545	12,341,673	10,896,808
Strategic Support - Community & Economic Development	1,154,347	6,522,342	3,495,228	2,342,693
Strategic Support - Fund Balance and Reserves - Comm & Economic Dev	7,188	0	0	0
Strategic Support - Other - Community & Economic Development	47,044,580	4,003,734	1,711,651	2,883,631
Total	\$93,903,331	\$69,174,627	\$63,137,647	\$55,008,921
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	10,463,529	11,206,833	11,752,250	10,644,628
Overtime	27,623	0	0	0
Subtotal Personal Services	\$10,491,152	\$11,206,833	\$11,752,250	\$10,644,628
Non-Personal/Equipment	554,328	1,223,561	569,561	819,561
Total Personal Services & Non-Personal/Equipment	\$11,045,479	\$12,430,394	\$12,321,811	\$11,464,189
<i>Other Costs*</i>				
City-Wide Expenses	9,294,472	15,893,435	8,070,514	9,646,379
Gifts	58	191,414	368,971	85,000
Other	26,548,988	40,561,063	42,178,698	33,615,700
Other - Capital	46,701,791	0	0	0
Overhead Costs	281,740	31,321	130,653	130,653
Workers' Compensation	30,802	67,000	67,000	67,000
Total Other Costs	\$82,857,852	\$56,744,233	\$50,815,836	\$43,544,732
Total	\$93,903,331	\$69,174,627	\$63,137,647	\$55,008,921

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

City Manager - Office of Economic Development

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	47,375,185	552,454	534,259	530,306
General Fund (001)	14,398,049	22,510,619	14,006,060	14,870,194
Gift Trust Fund (139)	16,375	191,414	368,971	85,000
Building Development Fee Program Fund (237)	0	0	310,713	308,933
Citywide Planning Fee Program Fund (239)	0	0	237,464	235,699
Public Works Development Fee Program Fund (241)	0	0	66,360	66,040
Workforce Development Fund (290)	7,556,220	9,781,405	10,887,870	9,442,692
Business Improvement District Fund (351)	3,630,922	4,030,217	4,030,217	3,680,425
San José Arena Capital Reserve Fund (459)	1,736,232	4,131,250	4,131,250	4,000,000
Transient Occupancy Tax Fund (461)	14,958,549	20,283,136	20,313,735	11,505,136
San José Municipal Stadium Capital Fund (476)	36,882	39,000	39,000	39,000
Airport Maintenance And Operation Fund (523)	158,183	243,132	254,748	253,496
Convention and Cultural Affairs Fund (536)	4,036,734	7,412,000	7,957,000	9,992,000
Total	\$93,903,331	\$69,174,627	\$63,137,647	\$55,008,921
Positions by Core Service**				
Arts and Cultural Development	12.00	12.00	12.00	12.00
Business Development and Economic Strategy	11.73	10.83	10.83	9.83
Real Estate Services	3.20	4.20	4.00	4.00
Regional Workforce Development	17.47	17.45	17.45	17.45
Strategic Support - Community & Economic Development	10.43	11.35	11.55	7.55
Strategic Support - Other - Community & Economic Development	3.17	4.17	4.17	6.17
Total	58.00	60.00	60.00	57.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

City Manager - Office of Economic Development

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Arts and Cultural Development					
Arts and Cultural Development Administration	1,576,763	10,249,329	10,249,415	6,872,384	1.75
Cultural Grants	7,197,297	11,227,390	11,610,583	6,282,661	1.00
Cultural Facilities Operations and Maintenance	9,389,183	12,050,572	12,412,053	14,558,316	1.25
Outdoor Events	1,003,544	893,861	738,381	732,827	4.00
Public Art/Placemaking	1,122,129	1,030,692	866,352	774,584	4.00
Sub-Total	20,288,916	35,451,844	35,876,784	29,220,772	12.00
Business Development and Economic Strategy					
Business Outreach and Assistance	5,993,156	7,447,417	5,505,332	5,521,634	5.15
Downtown Management	8,213,452	1,091,861	768,921	765,874	2.00
Economic Policy Analysis/Communications	589,173	903,899	781,545	725,551	2.68
Sub-Total	14,795,782	9,443,177	7,055,798	7,013,059	9.83
Real Estate Services					
City Lease Administration	1,683,376	1,689,210	1,735,294	1,735,294	0.00
City Property Acquisition and Sales	400,211	815,775	921,219	916,664	4.00
Sub-Total	2,083,587	2,504,985	2,656,513	2,651,958	4.00
Regional Workforce Development					
Workforce Development Services	8,090,683	10,777,328	11,897,076	10,710,305	15.63
Workforce Innovation and Opportunity Act Board Support and Administration	438,248	471,217	444,597	186,503	1.82
Sub-Total	8,528,931	11,248,545	12,341,673	10,896,808	17.45
Strategic Support - Community & Economic Development					
Economic Development Management and Administration	1,154,347	6,522,342	3,495,228	2,342,693	7.55
Sub-Total	1,154,347	6,522,342	3,495,228	2,342,693	7.55
Strategic Support - Fund Balance and Reserves - Comm & Economic Dev					
Economic Development Reserves	7,188	0	0	0	0.00
Sub-Total	7,188	0	0	0	0.00
Strategic Support - Other - Community & Economic Development					
Economic Development Capital	44,562,507	0	0	0	0.00
Economic Development Gifts	0	191,414	283,000	85,000	0.00
Economic Development Other Departmental - City-Wide	2,034,933	2,861,630	334,459	1,710,324	2.00

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** 2018-2019 Actuals may not subtotal due to rounding.

City Manager - Office of Economic Development

Department Budget Summary

	2018-2019	2019-2020	2020-2021	2020-2021	2020-2021
	Actuals**	Adopted	Forecast	Proposed	Proposed Positions
Economic Development Other Operational - Administration	414,403	852,369	896,539	890,654	4.17
Economic Development Overhead	1,935	31,321	130,653	130,653	0.00
Economic Development Workers' Compensation	30,802	67,000	67,000	67,000	0.00
Sub-Total	47,044,580	4,003,734	1,711,651	2,883,631	6.17
Total	\$93,903,331	\$69,174,627	\$63,137,647	\$55,008,921	57.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

City Manager - Office of Economic Development

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	60.00	12,430,394	6,617,184
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Workspace Reconfiguration		(140,000)	(140,000)
• Rebudget: Council District 6 Public Art Project		(45,000)	(45,000)
• Business Outreach and Policy Development		(250,000)	(250,000)
• LGBTQ+ Pride along Post Street		(100,000)	(100,000)
• Cinequest		(80,000)	(80,000)
• San Jose Jazz		(30,000)	(30,000)
• San Jose Pow Wow Festival		(20,000)	(20,000)
One-time Prior Year Expenditures Subtotal:	0.00	(665,000)	(665,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		543,837	437,474
- 1.0 Division Manager to 1.0 Senior Executive Analyst			
- 1.0 Executive Analyst to 1.0 Senior Executive Analyst			
- 1.0 Senior Analyst to 1.0 Analyst II			
- 2.0 Senior Analyst to 2.0 Senior Executive Analyst			
• Gas and electricity		11,000	11,000
• Professional Development Program		1,580	1,580
• Economic Development Administrative Staffing Fund Shift	0.00	0	49,829
• Development Fee Program Staff Funding Shift	0.00	0	(516,521)
Technical Adjustments Subtotal:	0.00	556,417	(16,638)
2020-2021 Forecast Base Budget:	60.00	12,321,811	5,935,546
Budget Proposals Recommended			
1. Business Outreach and Policy Development		250,000	250,000
2. Diridon Station Area Development Planning	2.00	0	0
3. City-wide Retail Attraction Program	(1.00)	0	0
4. Office of Economic Development Staffing	(3.00)	(521,217)	(429,006)
5. Office of Economic Development Executive Leadership Reorganization	(1.00)	(497,845)	(491,558)
6. City Retirement Contributions Pre-Funding		(88,560)	(41,467)
Total Budget Proposals Recommended	(3.00)	(857,622)	(712,031)
2020-2021 Proposed Budget Total	57.00	11,464,189	5,223,515

City Manager - Office of Economic Development

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Business Outreach and Policy Development <i>Community and Economic Development CSA Business Development and Economic Strategy Core Service Business Outreach and Assistance Program</i>		250,000	250,000
<p>This action adds ongoing funding of \$250,000 to continue to support business outreach and development, economic and policy analysis development, and communications and events. One-time funding of \$250,000 was approved in 2019-2020 for projects that included the Urban Village Implementation Framework, the Housing Crisis workplan, the North San José Area Development Policy update, Downtown and North San José retail and amenity strategies, the City's Manufacturing Initiative, and data management and analysis. Ongoing funding will be used to engage and support small and large businesses throughout the City, including support for middle-skilled jobs, retail development and expansion, and capacity building in Neighborhood Business Districts. This action will also support high-impact development facilitation and the Housing Catalyst function. (Ongoing costs: \$250,000)</p>			
2. Diridon Station Area Development Planning	2.00	0	0
<i>Community and Economic Development CSA Strategic Support Core Service Economic Development Other Departmental – City-Wide Program</i>			
<p>This action adds 1.0 Assistant to the City Manager and 1.0 Senior Executive Analyst positions, through June 30, 2021, to support the project planning, development review, legal review, and civic engagement and outreach in the Diridon Station Area. These positions will be funded by the City-Wide Diridon Station Area Development Planning appropriation. For more information about this funding, please refer to the City-Wide Expenses section. (Ongoing costs: \$0)</p>			
3. City-wide Retail Attraction Program	(1.00)	0	0
<i>Community and Economic Development CSA Business Development and Economic Strategy Core Service Business Outreach and Assistance Program</i>			
<p>This action eliminates 1.0 vacant Senior Executive Analyst position that supports the city-wide retail attraction program. This position was added, for two years, in 2019-2020 as directed in the Mayor's June Budget Message for 2019-2020, as approved by City Council, to attract retailers to the City of San José. The position was to research and market San José submarkets and prime opportunity sites, provide outreach to a broad range of retailers, assist small business owners seeking retail sites, and support property owners and developers in facilitating the leasing of available retail spaces. Instead of continuing the position in 2020-2021, this action will delete the position. However, since the position was not filled and with the current situation of the pandemic, the strategy has shifted to retail recovery. As described in the City-Wide Expenses section of this document, one-time funding is allocated for retail recovery. (Ongoing savings: \$0)</p>			

City Manager - Office of Economic Development

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Office of Economic Development Staffing <i>Community and Economic Development CSA</i> <i>Business Development and Economic Strategy Core Service</i> <i>Strategic Support Core Service</i> <i>Business Outreach and Assistance Program</i> <i>Economic Development Management and Administration Program</i> <i>Economic Policy Analysis/Communications Program</i>	(3.00)	(521,217)	(429,006)
<p>This action eliminates three vacant positions (1.0 Senior Executive Analyst, 1.0 Analyst I/II, and 1.0 Secretary). The Senior Executive Analyst position provided real estate services such as property lease management and assistance to real estate brokers, developers and property owners to encourage new leasing and development activity. The Analyst position provided budget and fiscal support and the Secretary position provided administrative support to the Assistant Director position that is being recommended to be eliminated as part of the Office of Economic Development Executive Leadership Reorganization action in this document. (Ongoing savings: \$521,217)</p>			
5. Office of Economic Development Executive Leadership Reorganization <i>Community and Economic Development CSA</i> <i>Business Development and Economic Strategy Core Service</i> <i>Regional Workforce Development Core Service</i> <i>Strategic Support Core Service</i> <i>Business Outreach and Assistance Program</i> <i>Economic Development Management and Administration Program</i> <i>Workforce Development Services Program</i>	(1.00)	(497,845)	(491,558)
<p>This action reorganizes the executive leadership staff within the Office of Economic Development by shifting 1.0 Deputy City Manager position to the City Manager's Office, eliminating 1.0 Assistant Director position, and adding 1.0 Director of Economic Development position. Shifting the Deputy City Manager position to the City Manager's Office will allow for a dedicated Director position rather than one that is also performing Director of Economic Development duties. The Deputy City Manager position is responsible for overseeing the Community and Economic Development City Service Area, providing leadership and strategic coordination to city departments shaping the future growth and development of the city. This includes execution of the City's enterprise priorities focused on the transformation of downtown San Jose, achieving the City's ambitious housing goals, and improving City facilitation of private development. This action will allow for the Deputy City Manager to solely focus on those responsibilities while allowing for a dedicated Director of Economic Development position to serve as the City's Chief Economic Strategist and focus on the priorities within the department. (Ongoing savings: \$497,845)</p>			

City Manager - Office of Economic Development

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. City Retirement Contributions Pre-Funding		(88,560)	(41,467)
<i>Community and Economic Development CSA</i>			
<i>Core Service: Department-wide</i>			
<i>Program: Department-wide</i>			
<p>This action reduces the Office of Economic Development's Personal Services appropriation by \$88,560 in all funds, \$41,467 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$88,560)</p>			
2020-2021 Proposed Budget Changes Total	(3.00)	(857,622)	(712,031)

City Manager - Office of Economic Development

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accountant II	2.00	2.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	5.00	4.00	(1.00)
Arts Programs Coordinator	1.00	1.00	-
Assistant Director	2.00	1.00	(1.00)
Assistant to the City Manager	2.00	3.00	1.00
Deputy City Manager	1.00	0.00	(1.00)
Deputy Director	2.00	2.00	-
Director of Economic Development	0.00	1.00	1.00
Division Manager	2.00	1.00	(1.00)
Economic Development Manager	1.00	1.00	-
Economic Development Officer	1.00	1.00	-
Events Coordinator II	1.00	1.00	-
Executive Analyst I/II	4.00	3.00	(1.00)
Executive Assistant	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Secretary	1.00	0.00	(1.00)
Senior Account Clerk	1.00	1.00	-
Senior Analyst	4.00	2.00	(2.00)
Senior Arts Program Coordinator	5.00	5.00	-
Senior Events Coordinator	2.00	2.00	-
Senior Executive Analyst	14.00	17.00	3.00
Staff Specialist	5.00	5.00	-
Supervising Accountant	1.00	1.00	-
Total Positions	60.00	57.00	(3.00)

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Community Energy Department

Lori Mitchell, Director

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To procure clean, cost-effective energy for the benefit of its customers

City Service Area

Environmental and Utility Services

Core Services

Community Energy Community Programming

To establish San José-specific renewable energy and local renewable energy efficiency programs

Community Energy Customer Support

Provide exceptional customer experience by educating and communicating effectively with customers, the public, and the media

Providing Clean Energy to the Community

Promote enhanced sustainable energy practices by providing the community with cleaner energy options, resources, and education

Strategic Support: Administration, Financial Management, Information Technology, and Human Resources

Community Energy Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Providing Clean Energy to the Community Core Service</i>	
Community Energy Renewable Energy Supply	Procures renewable energy, such as solar, thermal, geothermal, and biomass.
Community Energy Conventional Energy Supply	Procures conventional energy, such as natural gas.
Community Energy Hydro Power Supply	Procures hydro power supply energy, such as large hydro and Greenhouse Gas-free energy
Community Energy Power Scheduling and Other Supply	Manages grid and California Independent System Operator (ISO) charges.
Community Energy Risk Management	Manages and mitigates potential power supply risk to which the Department and City are exposed.
Community Energy Regulatory Compliance	Manages local, state, and federal regulatory compliance and advocacy to ensure compliance with all regulations and to advance Department objectives.
<i>Community Energy Customer Support Core Service</i>	
Community Energy Marketing and Public Affairs	Provides direct communication to customers, the public, and media.
Community Energy Data and Call Center Management	Manages energy data and billing accuracy and provides resolution to Call Center customer escalations.
<i>Community Energy Community Programming Core Service</i>	
Local Energy Programs	Provides San José-specific energy programs to reduce carbon and provide additional benefits to the community.
<i>Strategic Support Core Service</i>	
Community Energy Management and Administration	Provides executive-level, analytical, and administrative support to the department.
Community Energy Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Community Energy Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Community Energy Information Technology	Provides information technology services, planning, system development, and maintenance for the department in coordination with the Information Technology Department.
Community Energy Legal Support	Manages all legal support functions for the Department.

Community Energy Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Provide cost effective electric generation rates by procuring cleaner electric supplies, offer customers at least one power mix option at ten percent or more renewables than PG&E, and offer at least one power mix option that is 100 percent renewable.
- Ensure the City's new grid infrastructure is designed and constructed to improve grid resiliency, enable high utilization of renewable energy resources, and lower costs for customers.
- Continue prudent financial management practices, including the implementation of effective cost controls and engagement in the regulatory and legislative process to ensure the long-term financial stability of the San José Clean Energy program.
- Develop San José-specific energy and programs that reduce carbon, maintain and expand utility programs for low-income customers and support local renewable energy projects in compliance with regulatory obligations.
- Support Climate Smart San José by aiming to reduce carbon emissions.

2020-2021 Key Budget Actions

- Adds 1.0 Associate Engineer position and non-personal/equipment funding to support the City's continuing efforts to develop and implement energy resiliency strategies and programs. The additional resources will allow the City to explore, develop, coordinate, and deliver a comprehensive package of strategies and programs to improve energy resiliency at critical City-owned and community facilities, and areas of new development for residents and businesses.
- Adds 1.0 Assistant Director position to provide strategic leadership and day-to-day operational guidance to the Community Energy Department. The Assistant Director will assume the role of 'Chief Operating Officer, guiding the daily operations for the department in navigating an electricity market that has become more complex over the past year with the bankruptcy filing by Pacific Gas & Electric (PG&E), pending regulatory considerations and actions, and legislative activity at the State level. In addition, the onset of Public Safety Power Shutoffs (PSPS) has highlighted the need for the City to develop and implement strategies to improve the City's energy resiliency.
- Adds 1.0 Senior Accountant position to provide fiscal management and accounting oversight and address the critical financial reporting requirements of the San José Clean Energy (SJCE) program. California's electricity markets have become much more complicated over the last year, with significant uncertainty and financial exposure to the City and SJCE. The addition of the Senior Accountant will address the stringent financial accounting and reporting requirements placed on SJCE and support the goal of demonstrating a sustained period of successful operation with strong underlying credit. Accurate and timely financial reporting are important aspects to demonstrating successful SJCE operations.
- Adds 1.0 Analyst position to address several upcoming initiatives that will require thoughtful customer outreach, additional account management, data analysis, and customer support needs that will arise from several significant initiatives that will be initiated in 2020-2021, including the phased enrollment of Net Energy Metering solar customers and transition of many customers to time-of-use rates, and tracking impacts of COVID-19.

Operating Funds Managed

- San José Clean Energy Fund

Community Energy Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Community Energy Community Programming	155,000	150,000	0	863,031
Community Energy Customer Support	3,566,443	8,134,725	8,283,293	8,625,390
Providing Clean Energy to the Community	87,309,115	290,402,269	314,914,675	276,071,821
Strategic Support - Environmental & Utility Services	1,717,647	4,315,979	4,514,305	4,615,063
Strategic Support - Other - Environmental & Utility Services	453,368	14,121,686	22,188,677	13,716,636
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,697,945	4,289,172	5,088,472	5,766,081
Overtime	4,897	0	0	0
Subtotal Personal Services	\$2,702,842	\$4,289,172	\$5,088,472	\$5,766,081
Non-Personal/Equipment	4,705,602	8,787,801	8,587,801	9,437,801
Total Personal Services & Non-Personal/Equipment	\$7,408,444	\$13,076,973	\$13,676,273	\$15,203,882
<i>Other Costs*</i>				
Debt Service/Financing	453,368	13,130,000	20,630,000	11,952,109
Other	85,339,762	289,926,000	314,036,000	274,971,423
Other - Capital	0	0	0	0
Overhead Costs	0	991,686	1,558,677	1,764,527
Total Other Costs	\$85,793,130	\$304,047,686	\$336,224,677	\$288,688,059
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Community Energy Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
San José Clean Energy Operating Fund (501)	93,201,574	317,124,659	349,900,950	303,891,941
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941
Positions by Core Service**				
Community Energy Community Programming	0.00	0.00	0.00	1.00
Community Energy Customer Support	6.00	6.34	7.34	8.34
Providing Clean Energy to the Community	7.85	9.51	11.51	11.51
Strategic Support - Environmental & Utility Services	3.15	6.15	6.15	8.15
Total	17.00	22.00	25.00	29.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Community Energy Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Strategic Support - Environmental & Utility Services					
Community Energy Financial Management	441,496	784,113	795,439	792,936	2.00
Community Energy Information Technology	325,283	571,001	571,001	571,001	0.00
Community Energy Legal Support	67,881	0	0	0	0.00
Community Energy Management and Administration	882,987	2,960,865	3,147,865	3,251,126	6.15
Sub-Total	1,717,647	4,315,979	4,514,305	4,615,063	8.15
Strategic Support - Other - Environmental & Utility Services					
Community Energy Debt/Financing Costs	453,368	13,130,000	20,630,000	11,952,109	0.00
Community Energy Overhead	0	991,686	1,558,677	1,764,527	0.00
Sub-Total	453,368	14,121,686	22,188,677	13,716,636	0.00
Community Energy Community Programming					
Local Energy Programs	155,000	150,000	0	863,031	1.00
Sub-Total	155,000	150,000	0	863,031	1.00
Community Energy Customer Support					
Community Energy Data and Call Center Management	2,448,485	6,621,565	6,515,574	6,863,111	3.84
Community Energy Marketing and Public Affairs	1,117,958	1,513,160	1,767,719	1,762,279	4.50
Sub-Total	3,566,443	8,134,725	8,283,293	8,625,390	8.34
Providing Clean Energy to the Community					
Community Energy Conventional Energy Supply	70,806,739	183,906,089	204,356,116	165,528,193	1.58
Community Energy Hydro Power Supply	1,990,810	17,621,219	3,884,070	3,879,681	2.96
Community Energy Power Scheduling and Other Supply	12,928,435	1,195,950	74,206,897	74,203,680	1.25
Community Energy Regulatory Compliance	143,760	521,935	924,222	921,286	2.76
Community Energy Renewable Energy Supply	1,439,268	87,157,076	31,543,370	31,538,981	2.96
Community Energy Risk Management	104	0	0	0	0.00
Sub-Total	87,309,115	290,402,269	314,914,675	276,071,821	11.51
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941	29.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Community Energy Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2019-2020):	22.00	13,076,973
<hr/> Base Adjustments <hr/>		
One-Time Prior Year Expenditures Deleted		
• Community Energy FUSE Fellow		(150,000)
• Community Energy Data Analytics Stanford Fellow		(92,000)
• Community Energy Climate Corps Fellow		(50,000)
One-time Prior Year Expenditures Subtotal:	0.00	(292,000)
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations: - 1.0 Principal Office Specialist to 1.0 Staff Specialist		554,300
• Energy Resiliency and Community Energy Staffing (City Council approval November 19, 2019) Adds 1.0 Power Resources Specialist II, 1.0 Public Information Manager, and 1.0 Senior Power Resources Specialist	3.00	335,000
• Professional Development Program		2,000
Technical Adjustments Subtotal:	3.00	891,300
2020-2021 Forecast Base Budget:	25.00	13,676,273
<hr/> Budget Proposals Recommended <hr/>		
1. Energy Resiliency Strategic Planning		550,000
2. Community Energy Department Assistant Director	1.00	230,930
3. Community Energy Senior Accountant	1.00	169,503
4. Energy Resiliency Associate Engineer	1.00	163,031
5. Community Energy Programs Development		150,000
6. Community Energy Account Management Analyst	1.00	148,656
7. Community Energy Climate Corps Fellows		100,000
8. Community Energy Data Analytics Stanford Fellow		50,000
9. City Retirement Contributions Pre-Funding		(34,511)
Total Budget Proposals Recommended	4.00	1,527,609
2020-2021 Proposed Budget Total	29.00	15,203,882

Community Energy Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
<p>1. Energy Resiliency Strategic Planning</p> <p><i>Environmental and Utility Services CSA Community Energy Community Programming Core Service Local Energy Programs</i></p> <p>This action adds non-personal/equipment funding of \$550,000 ongoing to continue the department's efforts in determining the City's viability in developing energy resiliency strategies, programs, and projects. This funding will provide resources to support city-wide leadership in the area of improving energy resiliency at critical City-owned and community facilities, as well as in areas of new development. This funding will pay for consultant services who will evaluate: microgrids; the potential of City-owned electric transmission and distribution systems; renewable energy generation, storage, and back-up systems; the design of more energy efficient facilities; and innovative financing options such as grants and power purchase agreements. This allocation will cover the costs of a consultant plus funding for collaborations with other consultants, studies, and supplies as needed. (Ongoing costs: \$550,000)</p>	<p></p>	<p>550,000</p>
<p>2. Community Energy Department Assistant Director</p> <p><i>Environmental and Utility Services CSA Strategic Support Core Service Community Energy Management and Administration Program</i></p> <p>This action adds 1.0 Assistant Director position to support the Community Energy Department Director. The Assistant Director will provide strategic leadership and day-to-day operational guidance, which is essential as the newly-launched San José Clean Energy Program nears full operations. California's electricity markets have become much more complicated over the last year, which has been further complicated by the uncertainty created by the PG&E bankruptcy filing and its potential impacts on Community Choice Aggregators like San José Clean Energy. Rate fluctuations by PG&E and rulings made at the state level by the energy industry's regulatory body (CPUC) are further demonstrations of the Department's need to remain vigilant and nimble as the Department seeks to stabilize its operations. (Ongoing costs: \$251,923)</p>	<p>1.00</p>	<p>230,930</p>
<p>3. Community Energy Senior Accountant</p> <p><i>Environmental and Utility Services CSA Strategic Support Core Service Community Energy Management and Administration Program</i></p> <p>This action adds 1.0 Senior Accountant position in the Community Energy Department to provide the financial accounting and fiscal reporting expertise needed to manage the complexities of Community Energy's enterprise fund, San José Clean Energy Fund. The position will address the stringent financial accounting and reporting requirements placed on San José Clean Energy (SJCE) and support the goal of demonstrating a sustained period of successful operation with strong underlying credit. Accurate and timely financial reporting are important aspects to demonstrating successful SJCE operations. (Ongoing costs: \$169,503)</p>	<p>1.00</p>	<p>169,503</p>

Community Energy Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
<p>4. Energy Resiliency Associate Engineer</p> <p><i>Environmental and Utility Services CSA Community Energy Community Programming Core Service Local Energy Programs</i></p> <p>This action adds 1.0 Associate Engineer position in the Community Energy Department to support the City's interest in developing energy resiliency strategies, programs, and projects. This position will provide technical expertise and analysis in support of the City's efforts to improve energy resiliency at critical City-owned and community facilities, and in areas of new development. (Ongoing costs: \$178,835)</p>	1.00	163,031
<p>5. Community Energy Programs Development</p> <p><i>Environmental and Utility Services CSA Community Energy Community Programming Core Service Local Energy Programs</i></p> <p>This action continues one-time non-personal/equipment funding of \$150,000 in 2020-2021 to support consultant services to evaluate and develop community-serving energy programs for San José Clean Energy customers as well as research and apply for grants on behalf of the Department. (Ongoing costs: \$0)</p>		150,000
<p>6. Community Energy Account Management Analyst</p> <p><i>Environmental and Utility Services CSA Community Energy Customer Support Core Service Community Energy Data and Call Center Management Program</i></p> <p>This action adds 1.0 Analyst position to provide analytical support to the Customer Service and Account Management team. Community Energy is underway with enrolling its final set of customers, 22,000 residential and small commercial net energy metering (rooftop solar) customers. There will be four phases of enrollment that began in April 2020 and will complete in January 2021. In addition, the rate schedule for residential customers will also change from prices based on how much electricity is used to when electricity is used. Finally, as mandated by the California Public Utilities Commission, rate schedules will change for commercial and industrial customers that make electricity usage most expensive during the hours of 4 p.m. to 9 p.m. every day; this change will become mandatory during 2020-2021. The Account Management Analyst will provide data analysis and reports and will support customers through these transitions. (Ongoing costs: \$148,656)</p>	1.00	148,656

Community Energy Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)
7. Community Energy Climate Corp Fellows		100,000
<i>Environmental and Utility Services CSA Community Energy Customer Support Core Service Community Energy Data and Call Center Management Program</i>		
<p>This action continues one-time funding of \$100,000 for two Climate Corps Fellows in 2020-2021. This fellowship program pairs participants with local governments and non-profit agencies to work on special projects. The Climate Corps Fellows in Community Energy Department will continue assisting with customer outreach, research and data analytics, and groundwork development for future community programming. The Fellows will also continue to provide critical support on department initiatives that will require thoughtful customer outreach, messaging, and engagement to maintain the high customer participation rate that San José Clean Energy has enjoyed so far. (Ongoing costs: \$0)</p>		
8. Community Energy Data Analytics Stanford Fellow		50,000
<i>Environmental and Utility Services CSA Community Energy Customer Support Core Service Community Energy Data and Call Center Management Program</i>		
<p>This action continues one-time funding of \$50,000 for a Data Analytics Stanford Fellow in 2020-2021 to continue to focus on analyzing the department's customer data and providing reports of customer energy usage and its implications for procurement of energy. The analysis conducted will help the Department to more accurately estimate customer load and assist in forecasting. The Fellow will also research opportunities to optimize operations by leveraging tools that exist commercially. (Ongoing costs: \$0)</p>		
9. City Retirement Contributions Pre-Funding		(34,511)
<i>Environmental and Utility Services CSA Core Service: Department-wide Program: Department-wide</i>		
<p>This action reduces the Community Energy Department's Personal Services appropriation by \$34,511 in the San José Clean Energy Fund to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$34,511)</p>		
2020-2021 Proposed Budget Changes Total	4.00	1,527,609

Community Energy Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Analyst II	3.00	4.00	1.00
Assistant Director	0.00	1.00	1.00
Associate Engineer	0.00	1.00	1.00
Deputy Director	2.00	2.00	-
Director of Community Energy	1.00	1.00	-
Division Manager	3.00	3.00	-
Power Resources Specialist II	1.00	2.00	1.00
Principal Office Specialist	1.00	0.00	(1.00)
Principal Power Resources Specialist II	1.00	1.00	-
Program Manager I	1.00	1.00	-
Public Information Manager	0.00	1.00	1.00
Public Information Representative II	2.00	2.00	-
Senior Account Clerk	1.00	1.00	-
Senior Accountant	0.00	1.00	1.00
Senior Analyst	2.00	2.00	-
Senior Power Resources Specialist	1.00	2.00	1.00
Senior Public Information Representative	1.00	1.00	-
Staff Specialist	2.00	3.00	1.00
Total Positions	22.00	29.00	7.00

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Environmental Services Department

Kerrie Romanow, Director

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Delivering world class utility services and programs to improve our health, environment, and economy

City Service Areas

Environmental and Utility Services

Core Services

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

Provide innovative solutions to tackle climate change and reduce emissions by promoting 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

PROGRAM	DESCRIPTION
<i>Potable Water Delivery Core Service</i>	
Municipal Water System Operations and Maintenance	Operates and maintains the Municipal Water System to ensure a reliable, safe potable water supply.
Municipal Water System Planning and Capital Project Delivery	Plans, coordinates, and executes capital projects within the Municipal Water System service area.
<i>Recycled Water Management Core Service</i>	
South Bay Water Recycling Operations and Maintenance	Operates and maintains the South Bay Water Recycling system.
<i>Recycling and Garbage Services Core Service</i>	
Civic / Other Solid Waste Collection Services	Provides management and oversight of all solid waste services generated from City facilities and right-of-way, and includes funding from non-rate-payer funds to provide waste diversion services to restrict or redirect waste from entering local landfills.
Commercial Solid Waste Collection Services	Provides management and oversight of all solid waste collections, sorting, recycling, outreach, program compliance, and disposal services related to commercial accounts within the City and includes inspection services, outreach and the maintenance of public litter cans within the right-of-way.
Recycling and Garbage Services Administration	Administers and manages all solid waste services.
Residential Solid Waste Collection Services	Provides management and oversight of all solid waste collections, sorting, recycling, outreach, customer service, program compliance, disposal services, and inspection activities related to single-family households and multi-family households within the City.
<i>Stormwater Management Core Service</i>	
Stormwater Administration	Facilitates City compliance with its Stormwater NPDES permit for the storm sewer system, including requirements for municipal operations, new development and redevelopment requirements, and control programs for specific pollutants such as trash, PCBs, and mercury.
Stormwater Enforcement	Educates and regulates approximately 10,000 businesses and construction sites in San José regarding stormwater practices to ensure compliance with federal and state requirements for the City's storm sewer system.
Stormwater Policy and Compliance	Provides for stormwater education and regulatory compliance of approximately 10,000 businesses and construction sites in San José regarding operational practices to ensure compliance with federal and State regulatory requirements for the City's storm sewer system.

Environmental Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Sustainability and Environmental Health Core Service</i>	
Environmental Compliance and Safety	Provides oversight of ESD employee health and safety at all ESD facilities, as well as providing professional compliance services for City lands, including closed landfills, such that both aspects fully comply with all State and Federal laws.
Policy, Legislative Advocacy, and Education	Leads the City's efforts to implement Climate Smart San Jose strategies that address the challenges of climate change for the City. Climate Smart San Jose has set multiple goals to take meaningful action to reduce carbon emissions through strategic planning, policy implementation, community outreach, and public/private partnerships. Coordinates the City's efforts related to energy efficiency, renewable energy, and Green House Gas reductions, including administration of the Silicon Valley Energy Watch and other programs. Environmental legislation advocacy and policy development is led from this group as well as external partner relationships for sustainability, water, and wastewater policy and projects.
<i>Wastewater Management Core Service</i>	
Facility Land Use and Planning	Performs environmental permitting and review for CIP, and coordinates with State and federal agencies and external partners on capital and land use projects. Oversees habitat and bufferland improvements.
Laboratory Services	Performs analysis for monitoring operations and compliance at the San José-Santa Clara Regional Wastewater Facility as well as monitoring industrial discharges to the Facility; supports various studies aimed at understanding and monitoring water quality issues in the Bay and urban tributaries.
Pretreatment	Permits, regulates, and monitors approximately 250 industrial wastewater dischargers and nearly 900 dental practices, across the San José-Santa Clara Regional Wastewater Facility's service area to ensure compliance with local, State, and federal pretreatment requirements. Also educates and regulates approximately 4,300 food service establishments in San José to ensure proper management of fats, oils, and grease to minimize sanitary sewer overflows.
Regulatory Compliance and Safety	Manages regulatory compliance for the San José-Santa Clara Regional Wastewater Facility's two major permits: the National Pollutant Discharge Elimination Program (NPDES) permit for the Facility's treated wastewater effluent, and the Title V permit for all of the Facility's major air emissions sources.
San José-Santa Clara Treatment Plant Capital Project Delivery	Provides services for both capital project planning, design and construction of major projects as well as process engineering services within the San José-Santa Clara Regional Wastewater Facility.
San José-Santa Clara Treatment Plant Operations and Maintenance	Treating an average wastewater influent of over 100 million gallons per day, this program is responsible for the management, and daily operations and maintenance of the San José-Santa Clara Regional Wastewater Facility, with the primary objective of ensuring compliance with the National Pollution Discharge Elimination System (NPDES).

Environmental Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Environmental Services Communications	Performs community outreach, marketing, and media relations to advance key environmental priorities including garbage and recycling services, watershed protection and pollution prevention, municipal drinking water and recycled water, community sustainability initiatives, and the San José-Santa Clara Regional Wastewater Facility.
Environmental Services Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Environmental Services Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Environmental Services Information Technology	Provides information technology services, planning, system development and maintenance for the Department in coordination with the Information Technology Department.
Environmental Services Management and Administration	Provides executive-level, analytical and administrative support to the department.

Environmental Services Department

Department Budget Summary

Expected 2020-2021 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 of the Council-approved Climate Smart San José Plan; partner with other agencies to pursue grants to promote energy efficiency, building electrification, and clean, renewable energy in the community.

2020-2021 Key Budget Actions

- While the Sewer Service and Use Charge revenue requirement will increase by 4.0% in 2020-2021, the Storm Sewer Service Charge rate will not change in 2020-2021.
- Recycle Plus rates will increase by 15.0% for single-family and 7.0% for multi-family households due to anticipated increases in program costs. A Manager's Budget Addendum will be released later in the budget process outlining a strategy to achieve lower rates for Fiscal Year 2020-2021.
- The Municipal Water System rates will not change in 2020-2021.
- Adds \$39.3 million in funding for Phase II of the remediation of 25 biosolids storage basins (Legacy Lagoons) as ordered by the San Francisco Bay Regional Water Quality Control Board.
- Adds \$1.3 million in one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund for the maintenance and operation of the Energy Cogeneration Facility at the Regional Wastewater Facility; and \$1.7 million in one-time non-personal/equipment funding to replace and install a new radio system.
- Adds \$800,000 in one-time non-personal/equipment funding for consultant services in the San José-Santa Clara Treatment Plant Operating Fund to support the implementation of the Biosolids Transition Strategy.
- Adds 1.0 Information Systems Analyst and 1.0 Senior Systems Applications Programmer positions and non-personal/equipment funding to implement priority and ongoing technology initiatives and infrastructure improvements.
- Adds 1.0 Assistant to the Director position to support updating the Regional Wastewater Facility Master Agreement.

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"/> South Bay Water Recycling Operating Fund |
| <input type="checkbox"/> San José-Santa Clara Treatment Plant Operating Fund | <input type="checkbox"/> Storm Sewer Operating Fund |
| <input type="checkbox"/> Sewer Service and Use Charge Fund | <input type="checkbox"/> Water Utility Fund |

Environmental Services Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Potable Water Delivery	44,007,056	44,007,889	43,079,974	43,767,539
Recycled Water Management	10,225,038	9,304,275	8,818,129	8,782,922
Recycling & Garbage Services	130,767,231	154,055,688	162,011,175	162,620,352
Stormwater Management	7,853,892	9,557,792	9,350,213	9,299,560
Strategic Support - Environmental & Utility Services	13,223,331	16,059,468	13,901,818	14,175,985
Strategic Support - Other - Environmental & Utility Services	7,191,999	19,728,747	20,506,812	20,728,532
Sustainability and Environmental Health	4,495,229	7,710,552	5,725,805	6,046,383
Wastewater Management	188,608,772	86,295,904	86,769,870	130,257,067
Total	\$406,372,548	\$346,720,315	\$350,163,796	\$395,678,340
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	80,222,857	95,041,822	95,286,139	95,597,367
Overtime	2,510,983	992,153	954,477	954,477
Subtotal Personal Services	\$82,733,840	\$96,033,975	\$96,240,616	\$96,551,844
Non-Personal/Equipment	185,957,751	219,001,435	222,235,008	227,649,308
Total Personal Services & Non-Personal/Equipment	\$268,691,591	\$315,035,410	\$318,475,624	\$324,201,152
<i>Other Costs*</i>				
City-Wide Expenses	2,166,822	2,576,032	970,000	1,470,000
Other	9,896,237	10,559,158	11,101,360	50,168,656
Other - Capital	120,898,711	0	0	0
Overhead Costs	3,939,268	17,591,715	18,658,812	18,880,532
Workers' Compensation	779,919	958,000	958,000	958,000
Total Other Costs	\$137,680,957	\$31,684,905	\$31,688,172	\$71,477,188
Total	\$406,372,548	\$346,720,315	\$350,163,796	\$395,678,340

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Environmental Services Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	126,377,222	5,894,148	5,669,248	5,633,122
General Fund (001)	5,186,129	6,783,679	5,255,433	6,100,003
Integrated Waste Management Fund (423)	133,595,604	157,932,188	163,811,321	163,973,276
Storm Sewer Operating Fund (446)	10,730,809	14,032,171	14,175,794	14,248,753
San José-Santa Clara Treatment Plant Operating Fund (513)	75,174,252	99,837,504	100,129,634	143,720,809
Water Utility Fund (515)	40,700,399	46,396,456	45,684,170	46,421,265
Sewage Treatment Plant Connection Fee Fund (539)	0	474,000	474,000	493,743
Sewer Service And Use Charge Fund (541)	2,772,531	5,056,625	5,183,003	5,331,607
South Bay Water Recycling Operating Fund (570)	11,835,603	10,313,544	9,781,193	9,755,762
Total	\$406,372,548	\$346,720,315	\$350,163,796	\$395,678,340
Positions by Core Service**				
Potable Water Delivery	35.45	39.73	39.65	39.65
Recycled Water Management	23.84	27.31	27.01	27.01
Recycling & Garbage Services	44.64	45.60	42.00	46.00
Stormwater Management	40.04	39.57	39.35	39.35
Strategic Support - Environmental & Utility Services	65.00	68.90	69.90	71.90
Strategic Support - Other - Environmental & Utility Services	0.00	0.00	0.00	1.00
Sustainability and Environmental Health	9.77	28.85	28.10	27.10
Wastewater Management	331.26	322.04	320.99	321.99
Total	550.00	572.00	567.00	574.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Environmental Services Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Potable Water Delivery					
Municipal Water System Operations and Maintenance	39,532,753	43,108,415	42,179,589	42,873,889	34.35
Municipal Water System Planning and Capital Project Delivery	4,474,303	899,474	900,385	893,650	5.30
Sub-Total	44,007,056	44,007,889	43,079,974	43,767,539	39.65
Recycled Water Management					
South Bay Water Recycling Operations and Maintenance	10,225,038	9,304,275	8,818,129	8,782,922	27.01
Sub-Total	10,225,038	9,304,275	8,818,129	8,782,922	27.01
Recycling & Garbage Services					
Civic/Other Solid Waste Collection Services	4,104,505	4,409,885	4,103,743	3,968,682	13.64
Commercial Solid Waste Collection Services	1,484,232	2,241,322	2,065,198	2,492,926	10.11
Recycling and Garbage Services Administration	4,395,538	6,919,119	5,584,156	5,900,666	22.25
Residential Solid Waste Collection Services	120,782,955	140,485,362	150,258,078	150,258,078	0.00
Sub-Total	130,767,231	154,055,688	162,011,175	162,620,352	46.00
Stormwater Management					
Stormwater Administration	1,059,477	1,299,798	1,289,254	1,286,937	3.85
Stormwater Enforcement	6,580,099	7,992,102	7,837,435	7,790,392	34.19
Stormwater Policy and Compliance	214,315	265,892	223,524	222,231	1.31
Sub-Total	7,853,892	9,557,792	9,350,213	9,299,560	39.35
Sustainability and Environmental Health					
Environmental Compliance and Safety	2,430,545	4,072,404	3,183,075	3,165,208	15.00
Policy, Legislative Advocacy and Education	2,064,684	3,638,148	2,542,730	2,881,175	12.10
Sub-Total	4,495,229	7,710,552	5,725,805	6,046,383	27.10
Wastewater Management					
Facility Land Use and Planning	1,709	262,115	0	0	0.00
Laboratory Services	4,068,690	4,988,941	5,050,187	5,721,585	29.00
Pretreatment	5,505,545	5,837,565	6,035,101	5,991,545	33.15
Regulatory Compliance and Safety	503,077	0	0	0	0.00
San José-Santa Clara Treatment Plant Capital Project Delivery	123,102,464	9,308,713	10,830,583	11,566,420	53.00
San José-Santa Clara Treatment Plant Operations and Maintenance	55,427,288	65,898,570	64,853,999	106,977,517	206.84

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Environmental Services Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Sub-Total	188,608,772	86,295,904	86,769,870	130,257,067	321.99
Strategic Support - Environmental & Utility Services					
Environmental Services Communications	1,621,334	2,852,960	3,018,663	3,005,359	13.94
Environmental Services Financial Management	1,132,663	1,845,129	1,961,530	1,952,461	8.00
Environmental Services Human Resources	331,092	594,731	600,254	596,443	5.00
Environmental Services Information Technology	887,217	1,704,118	1,583,304	1,929,972	10.00
Environmental Services Management and Administration	9,251,024	9,062,530	6,738,067	6,691,750	34.96
Sub-Total	13,223,331	16,059,468	13,901,818	14,175,985	71.90
Strategic Support - Other - Environmental & Utility Services					
Environmental Services Capital	427,133	0	0	0	0.00
Environmental Services Funds Debt/Financing Costs	1,785,537	0	0	0	0.00
Environmental Services Other Departmental - City-Wide	847,723	961,000	890,000	890,000	1.00
Environmental Services Other Departmental - Grants	711,221	218,032	0	0	0.00
Environmental Services Other Operational - Administration	3,485	0	0	0	0.00
Environmental Services Overhead	2,636,982	17,591,715	18,658,812	18,880,532	0.00
Environmental Services Workers' Compensation	779,919	958,000	958,000	958,000	0.00
Sub-Total	7,191,999	19,728,747	20,506,812	20,728,532	1.00
Total	\$406,372,548	\$346,720,315	\$350,163,796	\$395,678,340	574.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	572.00	315,035,410	4,207,647
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
● Rebudget: Nine Par Groundwater		(50,000)	
● Waste Characterization Studies and Customer Satisfaction surveys		(982,000)	
● Legacy Lagoon Closure CEQA Study & Environmental Permitting		(500,000)	
● Zero Waste Plan Revision and Addition to Climate Smart		(500,000)	
● Digital Customer Platform for Recycle Plus Services		(400,000)	
● Residual Sludge Management Dredge Refurbishment		(380,000)	
● Public Litter Can Program Expansion		(336,428)	
● Water Pollution Control Plant Substation Maintenance Services		(290,000)	
● Integrated Waste Management Rate Study		(200,000)	
● Municipal Water System Monthly Billing Analysis		(150,000)	
● SQL Server Database Upgrade		(103,950)	
● Clean Creeks Funding		(100,000)	(100,000)
● Illegal Dumping Rapid Response Program		(90,000)	(90,000)
● Municipal Water System Staffing		(30,000)	
● Water Pollution Control Plant Capital Improvement Program Staffing		(3,500)	
● Master Service Agreement with PG&E Company for Silicon Valley Energy Watch Program (2.0 Environmental Services Specialist)	(2.00)		
● Illegal Dumping Rapid Response Team Staffing (2.0 Maintenance Worker II)	(2.00)		
● Diridon Station Area Development Planning Staffing (1.0 Environmental Services Program Manager)	(1.00)	0	0
One-Time Prior Year Expenditures Subtotal:	(5.00)	(4,115,878)	(190,000)

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
● Salary/benefit changes and the following position reallocations:		203,161	259,118
- 1.0 Associate Environmental Services Specialist to 1.0 Environmental Services Specialist			
- 1.0 Environmental Services Program Manager to 1.0 Division Mission			
- 1.0 Environmental Sustainability Manager to 1.0 Division Manager			
- 1.0 Senior Engineer to 1.0 Principal Engineer/Architect			
- 1.0 Groundworker to 1.0 Maintenance Worker I			
- 1.0 Senior Office Specialist to 1.0 Principal Office Specialist			
● Professional Development Program Adjustment		17,000	0
● Night Shift Differential		5,318	(1,933)
● Single-Family Dwelling Garbage Contract		4,652,970	0
● Multi-Family Dwelling Garbage Contract		1,292,755	0
● Yard Trimming/Street Sweeping Contract		642,339	0
● Single-Family Dwelling Processing Contract		640,689	0
● Hauler Incentive Payments		375,248	0
● City facilities waste collection		189,601	189,601
● Customer Service Information System		100,000	0
● Yard Trimming Collection and Processing Contract		88,520	0
● Community Based Organizations Cost of Living Adjustment		11,885	0
● Reallocation of BeautifySJ Dumpster Days (City Council approval October 22, 2019)		(180,000)	(180,000)
● Wholesale water		(1,250,000)	0
● Gas, Electricity, and Water		703,482	0
● Vehicle Maintenance and Operation		63,124	1,000
Technical Adjustments Subtotal:	0.00	7,556,092	267,786
2020-2021 Forecast Base Budget:	567.00	318,475,624	4,285,433

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Regional Wastewater Facility Radio Systems Upgrade		1,700,000	0
2. Regional Wastewater Facility Cogeneration Engine Facility Maintenance		1,300,000	0
3. Biosolids Management Transition Planning and Implementation		800,000	0
4. San José Municipal Water System Emergency Response Preparation		750,000	0
5. Laboratory Information Management System Replacement		700,000	0
6. Commercial Solid Waste Enforcement Staffing	2.00	403,716	0
7. Commercial Solid Waste Program Outreach	2.00	389,868	0
8. Management Information Systems Infrastructure and Program Implementation Staffing	2.00	357,057	0
9. Recycle Plus Cart Outreach Pilot Program		140,000	0
10. Regional Wastewater Facility Master Agreement Staffing	1.00	93,492	0
11. RAPID Program Staffing Shift	0.00	0	580,133
12. Climate Smart San José Plan Implementation Staffing		0	0
13. Diridon Station Area Development Planning Staffing	1.00	0	0
14. Commercial and Industrial Inspections – BYOB and EPS Ordinance Inspection Program Consolidation	0.00	0	(34,194)
15. PCB Source Property Identification and Referral Program – Citizen Monitoring Program Shift	0.00	0	(15,867)
16. Trash Capture Systems – Trash Reduction Program Shift	0.00	0	(15,867)
17. PCB Demolition Permits Program – Eco Gardens Program Shift	0.00	0	(10,353)
18. City Retirement Contributions Pre-Funding		(677,361)	(19,562)
19. Legislative Monitoring and Advocacy Reduction	(1.00)	(145,244)	(130,720)
20. Vehicle Maintenance and Operations (Fuel Savings)		(78,000)	(1,000)
21. Creek Cleanup/Direct Discharge Program Reduction		(8,000)	(8,000)
Total Budget Proposals Recommended	7.00	5,725,528	344,570
<hr/>			
2020-2021 Proposed Budget Total	574.00	324,201,152	4,630,003

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Regional Wastewater Facility Radio Systems Upgrade</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 adds \$1.7 million in one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund to upgrade the Regional Wastewater Facility (RWF) radio system. The existing radio system at the RWF is at the end of its expected lifetime, and costs associated with maintenance and service have escalated in recent years as it has outlasted its expected service lifetime. Additionally, the manufacturer no longer provides replacement parts and materials. This funding will allow the RWF to upgrade to a modern system and ensure uninterrupted communications across the entire facility. (Ongoing costs: \$0)</p>		1,700,000	0
<p>2. Regional Wastewater Facility Cogeneration Engine Facility Maintenance</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 adds \$1.3 million in one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund for supplies and contractual services associated with maintenance and operation of the Energy Cogeneration Facility at the Regional Wastewater Facility. With the completion of the Energy Cogeneration Project, an inventory of new specialized equipment, tools, and parts must be established to ensure that maintenance schedules can be met. (Ongoing costs: \$750,000)</p>		1,300,000	0
<p>3. Biosolids Management Transition Planning and Implementation</p> <p><i>Environmental and Utility Services CSA Wastewater Management Core Service San José-Santa Clara Treatment Plant Capital Project Delivery Program</i></p> <p>This action adds \$800,000 in one-time non-personal/equipment funding for consultant services in the San José-Santa Clara Treatment Plant Operating Fund to support the implementation of the Biosolids Transition Strategy. Consultant services are necessary to support the existing Environmental Services Program Manager in providing subject matter expertise for continued research and development of a comprehensive Biosolids Transition Strategy. It is expected that procurement of biosolids disposition service providers will proceed through 2020-2021, with the execution of contracts planned for the summer of 2021. Given this timeframe, the expertise provided by consultant support has been determined to be the most cost and time-effective course of action. (Ongoing costs: \$0)</p>		800,000	0

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. San José Municipal Water System Emergency Response Preparation</p> <p><i>Environmental and Utility Services CSA Potable Water Delivery Core Service Municipal Water System Operations and Maintenance Program</i></p> <p>This action adds \$750,000 in one-time non-personal/equipment funding in the Water Utility Fund to purchase equipment for emergency power at a variety of water utility infrastructure sites across the City. The Department has identified the Norwood Pump Station; Tuers wells 2, 3, 4, and 5; North San José wells 1, 2, 3, and 4; and Coyote wells 21, 22, and 23 as sites that require backup power equipment to ensure water delivery to customers with as little interruption as possible in the case of an emergency power shutoff or other natural disaster. This funding will provide stationary and mobile generators, as well as fuel storage and delivery infrastructure, and other emergency supplies as needed to ensure utility service continues should there be loss of power events. (Ongoing costs: \$0)</p>		750,000	0
<p>5. Laboratory Information Management System Replacement</p> <p><i>Environmental and Utility Services CSA Wastewater Management Core Service Laboratory Services Program</i></p> <p>This action adds \$700,000 in one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund to upgrade the Laboratory Information Management System (LIMS). The LIMS is a system used by Regional Wastewater Facility (RWF) Laboratory staff to record, maintain, and analyze data regarding RWF treatment operations. This funding will enable the Environmental Services Department to comprehensively upgrade and modernize the LIMS, and ensures that the RWF's Laboratory continues to be efficient and effective in its data management and analysis functions. Ongoing costs may be necessary in future years and will be brought forward in future budget processes if necessary. (Ongoing costs: \$0)</p>		700,000	0
<p>6. Commercial Solid Waste Enforcement Staffing</p> <p><i>Environmental and Utility Services CSA Recycling & Garbage Services Core Service Commercial Solid Waste Collection Services and Recycling and Garbage Services Administration Programs</i></p> <p>This action adds 1.0 Senior Environmental Inspector position and 1.0 Environmental Inspector II position, both limit-dated until June 30, 2022, and associated non-personal/equipment funding of \$70,200 in the Integrated Waste Management Fund. These positions, along with 3.0 existing Environmental Inspector positions, will allow the City to achieve compliance with SB 1383, which requires organic waste diversion/reduction and the establishment of an edible food recovery program, and effectively enforce the San José Municipal Code requirements for solid waste disposal. This action includes non-personal/equipment funding in the amount of \$60,000 for two vehicles to perform inspections. (Ongoing costs: \$338,516)</p>	2.00	403,716	0

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>7. Commercial Solid Waste Program Outreach</p> <p><i>Environmental and Utility Services CSA Recycling & Garbage Services Core Service Commercial Solid Waste Collection Services Program</i></p> <p>This action adds 2.0 Environmental Services Specialist positions and associated non-personal/equipment funding in the amount of \$69,700 in the Integrated Waste Management Fund to perform outreach to small businesses throughout the City. To meet the new organic waste disposal requirements per SB 1383, set to take effect in 2020-2021, additional outreach staff is necessary to plan, implement, evaluate, and adapt the City's small business outreach program. SB 1383 establishes a statewide organic waste disposal reduction target of 50% from 2014 levels by 2020 (75% by 2025), and a requirement that 20% of edible food must be recovered by 2025. This request includes non-personal/equipment funding in the amount of \$60,000 for two vehicles to perform outreach activities. (Ongoing costs: \$326,668)</p>	2.00	389,868	0
<p>8. Management Information Systems Infrastructure and Program Implementation Staffing</p> <p><i>Environmental and Utility Services CSA Strategic Support Core Service Environmental Services Information Technology Program</i></p> <p>This action adds 1.0 Senior Systems Applications Programmer position, 1.0 Information Systems Analyst position, and associated non-personal/equipment funding of \$10,400 across a variety of ESD funds (60% in the San José-Santa Clara Treatment Plant Operating Fund, 13% in the Water Utility Fund, 12% in the Integrated Waste Management Fund, 9% in the Storm Sewer Operating Fund, 3% in the Sewer Service and Use Charge Fund, and 3% in the South Bay Water Recycling Operating Fund) to support a variety of IT efforts throughout the Department. This Senior Systems Application Programmer will be dedicated to developing and implementing a variety of solutions incorporating business/functional needs into existing Office 365 infrastructure, while the Information Systems Analyst position will take over project management and inter-departmental coordination duties that are currently being absorbed by existing staff. (Ongoing costs: \$382,568)</p>	2.00	357,057	0
<p>9. Recycle Plus Cart Outreach Pilot Program</p> <p><i>Environmental and Utility Services CSA Recycling & Garbage Services Core Service Recycling and Garbage Services Administration Program</i></p> <p>This action adds \$40,000 for temporary staffing and \$100,000 of one-time non-personal/equipment funding in the Integrated Waste Management Fund to support the Recycle Plus Cart Outreach Pilot Program. This funding will support two part-time student interns who will be responsible for developing and implementing an assessment plan to evaluate the effectiveness of various messages in changing public recycling behaviors. This program will help to ensure that the City conforms to SB 1383 regulations regarding diversion rates and labeling rules, which are anticipated to require jurisdictions to affix recycling instructions onto carts. (Ongoing costs: \$0)</p>		140,000	0

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Regional Wastewater Facility Master Agreement Staffing <i>Environmental and Utility Services CSA Wastewater Management Core Service San José-Santa Clara Treatment Plant Operation and Maintenance Program</i>	1.00	93,492	0
<p>This action adds 1.0 Assistant to the Director position in the Sewer Service and Use Charge Fund to plan, coordinate, and implement the revision of the 1959 Sewage Treatment Plant Master Agreement. This position will be responsible for working with a wide range of internal and external stakeholders to ensure that the revision of the Master Agreement meets the interests of all stakeholders.. (Ongoing costs: \$93,492)</p>			
11. RAPID Program Staffing Shift <i>Environmental and Utility Services CSA Recycling & Garbage Services Core Service Civic/Other Solid Waste Collection Services and Commercial Solid Waste Collection Services Programs</i>	0.00	0	580,133
<p>This action shifts 1.0 Maintenance Worker II position, 0.9 Supervising Environmental Services Specialist, and associated non-personal/equipment funding of \$254,101 from the Integrated Waste Management Fund to the General Fund. As the Reporting and Preventing Illegal Dumping (RAPID) Team works to address illegal dumping throughout the City, landfill diversion rate requirements associated with the previous funding source in the Integrated Waste Management Fund have required these resources to be moved to the General Fund to accompany the rest of the RAPID Team. (Ongoing costs: \$0)</p>			
12. Climate Smart San José Plan Implementation Staffing <i>Environmental and Utility Services CSA Sustainability and Environmental Health Core Service Policy, Legislative Advocacy and Education Program</i>		0	0
<p>This action extends 1.0 Analyst position limit-dated through June 30, 2021, to support the Climate Smart San José Plan. This position, funded by the Climate Smart San José Plan Implementation City-Wide Expenses appropriation, will have a variety of responsibilities, including quantitative and qualitative data analytics, metrics and dashboard development, and research and development of best practices in greenhouse gas emissions management throughout the City. These responsibilities will maximize the impact and accelerate the implementation of the San José Climate Smart program. Funding for the Climate Smart San José Plan can be found under the City-Wide Expenses section of this document. (Ongoing costs: \$0)</p>			

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Diridon Station Area Development Planning Staffing <i>Environmental and Utility Services CSA Strategic Support Core Service Environmental Services Other Departmental – City-Wide Program</i>	1.00	0	0
<p>This action extends 1.0 Environmental Services Program Manager position, limit-dated through June 30, 2021, funded by the Diridon Station Area Development Planning City-Wide Expenses appropriation. This position will continue to be responsible for facilitating district utility systems and infrastructure planning related to the potential Google mixed-use development project. Project planning aspects under this position include energy, stormwater, and water reuse. Planning support will be focused on aligning the project with City goals, including those of Climate Smart San José. Funding for the Diridon Station Area Development Planning can be found under the City-Wide Expenses section of this document. (Ongoing costs: \$0)</p>			
14. Commercial and Industrial Inspections – BYOB & EPS Ordinance Inspection Program Consolidation <i>Environmental and Utility Services CSA Stormwater Management Core Service Stormwater Enforcement Program</i>	0.00	0	(34,194)
<p>This action shifts 0.2 Environmental Inspector II positions and 0.03 Senior Environmental Inspector positions from the General Fund to the Storm Sewer Operating Fund. This shift will consolidate the Bring Your Own Bag (BYOB) and Expanded Polystyrene (EPS) Ordinance Inspection programs into existing Commercial and Industrial Stormwater Inspection efforts within the Storm Sewer Operating Fund. This will result in increased stormwater inspection capacity for industrial and commercial facilities. (Ongoing costs: \$0)</p>			
15. PCB Source Property Identification and Referral Program – Citizen Monitoring Program Shift <i>Environmental and Utility Services CSA Stormwater Management Core Service Stormwater Enforcement Program</i>	0.00	0	(15,867)
<p>This action shifts 0.1 Environmental Services Specialist positions from the Citizen Monitoring Program in the General Fund to the Storm Sewer Operating Fund to support Polychlorinated Biphenyl (PCB) Source Property Identification and Referrals. As expectations for the next iteration of the San Francisco Bay Regional Water Quality Control Board’s Municipal Regional Stormwater National Pollutant Discharge Elimination System (NPDES) Permit (MRP) include increased PCB inspection and reduction requirements, this shift will proactively increase capacity for PCB-related activities within the Stormwater Enforcement Program. (Ongoing costs: \$0)</p>			

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>16. Trash Capture Systems – Trash Reduction Program Shift</p> <p><i>Environmental and Utility Services CSA Stormwater Management Core Service Stormwater Enforcement Program</i></p> <p>This action shifts 0.1 Environmental Services Specialist from the General Fund to the Storm Sewer Operating Fund to support the implementation and repair of full trash capture systems. This position will continue to oversee trash hotspot cleanups, as well as working to identify locations for additional Large Trash Capture devices, relocating existing Connector Pipe Screen devices, and identifying potential trash load reduction projects in collaboration with regional partner agencies such as Caltrans, VTA, and Caltrain. (Ongoing costs: \$0)</p>	0.00	0	(15,867)
<p>17. PCB Demolition Permits Program – Eco Gardens Program Shift</p> <p><i>Environmental and Utility Services CSA Stormwater Management Core Service Stormwater Enforcement Program</i></p> <p>This action shifts 0.07 Associate Environmental Services Specialist position from the Eco Gardens Program in the General Fund to the Storm Sewer Operating Fund to support Polychlorinated Biphenyl (PCB) Demolition Permit tracking and reporting. As expectations for the next iteration of the San Francisco Bay Regional Water Quality Control Board’s Municipal Regional Stormwater National Pollutant Discharge Elimination System (NPDES) Permit (MRP) include increased PCB inspection and reduction requirements, this shift will proactively increase capacity for PCB-related activities within the Stormwater Enforcement Program. (Ongoing costs: \$0)</p>	0.00	0	(10,353)
<p>18. City Retirement Contributions Pre-Funding</p> <p><i>Environmental and Utility Services CSA Core Service: Department-wide Program: Department-wide</i></p> <p>This action reduces the Environmental Services Department’s Personal Services appropriation by \$677,361 in all funds, \$19,562 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City’s retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees’ Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$677,361)</p>		(677,361)	(19,562)

Environmental Services Department

Budget Changes By Department

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
19. Legislative Monitoring and Advocacy Reduction <i>Environmental and Utility Services CSA Sustainability and Environmental Health Core Service Policy, Legislative Advocacy and Education Program</i> This action eliminates 1.0 Associate Environmental Services Specialist position spread across a variety of funds (0.9 in the General Fund, 0.03 in the Integrated Waste Management Fund, 0.03 in the San José-Santa Clara Treatment Plant Operating Fund, 0.02 in the Storm Sewer Operating Fund, and 0.02 in the Water Utility Fund). This position was tasked with researching, investigating, and pursuing legislative advocacy opportunities at the local, State, and federal levels to support the City's utility provision and environmental protection goals. (Ongoing savings: \$148,552)	(1.00)	(145,244)	(130,720)
20. Vehicle Maintenance and Operations (Fuel Savings) <i>Environmental and Utility Services CSA Potable Water Delivery, Recycled Water Management, Recycling & Garbage Services, Stormwater Management, Sustainable and Environmental Health, Wastewater Management, and Strategic Support Core Services Civic/Other Solid Waste Collection Services; Commercial Solid Waste Collection Services; Environmental Services Management and Administration; Facility Land Use and Planning; Pretreatment; Policy, Legislative Advocacy and Education; San José-Santa Clara Treatment Plant Capital Project Delivery; San José-Santa Clara Treatment Plant Operations and Maintenance; South Bay Water Recycling Operations and Maintenance; and Stormwater Enforcement Programs</i> This action decreases the ongoing funding for vehicle operations costs by \$78,000 in various funds (\$55,000 in the San José-Santa Clara Treatment Plant Operating Fund, \$12,000 in the Water Utility Fund, \$7,000 in the Integrated Waste Management Fund, \$3,000 in the Storm Sewer Operating Fund, and \$1,000 in the General Fund) to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$78,000)		(78,000)	(1,000)
21. Creek Cleanup/Direct Discharge Program Reduction <i>Environmental and Utility Services CSA Stormwater Management Core Service Stormwater Enforcement Program</i> This action decreases the Non-Personal/Equipment appropriation to the Environmental Services Department in the General Fund by \$8,000. This decrease recognizes ongoing contractual services savings in the Creek Cleanup/Direct Discharge Program which conducts hazardous and biological cleanup services at creek cleanup events, per MRP requirements. (Ongoing savings: \$8,000)		(8,000)	(8,000)
2020-2021 Proposed Budget Changes Total	7.00	5,725,528	344,570

Environmental Services Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 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	-
Assistant to the Director	0.00	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	1.00	(2.00)
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	6.00	6.00	-
Director Environmental Services	1.00	1.00	-
Division Manager	4.00	6.00	2.00
Engineer II	5.00	5.00	-
Engineering Technician II	3.00	3.00	-
Environmental Compliance Officer	1.00	1.00	-
Environmental Inspector I/II	36.00	37.00	1.00
Environmental Inspector, Assistant	5.00	5.00	-
Environmental Inspector, Senior	6.00	7.00	1.00
Environmental Laboratory Manager	1.00	1.00	-
Environmental Laboratory Supervisor	3.00	3.00	-
Environmental Services Program Manager	10.00	9.00	(1.00)
Environmental Services Specialist	39.00	40.00	1.00
Environmental Sustainability Manager	1.00	0.00	(1.00)
Geographic Information Systems Specialist II	3.00	3.00	-
Groundswoker	1.00	0.00	(1.00)
Heavy Equipment Operator	5.00	5.00	-
Industrial Electrician	11.00	11.00	-
Industrial Electrician Supervisor	1.00	1.00	-
Industrial Process Control Specialist I/II	1.00	1.00	-
Industrial Process Control Supervisor	1.00	1.00	-
Information Systems Analyst	2.00	3.00	1.00
Instrument Control Supervisor I/II	1.00	1.00	-
Instrument Control Technician I/II/III/IV	13.00	13.00	-
Laboratory Technician I/II	13.00	13.00	-
Maintenance Worker I	1.00	2.00	1.00
Maintenance Worker II	8.00	6.00	(2.00)
Microbiologist	1.00	1.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-

Environmental Services Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
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	6.00	7.00	1.00
Principal Office Specialist	4.00	5.00	1.00
Program Manager I	2.00	2.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	9.00	9.00	-
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	13.00	(1.00)
Senior Engineering Technician	9.00	9.00	-
Senior Geographic Information 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	9.00	(1.00)
Senior Painter	1.00	1.00	-
Senior Public Information Representative	3.00	3.00	-
Senior Systems Applications Programmer	0.00	1.00	1.00
Senior Warehouse Worker	1.00	1.00	-
Staff Specialist	9.00	9.00	-
Supervising Environmental Services Specialist	15.00	15.00	-
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 Facility Manager	1.00	1.00	-
Wastewater Maintenance Superintendent	3.00	3.00	-
Wastewater Mechanic I/II	31.00	31.00	-
Wastewater Mechanical Supervisor I/II	6.00	6.00	-
Wastewater Operations Foreperson I/II	20.00	20.00	-
Wastewater Operations Superintendent I/II	7.00	7.00	-
Wastewater Operator I/II/III	42.00	42.00	-
Wastewater Senior Mechanic I/II	11.00	11.00	-
Water Systems Assistant Operator I/II	5.00	5.00	-
Water Systems Operations Foreperson I/II	3.00	3.00	-
Water Systems Operations Manager	1.00	1.00	-
Water Systems Operations Superintendent I/II	2.00	2.00	-
Water Systems Operator I/II/III	12.00	12.00	-
Total Positions	572.00	574.00	2.00

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Finance Department

Julia H. Cooper, Director

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T*o manage, protect and report on the City of San José's financial resources to enhance the City's financial condition for residents, businesses, and investors*

City Service Area

Strategic Support

Core Services

Disbursements

Facilitate timely and accurate payment of the City's financial obligations

Financial Reporting

Provide accurate and meaningful reporting on the City's financial condition

Purchasing and Risk Management

Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets

Revenue Management

Bill and collect the City's resources to enhance the City's financial condition

Treasury Management

Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition

Strategic Support: Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, and Administrative Support

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Disbursements Core Service</i>	
Accounts Payable	Facilitates timely and accurate payment of the City's non-personnel disbursements. Customers of this service include City departments, employees, government agencies, non-profit corporations, consultants, contractors, and vendors who provided goods and services to the City.
Payroll	Facilitates timely and accurate payment of payroll to City employees and provides responses to information requests City-wide. The City's structure has employees divided among many different bargaining units with various requirements contained in each of the related units' Memoranda of Agreement.
<i>Financial Reporting Core Service</i>	
General Accounting	Provides accurate and meaningful reporting on the City's financial condition and is primarily responsible for the accounting of City-wide financial activity for each City fund, including management of the Financial Management System, preparation of the Comprehensive Annual Financial Report (CAFR), preparation of the Cost Allocation Plan, capital assets accounting, monthly financial information distribution, City-wide audits, and coordination of stand-alone audits.
Special Accounting	Manages accounting responsibilities related to the special facility districts, grant programs, assessment districts, loans, debt transactions, bank reconciliations, investments, deferred compensation, and state-mandated cost reimbursements; prepares and submits legally mandated reports including the City's Single Audit Report and State-mandated cost reimbursement claim reports.
<i>Purchasing and Risk Management Core Service</i>	
Purchasing	Following transparent and competitive procurement procedures, this program supports the operations of all City departments by ensuring the timely procurement and delivery of products and services of a broad nature. Establishes City-wide procurement policies and procedures, and provides City-wide training and guidance to departments to enable them to facilitate procurements that are decentralized. Manages the P-Card program to enable the procurement of small dollar purchase transactions annually.
Risk Management	Ensures insurance coverage for the City's assets, establishes City-wide risk management policies and procedures, and provides City-wide training and guidance to departments on risk-related programs. Manages property and casualty claims from inception to conclusion and performs the centralized subrogation function to recapture losses resulting from third-party wrongdoing or negligence resulting in loss of or damage to City-owned property.

Finance Department

Service Delivery Framework

<i>Revenue Management Core Service</i>	
Accounts Receivable	Develops, maintains, and updates business systems and processes to support the delivery of City services through timely collection of payments due to the City, including services, taxes, fees, and other revenue.
Business Tax	Enforces the general business tax ordinance by ensuring that taxes and related fees are collected. It also issues business tax certificates and processes applications for the following regulatory permits: amusement devices, carnivals/circuses, Christmas tree lots, flower vendors, handbills, pawnbrokers, pool and billiard rooms, pumpkin patches, and second-hand dealers.
Revenue Audit and Compliance	Monitors and conducts compliance reviews of various tax and fee programs related to the following: Transient Occupancy Tax, Convention Center Facility District Tax, Hotel Business Improvement District Fees, Utility Users Tax, Franchise Fees, Telephone Line Tax, Tow agreements, Solid Waste Enforcement Fees, Disposal Facility Tax, Cardroom Tax, Marijuana Business Tax, and Sales and Use Taxes.
Utility Billing System	Develops and streamlines business systems and processes that support the delivery of City services through timely billing and collection of storm, sewer, garbage, and water fees. This program provides billing and customer support related to storm and sanitary sewer charges, garbage, water, and associated liens.
<i>Treasury Management Core Service</i>	
Banking Management	Manages the City's centralized banking function and cash and check processing for multiple programs throughout the City. It oversees transactions processed via check and credit card on multiple billing systems, including: Business Tax, Transient Occupancy Tax and Hotel Business Improvement District, Utility Billing, Airport, and Utility Users Tax.
Cashiering and Payment Processing	Manages over-the-counter payments made for various programs, including: Business Tax, Transient Occupancy Tax and Hotel Business Improvement District, Utility Billing, Airport, and Utility Users Tax.
Debt Management	Responsible for City debt issuance and debt administration activities, including performing compliance activity related to statutory, regulatory, and contractual requirements for over 100 series of bonds. Through various bond measures, it finances the construction of new facilities and improvements to existing city facilities; public infrastructure and affordable housing are also facilitated through special taxes and bonds.
Investment Management	Manages the City's cash flow and invests the City operating funds in accordance with the Investment Policy mandates of safety, liquidity, and yield. The group is responsible for cash flow forecasts, portfolio management, Investment Policy updates and compliance, interest earnings forecasts, and related reporting.

Finance Department

Service Delivery Framework

<i>Strategic Support Core Service</i>	
Finance Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.
Finance Successor Agency to the Redevelopment Agency Administration	Supports the general winding down of the former Redevelopment Agency in an orderly manner, as pursuant to AB X1 26. Responsibilities include all aspects of the financial management of San José Successor Agency to the Redevelopment Agency, such as: accounts payable, accounts receivable, debt management, investments, cash management, financial reporting, and preparation of Recognized Obligation Payments Schedule (ROPS).

Finance Department

Department Budget Summary

Expected 2020-2021 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.

2020-2021 Key Budget Actions

- Adds 1.0 Deputy Director position in the Debt & Treasury Section to oversee the increasing workload and risk associated with debt refunding efforts and City investments, and eliminates 1.0 vacant Analyst II position within Debt Management and shifts partial funding for a Financial Analyst position.
- Adds one-time funding of \$140,000 to acquire and implement a software solution to comply with new GASB 87 standards and address the complexity of City-wide asset-level accounting.
- Restructures the Business Tax Customer Service Team to align job classifications with the increased complexity of the regulatory and business environment, deleting 1.0 vacant Office Specialist II position and reclassifying 4.0 Office Specialist positions to 1.0 Principal Office Specialist and 3.0 Senior Office Specialist positions.
- Adds 1.0 Senior Analyst position to the Purchasing & Risk Management Division to provide additional capacity to an increasing number of procurement requests, eliminates 1.0 vacant Senior Analyst position within the Administration Division, and eliminates an annual set-aside of \$64,000 for Open Season Temporary Support in Purchasing.
- Adds 1.0 Analyst I/II position to the Revenue Compliance and Monitoring Unit, fully funded by Measure E to provide additional capacity for compliance review, analysis, and reporting on revenue programs under the Unit's portfolio.

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

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Disbursements	2,817,935	2,898,429	2,750,065	2,829,974
Financial Reporting	2,216,232	3,111,301	2,702,074	2,823,785
Purchasing and Risk Management	2,777,794	4,631,365	4,746,724	4,858,010
Revenue Management	8,170,126	7,757,721	6,965,739	6,769,204
Strategic Support - Other - Strategic Support	77,700,611	49,688,768	50,314,865	60,801,973
Strategic Support - Strategic Support	1,663,797	2,528,165	2,318,597	1,863,272
Treasury Management	175,843,666	21,004,523	32,557,138	20,068,370
Total	\$271,190,160	\$91,620,272	\$102,355,202	\$100,014,588
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	16,060,814	19,357,924	19,918,386	19,561,064
Overtime	19,603	48,615	48,615	48,615
Subtotal Personal Services	\$16,080,416	\$19,406,539	\$19,967,001	\$19,609,679
Non-Personal/Equipment	1,937,854	2,755,598	1,377,336	1,510,936
Total Personal Services & Non-Personal/Equipment	\$18,018,271	\$22,162,137	\$21,344,337	\$21,120,615
Other Costs*				
City-Wide Expenses	9,531,285	11,723,367	10,757,500	10,832,500
Debt Service/Financing	228,250,319	55,468,000	67,120,000	61,094,000
Other	4,087,959	1,828,055	2,616,426	6,438,319
Other - Capital	0	0	0	0
Overhead Costs	11,302,326	438,713	516,939	529,154
Total Other Costs	\$253,171,889	\$69,458,135	\$81,010,865	\$78,893,973
Total	\$271,190,160	\$91,620,272	\$102,355,202	\$100,014,588

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	0	27,029	27,646	27,449
General Fund (001)	180,873,064	34,497,946	32,653,020	44,397,240
Public Works Program Support Fund (150)	1,051,122	85,996	86,186	85,850
City Hall Debt Service Fund (210)	27,849,494	28,353,000	28,353,000	28,353,000
Building Development Fee Program Fund (237)	0	0	127,516	126,727
Planning Development Fee Program Fund (238)	0	0	45,162	44,883
Fire Development Fee Program Fund (240)	0	0	10,643	10,576
Public Works Development Fee Program Fund (241)	0	0	27,032	26,867
Low And Moderate Income Housing Asset Fund (346)	62,682	128,138	106,165	187,564
Emergency Reserve Fund (406)	103,454	285,000	285,000	5,000,000
Community Facilities Revenue Fund (422)	26,340,005	475,000	11,504,371	1,500,000
Integrated Waste Management Fund (423)	829,281	1,442,744	1,340,989	1,243,385
Ice Centre Revenue Fund (432)	6,107,937	3,597,055	3,597,055	3,421,319
Housing Trust Fund (440)	100,453	0	0	0
Storm Sewer Operating Fund (446)	3,764,356	33,889	35,194	40,910
San José Clean Energy Operating Fund (501)	114,806	193,608	213,743	236,777
San José-Santa Clara Treatment Plant Operating Fund (513)	82,521	160,264	160,496	159,732
Water Utility Fund (515)	1,417,656	152,592	163,072	259,822
Municipal Golf Course Fund (518)	0	6,586,000	6,586,000	0
Airport Maintenance And Operation Fund (523)	5,128,635	0	0	0
Convention and Cultural Affairs Fund (536)	0	331,000	331,000	338,000
Sewer Service And Use Charge Fund (541)	437,540	563,011	582,912	595,487
Convention Center Facilities District Revenue Fund (791)	16,927,156	14,708,000	16,119,000	13,959,000
Total	\$271,190,160	\$91,620,272	\$102,355,202	\$100,014,588
Positions by Core Service**				
Disbursements	16.50	16.50	16.50	16.50
Financial Reporting	13.43	15.43	15.43	15.43
Purchasing and Risk Management	17.06	18.06	18.06	19.00
Revenue Management	39.37	40.37	39.37	38.37
Strategic Support - Strategic Support	9.61	9.61	9.61	8.67
Treasury Management	25.02	26.02	26.02	25.02
Total	120.99	125.99	124.99	122.99

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Disbursements					
Accounts Payable	1,217,082	1,124,921	1,005,653	1,023,577	6.10
Payroll	1,600,853	1,773,508	1,744,412	1,806,397	10.40
Sub-Total	2,817,935	2,898,429	2,750,065	2,829,974	16.50
Financial Reporting					
General Accounting	1,991,413	2,859,157	2,440,602	2,563,886	13.89
Special Accounting	224,819	252,144	261,472	259,899	1.54
Sub-Total	2,216,232	3,111,301	2,702,074	2,823,785	15.43
Purchasing and Risk Management					
Purchasing	1,725,555	2,954,746	2,752,990	2,859,337	17.00
Risk Management	1,052,238	1,676,619	1,993,734	1,998,673	2.00
Sub-Total	2,777,794	4,631,365	4,746,724	4,858,010	19.00
Revenue Management					
Accounts Receivable	1,806,982	1,696,336	1,613,845	1,516,577	9.65
Business Tax	2,297,833	2,031,216	1,623,689	1,851,975	10.50
Revenue Audit and Compliance	1,116,242	2,615,644	2,443,595	2,186,978	11.29
Utility Billing System	2,949,068	1,414,525	1,284,610	1,213,674	6.93
Sub-Total	8,170,126	7,757,721	6,965,739	6,769,204	38.37
Treasury Management					
Banking Management	2,144,943	1,989,670	1,745,814	1,773,129	0.13
Cashiering and Payment Processing	1,298,545	1,308,084	1,349,767	1,200,966	10.10
Debt Management	170,913,425	16,355,768	28,065,598	15,647,914	6.69
Investment Management	1,486,753	1,351,001	1,395,959	1,446,361	8.11
Sub-Total	175,843,666	21,004,523	32,557,138	20,068,370	25.02
Strategic Support - Strategic Support					
Finance Management and Administration	1,663,797	2,163,368	1,928,347	1,475,780	6.17
Finance Successor Agency to the Redevelopment Agency Administration	0	364,797	390,250	387,492	2.50
Sub-Total	1,663,797	2,528,165	2,318,597	1,863,272	8.67
Strategic Support - Other - Strategic Support					
Finance Funds Debt/Financing Costs	4,289,604	40,760,000	40,760,000	47,135,000	0.00
Finance Other Departmental - City-Wide	139,250	7,278,000	7,037,500	7,037,500	0.00
Finance Other Departmental - Grants	0	0	0	5,000,000	0.00

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** 2018-2019 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2018-2019	2019-2020	2020-2021	2020-2021	2020-2021
	Actuals**	Adopted	Forecast	Proposed	Proposed Positions
Finance Other Operational - Administration	8,132,726	1,212,055	2,000,426	1,100,319	0.00
Finance Overhead	11,293,522	438,713	516,939	529,154	0.00
Finance Transfers	53,845,508	0	0	0	0.00
Sub-Total	77,700,611	49,688,768	50,314,865	60,801,973	0.00
Total	\$271,190,160	\$91,620,272	\$102,355,202	\$100,014,588	122.99

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	125.99	22,162,137	19,813,579
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Business Tax Amnesty		(258,000)	(258,000)
• Rebudget: Training Consultant		(200,000)	(200,000)
• Rebudget: Disaster Cost Accounting		(100,000)	(100,000)
• Rebudget: General Liability Claims – Self-Insurance		(80,000)	(80,000)
• Rebudget: Revenue Results Software Phase II Implementation		(18,700)	(18,700)
• Purchasing Division Program Delivery Improvements		(304,600)	(304,600)
• Sales Tax Compliance Application		(222,000)	(222,000)
• Unclaimed Utility Billing Credit Balances		(170,000)	0
• Travel Reimbursement Software		(115,000)	(115,000)
• Delinquent Accounts Receivable Collection Pilot Program (1.0 Investigator Collector II)	(1.00)	(125,575)	(125,575)
• Unclaimed Checks Outreach and Processing		(15,000)	(15,000)
• General Ledger and Specialized Accounting Staffing		(8,000)	(8,000)
• Debt Management Financing Support Services		(1,600)	(1,600)
One-time Prior Year Expenditures Subtotal:	(1.00)	(1,618,475)	(1,448,475)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Principal Account Clerk to 1.0 Accounting Technician		685,037	453,778
• Development Fee Program Staffing Fund Shift	0.00	0	(213,503)
• Contract Services: Business Tax Printing Services		89,000	89,000
• Software/Information Systems: Business Tax Web Portal and PeopleSoft		58,000	58,000
• Software/Information Systems: Accounts Receivable Software		5,100	5,100
• Software/Information Systems: Cost Allocation System		1,694	1,694
• Software/Information Systems: Banking Management System Software		1,144	1,144
• Contract Services: Financial Reporting		700	700
• Fees and Payments: Revenue Management Lien Fees		(40,000)	(40,000)
Technical Adjustments Subtotal:	0.00	800,675	355,913
2020-2021 Forecast Base Budget:	124.99	21,344,337	18,721,017
Budget Proposals Recommended			
1. GASB 87 (Leases) Implementation and Compliance Software and Services		140,000	140,000
2. Debt and Treasury Staffing	0.00	77,269	(24,000)
3. Phase II Disaster Cost Recovery Documentation and Records Digitization Pilot		50,000	50,000

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>			
4. Revenue Compliance and Monitoring Audit and Analysis	1.00	0	0
5. Cashiering Staffing	(1.00)	(139,485)	(139,485)
6. City Retirement Contributions Pre-Funding		(136,847)	(121,691)
7. Utility Billing Staffing	(1.00)	(129,149)	(158,289)
8. Purchasing Staffing	0.00	(59,105)	(49,134)
9. Business Tax Customer Service Staffing	(1.00)	(26,405)	(28,181)
Total Budget Proposals Recommended	(2.00)	(223,722)	(330,780)
<hr/>			
2020-2021 Proposed Budget Total	122.99	21,120,615	18,390,237

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. GASB 87 (Leases) Implementation and Compliance Software and Services</p> <p><i>Strategic Support CSA</i> <i>Financial Reporting Core Service</i> <i>General Accounting Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$140,000 for the procurement, implementation, and testing of a software solution to comply with new GASB 87 standards pertaining to asset-level lease accounting, which must be deployed prior to the close of the 2020-2021 fiscal year. Ongoing funding of \$6,500 is provided for the ongoing maintenance and support of the new solution. The new GASB 87 standards introduce increased complexity for asset-level accounting, requiring calculation of the present value of lease payments, asset-level determinations about terms, purchase options, residual values, penalties and lease factors by the asset owner, regardless of whether the City is the asset owner or a lessor. Certain lease modifications may also require the reclassification of lease assets using the current discount rate, fair value and remaining economic life of the asset. Additionally, service agreements with embedded leases will also require asset-level usage determinations; and, location changes, mid-term and partial end-of-term events within a lease will also require tracking at an asset level. The complexity associated with these new requirements, and the compliance timeframe, necessitate procurement of a software solution in lieu of development and deployment of an in-house database. (Ongoing costs: \$6,500)</p>		140,000	140,000
<p>2. Debt and Treasury Staffing</p> <p><i>Strategic Support CSA</i> <i>Treasury Management Core Service</i> <i>Banking Management Program</i> <i>Debt Management Program</i> <i>Investment Management Program</i></p> <p>This action adds 1.0 Deputy Director and associated one-time non-personal/equipment costs (\$6,000) to manage the Debt & Treasury functions of a reorganized Debt & Treasury Division. The addition of the Deputy Director enables the Finance Director and Assistant Finance Director to focus on Department-wide concerns, while the Deputy Director assumes the primary role of managing the day-to-day operations and functions of the Division, in addition to strategic planning and regular interaction with executive and senior level management, including the City Council and City Manager's Office. This action also eliminates 1.0 vacant Analyst II position within Debt Management, and shifts partial (0.4 FTE) funding for a Financial Analyst position from the General Fund to the Low & Moderate Income Housing Fund. Duties previously fulfilled by the Analyst II will be redistributed among other members of Debt Management, including the Debt Administrator. Additionally, this action charges San Jose Clean Energy (SJCE) the annual expense for one Bloomberg terminal. The Finance Department has a Financial Analyst dedicated to support SJCE, and a Bloomberg terminal is provided to this staff member and is used to support SJCE researching for various counterparty credit analysis. This is a critical tool to providing the necessary credit support to the SJCE program. (Ongoing costs: \$68,183)</p>	0.00	77,269	(24,000)

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>3. Phase II Disaster Cost Recovery Documentation and Records Digitization Pilot</p> <p><i>Strategic Support CSA</i> <i>Disbursement Core Service</i> <i>Purchasing and Risk Management Core Service</i> <i>Accounts Payable Program</i> <i>Purchasing Program</i></p>		50,000	50,000
<p>This action adds one-time non-personal/equipment funding of \$50,000 for consultant services to develop sample procurement draft agreements for use during emergency situations and to pilot the digitization of Accounts Payable and General Ledger records that are currently retained in hard copy format and occupying the Department's floor space or currently warehoused. Funding for consultant services will build upon the current Disaster Cost Recovery Program documentation effort, for which a request for proposal is under final review, by expanding the focus areas from accounting to include procurement. Funding for the pilot digitization effort will evaluate workflow enhancements and responsiveness, and release floor space currently required for filing cabinets and document boxes. (Ongoing costs: \$0)</p>			
<p>4. Revenue Compliance and Monitoring Audit and Analysis</p> <p><i>Strategic Support CSA</i> <i>Revenue Management Core Service</i> <i>Revenue Audit and Compliance Program</i></p>	1.00	0	0

This action adds 1.0 Analyst I/II position to the Revenue Compliance and Monitoring Unit, fully funded by Measure E, to provide additional capacity for compliance review, analysis, and reporting on revenue programs currently comprising the Unit's portfolio, which has recently expanded in response to Assembly Bill 147's expansion of the State sales and use tax, revenue capture agreement with a major market facilitator, and new real property transfer tax on real estate transactions over \$2 million. The Analyst will be charged, or assist, with: implementing a methodology for auditing and maintaining compliance of the influx of new sales and use tax remitters, including quarterly reconciliations, tax analysis, and database management to validate the local tax component of the sales and use tax; maintaining the revenue capture agreement with the marketplace facilitator; and, implementing a methodology for reconciling and maintaining compliance of the new real property transfer tax. Anticipated collections recognized through these compliance efforts will offset the costs of this position. (Ongoing costs: \$0)

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Cashiering Staffing <i>Strategic Support CSA</i> <i>Treasury Management Core Service</i> <i>Cashiering and Payment Processing Program</i> This action eliminates 1.0 vacant Accounting Technician position in the Cashiering Section. The Accounting Technician provides supervision and backup to the four cashiers located on the first floor of City Hall. In January 2020, the Finance Department moved the Analyst position in the Banking Section to the Cashiering Section to supervise the cashiering program and assist in banking management. The Accounting Technician is no longer required due to this reorganization. (Ongoing savings: \$139,485)	(1.00)	(139,485)	(139,485)
6. City Retirement Contribution Pre-Funding <i>Strategic Support CSA</i> <i>Core Service: Department-wide</i> <i>Program: Department-wide</i> This action reduces the Finance Department's Personal Services appropriation by \$136,847 in all funds, \$121,691 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$136,847)		(136,847)	(121,691)
7. Utility Billing Staffing <i>Strategic Support CSA</i> <i>Revenue Management Core Service</i> <i>Revenue Audit and Compliance Program</i> <i>Utility Billing System Program</i> This action eliminates 1.0 Sr. Account Clerk position within the Utility Billing program, one of two responsible for garbage service charges and funded through the Integrated Waste Management Fund and shifts funding for 1.0 Investigator Collector II position to the supported utilities programs. The Revenue Management Division recently re-organized by placing the Investigator Collector position responsible for collecting utility billing delinquent accounts in the utility billing business unit. This position is currently funded by the General Fund, but fully supports collections for the Water Utility Fund, Integrated Waste Management Fund, Storm Sewer Operating Fund, and Sewer Service and Use Fund. (Ongoing savings: \$129,149)	(1.00)	(129,149)	(158,289)

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Purchasing Staffing <i>Strategic Support CSA</i> <i>Purchasing and Risk Management Core Service</i> <i>Strategic Support Core Service</i> <i>Finance Management and Administration Program</i> <i>Purchasing Program</i>	0.00	(59,105)	(49,134)
<p>This action adds 1.0 Senior Analyst position and associated one-time non-personal/equipment funding (\$2,000) to the Purchasing & Risk Management Division to provide additional capacity to address an increasing number of procurement requests prioritized by the Procurement Prioritization Board (PPB). The Senior Analyst will develop and implement procurement process and operational changes with consultant support, develop and deploy procurement trainings and tools to departmental staff, and provide support to the Deputy Director on multi-year special projects. This action also reduces non-personal/equipment funding by \$64,400 to eliminate an annual set-aside for Open Season Temporary Support in Purchasing. This temporary support has provided relief to the Purchasing staff during Open Season, however in recent years the Department has not used temporary staff and has provided the necessary support through the use of overtime with existing staff. Additionally, this action eliminates 1.0 vacant Senior Analyst position within the Administration Division. The Senior Analyst workload will be partially distributed to the existing staff team members in Administration, to include: request for proposal production, processing and tracking; budget monitoring; support to senior department leadership on emergency preparedness; and, assistance in recruiting, hiring and retention efforts. (Ongoing savings: \$61,105)</p>			
9. Business Tax Customer Service Staffing <i>Strategic Support CSA</i> <i>Revenue Management Core Service</i> <i>Accounts Receivable Program</i> <i>Business Tax Program</i> <i>Revenue Audit and Compliance Program</i> <i>Utility Billing System Program</i>	(1.00)	(26,405)	(28,181)
<p>This action reorganizes the Business Tax Customer Service Team by eliminating 5.0 Office Specialist positions, and adding 1.0 Principal Office Specialist position and 3.0 Senior Office Specialist positions. This will provide a higher level of supervision and align classifications with the increased level of complexity accompanying Business Tax Modernization. This new structure also aligns with that of the Information Technology Contact Center prior to the recent 3-1-1 transition. (Ongoing savings: \$35,683)</p>			
2020-2021 Proposed Budget Changes Total	(2.00)	(223,722)	(330,780)

Finance Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Account Clerk II	2.00	2.00	-
Accountant I/II	16.00	16.00	-
Accounting Technician	10.00	10.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	9.00	9.00	-
Assistant Director	1.00	1.00	-
Buyer I/II/III	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	3.00	4.00	1.00
Director of Finance	1.00	1.00	-
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.99	0.99	-
Investigator Collector I/II	13.00	12.00	(1.00)
Investment Officer	1.00	1.00	-
Office Specialist	5.00	0.00	(5.00)
Principal Account Clerk	4.00	3.00	(1.00)
Principal Accountant	3.00	3.00	-
Principal Office Specialist	0.00	1.00	1.00
Program Manager I	6.00	6.00	-
Risk Manager	1.00	1.00	-
Senior Account Clerk	14.00	13.00	(1.00)
Senior Accountant	7.00	7.00	-
Senior Analyst	6.00	6.00	-
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	1.00	4.00	3.00
Staff Specialist	3.00	3.00	-
Staff Technician	0.00	0.00	-
Supervising Accountant	3.00	3.00	-
Total Positions	125.99	122.99	(3.00)

Fire Department

Robert Sapien, Jr., Fire Chief

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To serve the community by protecting life, property, and the environment through prevention and response

City Service Areas

Community and Economic Development
Public Safety

Core Services

Emergency Response

Provide comprehensive life safety services to residents and visitors by responding to emergencies in San José's incorporated and the County of Santa Clara's unincorporated areas, totaling approximately 200 square miles

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

PROGRAM	DESCRIPTION
<i>Emergency Response Core Service</i>	
Fire and Emergency Medical Services Dispatch	Receives calls from 9-1-1 call-takers and other sources, dispatches appropriate resources, triages calls using Medical Priority Dispatch System (MPDS) and Fire Priority Dispatch System (FPDS), relays critical information, provides detailed life safety assistance and instructions to callers (e.g. CPR, childbirth, choking), and provides critical communications support for Incident Commanders.
Fire and Emergency Medical Services Response	Responds to fire, rescue, medical emergencies, and other public assist calls for service; implements appropriate mitigation efforts and incident command system (ICS) scaled to the needs of the emergency.
Fire Stations / Apparatus Operations and Maintenance	Ensures availability of response-ready fire apparatus, tools and equipment, and personal protective equipment (PPE); maintains facilities including fire stations, training facilities, emergency generators, and fueling sites; provides necessary supplies, utilities, furnishings, and fuel.
Fire Sworn Training	Ensures the response-readiness of all sworn fire personnel through comprehensive annual mandated training; provides initial required trainings through Fire Fighter and Fire Engineer Academies.
Special Operations - Airport Rescue and Fire Fighting	Provides dedicated Aircraft Rescue and Fire Fighting (ARFF) certified Fire Captains, Engineers, and Fire Fighters as required by the Federal Aviation Administration at Norman Y. Mineta San José International Airport. (Program costs are offset by a transfer from the Airport.)
Special Operations - Hazardous Incident Team	Provides Hazardous Materials specialist-level trained responders and equipment for response to incidents requiring technical expertise to comply with Title 8 CCR §5192: Hazardous Waste Operations and Emergency Response; reviews and inspects facilities with hazardous materials storage. (Majority of the budget and FTE for this program is displayed in Fire and Emergency Medical Services Response Program.)
Special Operations - Urban Search and Rescue	Provides responses to incidents requiring technical expertise including confined space rescue, low/high angle (cliff) rescue, trench rescue, water rescue, structure collapse, and other technical rescue situations. (Majority of the budget and FTE for this program is displayed in Fire and Emergency Medical Services Response Program.)
<i>Fire Prevention Core Service</i>	
Fire Cause Investigation	Investigates suspicious fires to determine the origin; collects and processes evidence, develops detailed reports to assist in criminal prosecution, and provides expert testimonies at court trials.

Fire Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Fire Prevention Core Service</i>	
Fire Safety Education, Review, and Inspections	Provides fire safety inspections of permitted occupancies and provides Fire Watch and inspections during special events throughout the City. (Program costs are offset by revenues from the Fire Department Non-Development Fee Program.) Provides public safety information and education to the community through multiple education and awareness programs.
<i>Fire Safety Code Compliance</i>	
Fire Development Services	Provides the City of San José business community and residents with fire code plan review services before construction and on-site fire code inspections during construction phases to ensure compliance with approved permits. (Program costs are offset by revenues from the Fire Department Development Fee Program.)
<i>Strategic Support Core Service</i>	
Fire Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Fire Information Technology	Provides information technology services, planning, and system development and maintenance for the department in coordination with the Information Technology Department.
Fire Management and Administration	Provides executive-level, analytical, and administrative support to the department; manages the budget and all financial transactions for the department.

Fire Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Provide essential emergency services, such as fire suppression, rescue and emergency medical services, in a timely and effective manner.
- Deliver timely development review and inspection services.
- Provide life safety and fire prevention services to the community.

2020-2021 Key Budget Actions

- Reduces the Fire Department's Personal Services appropriation by \$4.0 million to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan.
- Shifts 1.0 Fire Prevention Inspector position from Non-Development Fee to Development Fee to assist in the timely inspections of development related projects.
- Adds one-time non-personal/equipment funding of \$437,000 for the purchase of 22 LUCAS chest compression systems.
- Reorganizes Fire Stations/Apparatus Operations and Maintenance Program by adding 1.0 Automotive Equipment Specialist position and eliminating 1.0 Fire Captain position to address maintenance, procurement, and modifications to the Fire Department's fleet while reducing on-going costs.
- Adds 1.0 Network Engineer position and adds the associated non-personal/equipment funding to be funded by the General Fund to support Emergency Medical Services technology projects.
- Eliminates 3.0 vacant Fire Engineer positions and adds \$579,870 in overtime funding. The overtime budget will fund sworn personnel that are assigned to cover a Relief shift at an overtime rate.
- Eliminates 1.0 vacant Staff Specialist position. The duties of this position will be redistributed to other administrative staff.

Operating Funds Managed

- Fire Development Fee Program Fund

Fire Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
City-Wide Emergency Management	1,834	0	0	0
Emergency Response	205,872,008	219,872,333	233,032,003	228,972,638
Fire Prevention	6,259,506	7,152,500	7,689,509	7,236,477
Fire Safety Code Compliance	5,167,287	7,018,728	6,573,850	6,902,089
Strategic Support - Community & Economic Development	1,264,825	819,779	549,967	545,918
Strategic Support - Other - Community & Economic Development	1,208	0	0	0
Strategic Support - Other - Public Safety	14,910,003	15,146,543	13,181,050	13,230,204
Strategic Support - Public Safety	5,274,913	7,404,742	6,534,343	6,547,088
Total	\$238,751,584	\$257,414,625	\$267,560,722	\$263,434,414
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	200,744,720	223,468,729	236,029,262	231,038,633
Overtime	15,611,476	9,864,837	10,216,017	10,795,887
Subtotal Personal Services	\$216,356,196	\$233,333,566	\$246,245,279	\$241,834,520
Non-Personal/Equipment	7,669,158	9,631,862	8,978,985	9,209,317
Total Personal Services & Non-Personal/Equipment	\$224,025,354	\$242,965,428	\$255,224,264	\$251,043,837
Other Costs*				
City-Wide Expenses	132,860	149,197	0	0
General Fund Capital	3,964,855	6,300,000	3,750,000	3,750,000
Gifts	0	0	10,867	10,867
Other	0	0	0	0
Other - Capital	3,796,489	0	0	0
Overhead Costs	161,777	0	1,075,591	1,129,710
Workers' Compensation	6,670,249	8,000,000	7,500,000	7,500,000
Total Other Costs	\$14,726,230	\$14,449,197	\$12,336,458	\$12,390,577
Total	\$238,751,584	\$257,414,625	\$267,560,722	\$263,434,414

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Fire Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	4,517,514	954,437	1,016,662	1,009,933
General Fund (001)	234,234,070	256,460,188	258,332,344	253,834,463
Gift Trust Fund (139)	0	0	10,867	10,867
Fire Development Fee Program Fund (240)	0	0	8,200,849	8,579,151
Total	\$238,751,584	\$257,414,625	\$267,560,722	\$263,434,414
Positions by Core Service**				
Emergency Response	736.98	741.48	743.48	740.48
Fire Prevention	21.18	26.40	26.44	25.40
Fire Safety Code Compliance	29.77	33.69	31.27	33.26
Strategic Support - Community & Economic Development	3.66	2.72	2.74	2.74
Strategic Support - Other - Public Safety	7.07	4.42	4.40	4.40
Strategic Support - Public Safety	24.82	29.77	27.15	27.20
Total	823.48	838.48	835.48	833.48

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Fire Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
City-Wide Emergency Management					
Emergency Preparedness and Planning	1,834	0	0	0	0.00
Sub-Total	1,834	0	0	0	0.00
Emergency Response					
Fire and Emergency Medical Services Dispatch	6,401,617	8,323,029	8,576,356	8,519,822	47.48
Fire and Emergency Medical Services Response	179,327,572	188,924,237	200,501,335	197,160,128	646.95
Fire Stations/Apparatus Operations and Maintenance	6,627,546	7,070,712	7,583,531	7,145,795	6.00
Fire Sworn Training	6,056,048	7,072,577	7,453,300	7,379,557	12.95
Special Operations - Airport Rescue and Fire Fighting	6,230,593	6,043,415	5,827,533	5,719,951	19.34
Special Operations - Hazardous Incident Team	841,330	1,319,231	1,880,982	1,854,706	5.13
Special Operations - Urban Search and Rescue	387,302	1,119,132	1,208,966	1,192,679	2.63
Sub-Total	205,872,008	219,872,333	233,032,003	228,972,638	740.48
Fire Prevention					
Fire Cause Investigation	1,296,941	1,409,003	1,549,604	1,519,565	4.25
Fire Safety Education, Review, and Inspections	4,962,565	5,743,497	6,139,905	5,716,912	21.15
Sub-Total	6,259,506	7,152,500	7,689,509	7,236,477	25.40
Fire Safety Code Compliance					
Fire Development Services	5,167,287	7,018,728	6,573,850	6,902,089	33.26
Sub-Total	5,167,287	7,018,728	6,573,850	6,902,089	33.26
Strategic Support - Community & Economic Development					
Fire Management and Administration - Community and Economic Development	1,264,825	819,779	549,967	545,918	2.74
Sub-Total	1,264,825	819,779	549,967	545,918	2.74
Strategic Support - Public Safety					
Fire Human Resources - Public Safety	182,595	150,935	326,501	326,501	0.00
Fire Information Technology - Public Safety	1,526,802	2,020,577	1,794,154	1,965,376	9.54
Fire Management and Administration - Public Safety	3,565,516	5,233,230	4,413,688	4,255,211	17.66
Sub-Total	5,274,913	7,404,742	6,534,343	6,547,088	27.20

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Fire Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Strategic Support - Other - Community & Economic Development					
Fire Capital - Community and Economic Development	1,208	0	0	0	0.00
Sub-Total	1,208	0	0	0	0.00
Strategic Support - Other - Public Safety					
Fire Capital - Public Safety	7,923,811	6,966,946	4,455,001	4,450,276	4.10
Fire Gifts - Public Safety	0	0	10,867	10,867	0.00
Fire Other Departmental - Grants - Public Safety	130,825	149,197	0	0	0.00
Fire Other Operational - Administration - Public Safety	185,119	30,400	139,591	139,351	0.30
Fire Overhead	0	0	1,075,591	1,129,710	0.00
Fire Workers' Compensation - Public Safety	6,670,249	8,000,000	7,500,000	7,500,000	0.00
Sub-Total	14,910,003	15,146,543	13,181,050	13,230,204	4.40
Total	\$238,751,584	\$257,414,625	\$267,560,722	\$263,434,414	833.48

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Fire Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	838.48	242,965,428	242,010,991
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Fire Fighter Recruit Academy		(367,000)	(367,000)
• Rebudget: Emergency Medical Services Service Delivery Model Analytical Support		(150,000)	(150,000)
• Rebudget: Fire Development Fee Program		(137,000)	(137,000)
• Rebudget: State Homeland Security Grant Program - Urban Search and Rescue Personal Water Crafts		(74,400)	(74,400)
• Rebudget: Federal Emergency Management Agency Grant - Smoke Alarms		(21,541)	(21,541)
• Rebudget: State Homeland Security Grant Program - Flood Management Water Rescue Training		(11,400)	(11,400)
• Fire Communications Reorganization		59,309	59,309
• Fire Facilities Reorganization		43,652	43,652
• Public Information Office Reorganization		17,443	17,443
• Fire Development Fee Program (1.0 Associate Engineer and 1.0 Senior Engineer)	(2.00)	(668,815)	(668,815)
• Emergency Medical Services Technology Staff (1.0 Network Engineer)	(1.00)	(176,375)	(176,375)
• Emergency Medical Services Equipment		(100,000)	(100,000)
• Fire Communications Staffing Study		(70,000)	(70,000)
• LUCAS Chest Compression Systems		(40,000)	(40,000)
• Communications Installation Staffing		(39,000)	(39,000)
• Fire Protection Systems Compliance Staffing		(27,600)	(27,600)
One-time Prior Year Expenditures Subtotal:	(3.00)	(1,762,727)	(1,762,727)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		13,287,077	13,224,852
- 1.0 Senior Account Clerk to 1.0 Staff Specialist			
- 1.0 Office Specialist II to 1.0 Senior Office Specialist			
- 1.0 Supervising Applications Analyst to 1.0 Department Information Technology Manager			
• Overtime Adjustment		407,179	258,756
• Equipment and Supplies: Self-Contained Breathing Apparatus Equipment		100,000	100,000
• Maintenance and Operations: Nederman Exhaust Maintenance		75,000	75,000
• Equipment and Supplies: Turnouts		20,000	20,000
• Fund Shift: Bureau of Fire Prevention		16,078	52,893
• Printing and Advertising: Fireworks Prevention Campaign		15,000	15,000
• Maintenance and Operations: Emergency Vehicle Preemption		8,871	8,871
• Professional Development Program Adjustment		7,000	2,000
• Fire Academy Adjustment		5,053	5,053
• Equipment and Supplies: EMS Plastic Equipment		3,960	0

Fire Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

Technical Adjustments to Costs of Ongoing Activities			
• Maintenance and Operations: Automatic External Defibrillator (AED)	3,570		3,570
• Maintenance and Operations: Inventory Control Software System	3,000		3,000
• Maintenance and Operations: Station Alerting System	2,211		2,211
• Night Shift Differential	2,006		2,006
• Maintenance and Operations: QRae Gas Monitors	1,325		1,325
• Development Fee Program Funding Shift	0.00	0	(7,018,250)
• Equipment and Supplies: Station Alerting System		(73,689)	(73,689)
• Sworn Special Pays Adjustment		(4,192)	(4,192)
• Vehicle Operations and Maintenance		75,114	84,714
• Gas, Electricity, and Water		67,000	67,000
Technical Adjustments Subtotal:	0.00	14,021,563	6,830,120
2020-2021 Forecast Base Budget:	835.48	255,224,264	247,078,384
	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Emergency Medical Services Equipment (LUCAS Devices)		437,000	437,000
2. Fire Development Fee Program Staffing	1.99	386,613	0
3. Emergency Medical Services Technology Staff	1.00	182,625	182,625
4. City Retirement Contributions Pre-Funding		(3,984,883)	(3,915,724)
5. Relief Fire Engineer Staffing	(3.00)	(341,455)	(341,455)
6. Fire Non-Development Fee Program Staffing	(1.04)	(324,766)	(324,766)
7. Vehicle Maintenance and Operations (Fuel Savings)		(213,000)	(213,000)
8. Fire Apparatus Reorganization	0.00	(204,669)	(204,669)
9. Bureau of Field Operations Staffing	(0.95)	(117,892)	(117,892)
Total Budget Proposals Recommended	(2.00)	(4,180,427)	(4,497,881)
2020-2021 Proposed Budget Total	833.48	251,043,837	242,580,503

Fire Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Emergency Medical Services Equipment (LUCAS Devices)</p> <p><i>Public Safety CSA Emergency Response Core Service Fire and Emergency Medical Services Response Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$437,000 for the purchase of 22 LUCAS chest compression systems. A LUCAS device is a mechanical chest compression - decompression system which enables automated and continuous closed chest compression. The addition of these devices will fully equip the remaining fire apparatuses for cardiac arrest events. One of the desired outcomes of this action is to ensure all fire apparatuses are equally equipped to respond to cardiac emergencies accordingly throughout San José. (Ongoing costs: \$0)</p>		437,000	437,000
<p>2. Fire Development Fee Program Staffing</p> <p><i>Community and Economic Development CSA Fire Safety Code Compliance Core Service Fire Development Services Program</i></p> <p>This action deletes 0.01 of a vacant Staff Specialist position, which is Development fee funded, and shifts 1.0 Fire Prevention Inspector position from the Non-Development Fee Program to support development activity. In addition, this action adds 1.0 Principal Permit Specialist position and associated non-personal/equipment funding in the Bureau of Fire Prevention to begin in January 2021. The deletion of the 0.01 Staff Specialist position is part of larger reduction action, Bureau of Field Operations Staffing, described elsewhere in this section. These actions will enhance continuity of operations for the permit counter, address the backlog of fire protection systems and life safety inspections of new development and tenant improvements, and improve operation organization and performance. A 4% rate increase will partially offset the actions in this program. (Ongoing costs: \$449,278)</p>	1.99	386,613	0
<p>3. Emergency Medical Services Technology Staff</p> <p><i>Public Safety CSA Strategic Support Core Service Fire Information Technology Program</i></p> <p>This action makes permanent 1.0 Network Engineer position and adds the associated non-personal/equipment funding to be funded by the General Fund to support Emergency Medical Services technology projects. This position was added in the 2017-2018 Adopted Budget as a limit-dated position. Since the position was originally added, there has been an ongoing need for this position to support the implementation of technology projects including the fire station alerting system and electronic patient care reporting system. In addition, this position will assist with the installation of communications equipment on apparatus, support the electronic patient care system to protect patient information as required by Health Insurance Portability and Accountability Act of 1996 (HIPPA), and assist with the implementation of a backup network and support for the Fire Station Alerting System. (Ongoing costs: \$181,023)</p>	1.00	182,625	182,625

Fire Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. City Retirement Contributions Pre-Funding</p> <p><i>Public Safety CSA</i> Core Service: Department-Wide <i>Program: Department-Wide</i></p> <p>This action reduces the Fire Department's Personal Services appropriation by \$3,984,883 in all funds, \$3,915,724 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing Savings: \$3,984,883)</p>		(3,984,883)	(3,915,724)
<p>5. Relief Fire Engineer Staffing</p> <p><i>Public Safety CSA</i> Emergency Response Core Service <i>Fire and Emergency Medical Services Response Program</i></p> <p>This action eliminates 3.0 vacant Fire Engineer positions and adds \$579,870 in overtime funding. The Department is comprised of 33 operating fire stations through the City of San José and 711 authorized sworn positions. To maintain minimum staffing levels, a total of 186 sworn personnel are on duty 24-hours per day. Due to scheduled training, time off and absences, a pool of Relief personnel are available to fill those gaps and ensure minimum staffing levels are met. The overtime budget will fund sworn personnel that are assigned to cover a Relief shift at an overtime rate, which is less than funding a full-time position as the overtime rate is exclusive of fringe/benefits. (Ongoing savings: \$341,455)</p>	(3.00)	(341,455)	(341,455)
<p>6. Fire Non-Development Fee Program Staffing</p> <p><i>Public Safety CSA</i> Fire Prevention Core Service <i>Fire Safety Education, Review, and Inspections Program</i></p> <p>This action eliminates 0.04 of a vacant Staff Specialist position and shifts 1.0 Fire Prevention Inspector position from the Non-Development Fee Program to the Development Fee Program. This action, as well as an 8% rate increase, will help bring this program closer to being full cost recovery (See further detail on this in Licenses and Permits section of this document.). (Ongoing savings: \$324,867)</p>	(1.04)	(324,766)	(324,766)

Fire Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Vehicle Maintenance and Operations (Fuel Savings)		(213,000)	(213,000)

Public Safety CSA

Core Service: Department-Wide

Program: Department-Wide

This action decreases the ongoing funding for vehicle operations costs by \$213,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$213,000)

8. Fire Apparatus Reorganization	0.00	(204,669)	(204,669)
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Public Safety CSA

Emergency Response Core Service

Fire Stations/Apparatus Operations and Maintenance Program

This action eliminates 1.0 filled Fire Captain position (Fire Department's Apparatus Officer) and adds 1.0 Automotive Equipment Specialist position and associated non-personal/equipment funding. The Fire Department has traditionally assigned sworn personnel as the Apparatus Officer. Changing the position to an Automotive Equipment Specialist (nonsworn) will continue the Department's ability to address maintenance, procurement, and modifications to the Fire Department's fleet while reducing ongoing costs. This position will work closely with sworn Fire personnel to review upgrades and modifications to existing apparatus inventory, prepare specifications, and purchase requisitions for new and replacement apparatuses and vehicles. The position will inspect new equipment to assure conformance with bid specifications; maintain inventory of apparatus and vehicles; and monitor and track capital and operating budgets appropriated for this purpose. An Automotive Equipment Specialist will also be able to utilize their specialized knowledge and skills working directly with Public Works Fleet division on the maintenance and repair of the Department's apparatuses and vehicles. The incumbent in the Fire Captain position being proposed for elimination will return to a vacant Fire Captain position in accordance with Article 42 of the 2018 City of San José – IAFF MOA. (Ongoing savings: \$204,919)

Fire Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Bureau of Field Operations Admin Staffing	(0.95)	(117,892)	(117,892)
<i>Public Safety CSA Strategic Support Core Service Fire Management and Administration Program</i>			
<p>This action eliminates 0.95 vacant Staff Specialist position. The duties of this position will be redistributed to a Senior Account Clerk and Analyst position within the same team. These duties include: publishing, formatting and managing the Policy and Procedure Manual (PPM) and all official directives including special orders, special bulletins, safety alerts, assignment orders and post-incident evaluations. This position is 95% funded by the General Fund and partially funded by Bureau of Fire Prevention Fee Programs. (Ongoing savings: \$120,300)</p>			
2020-2021 Proposed Budget Changes Total	(2.00)	(4,180,427)	(4,497,881)

Fire Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 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	10.00	10.00	-
Arson Investigator	3.00	3.00	-
Assistant Fire Chief	1.00	1.00	-
Associate Engineer	17.00	16.00	(1.00)
Automotive Equipment Specialist	0.00	1.00	1.00
Battalion Chief	22.00	22.00	-
Building Maintenance Superintendent	1.00	1.00	-
Department Information Tech Manager	0.00	1.00	1.00
Deputy Director	1.00	1.00	-
Deputy Fire Chief	4.00	4.00	-
Division Manager	2.00	2.00	-
Fire Captain	173.00	172.00	(1.00)
Fire Chief	1.00	1.00	-
Fire Engineer	233.00	230.00	(3.00)
Fire Equipment Technician	2.00	2.00	-
Fire Fighter	261.00	261.00	-
Fire Prevention Inspector	13.00	13.00	-
Hazardous Materials Inspector II	6.00	6.00	-
Information Systems Analyst	2.00	2.00	-
Network Engineer	1.00	1.00	-
Network Technician I/II/III	2.00	2.00	-
Office Specialist II	2.00	1.00	(1.00)
Permit Specialist	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Principal Permit Specialist	0.00	1.00	1.00
Program Manager I	2.00	2.00	-
Public Information Manager	1.00	1.00	-
Public Safety Radio Dispatcher	30.00	30.00	-
Public Safety Radio Dispatcher PT	0.48	0.48	-
Senior Account Clerk	3.00	2.00	(1.00)
Senior Analyst	4.00	4.00	-
Senior Engineer	5.00	4.00	(1.00)
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Office Specialist	2.00	3.00	1.00
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	2.00	2.00	-
Supervising Applications Analyst	1.00	0.00	(1.00)
Supervising Public Safety Dispatcher	3.00	3.00	-
Training Specialist	1.00	1.00	-
Warehouse Worker II	1.00	1.00	-
Video/Multimedia Producer	1.00	1.00	-
Total Positions	838.48	833.48	(5.00)

Note: Of the 833.48 positions in the Fire Department in 2020-2021, 707 are sworn positions and 126.48 are civilian positions.

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Housing Department

Jacky Morales-Ferrand, Director

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To strengthen and revitalize our community through housing and neighborhood investment

City Service Area

Community and Economic Development

Core Services

Affordable Housing Portfolio Management

Manage the City's affordable housing loan portfolio, including loan servicing and monitoring; compliance of income restricted apartments; retain and extend the length of the restrictions to preserve the long-term affordability of the apartments

Affordable Housing Production and Preservation

Provide financing for the rehabilitation, development, and construction of affordable housing; provide technical assistance to market-rate developers to meet their affordable housing requirements; offer limited homeownership loans; and administer Inclusionary and Housing Impact fee programs

Homelessness Interventions and Solutions

Provide a coordinated response to homeless residents including street based outreach, case management, essential services; referrals and housing options; and invest in interim short-term housing solutions

Neighborhood Capital Investment and Public 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

Administer rent stabilization programs and requirements that stabilize rents, while assuring landlords a fair return, and that protect tenants; mitigate impacts of displacement; and prevent retaliation

Strategic Support: Planning and Policy Development, Public Education, Budget, Financial Management, Clerical Support, Human Resources, and Audit Supervision

Housing Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Affordable Housing Portfolio Management Core Service</i>	
Loan Compliance	Manages and oversees the City's affordable housing loan portfolio including loan servicing and monitoring and compliance of affordable deed restricted apartments.
Property Maintenance and Inspection	Works with existing developments to retain and preserve the long-term viability of affordable apartments.
<i>Affordable Housing Production and Preservation Core Service</i>	
Affordable Housing Development Loans	Provides financing and technical assistance for the development of new affordable housing developments for low-income households and individuals.
Homeownership Opportunities	Provides a limited number of down payment assistance loans and loan servicing for recipients of lending programs.
Inclusionary Housing	Provides technical assistance to market-rate developers in meeting their affordable housing requirements.
Rehabilitation Loans and Grants	Funds minor home repairs for low-income homeowners and mobilehome owners.
<i>Homelessness Interventions and Solutions Core Service</i>	
Homeless Outreach and Case Management	Provides a coordinated response to unsheltered homeless residents including street-based outreach, engagement, case management, and essential services such as mobile hygiene, warming locations, and temporary and incidental shelters.
Interim Supportive Housing Development	Develops and oversees operation of interim housing solutions to bridge the gap from temporary shelter to permanent supportive housing.
Joint Encampment Response Team	Removes unauthorized encampments, prioritizes them based on location and conditions, and offers outreach services and housing referrals to unhoused residents.
Tenant Based Rental Assistance and Rapid Rehousing	Provides short-term rental subsidies, with supportive services during the subsidy period, to help homeless residents obtain permanent housing as quickly as possible.
<i>Neighborhood Capital Investment and Public Services Core Service</i>	
Community Development Block Grant - Infrastructure Investments	Funds infrastructure improvements in low-income neighborhoods and those serving communities in need.

Housing Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Neighborhood Capital Investment and Public Services Core Service</i>	
Non-Profit Service Grants to Support Housing and Community Development Needs	Provides grants to non-profit organizations to support fair housing and tenant legal services, senior programs, and homeless programs.
Place-Based Neighborhood Strategy	Provides community engagement and leadership development services in challenged neighborhoods.
<i>Rent Stabilization and Tenant Protection Core Service</i>	
Apartment Rent Ordinance Administration	Protects tenants from excessive rent increases and evictions while assuring landlords a fair return; provide balanced treatment for both tenants and landlords through efficient and consistent administration of the apartment rent stabilization programs.
Mobilehome Rent Ordinance Administration	Protects mobilehome residents from excessive rent increases while assuring park owners receive a fair return through efficient and consistent administration of the Mobilehome Rent Ordinance.
<i>Strategic Support Core Service</i>	
Housing Planning and Policy Development	Analyzes, develops and recommends public policy to strengthen affordable housing and community development programs. Provides research support for advancement of new and one-time programs. Tracks and coordinates the Department's legislative response to legislation and program regulations at both the State and Federal levels.
Housing Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.

Housing Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Advance 11 affordable housing developments, totaling 1,144 new apartments, as part of the implementation of the \$100 million Notice of Funding Availability.
- Begin construction on 410 affordable apartments. Complete construction on 284 affordable apartments that will provide housing for 99 chronically homeless individuals.
- Produce an Affordable Housing Implementation Plan for the Diridon Station area, with analysis and a production plan for affordable housing as well as identified affordable housing Preservation and resident Protection strategies and goals.
- Complete a Citywide Residential Anti-Displacement Strategy for the City Council's consideration to help mitigate pressure on vulnerable lower-income residents.
- Increase interim housing solutions by implementing two Bridge Housing Communities and continuing to manage the Plaza Hotel.
- Continue to implement Citywide homeless response programming and continue to partner with Destination: Home, a public-private partnership, the County of Santa Clara in implementing and updating of the Community Plan to End Homelessness.
- Oversee registration of organizations participating in the Temporary and Incidental Shelter and Safe Parking Programs per the recently adopted Citywide Ordinances.
- Implement the new 2020-25 Consolidated Plan and the 2020-21 Annual Action Plan authorizing the use of approximately \$14.5 million in annual allocations of federal fund to increase and preserve affordable housing, respond to homelessness, strengthen neighborhoods, and promote fair housing.
- Implement a plan to use an estimated additional \$8.2 million in CDBG, ESG and HOPWA stimulus funds for COVID-19 response.
- Develop a strategic plan for the Rent Stabilization Program including a robust community process to determine goals and outcomes for the coming three to five years.
- Implement and manage the Administrative Citations program to increase compliance of the Apartment Rent Ordinance, Tenant Protection Ordinance, and Housing Payment Equality Ordinance.

2020-2021 Key Budget Actions

- Adds permanently 1.0 Information Systems Analyst position to support the Housing Department Salesforce application and continue support of the Rent Stabilization Program applications.
- Continues 1.0 Senior Development Officer and 1.0 Development Officer position to support affordable housing transactions in response to the City's 10,000 affordable housing unit goal, assisting with underwriting services for the 11 new projects and the refinancing of existing developments.
- Adds 1.0 Senior Development Officer position, through June 30, 2022, to support several major initiatives including Citywide anti-displacement strategies, assessment of fair housing implementation and moderate income housing strategies.
- Adds 1.0 Analyst I/II position on the Homeless Response Team to focus on data collection and analytics, track performance measurements, and generate reports associated with the \$11.4 million Homeless Emergency Aid Program (HEAP) and \$24 million Homeless Housing, Assistance and Prevention Program (HHAP) grants.
- Adds 1.0 Analyst I/III to assist with non-grant contracting and development of the Housing Department's operating budget in the Administrative Services Program.

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"/> Inclusionary Fee Fund |
| <input type="checkbox"/> Home Investment Partnership Program Trust Fund | <input type="checkbox"/> Low and Moderate Income Housing Asset Fund |
| | <input type="checkbox"/> Multi-Source Housing Fund |
| | <input type="checkbox"/> Rent Stabilization Fee Fund |

Housing Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Affordable Housing Portfolio Management	2,049,936	2,317,807	2,461,887	2,449,750
Affordable Housing Production and Preservation	12,461,994	41,234,619	46,576,114	53,155,514
Homelessness Interventions and Solutions	8,622,371	24,697,325	32,418,069	32,213,326
Neighborhood Capital Investment and Public Services	8,318,866	19,436,136	18,735,452	9,700,764
Rent Stabilization and Tenant Protection	1,762,382	3,053,824	2,948,378	3,056,670
Strategic Support - Community & Economic Development	4,206,699	4,142,696	4,198,068	4,725,801
Strategic Support - Other - Community & Economic Development	3,523,426	2,278,217	1,263,921	3,046,894
Total	\$40,945,674	\$97,160,624	\$108,601,889	\$108,348,719
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	10,041,183	13,071,243	12,358,799	13,941,874
Overtime	51,899	24,830	34,830	34,830
Subtotal Personal Services	\$10,093,083	\$13,096,073	\$12,393,629	\$13,976,704
Non-Personal/Equipment	1,605,244	2,194,874	1,731,379	2,486,379
Total Personal Services & Non-Personal/Equipment	\$11,698,327	\$15,290,947	\$14,125,008	\$16,463,083
Other Costs*				
City-Wide Expenses	1,599,579	8,250,000	5,596,500	5,264,500
Housing Loans and Grants	16,653,122	51,408,899	57,483,899	56,740,221
Other	8,120,299	20,037,108	30,237,108	28,606,568
Other - Capital	0	0	0	0
Overhead Costs	2,850,654	2,073,670	1,059,374	1,174,347
Workers' Compensation	23,692	100,000	100,000	100,000
Total Other Costs	\$29,247,347	\$81,869,677	\$94,476,881	\$91,885,636
Total	\$40,945,674	\$97,160,624	\$108,601,889	\$108,348,719

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	2,069,160	8,838,664	5,884,205	5,755,904
Low And Moderate Income Housing Asset Fund (346)	11,166,303	47,317,209	46,313,810	59,087,478
Housing Trust Fund (440)	1,429,875	2,117,845	2,097,609	2,108,727
Community Development Block Grant Fund (441)	5,297,549	13,163,586	13,126,743	6,166,933
Home Investment Partnership Program Trust Fund (445)	8,436,022	2,526,798	7,937,039	2,216,536
Multi-Source Housing Fund (448)	12,546,764	19,611,698	29,708,125	29,325,897
Rental Stabilization Program Fee Fund (450)	0	3,360,817	3,314,150	3,436,167
Inclusionary Fee Fund (451)	0	224,007	220,208	251,077
Total	\$40,945,674	\$97,160,624	\$108,601,889	\$108,348,719
Positions by Core Service**				
Affordable Housing Portfolio Management	11.50	11.50	11.50	11.50
Affordable Housing Production and Preservation	12.50	13.00	11.50	17.00
Homelessness Interventions and Solutions	7.00	9.00	7.00	10.00
Neighborhood Capital Investment and Public Services	8.80	9.80	7.60	7.60
Rent Stabilization and Tenant Protection	17.85	17.55	16.57	17.07
Strategic Support - Community & Economic Development	19.85	20.65	21.33	23.33
Total	77.50	81.50	75.50	86.50

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Affordable Housing Portfolio Management					
Loan Collections	20,487	0	0	0	0.00
Loan Compliance	1,949,091	2,092,807	2,236,887	2,224,750	11.50
Property Maintenance and Inspection	80,358	225,000	225,000	225,000	0.00
Sub-Total	2,049,936	2,317,807	2,461,887	2,449,750	11.50
Affordable Housing Production and Preservation					
Affordable Housing Development Loans	11,077,501	39,989,344	44,640,031	51,761,595	11.80
Homeownership Opportunities	15,158	70,000	745,000	210,000	0.00
Inclusionary Housing	453,626	199,378	206,855	204,975	1.00
Rehabilitation Loans and Grants	915,709	975,897	984,228	978,944	4.20
Sub-Total	12,461,994	41,234,619	46,576,114	53,155,514	17.00
Homelessness Interventions and Solutions					
Homeless Outreach and Case Management	6,151,615	9,775,876	15,982,290	25,419,409	5.50
Interim Supportive Housing Development	0	3,439,044	3,439,044	1,084,417	2.00
Joint Encampment Response Team	1,079,865	1,585,000	1,631,500	1,596,500	2.50
Local and Regional Coordination/Policy Development to End Homelessness	253,349	200,000	0	0	0.00
Tenant Based Rental Assistance and Rapid Rehousing	1,137,541	9,697,405	11,365,235	4,113,000	0.00
Sub-Total	8,622,371	24,697,325	32,418,069	32,213,326	10.00
Neighborhood Capital Investment and Public Services					
Community Development Block Grant - Infrastructure Investments	2,885,766	10,911,788	10,860,640	4,206,118	7.24
Neighborhood Stabilization	135,295	0	0	0	0.00
Non-Profit Service Grants to Support Housing and Community Development Needs	5,187,014	7,967,805	7,798,350	5,485,146	0.36
Place-Based Neighborhood Strategy	110,791	556,543	76,462	9,500	0.00
Sub-Total	8,318,866	19,436,136	18,735,452	9,700,764	7.60
Rent Stabilization and Tenant Protection					
Apartment Rent Ordinance Administration	1,624,108	2,836,364	2,733,308	2,842,855	15.77
Mobilehome Rent Ordinance Administration	138,275	217,460	215,070	213,815	1.30
Sub-Total	1,762,382	3,053,824	2,948,378	3,056,670	17.07
Strategic Support - Community & Economic Development					
Housing Management and Administration	3,920,252	3,537,076	3,367,707	3,503,181	17.88

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Housing Planning and Policy Development	286,448	605,620	830,361	1,222,620	5.45
Sub-Total	4,206,699	4,142,696	4,198,068	4,725,801	23.33
Strategic Support - Other - Community & Economic Development					
Housing Other Departmental - City-Wide	300,000	0	0	1,668,000	0.00
Housing Other Departmental - Grants	358,828	34,547	34,547	34,547	0.00
Housing Overhead	2,839,907	2,073,670	1,059,374	1,174,347	0.00
Housing Transfers	998	70,000	70,000	70,000	0.00
Housing Workers' Compensation	23,692	100,000	100,000	100,000	0.00
Sub-Total	3,523,426	2,278,217	1,263,921	3,046,894	0.00
Total	\$40,945,674	\$97,160,624	\$108,601,889	\$108,348,719	86.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Housing Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	81.50	15,290,947	588,664
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Underwriting and Land Use Consulting Services		(100,000)	0
• Rebudget: Website Design		(100,000)	0
• Bridge Housing Communities (1.0 Housing Policy and Planning Administrator and 1.0 Analyst II)	(2.00)	(332,170)	0
• Coyote Creek Flood Recovery Efforts (2.0 Community Coordinator)	(2.00)	(269,802)	0
• Responsible Landlord Engagement Initiative		(205,000)	(205,000)
• Salesforce Technical Support (1.0 Information Systems Analyst)	(1.00)	(198,850)	0
• Affordable Housing Transactions Staffing (1.0 Senior Development Officer)	(1.00)	(190,134)	0
• Local Sales Tax - San Jose Streets Team Litter and Trash Removal		(135,000)	(135,000)
• Inspector Vehicles		(60,000)	0
One-Time Prior Year Expenditures Subtotal:	(6.00)	(1,590,956)	(340,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		286,512	39,041
• Asset Management Reporting Software		100,000	0
• Dues, Subscriptions and Memberships		15,000	0
• Salesforce and Virtu Licenses		11,505	0
• Multi-Function Device Rentals		10,000	0
• Professional Development Program		2,000	0
Technical Adjustments Subtotal:	0.00	425,017	39,041
2020-2021 Forecast Base Budget:	75.50	14,125,008	287,705
Budget Proposals Recommended			
1. Policy Program Staffing	1.00	397,013	0
2. Affordable Housing Transactions Staffing	5.00	356,153	0
3. Emergency Shelter Program Staffing	2.00	343,400	0
4. Homeless Rapid Rehousing Funding Shift	0.00	264,645	0
5. Responsible Landlord Engagement Initiative		205,000	205,000
6. Underwriting Services		200,000	0
7. Housing Information Technology Staffing	1.00	198,352	0
8. Housing Department Executive Staff Support	1.00	176,594	0
9. Homeless Response Program Staffing	1.00	148,656	0
10. Administrative Services Staffing	1.00	123,882	0
11. Municipal Advisory Services		100,000	0
12. Community Plan to End Homelessness Communications		50,000	0

Housing Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
13. Housing Department Council Memorandum Support	(1.00)	(141,494)	0
14. City Retirement Contributions Pre-Funding		(84,126)	(1,301)
Total Budget Proposals Recommended	11.00	2,338,075	203,699
2020-2021 Proposed Budget Total	86.50	16,463,083	491,404

Housing Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Policy Program Staffing</p> <p><i>Community and Economic Development CSA Strategic Support Core Service Housing Planning and Policy Development Program</i></p> <p>This action adds 1.0 Senior Development Officer position through June 30, 2022 and one-time non-personal/equipment funding of \$200,000, funded by the Low and Moderate Income Housing Asset Fund, to support several major initiatives. These include anti-displacement strategies, assessment of fair housing implementation, and moderate income housing strategies. The position will assist in the development and update of several policy items such as the Housing Element, Housing Crisis Work Plan, Climate Smart, Plan Bay Area Update, and other State legislation. (Ongoing costs: \$197,043)</p>	1.00	397,013	0
<p>2. Affordable Housing Transactions Staffing</p> <p><i>Community and Economic Development CSA Affordable Housing Production and Preservation Core Service Affordable Housing Development Loans Program</i></p> <p>This action adds 2.0 Senior Development Officer, 1.0 Development Officer, and 1.0 Analyst II effective July 1, 2020 and 1.0 Development Officer effective January 1, 2021 to support affordable housing transactions. The Mayor and City Council adopted a Housing Crisis Workplan that prioritizes the creation of 10,000 affordable housing units in five years. While additional resources are needed to meet this goal, the Housing Department issued a \$100 million Notice of Funding Availability and anticipates underwriting 11 new developments that will add a total of 1,144 affordable apartments to the City's housing inventory. In addition to developing new affordable housing, the Department has a large pipeline of existing developments built in the 1990's that are scheduled to be refinanced. Also, starting January 1, 2021, these positions will provide program administration support with the recent passage of Measure E, which enacted a real property transfer tax that would provide funding to assist the homeless and provide affordable housing. (Ongoing costs: \$0)</p>	5.00	356,153	0
<p>3. Emergency Shelter Program Staffing</p> <p><i>Community and Economic Development CSA Homelessness Interventions and Solutions Core Service Interim Supportive Housing Development Program</i></p> <p>This action adds 1.0 Housing Policy and Planning Administrator position and 1.0 Analyst II position to support the continued development and implementation of the Bridge Housing Communities (BHC) in San Jose. In January 2020, San José opened the City's first BHC and welcomed 40 formerly homeless residents to move into tiny homes. Staff will continue to oversee the development of the second BHC site, which is projected to be completed by fall 2020. On April 7, 2020, City Council directed the Administration to redirect \$17.0 million in State grant funding to build emergency housing in connection with the Shelter Crisis Declaration and public health exacerbated by the COVID-19 pandemic. The Housing Department will work with the Public Works Department to plan and construct up to three additional BHC. These positions will continue to support the development and operations of the two existing BHC sites as well as the three new sites. (Ongoing costs: \$343,400)</p>	2.00	343,400	0

Housing Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. Homeless Rapid Rehousing Funding Shift</p> <p><i>Community and Economic Development CSA Homelessness Interventions and Solutions Core Service Homeless Outreach and Case Management Program</i></p> <p>This action shifts funding for 1.0 Development Officer position and 0.50 Senior Development Officer position from the General Fund to the City Housing Authority Fund to continue to address homelessness in the City. 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 of that settlement will be used to fund homeless rapid rehousing. (Ongoing costs: \$254,645)</p>	0.00	264,645	0
<p>5. Responsible Landlord Engagement Initiative</p> <p><i>Community and Economic Development CSA Neighborhood Capital Investment and Public Services Core Service Non-Profit Service Grants to Support Housing and Community Development Needs Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$205,000 to support the Responsible Landlord Engagement Initiative (RLEI) reflecting a continuation of the 2019-2020 allocation. This one-time funding continues support for the program's efforts to encourage property owners to manage their properties in a responsible manner and to work with tenants and community groups to improve the safety and security of San Jose neighborhoods. (Ongoing costs: \$0)</p>		205,000	205,000
<p>6. Underwriting Services</p> <p><i>Community and Economic Development CSA Affordable Housing Production and Preservation Core Service Affordable Housing Development Loans Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$200,000 to provide consultant services for on-call environmental review, which will facilitate predevelopment activities associated with future housing development projects. The consultant will assist City staff to underwrite affordable housing developments that receive funding commitments from the City Council through the Notice of Funding Availability issued in 2018. There are currently six remaining developments that are in various stages of the entitlement process that will need the Housing Department to underwrite and close. These six developments are Alum Rock Family (Affirmed Housing Group), Blossom Hill (Charities Housing), Evans Lane (Allied Housing), Gallup Mesa (Eden Housing), West San Carlos (Danco Communities), and Meridian Avenue (Roem Development). (Ongoing costs: \$0)</p>		200,000	0

Housing Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Housing Information Technology Staffing <i>Community and Economic Development CSA</i> <i>Affordable Housing Production and Preservation Core Service</i> <i>Rent Stabilization and Tenant Protection Core Service</i> <i>Affordable Housing Development Loans Program</i> <i>Apartment Rent Ordinance Administration Program</i>	1.00	198,352	0
<p>This action adds 1.0 Information Systems Analyst position to support the Housing Department's Salesforce System, which is the foundation for both the City's online rent registry and loan portfolio management. The position is the last staffing addition per the comprehensive Rent Stabilization Program staffing plan that was approved by the City Council in November 2017. The position will also maintain the portfolio management system which tracks the City's entire \$711 million portfolio of over 1,200 loans and 18,000 City facilitated affordable rental units. (Ongoing costs: \$198,352)</p>			
8. Housing Department Executive Staff Support <i>Community and Economic Development CSA</i> <i>Strategic Support Core Service</i> <i>Housing Management and Administration Program</i>	1.00	176,594	0
<p>This action adds 1.0 Assistant to the Director position to assist the Housing Director with special projects and studies, perform public liaison work with affordable housing interest groups, make recommendations regarding programs and Department operations, track and respond to City Council referrals, coordinate development of City Council Memorandum, create ad hoc presentations, and prepare communications and talking points for the Director. (Ongoing costs: \$176,594)</p>			
9. Homeless Response Program Staffing <i>Community and Economic Development CSA</i> <i>Homelessness Interventions and Solutions Core Service</i> <i>Homeless Outreach and Case Management Program</i>	1.00	148,656	0
<p>This action adds 1.0 Analyst II position on the Homeless Response Team, funded 50% by Homeless Emergency Aid Program funds and 50% by Homeless Housing, Assistance and Prevention Program funds, to primarily focus on collecting data; tracking grants; measuring performance; writing, updating, and coordinating reports (such as the Homeless Annual Report); and managing contracts on homelessness. With a dedicated position to focus on data collection and analysis, the Department will be able to provide quicker responses to the Mayor and City Council on the progress of the City's homeless programs. (Ongoing costs: \$148,656)</p>			

Housing Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Administrative Services Staffing	1.00	123,882	0
<p><i>Community and Economic Development CSA</i> Strategic Support Core Service <i>Housing Management and Administration Program</i></p> <p>This action adds 1.0 Analyst II position, starting September 1, 2020, in the Housing Department's Administrative Services Program. With the recent establishment of the Inclusionary Fee Fund and Rental Stabilization Program Fee Fund, the receipt of Homeless Emergency Aid Program funds, the anticipated receipt of the Homeless Housing, Assistance and Prevention funds, and the recent passage of Measure E, this position will primarily provide additional budget monitoring, tracking, and reporting support of all these funds. In addition, this position will conduct Request for Proposals and assist in the management of developer agreements and purchase orders. (Ongoing costs: \$148,660)</p>			
11. Municipal Advisory Services		100,000	0
<p><i>Community and Economic Development CSA</i> Affordable Housing Production and Preservation Core Service <i>Affordable Housing Development Loans Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$100,000 to provide consultant services for general municipal advisory services for the City's multi-family housing projects. The consultant will assist City staff in the administration of existing affordable multi-family housing debt and loan portfolio financing and provide financing strategies for new affordable housing projects under consideration. (Ongoing costs: \$0)</p>			
12. Community Plan to End Homelessness Communications		50,000	0
<p><i>Community and Economic Development CSA</i> Homelessness Interventions and Solutions Core Service Rent Stabilization and Tenant Protection Core Service <i>Apartment Rent Ordinance Administration Program</i> <i>Homeless Outreach and Case Management Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$50,000 to provide support to the Housing Department's Communications Team. The funding will allow for extended outreach through increased production of education materials for tenants and landlords, support the roll out of the new Community Plan to End Homelessness, and provide professional services for video production to support the Homeless Response Team. (Ongoing costs: \$0)</p>			

Housing Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Housing Department Council Memorandum Support	(1.00)	(141,494)	0
<i>Community and Economic Development CSA Strategic Support Core Service Housing Management and Administration Program</i>			
<p>This action deletes 1.0 Analyst II position, effective September 1, 2020, that primarily served as the Department's City Council Memorandum liaison. The roles and duties of this position will be transitioned to existing staff within the Department and the recommended addition of the Assistant to the Director position included in this document. There will be no service level impact from this action. (Ongoing savings: \$169,794)</p>			
14. City Retirement Contributions Pre-Funding		(84,126)	(1,301)
<i>Community and Economic Development CSA Core Service: Department-wide Program: Department-wide</i>			
<p>This action reduces the Housing Department's Personal Services appropriation by \$84,126 in all funds, \$1,301 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$84,126)</p>			
2020-2021 Proposed Budget Changes Total	11.00	2,338,075	203,699

Housing Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 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	17.00	19.00	2.00
Assistant to the Director	0.00	1.00	1.00
Building Rehabilitation Inspector I/II	3.00	3.00	-
Building Rehabilitation Supervisor	1.00	1.00	-
Community Coordinator	2.00	0.00	(2.00)
Community Programs Administrator	1.00	1.00	-
Deputy Director	2.00	2.00	-
Development Officer	10.00	12.00	2.00
Development Specialist	5.00	5.00	-
Development Specialist PT	0.50	0.50	-
Director of Housing	1.00	1.00	-
Division Manager	3.00	3.00	-
Housing Policy and Plan Administrator	4.00	4.00	-
Information Systems Analyst	1.00	1.00	-
Office Specialist II	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative II	2.00	2.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	2.00	2.00	-
Senior Development Officer	8.00	10.00	2.00
Senior Systems Applications Programmer	1.00	1.00	-
Staff Specialist	7.00	7.00	-
Student Intern PT	1.00	1.00	-
Total Positions	81.50	86.50	5.00

Human Resources Department

Jennifer Schembri, Director

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Our Human Resource team recognizes that our Employees power the City of San José and our success as a City is dependent on our ability to create a dynamic and engaged workforce. Our employees' ability to provide excellent service is strengthened when we invest in attracting talent, providing opportunities for career growth, enabling an environment focused on health, safety, and wellness, and retaining a diverse workforce in a workplace that is equitable and inclusive.

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 City's ability to attract and hire a diverse and talented workforce.

Health and Safety

Provide services that promote employee health, safety, and well-being

Training and Development

Provide Citywide training and development programs that support employee growth, engagement, and retention.

Strategic Support: Citywide Human Resources Systems Management and Records Management, Departmental Administration, Customer Service, Personnel Management, and Financial Management.

Human Resources Department

Department Budget Summary

PROGRAM	DESCRIPTION
<i>Employee Benefits Core Service</i>	
Deferred Compensation	Manages the Voluntary and Non-Voluntary Employee Deferred Compensation contribution and related non-personal and personal administrative expenses.
Dental Benefits	Manages the City's dental benefits provided to City employees and their dependents.
Medical Benefits	Manages the City's medical benefits provided to City employees and their dependents.
Other Benefits	Manages the other City benefits provided to City employees and their dependents, such as Life Insurance, Unemployment, Vision, etc.
<i>Employment Services Core Service</i>	
Classification Services	Ensures that positions are properly classified, described, and aligned to support organizational effectiveness and efficiency. In addition, this program determines appropriate salary ranges for new and existing classifications by conducting market and internal equity analyses.
Recruiting/Hiring	Manages recruitment, assessment, and hiring processes to meet the City's staffing needs. In addition, this program is responsible for managing placements, bumping, redeployment, and layoffs, as necessary.
<i>Health and Safety Core Service</i>	
Employee Safety	Provides comprehensive safety services for 16 City Departments, various City-wide safety trainings, and analysis of work injury data for accident prevention.
Employee Health Services	Provides occupational medical services, including pre-employment physicals, medical testing and surveillance, blood-borne pathogen testing, and general wellness screenings.
Workers' Compensation Administration	Provides state-mandated benefits for employees injured on the job.
<i>Training and Development Core Service</i>	
Employee Training and Development	Provides training and development offerings for employees Citywide to develop essential skills like mentoring, coaching, writing, data visualization, analysis and reporting, and public presentations.
<i>Strategic Support Core Service</i>	
Human Resources Management and Administration	Provides citywide Human Resources Systems Management and Records Management as well as administrative oversight for the department, including executive management, financial management, and human resources.

Human Resources Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Hiring for Talent: Continue to reduce vacancies by evaluating, streamlining, and innovating for effective hiring practices and building long term capacity through strategic pipeline programs.
- Offer a Diverse Menu of Benefits: Improve the City's strategy for offering an attractive package of benefits to our employees, including streamlining our systems, policies, and practices to be employee centric and efficient, and implement targeted wellness programs.
- Injury Prevention and Supporting Injured Workers: In partnership with departments, build a city wide culture and series of programs that are focused on keeping employees safe and well. In the event of an injury, ensure that the Third Party Administrator (TPA) for the City's Workers' Compensation Program provides responsible and appropriate workers' compensation services.
- Rebuild Citywide Training and Development: Develop a strategy for re-launching a robust set of programs to complement departmental offerings and support employee growth and development.

2020-2021 Key Budget Actions –

- Eliminates 1.0 vacant Nurse Practitioner position. In the past these physicals were performed annually, however, after reviewing Fire union contract, which allows physicals to be conducted every three years for persons under the age of 45 and every other year for persons over the age of 45, it is determined that physicals should be conducted bi-annually starting in the 2020-2021 fiscal year. This change will significantly reduce the workload for Employee Health Services allowing the continued use of contracted staff to fulfill this role.
- Adds one-time non-personal/equipment funding of \$100,000 to support the Talent Development Program. The action is offset by the liquidation of the 2020-2021 Talent Development Reserve that was established in the amount of \$330,000 in the 2019-2020 Adopted Budget. The remaining amount in the reserve will be recognized as savings to the General Fund.
- Eliminates 1.0 vacant Principal Office Specialist position. In April 2020 the City of San José implemented a hiring freeze resulting in a reduced need of clerical staff to fulfill the needs of onboarding new employees.
- Eliminates 1.0 Analyst position, effective October 1, 2020, in the Benefits Division as a result of the Department's efforts to streamline practices within the Division, allowing for the duties of this position to be redistributed to existing staff with no impact.

Operating Funds Managed

- Benefit Fund – Benefit Fund
- Benefit Fund – Dental Insurance Fund
- Benefit Fund – Unemployment Insurance Fund
- Benefit Fund – Life Insurance Fund
- Benefit Fund – Self Insured Medical Fund

Human Resources Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Employee Benefits	90,898,142	100,485,209	100,613,126	95,413,974
Employment Services	2,902,855	3,397,839	2,997,590	2,773,622
Health and Safety	6,026,255	6,901,653	6,635,289	6,443,037
Strategic Support - Other - Strategic Support	1,161,050	1,455,999	1,345,304	1,328,250
Strategic Support - Strategic Support	1,591,400	1,840,950	1,757,744	1,744,468
Training and Development	285,306	958,969	428,000	350,000
Total	\$102,865,007	\$115,040,619	\$113,777,053	\$108,053,351
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	6,864,869	7,757,927	7,613,362	7,144,049
Overtime	32,341	28,018	28,018	28,018
Subtotal Personal Services	\$6,897,210	\$7,785,945	\$7,641,380	\$7,172,067
Non-Personal/Equipment	5,486,383	6,664,769	5,856,463	5,856,463
Total Personal Services & Non-Personal/Equipment	\$12,383,594	\$14,450,714	\$13,497,843	\$13,028,530
Other Costs*				
City-Wide Expenses	216,733	278,000	278,000	100,000
Employee/Retiree Benefits	88,282,384	97,655,906	97,655,906	92,596,571
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	377,181	488,999	495,304	478,250
Workers' Compensation	1,605,115	2,167,000	1,850,000	1,850,000
Total Other Costs	\$90,481,413	\$100,589,905	\$100,279,210	\$95,024,821
Total	\$102,865,007	\$115,040,619	\$113,777,053	\$108,053,351

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Human Resources Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	11,739,692	14,283,681	12,791,236	12,220,086
Public Works Program Support Fund (150)	142,099	182,479	210,124	209,056
Benefits Funds - Dental Insurance Fund (155)	12,004,368	12,305,020	12,334,808	12,396,652
Benefits Funds - Life Insurance Fund (156)	1,506,999	1,650,213	1,651,996	1,712,147
Benefits Funds - Unemployment Insurance Fund (157)	592,477	610,751	612,645	757,422
Benefits Funds - Self-Insured Medical Fund (158)	11,916,007	12,869,160	12,715,271	615,271
Benefits Funds - Benefit Fund (160)	64,296,029	72,351,492	72,611,335	79,298,114
Building Development Fee Program Fund (237)	0	0	31,085	30,846
Planning Development Fee Program Fund (238)	0	0	20,724	20,565
Low And Moderate Income Housing Asset Fund (346)	26,987	43,205	37,981	37,791
Library Parcel Tax Fund (418)	80,714	103,219	100,623	100,191
Integrated Waste Management Fund (423)	30,222	32,498	34,388	34,171
Storm Sewer Operating Fund (446)	57,981	69,360	69,504	69,097
San José-Santa Clara Treatment Plant Operating Fund (513)	346,870	391,901	397,999	395,557
Water Utility Fund (515)	16,925	18,267	18,913	18,793
Sewer Service And Use Charge Fund (541)	29,787	45,572	45,063	44,847
Vehicle Maintenance And Operations Fund (552)	77,849	83,801	93,358	92,745
Total	\$102,865,007	\$115,040,619	\$113,777,053	\$108,053,351
Positions by Core Service**				
Employee Benefits	13.00	12.00	12.00	11.00
Employment Services	16.00	17.00	17.00	16.50
Health and Safety	15.00	8.00	8.00	7.00
Strategic Support - Strategic Support	8.25	9.25	9.50	9.00
Training and Development	0.25	0.25	0.00	0.00
Total	52.50	46.50	46.50	43.50

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Human Resources Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Employee Benefits					
Deferred Compensation	1,895,000	1,955,797	1,962,796	2,136,521	1.55
Dental Benefits	11,912,902	12,256,355	12,288,154	12,349,998	1.11
Medical Benefits	55,515,359	71,646,568	71,700,418	65,517,036	5.06
Other Benefits	21,574,881	14,626,489	14,661,758	15,410,419	3.28
Sub-Total	90,898,142	100,485,209	100,613,126	95,413,974	11.00
Employment Services					
Classification Services	66,755	263,767	190,952	189,243	1.00
Recruiting/Hiring	2,836,099	3,134,072	2,806,638	2,584,379	15.50
Sub-Total	2,902,855	3,397,839	2,997,590	2,773,622	16.50
Health and Safety					
Employee Health Services	608,239	722,043	782,510	597,641	2.00
Employee Safety	373,179	570,968	599,752	596,605	2.50
Workers' Compensation Administration	5,044,836	5,608,642	5,253,027	5,248,791	2.50
Sub-Total	6,026,255	6,901,653	6,635,289	6,443,037	7.00
Training and Development					
Employee Training and Development	285,306	958,969	428,000	350,000	0.00
Sub-Total	285,306	958,969	428,000	350,000	0.00
Strategic Support - Strategic Support					
Human Resources Management and Administration	1,591,400	1,840,950	1,757,744	1,744,468	9.00
Sub-Total	1,591,400	1,840,950	1,757,744	1,744,468	9.00
Strategic Support - Other - Strategic Support					
Human Resources Overhead	377,181	488,999	495,304	478,250	0.00
Workers' Compensation - Other Departments	783,869	967,000	850,000	850,000	0.00
Sub-Total	1,161,050	1,455,999	1,345,304	1,328,250	0.00
Total	\$102,865,007	\$115,040,619	\$113,777,053	\$108,053,351	43.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	46.50	14,450,714	11,838,681
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Training and Development		(166,000)	(166,000)
• Talent Development Program		(330,000)	(330,000)
• Employment Services Temporary Staff Continuation		(232,000)	(232,000)
• Human Resources Cubicle and Conference Room Project		(180,000)	(180,000)
• Employment Consulting Services		(75,000)	(75,000)
• Career Fair		(25,000)	(25,000)
• Live Scan		(20,000)	(20,000)
One-time Prior Year Expenditures Subtotal:	-	(1,028,000)	(1,028,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Administrative Assistant to 1.0 Staff Specialist - 0.5 Office Specialist II PT and 0.5 Staff Specialist PT to 1.0 Staff Specialist		170,435	93,563
• Contract Services: Employee Health Services		45,000	45,000
• Equipment and Supplies: New Employee Welcome		27,000	27,000
• Contract Services: Affordable Care Act Reporting		25,000	0
• Contract Services: Dental Plan Administration		25,000	0
• Contract Services: Unemployment Benefits Consulting		396	0
• Contract Services: Deferred Compensation Audit		271	271
• Contract Services: Voluntary Employees' Beneficiary Association Audit		271	271
• Contract Services: Workers' Compensation Administrative Services		(157,000)	(157,000)
• Fund Shift: Benefits Division Staffing		0	(50,574)
• Development Fee Program Staff Funding Shift		0	(44,732)
• Budget Realignment: Voluntary Employees' Beneficiary Association		(34,070)	(34,070)
• Budget Realignment: Deferred Compensation		(27,174)	(27,174)
Technical Adjustments Subtotal:	-	75,129	(147,445)
2020-2021 Forecast Base Budget:	46.50	13,497,843	10,663,236
Budget Proposals Recommended			
1. Talent Development Program		100,000	100,000
2. Employee Health Services Staffing	(1.00)	(181,900)	(181,900)
3. Benefits Administration Staffing	(1.00)	(121,552)	(60,777)
4. Human Resources Information System Staffing	(1.00)	(114,453)	(114,453)
5. Human Resources Non-Personal/Equipment Savings		(100,000)	(100,000)
6. City Retirement Contributions Pre-Funding		(51,408)	(36,020)
Total Budget Proposals Recommended	(3.00)	(469,313)	(393,150)
2020-2021 Proposed Budget Total	43.50	13,028,530	10,270,086

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Talent Development Program <i>Strategic Support CSA</i> <i>Training and Development Core Service</i> <i>Employee Training and Development Program</i> <p>This action adds one-time non-personal/equipment funding of \$100,000 to support the Talent Development Program. The action is offset by the liquidation of the 2020-2021 Talent Development Reserve that was established in the amount of \$330,000 in the 2019-2020 Adopted Budget. The remaining amount in the reserve will be recognized as savings to the General Fund. This funding will be used to assess, create, and implement talent development activities for employees. This aligns with the City Manager's "Powered by People" enterprise priority that focuses, in part, on engaging in efforts to support employee retention, engagement, and advancement through training and development. The funding will support re-building talent development programs/courses. (Ongoing costs: \$0)</p>		100,000	100,000
2. Employee Health Service Staffing <i>Strategic Support CSA</i> <i>Health and Safety Core Service</i> <i>Employee Health Services Program</i> <p>This action eliminates 1.0 vacant Nurse Practitioner position. This position has been vacant for the past several years and has been filled by part-time contracted staff. This position is responsible for conducting the physicals of City of San José sworn personnel in the Fire and Police Departments, amongst other duties. In the past these physicals were performed annually, however, after reviewing Fire union contract, which allows physicals to be conducted every three years for persons under the age of 45 and every other year for persons over the age of 45, it is determined that physicals should be conducted bi-annually starting in 2020-2021. This change will significantly reduce the workload for Employee Health Services allowing the continued use of contracted staff to fulfill this role. The cost of the contracted staff will be absorbed within the departments existing non-personal/equipment budget. (Ongoing savings: \$185,571)</p>	(1.00)	(181,900)	(181,900)
3. Benefits Administration Staffing <i>Strategic Support CSA</i> <i>Employee Benefits Core Service</i> <i>Medical Benefits and Other Benefits Programs</i> <p>This action eliminates 1.0 filled Analyst II position as of October 2020. This position is currently being filled by an incumbent that is expected to retire in September 2020. In recent years the Human Resource Department has streamlined practices in the Benefits Division. This streamlining effort has made possible to redistribute duties of this position to other staff without affecting the ability for the benefits team to perform essential services as pertaining to employee benefits. The Department will also consider streamlining and automation of other processes so as not to affect essential services of the Benefits Division. (Ongoing savings: \$162,067)</p>	(1.00)	(121,552)	(60,777)

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. Human Resources Information System Staffing</p> <p><i>Strategic Support CSA Employment Services Core Service Recruiting/Hiring Program</i></p> <p>This action eliminates 1.0 vacant Principal Office Specialist position. In April 2020, the City of San José implemented a hiring freeze resulting in a reduced need of clerical staff to fulfill the needs of onboarding new employees. Additionally, the department is pursuing implementation of business process automation to streamline a variety of transactions. With this reduction in workflow and streamlining processes, the duties of this position are able to be redistributed to other administration staff without impacting ongoing work efforts. (Ongoing savings: \$116,749)</p>	(1.00)	(114,453)	(114,453)
<p>5. Human Resources Department Non-Personal/Equipment Savings</p> <p><i>Strategic Support CSA Core Service: Department-Wide Program: Department-Wide</i></p> <p>This action reduces non-personal/equipment funding by \$100,000 for contractual services, subscription and dues, training, and printing. After a review of the non-personal/equipment budget, it was determined that this reduction will have no impact to current service levels. Of this reduction, \$80,000 is related to the cost of outsourcing fingerprinting for on-boarding. In the 2019-2020 Adopted Budget, a purchase of an in-house finger print scanner was approved cutting the cost of the need for outsourcing finger printing related to hiring City employees. (Ongoing savings: \$100,000)</p>		(100,000)	(100,000)
<p>6. City Retirement Contributions Pre-Funding</p> <p><i>Strategic Support CSA Core Service: Department-Wide Program: Department-Wide</i></p> <p>This action reduces the Human Resources Department's Personal Services appropriation by \$51,408 in all funds, \$36,020 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million (Ongoing savings: \$51,408)</p>		(51,408)	(36,020)
2020-2021 Proposed Budget Changes Total	(3.00)	(469,313)	(393,150)

Human Resources Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Account Clerk	1.00	1.00	-
Administrative Assistant	1.00	0.00	(1.00)
Administrative Officer	1.00	1.00	-
Analyst I/II	15.00	14.00	(1.00)
Assistant Director	1.00	1.00	-
Director, Human Resources	0.50	0.50	-
Division Manager	3.00	3.00	-
Employee Health Services Supervisor	1.00	1.00	-
Medical Assistant	1.00	1.00	-
Nurse Practitioner	1.00	0.00	(1.00)
Office Specialist II	1.00	1.00	-
Office Specialist II PT	0.50	0.00	(0.50)
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	2.00	1.00	(1.00)
Senior Analyst	11.00	11.00	-
Senior Office Specialist	2.00	2.00	-
Staff Specialist	3.50	5.00	1.50
Total Positions	46.50	43.50	(3.00)

Office of the Independent Police Auditor

Shivaun Nurre, 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

Independent civilian oversight of the San José Police Department (SJPD) by taking in complaints from members of the public about San José police officers, auditing misconduct investigations, preparing annual public reports, making recommendations to improve SJPD policies, participating in the Department's review of officer-involved shooting incidents, and conducting community outreach and engagement.

Strategic Support: Administrative Support

Office of the Independent Police Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Independent Police Oversight Core Service</i>	
Oversight of Police Misconduct Complaints and Public Outreach	Independent civilian oversight of the San José Police Department (SJPD) by taking in complaints from members of the public about San José police officers, auditing misconduct investigations, preparing annual public reports, making recommendations to improve SJPD policies, participating in the Department's review of officer-involved shooting incidents, and conducting community outreach and engagement.
<i>Strategic Support Core Service</i>	
IPA Management and Administration	Provides administrative oversight for the department, including financial management, human resources, and analytical support.

Office of the Independent Police Auditor

Department Budget Summary

Expected 2020-2021 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.
- Coordinate with SJPD on implementing any agreements reached on expansion of Independent Police Auditor (IPA) authority.
- Update IPA dashboard incorporating text-based surveys, data visualizations, and the IPA Year End Report.
- Leverage a mix of traditional and technological community engagement tools (i.e., social media, informational flyers/updates) in order to connect and reach residents of San Jose, while adhering to social distance policies.

2020-2021 Key Budget Actions

- Reduces the Office of the Independent Police Auditor's non-personal/equipment allocation by \$3,000 to reflect savings from printing and advertising expenses.

- Operating Funds Managed**

N/A

Office of the Independent Police Auditor

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Independent Police Oversight	1,196,335	1,317,667	1,215,395	1,203,191
Strategic Support - Other - Public Safety	94,774	3,000	2,178	0
Strategic Support - Public Safety	37,876	136,375	114,461	113,481
Total	\$1,328,985	\$1,457,042	\$1,332,034	\$1,316,672
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	1,209,747	1,397,427	1,289,241	1,279,057
Overtime	0	1,000	1,000	1,000
Subtotal Personal Services	\$1,209,747	\$1,398,427	\$1,290,241	\$1,280,057
Non-Personal/Equipment	24,464	55,615	39,615	36,615
Total Personal Services & Non-Personal/Equipment	\$1,234,211	\$1,454,042	\$1,329,856	\$1,316,672
<i>Other Costs*</i>				
City-Wide Expenses	94,774	3,000	0	0
Gifts	0	0	2,178	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$94,774	\$3,000	\$2,178	\$0
Total	\$1,328,985	\$1,457,042	\$1,332,034	\$1,316,672

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the Independent Police Auditor

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	1,328,985	1,457,042	1,329,856	1,316,672
Gift Trust Fund (139)	0	0	2,178	0
Total	\$1,328,985	\$1,457,042	\$1,332,034	\$1,316,672
Positions by Core Service**				
Independent Police Oversight	5.50	5.50	5.50	5.50
Strategic Support - Public Safety	0.50	0.50	0.50	0.50
Total	6.00	6.00	6.00	6.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of the Independent Police Auditor

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Independent Police Oversight					
Oversight of Police Misconduct Complaints and Public Outreach	1,196,335	1,317,667	1,215,395	1,203,191	5.50
Sub-Total	1,196,335	1,317,667	1,215,395	1,203,191	5.50
Strategic Support - Public Safety					
Independent Police Auditor Management and Administration	37,876	136,375	114,461	113,481	0.50
Sub-Total	37,876	136,375	114,461	113,481	0.50
Strategic Support - Other - Public Safety					
Independent Police Auditor Gifts	0	0	2,178	0	0.00
Independent Police Auditor Other Departmental - City-Wide	94,774	3,000	0	0	0.00
Sub-Total	94,774	3,000	2,178	0	0.00
Total	\$1,328,985	\$1,457,042	\$1,332,034	\$1,316,672	6.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of the Independent Police Auditor

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	6.00	1,454,042	1,454,042
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: WiFi Maintenance and Printing		(16,000)	(16,000)
One-time Prior Year Expenditures Subtotal:	0.00	(16,000)	(16,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		(108,186)	(108,186)
Technical Adjustments Subtotal:	0.00	(108,186)	(108,186)
2020-2021 Forecast Base Budget:	6.00	1,329,856	1,329,856
Budget Proposals Recommended			
1. City Retirement Contributions Pre-Funding		(10,184)	(10,184)
2. Printing/Advertising Services		(3,000)	(3,000)
Total Budget Proposals Recommended	0.00	(13,184)	(13,184)
2020-2021 Proposed Budget Total	6.00	1,316,672	1,316,672

Office of the Independent Police Auditor

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. City Retirement Contributions Pre-Funding		(10,184)	(10,184)
<i>Public Safety CSA</i> <i>Core Service: Department-Wide</i> <i>Program: Department-Wide</i>			
<p>This action reduces the Office of the Independent Police Auditor's (IPA) Personal Services appropriation by \$10,184, all in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$10,184)</p>			
2. Printing/Advertising Services		(3,000)	(3,000)
<i>Public Safety CSA</i> <i>Independent Police Oversight Core Service</i> <i>Oversight of Police Misconduct Complaints and Public Outreach Program</i>			
<p>This action reduces the Office of the Independent Police Auditor's Non-Personal/Equipment appropriation by \$3,000. The IPA will reduce outside vendor services for the layout of the annual report and anticipates developing more of an on-line digital platform for publications using internal staff. Historically, the readership of the printed report has been city staff and other civilian oversight professionals, but both groups now have access to the reports on-line. Therefore, there will be minimal impact to service levels as a result of this action. (Ongoing savings: \$3,000)</p>			
2020-2021 Proposed Budget Changes Total	0.00	(13,184)	(13,184)

Office of the Independent Police Auditor

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Analyst II, Independent Police Auditor	1.00	1.00	-
Assistant Independent Police Auditor	1.00	1.00	-
Independent Police Auditor	1.00	1.00	-
Office Specialist II	1.00	1.00	-
Senior Analyst, Independent Police Auditor	2.00	2.00	-
Total Positions	6.00	6.00	0.00

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Information Technology Department

Rob Lloyd, Chief Information Officer

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E *xecute, secure, and sustain the civic technology solutions that allow San José to thrive as a community*

City Service Area

Strategic Support

Core Services

Business 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

Customer Contact Center

Primary point of 311 City information for residents, businesses, utilities customers, and employees; support amazing customer experiences through open data, mobile application, online, chat, virtual agent, social, and public network platforms

Technology Infrastructure and Operations

Support superior municipal services through reliable, high-performance, and secure technology services; provide technology infrastructure for business solutions, analytics, data/voice/video communications; plan and coordinate services that sustain City operations

Strategic Support

Budget, fiscal, personnel, performance, and audit management; general administrative support; city-wide strategic technology planning

Information Technology Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Business Solutions Core Service</i>	
Advanced Applications and Services	Develops, implements, and supports software applications and system integrations for multi-departmental to division level business solutions. These business solutions are required to directly support specific City operations.
Data Services	Enables data administration, use, analytics, transparency and reporting by staff and the public, through strong data platforms, tools, and support.
Enterprise Resource Management	Manages and supports use of Human Resources, Payroll, Talent, Financials, Budgeting, and Tax Systems impacting all City personnel and fiscal actions. Enables data transparency, analytics, decision-support, and reporting by staff and the public.
Productivity and Collaboration Applications	Administers and supports city-wide use of collaboration and productivity software that multiply the efficiency and effectiveness of City contributors. Collaboration tools enhance group performance through information access, tracking assignments through delivery, and in-group communications. Productivity solutions enable work with high efficiency through documents, spreadsheets, analytics, presentations, electronic messaging, and mobile work enhancement. Business process automation services digitize City workflows to process faster, with less staff time, and with auditability.
<i>Customer Contact Center Core Service</i>	
City Customer Contact Center	Serves as the digital contact point for the large majority of non-emergency interactions between the City and residents and businesses as San Jose 311. Intakes and processes utility billing cases. Provides access to City information and offices via mobile, chat, online portal, and telephone means. Coordinates across departments to administer main call trees, the frequently asked questions manifest, and response scripts. Administers overflow vendor contract(s) for after-hours and special events call handling.
<i>Technology Infrastructure and Operations Core Service</i>	
Cybersecurity Office	Secures City information and systems assets to ensure business value, compliance, and resilience for all departments.
IT Customer Care	Supports the customer-side use of information and communications technologies by City staff across all departments, including computers and mobile devices. Resolves Help Desk service requests. Supports City employees and contractors in working remotely effectively.
IT Systems and Operations	Administers and supports the underlying data/voice/video network, hardware systems, storage resources, virtualization, and cloud services fabric on which City software, communications, and collaboration solutions are built.
Voice and Data Network Infrastructure	Manages city-wide telephone costs, charges/billing, procurement, enterprise voice, and data network infrastructure for quality voice and data communication abilities.
<i>Strategic Support Core Service</i>	
Information Technology Management and Administration	Provides strategic direction, analytical insights, and administrative support for departmental activities. Manages all fiscal activities, directs budget development and implementation, and administers IT-related policy adherence. Manages personnel functions for the department, including hiring, employee development, discipline, and personnel transactions, all in coordination with the Human Resources Department and Office of Employee Relations.

Information Technology Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Attain high resilience for the City's business systems. Manage cybersecurity risks, working with departments on effective controls, incident response, systems hygiene, and risk detection, resulting in clear audits and assessments.
- Lead the City's Drive to Digital in response to new work demands related to COVID-19 response and recovery. Provide business systems that support municipal service goals, including: financials, human resources, payroll, budget, productivity, collaboration, and records management platforms.
- Provide high-performance data/voice/video communications, server/storage infrastructure, and virtualization capabilities on which technology solutions operate.
- Respond to service requests and inquiries from San Jose residents and businesses, achieving exceptional customer experience through robust 311 access spanning phone, mobile app, direct chat, virtual agent, and online portal.
- Support city-wide technology use by departments and staffs, achieving high customer satisfaction, project success, and cost optimization.

2020-2021 Key Budget Actions

- Adds one-time funding of \$115,000 to implement translation features in the SJ:311mobile app and the online portal.
- Deletes 1.0 vacant Sr. Account Clerk position with the acquisition of new software that will replace the City's manual billing process.
- Deletes 1.0 vacant Products-Projects Manager position. This reduction will slow the advancement of projects such as Siemens Smart Building Project; Measure T Smart Controllers Project; and Internet of Things (IoT) Reference Architecture project.

Operating Funds Managed

N/A

Information Technology Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Business Solutions	6,785,632	10,765,822	10,555,264	10,513,114
Customer Contact Center	1,777,177	2,121,139	2,191,491	2,292,139
Strategic Support - Other - Strategic Support	9,205	329,889	439,321	439,321
Strategic Support - Strategic Support	2,060,592	3,367,165	3,456,409	2,921,176
Technology Infrastructure and Operations	10,314,383	15,078,117	10,663,470	10,319,794
Total	\$20,946,989	\$31,662,132	\$27,305,955	\$26,485,544
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	13,609,141	17,096,869	18,101,077	17,665,666
Overtime	91,057	128,664	128,664	128,664
Subtotal Personal Services	\$13,700,198	\$17,225,533	\$18,229,741	\$17,794,330
Non-Personal/Equipment	7,138,669	13,959,710	8,636,893	8,251,893
Total Personal Services & Non-Personal/Equipment	\$20,838,868	\$31,185,243	\$26,866,634	\$26,046,223
<i>Other Costs*</i>				
City-Wide Expenses	98,917	147,000	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	9,205	329,889	439,321	439,321
Total Other Costs	\$108,121	\$476,889	\$439,321	\$439,321
Total	\$20,946,989	\$31,662,132	\$27,305,955	\$26,485,544

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Information Technology Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	0	20,081	0	0
General Fund (001)	19,217,347	29,026,189	24,544,826	23,740,168
Public Works Program Support Fund (150)	46,438	137,513	90,384	89,959
Building Development Fee Program Fund (237)	0	0	307,390	305,620
Planning Development Fee Program Fund (238)	0	0	54,591	54,276
Fire Development Fee Program Fund (240)	0	0	62,263	61,916
Public Works Development Fee Program Fund (241)	0	0	54,433	54,122
Low And Moderate Income Housing Asset Fund (346)	0	35,316	1,470	1,470
Integrated Waste Management Fund (423)	686,576	815,897	800,713	795,934
Storm Sewer Operating Fund (446)	124,497	198,972	167,231	166,260
San José-Santa Clara Treatment Plant Operating Fund (513)	112,603	249,773	138,089	137,343
Water Utility Fund (515)	573,251	853,999	842,397	837,667
Airport Maintenance And Operation Fund (523)	31,604	55,875	37,982	37,745
General Purpose Parking Fund (533)	11,773	22,803	23,001	22,957
Sewer Service And Use Charge Fund (541)	142,900	219,840	180,034	178,956
Vehicle Maintenance And Operations Fund (552)	0	14,295	630	630
South Bay Water Recycling Operating Fund (570)	0	11,579	521	521
Total	\$20,946,989	\$31,662,132	\$27,305,955	\$26,485,544
Positions by Core Service**				
Business Solutions	20.20	27.00	26.00	26.00
Customer Contact Center	12.00	15.00	15.00	15.00
Strategic Support - Strategic Support	10.80	14.00	20.00	18.00
Technology Infrastructure and Operations	37.00	33.00	29.00	29.00
Total	80.00	89.00	90.00	88.00

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Information Technology Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Customer Contact Center					
City Customer Contact Center	1,777,177	2,121,139	2,191,491	2,292,139	15.00
Sub-Total	1,777,177	2,121,139	2,191,491	2,292,139	15.00
Business Solutions					
Advanced Applications and Services	1,125,582	756,905	295,000	295,000	0.00
Data Services	1,856,755	1,285,040	1,161,561	1,156,309	3.01
Enterprise Resource Management	3,617,414	4,355,902	4,467,376	4,445,803	12.00
Productivity and Collaboration Applications	185,881	4,367,975	4,631,327	4,616,002	10.99
Sub-Total	6,785,632	10,765,822	10,555,264	10,513,114	26.00
Technology Infrastructure and Operations					
Cybersecurity Office	980,337	2,872,257	2,473,427	2,467,312	4.00
Desktop/Virtual Desktop Infrastructure	254,576	147,000	0	0	0.00
IT Customer Care	1,337,828	4,880,821	2,793,588	2,479,459	10.00
IT Systems and Operations	4,310,220	4,034,063	2,828,247	2,815,834	8.00
Telecommunications Billing	567,444	0	0	0	0.00
Voice and Data Network Infrastructure	2,863,980	3,143,976	2,568,208	2,557,189	7.00
Sub-Total	10,314,383	15,078,117	10,663,470	10,319,794	29.00
Strategic Support - Strategic Support					
Information Technology Financial Management	153,041	0	0	0	0.00
Information Technology Human Resources	123,850	0	0	0	0.00
Information Technology Management and Administration	1,783,701	3,367,165	3,456,409	2,921,176	18.00
Sub-Total	2,060,592	3,367,165	3,456,409	2,921,176	18.00
Strategic Support - Other - Strategic Support					
Information Technology Overhead	9,205	329,889	439,321	439,321	0.00
Sub-Total	9,205	329,889	439,321	439,321	0.00
Total	\$20,946,989	\$31,662,132	\$27,305,955	\$26,485,544	88.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Information Technology Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	89.00	31,185,243	28,879,189
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Technology Equipment Replacement to Covered or Hyper-Converged Infrastructure		(1,747,000)	(1,747,000)
• Rebudget: Network Infrastructure Modernization		(550,000)	(550,000)
• Rebudget: Print Management		(142,558)	(142,558)
• PCs and Operating Systems License Costs (2.0 Network Technician I)	(2.00)	(1,916,231)	(1,567,202)
• Cybersecurity Roadmap		(395,000)	(395,000)
• Business Process Automation Platform		(180,000)	(180,000)
• 3-1-1 Call Transition		(60,000)	(60,000)
• Information Technology Staffing for Parks Facilities (1.0 Enterprise Information Technology Engineer I)	(1.00)		
• Intergrated Permitting System Staff Support (1.0 Enterprise Technology Manager, 1.0 Senior Systems Application Programmer)	(2.00)		
One-time Prior Year Expenditures Subtotal:	(5.00)	(4,990,789)	(4,641,760)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes:		480,597	560,737
• IT Project Management Staffing (City Council Approval October 8, 2019) adds 6.0 Enterprise Supervising Technology Analyst positions	6.00	900,000	900,000
• Microsoft Support Services		110,000	110,000
• Electronic Time Clocks at HHPZ, Family Camp, and EOC		43,000	43,000
• My San Jose Application Maintenance		14,400	14,400
• FMS Upgrade Oracle Database Application		5,300	5,300
• Oracle Contract		772	0
• Updated Database Environment licensing cost savings		(260,000)	(260,000)
• Cloud Services cost share		(60,000)	(60,000)
• Cloud Services Reprocurement cost savings		(50,000)	(50,000)
• Network Perimeter Solution Rearchitecture and Reprocurement		(50,000)	(50,000)
• Backup Software - no longer required		(38,000)	(38,000)
• Server Administration non-required Software		(30,000)	(30,000)
• Online File Storage reduced need		(17,500)	(17,500)
• Development Fee Programs PS and NP shift	0.00	0	(485,932)
• Vacancy Factor		(376,889)	(335,108)
• Professional Development Program Adjustment		500	500
Technical Adjustments Subtotal:	6.00	672,180	307,397
2020-2021 Forecast Base Budget:	90.00	26,866,634	24,544,826

Information Technology Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. San José 3-1-1 Translation Call Handling Services		115,000	115,000
2. Infrastructure Refresh Maintenance and Support		(300,000)	(300,000)
3. IoT Products-Projects Manager	(1.00)	(207,393)	(207,393)
4. Temporary and Contract Staffing		(200,000)	(200,000)
5. City Retirement Contributions Pre-Funding		(122,842)	(107,089)
6. Billing Process Staffing	(1.00)	(105,176)	(105,176)
Total Budget Proposals Recommended	(2.00)	(820,411)	(804,658)
2020-2021 Proposed Budget Total	88.00	26,046,223	23,740,168

Information Technology Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. San José 3-1-1 Translation Call Handling Services</p> <p>Strategic Support CSA Technology Infrastructure and Operations Core Service <i>IT Customer Care Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$115,000 for the addition of translation features to the SJ:311mobile app and the online portal. Having this feature available makes the customer experience better and increases community access to City services. However, costs are incurred each time a resident, business, or staff member translates source content to a new language and back. This funding will be used to implement the City’s use of a Virtual Call/Virtual Agent platform to increase call handling speed, capacity, and customer satisfaction without adding headcount in the City Customer Contact Center (CCC). Building a virtual assistant will provide maximum impact to language needs, fast customer case resolutions, and more satisfied interactions. This funding is offset by the partial liquidation of the 3-1-1 Call Transition Reserve established in the 2018-2019 Annual Report. (Ongoing costs: \$0)</p>		115,000	115,000
<p>2. Infrastructure Refresh Maintenance and Support</p> <p>Strategic Support CSA Technology Infrastructure and Operations Core Service <i>IT Customer Care Program</i></p> <p>This action eliminates \$300,000 of ongoing maintenance non-personal/equipment funding for the new hyperconverged infrastructure (HCI) environment. Funding for maintenance and support through 2021-2022 was included in the purchase price. Funding for the ongoing maintenance cost of the system beyond the initial contract period will be considered as part of the development of the 2022-2023 Base Budget process. (Ongoing savings: \$300,000)</p>		(300,000)	(300,000)
<p>3. IoT Products-Projects Manager</p> <p>Strategic Support CSA Strategic Support Core Service <i>Information Technology Management and Administration Program</i></p> <p>This action eliminates one of six Enterprise Supervising Technology Analyst positions established with City Council approval of the 2018-2019 Annual Report based on previous direction in the Mayor’s June Budget Message for Fiscal Year 2019-2020. The advancement of projects such as Siemens Smart Building; Measure T Smart Controllers; and Internet of Things (IoT) Reference Architecture will be slowed without the Products-Projects Manager and assumes some of those large projects may be suspended or managed through outside contractual services. (Ongoing savings: \$207,393)</p>	(1.00)	(207,393)	(207,393)

Information Technology Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. Temporary and Contract Staffing</p> <p><i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Information Technology Management and Administration Program</i></p> <p>This action eliminates \$200,000 of ongoing non-personal/equipment funding for the use of temporary and contract staffing by the Information Technology Department. Temporary and contract staffing has been used to fill staffing gaps that arise due to attrition and when variable/seasonal work peaks in areas such as the Call Center, Network Team, Cybersecurity, and Administration. (Ongoing savings: \$200,000)</p>		(200,000)	(200,000)
<p>5. City Retirement Contributions Pre-Funding</p> <p><i>Strategic Support CSA</i> <i>Core Service: Department-wide</i> <i>Program: Department-wide</i></p> <p>This action reduces the Information Technology Department's Personal Services appropriation by \$122,842 all funds, \$107,089 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$122,842)</p>		(122,842)	(107,089)
<p>6. Billing Process Staffing</p> <p><i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Information Technology Management and Administration Program</i></p> <p>This action eliminates 1.0 vacant Sr. Account Clerk position with the acquisition of new software that will replace the City's manual billing process. The planned acquisition and implementation of the Telecommunications Billing System using existing resources is essential to making this program reduction work. Otherwise, impacts of reduced staffing will include delays in payments and fines; delays in orders; potential decreases in catching wireless bills that contain non-use/misuse; and poor coordination with departments for FirstNet rollout/usage/billing. Implemented well, the Telecommunications Billing System improves processing, catches errors, optimizes use across departments, and covers the workload of this eliminated position. (Ongoing savings: \$107,628)</p>	(1.00)	(105,176)	(105,176)
2020-2021 Proposed Budget Changes Total	(2.00)	(820,411)	(804,658)

Information Technology Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	4.00	4.00	-
Assistant Director	1.00	1.00	-
City Information Security Officer	1.00	1.00	-
Deputy Director	2.00	2.00	-
Director of Information Technology	1.00	1.00	-
Division Manager	1.00	1.00	-
Enterprise Information Technology Engineer I/II	11.00	10.00	(1.00)
Enterprise Principal Technology Analyst	6.00	6.00	-
Enterprise Supervising Technology Analyst	20.00	25.00	5.00
Enterprise Technology Manager	4.00	3.00	(1.00)
Network Engineer	1.00	1.00	-
Network Technician I/II/III	11.00	9.00	(2.00)
Principal Office Specialist	3.00	3.00	-
Program Manager I	1.00	1.00	-
Senior Account Clerk	2.00	1.00	(1.00)
Senior Analyst	1.00	1.00	-
Senior Office Specialist	10.00	10.00	-
Senior Systems Application Programmer	5.00	4.00	(1.00)
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Total Positions	89.00	88.00	(1.00)

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Library Department

Jill Bourne, City Librarian

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The 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

PROGRAM	DESCRIPTION
<i>Access to Information, Library Materials, and Digital Resources Core Service</i>	
Access and Borrower Services	Provides materials handling, materials delivery, and customer service at all Library branches and the Dr. Martin Luther King, Jr. Library, including fines and fees collections, check out, check in, hold processing, customer account maintenance, materials maintenance, shelving, and transport of library materials between the 25 library facilities including the Dr. Martin Luther King, Jr. Library, and Mt. Pleasant Neighborhood Library.
Electronic Resources Implementation and Maintenance	Applies the Library's E-Resources strategy, which includes the production and management of the Library's websites (sjpl.org, events.sjpl.org, and SharePoint), the management of the Library online catalog (discover.sjlibrary.org), and the management and curation of the all the Library's electronic resource platforms for eBooks, eMagazines, and databases.
Library Facilities and Security	Ensures residents have access to safe, welcoming, accessible, well-equipped, and well-maintained facilities; this includes management and implementation of facility improvements, maintenance, and patron security.
Main Library Operations	Ensures that Dr. Martin Luther King, Jr. Library remains fully operational and maintained, including support for Library Administration and ongoing support of the unique joint partnership with San José State University.
Materials Acquisitions and Processing	Includes the selection, purchase, and processing of all Library materials to reflect the diversity and needs of the community.
<i>Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service</i>	
Early Education and Family Learning	With the Library's system-wide Early Education Strategy and the seven branch Family Learning Centers, provides dedicated resources to young children (birth to kindergarten), parents, caregivers and early educators in order to close opportunity gaps and ensure all children receive a strong start in learning and preparation for successful school experiences.
Partners in Reading/ Adult Literacy	Provides free one-to-one and small group tutoring, by volunteers, for adults whose reading or writing skills are below the ninth-grade level.
<i>Strategic Support Core Service</i>	
Library Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Library Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Library Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Library Management and Administration	Provides executive-level, analytical and administrative support to the department.

Library Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- The Library will reduce 4 public operating hours per week at each library branch and at the Dr. Martin Luther King Jr. Main Library. Fewer operating hours impacts the Library's ability to provide relevant and important services across 25 library facilities. Reduction of positions will result in a loss of 1,112 hours per week in staff time. Staff duties will be consolidated causing a shift in daily branch operations and reduction of capacity to respond to public use and demand. The Library anticipates a modification in program offerings and a redesign of its programming model. The reduction of 8.5% of the public service hours at library branches and 5% at MLK is estimated to result in 448,693 fewer visits to the library.
- The Library will provide technology and digital literacy programs for all ages to reduce barriers to access and improve adoption in alignment with quality standards and learning outcomes. In support of the Education and Digital Literacy (EDL) Strategy and Digital Inclusion Initiative, the Library will lead the development of evidence-based Digital Literacy Quality Standards for City-sponsored programs.
- The Library will permanently implement the successful Juvenile Fine-Free Pilot Program administered in 2018-2019 and extended through 2019-2020. The program exempts all juvenile library materials from accumulating late fees, thereby reducing barriers to access for children and young adults and enabling the City to partner with local school districts to ensure that every student in San José has an active San José Public Library card membership.
- The Library will continue to 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.

2020-2021 Key Budget Actions

- A total of 27.81 vacant positions supporting branch libraries is proposed to be eliminated, resulting in reduced services and programming in 2020-2021. Additional savings of \$347,091 from the General Fund (\$256,341) and Library Parcel Tax Fund (\$90,750) will be generated as a result of library materials management efficiency and reduction in paper usage.
- Adds \$130,000 in one-time personal services funding from the San Jose Public Library Foundation to continue the evaluation and design phases of a Child Care Workforce Development program.
- Adds 1.0 limit-dated Community Programs Administrator and 1.0 limit-dated Literacy Program Specialist positions through June 30, 2021, to continue the expansion of Education and Digital Literacy Program.
- Recognizing personal services savings in the amount of \$133,000 from the General Fund (\$76,000) and Library Parcel Tax Fund (\$57,000) as a result of the modified service delivery expected as restrictions from the shelter-in-place order begin to be lifted.
- Adds \$100,000 in one-time personal services funding from the Library Parcel Tax to support fundraising activities by the San José Public Library Foundation.

Operating Funds Managed

- Library Parcel Tax Fund

Library Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Access To Information, Library Materials, and Digital Resources	31,609,401	35,211,665	36,801,495	35,237,333
Literacy and Learning, Formal and Lifelong Self-Directed Education	3,837,255	4,752,410	3,862,425	4,055,360
Strategic Support - Neighborhood Services	7,090,042	7,297,214	7,081,671	6,970,870
Strategic Support - Other - Neighborhood Services	11,415,319	1,635,855	1,684,233	1,805,948
Total	\$53,952,018	\$48,897,143	\$49,429,823	\$48,069,510
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	35,130,040	39,079,492	39,570,965	38,331,743
Overtime	42,994	36,796	36,796	36,796
Subtotal Personal Services	\$35,173,034	\$39,116,288	\$39,607,761	\$38,368,539
Non-Personal/Equipment	6,653,825	7,640,887	8,203,589	7,952,498
Total Personal Services & Non-Personal/Equipment	\$41,826,859	\$46,757,175	\$47,811,350	\$46,321,037
<i>Other Costs*</i>				
City-Wide Expenses	1,606,809	1,579,700	1,000,000	1,000,000
Gifts	637,403	543,269	601,474	731,474
Housing Loans and Grants	0	0	0	0
Other	13,387	17,000	17,000	17,000
Other - Capital	9,867,559	0	0	0
Total Other Costs	\$12,125,159	\$2,139,969	\$1,618,474	\$1,748,474
Total	\$53,952,018	\$48,897,143	\$49,429,823	\$48,069,510

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2019-2020 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Library Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	34,690,371	38,116,164	38,159,187	36,749,297
Gift Trust Fund (139)	797,078	543,269	601,474	1,138,725
Library Parcel Tax Fund (418)	8,058,476	9,503,859	9,899,656	9,417,582
Capital Funds	10,406,093	733,852	769,507	763,907
Total	\$53,952,018	\$48,897,143	\$49,429,823	\$48,069,510
Positions by Core Service**				
Access To Information, Library Materials, and Digital Resources	0.00	309.55	309.55	283.54
Literacy and Learning, Formal and Lifelong Self-Directed Education	0.00	19.16	19.16	19.86
Strategic Support - Neighborhood Services	0.00	39.81	39.81	39.31
Strategic Support - Other - Neighborhood Services	0.00	4.95	4.95	4.95
Total	0.00	373.47	373.47	347.66

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2019-2020 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Library Department

Department Budget Summary

	2018-2019 Actuals **	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Access To Information, Library Materials, and Digital Resources					
Access and Borrower Services	25,686,694	27,998,144	28,941,287	27,455,122	252.11
Electronic Resources Implementation and Maintenance	668,365	1,560,849	1,614,361	1,603,784	11.00
Library Facilities and Security	190,594	474,373	449,136	446,895	3.00
Main Library Operations	2,817,258	2,963,755	3,532,248	3,531,402	0.00
Materials Acquisition and Processing	2,246,490	2,214,544	2,264,463	2,200,130	17.43
Sub-Total	31,609,401	35,211,665	36,801,495	35,237,333	283.54
Literacy and Learning, Formal and Lifelong Self-Directed Education					
Early Education and Family Learning	2,967,430	3,555,635	2,577,588	2,803,399	12.36
Partners in Reading/Adult Literacy	869,825	1,196,775	1,284,837	1,251,961	7.50
Sub-Total	3,837,255	4,752,410	3,862,425	4,055,360	19.86
Strategic Support - Neighborhood Services					
Library Financial Management	572,934	648,329	553,924	651,276	3.75
Library Human Resources	490,885	513,168	527,023	439,266	2.00
Library Information Technology	2,619,784	2,356,696	2,366,838	2,347,935	13.50
Library Management and Administration	3,406,439	3,779,021	3,633,886	3,532,393	20.06
Sub-Total	7,090,042	7,297,214	7,081,671	6,970,870	39.31
Strategic Support - Other - Neighborhood Services					
Library Capital	10,410,517	1,015,586	1,065,759	1,057,474	4.95
Library Gifts	727,619	543,269	601,474	731,474	0.00
Library Other Departmental - City-Wide	0	50,000	0	0	0.00
Library Other Departmental - Grants	263,796	10,000	0	0	0.00
Library Other Operational - Administration	13,387	17,000	17,000	17,000	0.00
Sub-Total	11,415,319	1,635,855	1,684,233	1,805,948	4.95
Total	\$53,952,018	\$48,897,143	\$49,429,823	\$48,069,510	347.66

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The 2018-2019 Actuals may not subtotal due to rounding.

Library Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	373.47	46,757,175	36,536,464
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Child Care Workforce Development		(250,000)	(250,000)
• Mt Pleasant Neighborhood Library		(120,000)	(60,000)
• AmeriCorps VISTA Fellows		(109,678)	0
• San José Public Library Foundatoin		(100,000)	0
• Staff Security and Public Safety Training		(30,000)	(30,000)
• Berryessa and Educational Park Branches Equipment		(2,500)	(2,500)
One-time Prior Year Expenditures Subtotal:	0.00	(612,178)	(342,500)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: 1.0 Assitant To The Director to 1.0 Community Programs Administrator		339,894	213,339
• Living wage		380,615	291,946
• San José State/City of San José joint agreement for Dr. Martin Luther King, Jr. library operating costs		217,547	217,547
• Fund Shift: Automated Material Handling Services		207,462	0
• Fund Shift: Custodial Services (Special Clean-ups)		144,000	115,200
• Contractual Services: Custodial Services		100,000	80,000
• Fund Shift: Materials Processing (RFID Tags)		86,000	0
• Gas and electricity		103,514	66,957
• Fund Shift: Security Services		50,087	0
• Fund Shift: Printer/Copier Maintenance		30,000	0
• Vehicle Operations and Maintenance		23,000	15,000
• Professional Development Program Adjustment		5,200	5,200
• Part-Time Sick Leave Adjustment		1,885	1,885
• Contractual Services: Partners in Reading Adult Literacy ELS Classes		1,467	1,467
• Night Shift Differential Adjustment		182	182
• Contractual Services: Miscellaneous Contracts		(24,500)	(43,500)
Technical Adjustments Subtotal:	0.00	1,666,353	965,223
2020-2021 Forecast Base Budget:	373.47	47,811,350	37,159,187

Library Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Education and Digital Literacy Initiative	2.00	296,280	0
2. San José Public Library Foundation		100,000	0
3. Child Care Workforce Development Program		0	0
4. Literacy Program Funding		0	0
5. Library Branch Hours	(27.81)	(1,519,080)	(1,147,549)
6. City Retirement Contributions Pre-Funding		(230,513)	(183,341)
7. Library Branch Operations		(133,000)	(76,000)
8. Vehicle Maintenance and Operations (Fuel Savings)		(4,000)	(3,000)
Total Budget Proposals Recommended	(25.81)	(1,490,313)	(1,409,890)
2020-2021 Proposed Budget Total	347.66	46,321,037	35,749,297

Library Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Education and Digital Literacy Initiative <i>Neighborhood Services CSA</i> Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service <i>Early Education and Family Learning Program</i> <p>This action adds 1.0 limit-dated Community Program Administrator position and 1.0 limit-dated Literacy Program Specialist (\$148,140 from Gift Trust Fund, donated by the San Jose Public Library Foundation and \$148,140 from Library Parcel Tax Fund), through June 30, 2021, to continue the expansion of Education and Digital Literacy Program, as directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council. The Literacy Program Specialist position will support the city-wide programming and policy work associated with Digital Literacy and programs for teens as well as other programs in the Education and Digital Literacy Initiative workplan. The Community Program Administrator duties include: assisting in identifying gaps in services and programs and developing a strategic plan to address issues; expanding existing youth literacy and digital access programs to adults and families; providing strategic leadership in the work of diversity, equity, inclusion, social justice; and working with library units and City departments to plan, develop and implement inclusion focused programs and events. (Ongoing costs: \$0)</p>	2.0	\$296,280	0
2. San José Public Library Foundation <i>Neighborhood Services CSA</i> Strategic Support Core Service <i>Library Financial Management Program</i> <p>This action adds one-time non-personal/equipment funding in the Library Parcel Tax Fund in the amount of \$100,000 for the San José Public Library Foundation to raise funds for Library programs. The funds will support fundraising activities by the San José Public Library Foundation in support of the Library Department's key operations, such as early education, adult learning, and literacy and education programming. As per the terms of the grant agreement, the San Jose Public Library Foundation shall, at a minimum, raise \$250,000 in donations and pledges. (Ongoing costs: \$0)</p>		100,000	0
3. Child Care Workforce Development Program <i>Neighborhood Services CSA</i> Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service <i>Early Education and Family Learning Program</i> <p>This action adds one-time personal services funding of \$130,000 to the Child Care Workforce Development program from the Gift Trust Fund, donated by the San Jose Public Library Foundation. This program was initially allocated as part of the Mayor's March Budget for Fiscal Year 2019-2020, with funding provided in the amount of \$250,000 to evaluate, design, and launch the Child Care provider training program. The Library Department is in the evaluation and design phases of the program and estimates to launch the training program by 2021-2022. (Ongoing costs/savings: \$0)</p>		0	0

Library Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Literacy Program Funding	0	0	0

Neighborhood Services CSA

Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service

Early Education and Family Learning Program

This action reallocates one-time funding in the amount of \$259,111 for Literacy Program Specialists (2.0 FTE) from the Library Parcel Tax Fund to the Gift Trust Fund, donated by the San José Public Library Foundation, to continue support for the SJLearns and College and Career Readiness/SJ Engage programs that are part of the Education and Digital Literacy Initiative. These positions will continue to focus on the implementation of quality standards in City-operated or City-sponsored programming, measurement of results, and accountability for ensuring that public dollars are being spent in areas of education that have the highest value and impact. (Ongoing costs: \$0)

5. Library Branch Hours	(27.81)	(\$1,519,080)	(1,147,549)
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Neighborhood Services CSA

Core Services: Department-wide

Department-wide

This action eliminates 21.40 FTE vacant positions from the General Fund and 6.41 FTE vacant positions from the Library Parcel Tax Fund, including 1.0 Librarian, 1.50 Librarian II PT, 15.31 Library Aide, 2.0 Clerk PT, and 8.0 Page positions, and reduces library services by four hours per week per branch. This action also reduces non-personal/equipment funding by \$347,091 from the General Fund (\$256,341) and Library Parcel Tax Fund (\$90,750) due to library materials management efficiency and reduction in supplies/office equipment.

The projected impact of this action will result in a 7% reduction in staff when compared to 2019-2020; branch library public service hours will be reduced from 47 hours per week to 43 hours a week, with the exception of Mt. Pleasant library hours which will revert back to 24 hours per week. Dr. Martin Luther King, Jr. Library public service hours will be reduced by four hours per week. Library services are projected to be reduced, impacting story-time, children's educational programs, literacy programs, adult programming, and class visits, as well as an estimated 448,693 fewer visits to the library. While hours of operation will be reduced by four hours at each branch, the Library Department will work to tailor programming to respond to the needs of each branch community, with certain types of programming occurring outside of regular branch hours where feasible. (Ongoing savings: \$1,546,571)

Library Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. City Retirement Contributions Pre-Funding	0	(\$230,513)	(\$183,341)

Neighborhood Services CSA
Core Service: Department-wide
Department-wide

This action reduces the Library's Personal Services appropriation by \$230,513 from General Fund (\$183,341) and Library Parcel Tax Fund (\$47,172), to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$230,513)

7. Library Branch Operations	0	(133,000)	(\$76,000)
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Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources
Access and Borrower Services

This action reduces personal services funding on a one-time basis in the amount of \$133,000 from the General Fund (\$76,000) and Library Parcel Tax Fund (\$57,000). In addition to the elimination of positions in the reduction of branch hours, the Library will temporarily hold additional positions vacant so as to provide modified services during Stages 6-8 of the City's Pandemic Response Plan that minimizes impacts of the COVID-19 pandemic to the public. The modified service model phases in the reopening of services after the shelter-in-place order restrictions begin to be lifted in order to ensure proper physical/social distancing and protect staff while beginning to circulate materials as early as possible. Through an estimated end date of September, the Library's modified services will include express pickup of reserved materials and continuation of virtual programming in the first phase of reopening; reducing the space customers are allowed in the branches and offering essential programs in education, digital literacy and workforce development in the second phase; and a return to services in the third phase of reopening. (Ongoing costs: \$0)

Library Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Vehicle Maintenance and Operations (Fuel Savings)	0	(4,000)	(\$3,000)
<i>Neighborhood Services CSA Access to Information, Library Materials, and Digital Resources Library Facilities and Security</i>			
<p>This action decreases the ongoing funding for vehicle operations costs by \$ 4,000 (\$3,000 from General Fund and \$1,000 from Library Parcel Tax Fund) to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$4,000)</p>			
2020-2021 Proposed Budget Changes Total	(25.81)	(1,490,313)	(1,409,890)

Library Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	5.00	5.00	-
Assistant to the City Librarian	1.00	0.00	(1.00)
City Librarian	1.00	1.00	-
Community Programs Administrator	5.00	7.00	2.00
Deputy Director	2.00	2.00	-
Division Manager	3.00	3.00	-
Librarian I/II	63.00	62.00	(1.00)
Librarian I/II PT	8.30	6.80	(1.50)
Library Aide PT	34.67	19.36	(15.31)
Library Assistant	31.00	31.00	-
Library Clerk	46.00	46.00	-
Library Clerk PT	29.50	27.50	(2.00)
Library Page PT	72.00	64.00	(8.00)
Literacy Program Specialist	12.00	13.00	1.00
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	1.00	1.00	-
Office Specialist II PT	0.50	0.50	-
Principal Office Specialist	1.00	1.00	-
Program Manager I	1.00	1.00	-
Public Information Representative II	1.00	1.00	-
Security Officer PT	0.50	0.50	-
Senior Account Clerk	3.00	3.00	-
Senior Analyst	1.00	1.00	-
Senior Librarian	17.00	17.00	-
Senior Library Clerk	2.00	2.00	-
Senior Office Specialist	2.00	2.00	-
Senior Public Information Representative	1.00	1.00	-
Senior Security Officer	2.00	2.00	-
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Training Specialist	1.00	1.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Supervisor	1.00	1.00	-
Warehouse Worker I PT	0.50	0.50	-
Warehouse Worker I/II	6.00	6.00	-
Total Positions	373.47	347.66	(25.81)

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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 (Vice Mayor)

Devora “Dev” Davis
District 6

Sergio Jimenez
District 2

Maya Esparza
District 7

Raul Peralez
District 3

Sylvia Arenas
District 8

Lan Diep
District 4

Pam Foley
District 9

Magdalena Carrasco
District 5

Johnny Khamis
District 10

Mayor and City Council

Department Budget Summary

Expected 2020-2021 Service Delivery

- The Office of the Mayor provides leadership and guidance to the City Council. Using a variety of tools to engage the public, 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, combatting blight, 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.

2020-2021 Key Budget Actions

- Reduces ongoing funding of \$387,500 to the Office of the Mayor's budget.
- Reduces ongoing funding in each of the City Council Office budget for a total of \$631,750.
- Reduces ongoing funding of \$10,000 for Council General.

Operating Funds Managed

N/A

Mayor and City Council

Department Budget Summary

	2018-2019 Actual 1	2019-2020 Adopted 2	2020-2021 Forecast' 3	2020-2021 Proposed 4	% Change (2 to 4)
Dollars by Program					
Office of the Mayor	4,469,125	5,699,124	4,711,898	4,320,042	(24.2%)
City Council					
Council District #1	624,419	1,357,007	936,589	872,981	(35.7%)
Council District #2	827,844	1,037,118	949,066	882,665	(14.9%)
Council District #3	756,243	1,133,307	937,183	873,575	(22.9%)
Council District #4 (July - December) ²	519,307	1,841,038	461,232	429,428	(53.3%)
Council District #4 (January - June) ²	-	-	461,232	429,428	Included Above
Council District #5	805,623	1,199,607	937,183	873,575	(27.2%)
Council District #6 (July - December) ²	750,433	1,204,535	466,264	434,460	(27.9%)
Council District #6 (January - June) ²	-	-	466,264	434,460	Included Above
Council District #7	776,437	995,833	921,551	857,943	(13.8%)
Council District #8	852,738	1,112,088	918,149	854,375	(23.2%)
Council District #9	673,212	1,137,827	936,125	872,324	(23.3%)
Council District #10 (July - December) ²	766,628	949,958	460,390	428,586	(9.8%)
Council District #10 (January - June) ²	-	-	460,390	428,586	Included Above
Council General	61,724	79,000	65,000	55,000	(30.4%)
Total	11,883,733	17,746,442	14,088,515	13,047,427	(26.5%)
Dollars by Category					
Operating Expenditures	\$ 11,883,733	\$ 17,746,442	\$ 14,088,515	\$ 13,047,427	(26.5%)
Total	\$ 11,883,733	\$ 17,746,442	\$ 14,088,515	\$ 13,047,427	(26.5%)
Dollars by Fund					
General Fund	\$ 11,883,733	\$ 17,746,442	\$ 14,088,515	\$ 13,047,427	(26.5%)
Total	\$ 11,883,733	\$ 17,746,442	\$ 14,088,515	\$ 13,047,427	(26.5%)
Authorized Positions³	27.00	27.00	27.00	27.00	0.0%

¹ The amounts reflected in the 2020-2021 Forecast column for the Office of the Mayor and City Council District budgets are detailed below:

Office of the Mayor (\$4,711,898)

- Salary and benefits for the Mayor (\$241,682), Mayor's Office classified staff (\$751,547), unclassified staff and non/personal equipment expenses (\$3,693,669).

- Constituent Outreach (\$25,000).

City Council (\$9,311,617)

- Salary and benefits for each City Council Member (average \$162,000), and City Council Office classified staff (average \$132,498). Each City Council District also receives a base allocation of \$626,643 for unclassified staff and non/personal equipment expenses.

- Constituent Outreach per Council District (\$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.

² Council Districts 4, 6, and 10 budget allocations in the 2020-2021 Budget reflect City direction related to budgeting during election years. The 2020-2021 budget includes two appropriations for each office subject to an election to maintain separate budget allocations for the outgoing and incoming elected officials.

³ 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 (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	27.00	17,746,442	17,746,442
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudget: City Council 2018-2019 Expenditure Savings		(2,446,442)	(2,446,442)
• Rebudget: Office of the Mayor 2018-2019 Expenditure Savings		(908,000)	(908,000)
• Rebudget: Council General 2018-2019 Expenditure Savings		(14,000)	(14,000)
• Dumpster and Beautification Days		(36,000)	(36,000)
One-time Prior Year Expenditures Subtotal:	0.00	(3,404,442)	(3,404,442)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 3.0 Administrative Assistant to 3.0 Executive Assistant		(253,485)	(253,485)
Technical Adjustments Subtotal:	0.00	(253,485)	(253,485)
2020-2021 Forecast Base Budget:	27.00	14,088,515	14,088,515
<hr/> Budget Proposals Recommended <hr/>			
1. City Council Office		(631,754)	(631,754)
2. Office of the Mayor		(387,500)	(387,500)
3. City Retirement Contributions Pre-Funding		(11,834)	(11,834)
4. Council General		(10,000)	(10,000)
Total Budget Proposals Recommended	0.00	(1,041,088)	(1,041,088)
2020-2021 Proposed Budget Total	27.00	13,047,427	13,047,427

Mayor and City Council

Budget Changes By Office Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. City Council Office		(631,754)	(631,754)
Strategic Support CSA <i>City Council</i>			
<p>This action reduces each City Council Office's budget ongoing by 6.8% for a total savings of \$631,754 from all ten districts. Due to the reduction, annual community events and various outreach projects may be cancelled or limited. In addition, this reduction decreases the non-personal/equipment funding for supplies and materials, subscription, and other professional services utilized by the Council Districts. Each Council District has an average reduction of \$63,175. This reduction aligns with the organization's General Fund balancing strategy. (Ongoing savings: \$631,754)</p>			
2. Office of the Mayor		(387,500)	(387,500)
Strategic Support CSA <i>Office of the Mayor</i>			
<p>This action reduces the budget for the Office of the Mayor, ongoing, by 8.2% for a savings of \$387,500. Due to this reduction, existing and projected vacancies will not be filled. These vacancies include roles in the areas of strategic partnerships, communications, and policy. This reduction aligns with the organization's General Fund balancing strategy. (Ongoing savings: \$387,500)</p>			
3. City Retirement Contributions Pre-Funding		(11,834)	(11,834)
Strategic Support CSA <i>Program: Department-wide</i>			
<p>This action reduces the Mayor and City Council appropriation by \$11,834, all in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. The Mayor's Office reduction is \$4,356 and the average reduction for each Council Office is \$748. (Ongoing savings: \$11,834)</p>			

Mayor and City Council

Budget Changes By Office
Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Council General Savings		(10,000)	(10,000)
<i>Strategic Support CSA</i> <i>Council General</i>			
<p>This action reduces the Council General budget by 15.4% in the amount of \$10,000 ongoing. Due to the reduction, limited funding will be available for supplies and materials, maintenance costs, and food and beverages for Council meetings. This reduction aligns with the organization's General Fund balancing strategy. (Ongoing savings: \$10,000)</p>			
2020-2021 Proposed Budget Changes Total	0.00	(1,041,088)	(1,041,088)

Mayor and City Council

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Administrative Assistant	5.00	2.00	(3.00)
Councilmember	10.00	10.00	-
Executive Assistant	6.00	9.00	3.00
Mayor	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Secretary To Mayor	1.00	1.00	-
Senior Office Specialist	2.00	2.00	-
Staff Specialist	1.00	1.00	-
Total Positions¹	27.00	27.00	0.00

¹ Does not include Mayor and City Council Unclassified Staff.

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**Parks, Recreation
and
Neighborhood Services
Department**
Jon Cicirelli, Director

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To build healthy communities through people,
parks and programs

City Service Area
Neighborhood Services

Core Services

Community Facilities Development

Create uniquely San José places that foster relationships with people and nature and offer a civic presence

Parks Maintenance and Operations

Ensure the proper maintenance and operation of City parks and open space and provide opportunities for City residents and visitors to play, learn, and socialize

Recreation and Community Services

Through recreation, promote play and health, strengthen communities and enrich lives

Strategic Support: Budget and Financial Management Services, Contracting Services, Employee Services, and Marketing and Public Information

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Community Facilities Development Core Service</i>	
Major Capital Improvement Projects Management	Oversees and manages approximately 150 projects in the City's community centers and park system, focusing on large developments, overseeing construction of turnkey parks, and planning efforts to identify and acquire new park land.
Minor Parks Capital Improvement Projects	Dedicated maintenance and design staff focus their project planning, design and implementation efforts on short-term projects with construction values of less than \$100,000.
<i>Parks Maintenance and Operations Core Service</i>	
Family Camp	Provides campers with reservable wood-framed canvas tents, a dining hall and food services, recreation programs, a swimming area, and a nature center at an all-inclusive, 51.2-acre campground located in the Sierra Nevada wilderness.
Happy Hollow Park & Zoo	Focuses on conservation, education, animal welfare, and fun by providing animal exhibits and interactive, multi-generational attractions that create connections that inspire a strong sense of community.
Municipal Golf Courses	Provides outdoor recreation and community access to golf play at reasonable rates at City owned Municipal Golf Courses - including San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.
Neighborhood Parks and Regional Parks	Maintains and operates nearly 200 neighborhood parks and many other civic spaces as well as nine regional parks to provide safe, clean, and green public spaces for the community to live and play.
Park Rangers	Protect, preserve, and enhance the natural and cultural resources of the City's parks, trails, and open spaces.
Parks Administration	Provides the central management of nearly 200 neighborhood parks and many other civic spaces, including nine regional parks; 61 miles of trails; San José Family Camp; Special Parks Use and facility rentals; City-Wide Sports; the Volunteer Management Unit; Community Gardens; and Happy Hollow Park & Zoo.
Sports Fields Maintenance and Reservations	Provides community access to outdoor play and recreation at 83 sports fields in 47 parks; also known as "City-Wide Sports."
Volunteer, Adopt a Park, and Community Gardens	Includes the Volunteer Corporate Connections and promotes community engagement by working directly with the community members and organizations to supplement park maintenance and keep San José clean and beautiful.

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Recreation and Community Services Core Service</i>	
Anti-Graffiti and Anti-Litter	Provides support of litter cleanup and graffiti abatement efforts throughout the City by increasing community engagement and coordinating with neighborhoods, partners, and businesses to address issues of blight.
Aquatics	Offers San José residents and surrounding communities access to pools for swim lessons and recreational swim at affordable costs.
Community Center Operations	Offers a multi-service Community Center Hub model in order to improve all residents' health and quality of life through dynamic recreational opportunities and high quality facilities.
Park Activation/Placemaking	Repurposes and reimagines underused public space through creative and innovative programming, utilizing the City of San José assets, community inspiration, and resident potential to create public life that promotes health, happiness, and well-being in San José.
PRNS Re-Use	Allows community-based nonprofits, neighborhood associations, school districts, and other government agencies or community service providers to use City-owned facilities in exchange for providing San José residents with low- or no-cost services.
RCS Administration	Oversees and manages recreation programs and facilities that are used to promote play and health; strengthen communities and enrich lives throughout San José in an effort to foster healthier lifestyles; improve quality of living; and connect, inform and engage residents.
Senior Services	Strives to decrease social isolation, encourage healthy aging, provide nutritional meals, and offer additional resource connections for older adults through wrap-around services provided at City of San José community centers.
Youth Gang Prevention and Intervention	Comprised of a broad coalition of local residents, school officials, community and faith-based organizations, local law enforcement representatives and agencies, and, City, County and State government leaders, leverages each group's expertise as part of a coordinated, interagency effort to curb gang-related activity.
Youth Services	Offers enrichment, healthy recreation, developmental assets, homework assistance, safety, and fun in the provision of afterschool programming to students.

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Capital Budget and Project Management	Oversees the advanced planning, master planning, and Parks capital program, including implementing the Greenprint, supporting the development of the capital budget and Capital Improvement Program, and managing grants.
PRNS Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
PRNS Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
PRNS Management and Administration	Provides executive-level, analytical and administrative support to the department.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Implement ActivateSJ, a strategic plan for the department that guides our actions and decisions around service delivery and programming through the guiding principles of Stewardship, Nature, Equity & Access, Identity, and Public Life.
- Continue support efforts with the Food and Necessities Branch of the Emergency Operations Center, distributing food and necessities to individuals and families impacted by the COVID-19 pandemic.
- Maintain clean and safe parks and trails and provide extra attention to parks with the lowest assessment ratings across the City.
- Protect, preserve, and enhance the natural and cultural resources of parks, trails, watersheds, and open spaces through the Park Ranger Program.
- Provide the community with exciting and new opportunities to experience outdoor activities and interact with nature by maintaining unique facilities such as Happy Hollow Park and Zoo and the Lake Cunningham Action Sports Park
- Pursuant to Health Orders as amended, provide residents of all ages access to community health and recreational programs at 11 “hub” community centers, the Grace Art & Wellness Program at Northside Community Center (formerly Grace Community Center), and 39 Reuse facilities.
- Continue cultivating healthy and resilient neighborhoods through Youth Intervention and Neighborhood Services Programs, including: Safe School Campus Initiative, which provides crisis response and communication protocols aimed at preventing and deescalating incidents of violence on and around school campuses; Female Intervention Team, which provides female-specific prevention and intervention services to young women involved or at-risk of becoming involved in gangs; Clean Slate gang-related tattoo removal program; Trauma to Triumph hospital intervention program; Late Night Gym program; and, SJ DIGI Program, which provides opportunities for youth at risk of gang involvement to channel their energies into educational and creative pro-social activities.
- Continue to implement Project Hope by facilitating community organization and engagement to strengthen neighborhoods, including educating the community about how best to work with the City in mobilizing the deployment of City and partner agency resources and services to address ongoing neighborhood/community issues such as crime, poverty, and blight.
- Continue to coordinate the interdepartmental BeautifySJ program to address issues of blight and quality of life city-wide.
- Continue to implement Mayor’s Gang Prevention Task Force grant-making programs, such as the Bringing Everyone’s Strengths Together (BEST) and Safe Summer Initiative Grant Program.
- Continue to partner with community-based nonprofits, service providers, and local governments to coordinate the Age-Friendly City initiative.

2020-2021 Key Budget Actions

- Continues expansion of Project Hope program by adding three new sites for a total of nine sites.
- Continues 4.0 positions through June 30, 2021 and one-time funding of \$50,000 to support business model assessments and long-term business strategy development aimed at making the Police Activities League (PAL) facility and programs sustainable, and to support limited operations at the facility in the interim.
- Adds 1.0 Program Manager to lead strategic planning efforts around disaster preparedness.
- Continues funding to support the Vietnamese-American Community Center.
- Adds 1.0 Division Manager to lead business development and provide oversight of the regional park attractions and environment and nature programs.
- Continues 1.0 Program Manager I and 1.0 Senior Account Clerk positions limit-dated through June 30, 2021 for flood-related parks capital projects.

Operating Funds Managed

- Municipal Golf Course Fund
- St. James Park Management District Fund

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Community Facilities Development	4,864,844	5,728,036	5,485,475	5,659,525
Parks Maintenance and Operations	46,504,593	50,150,462	52,024,194	56,891,876
Recreation and Community Services	40,970,655	48,197,388	39,866,912	37,516,848
Strategic Support - Neighborhood Services	5,508,701	5,844,464	5,593,942	5,486,568
Strategic Support - Other - Neighborhood Services	51,092,004	16,168,109	4,516,123	4,050,597
Total	\$148,940,798	\$126,088,458	\$107,486,646	\$109,605,414
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	60,654,432	69,556,740	67,636,555	65,782,094
Overtime	1,363,004	301,528	310,574	310,574
Subtotal Personal Services	\$62,017,435	\$69,858,268	\$67,947,129	\$66,092,668
Non-Personal/Equipment	26,383,916	31,151,669	26,210,270	24,238,933
Total Personal Services & Non-Personal/Equipment	\$88,401,352	\$101,009,937	\$94,157,399	\$90,331,601
Other Costs*				
City-Wide Expenses	7,513,551	8,174,916	6,175,495	6,275,495
Debt Service/Financing	1,938,059	1,229,400	1,229,400	9,270,000
General Fund Capital	228,269	11,803,500	760,000	760,000
Gifts	90,741	1,343,987	2,799,058	548,732
Other	1,313,007	1,101,000	1,101,000	1,114,000
Other - Capital	46,380,490	0	0	0
Overhead Costs	2,052,055	75,718	114,294	155,586
Workers' Compensation	1,023,273	1,350,000	1,150,000	1,150,000
Total Other Costs	\$60,539,446	\$25,078,521	\$13,329,247	\$19,273,813
Total	\$148,940,798	\$126,088,458	\$107,486,646	\$109,605,414

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	56,373,320	8,122,647	7,645,715	8,099,195
General Fund (001)	88,138,003	113,016,790	93,255,389	88,923,981
Gift Trust Fund (139)	425,069	1,542,654	3,006,469	868,000
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)	0	59,901	59,901	59,901
St. James Park Management District Fund (345)	540,010	570,265	645,604	843,947
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)	338,217	373,768	467,548	464,308
Municipal Golf Course Fund (518)	3,055,300	2,330,400	2,330,400	10,271,000
Airport Maintenance And Operation Fund (523)	70,879	72,033	75,620	75,082
Total	\$148,940,798	\$126,088,458	\$107,486,646	\$109,605,414
Positions by Core Service**				
Community Facilities Development	36.78	41.24	40.24	41.30
Parks Maintenance and Operations	326.75	344.49	338.24	339.24
Recreation and Community Services	312.25	335.42	319.87	318.37
Strategic Support - Neighborhood Services	28.83	35.33	33.33	34.27
Strategic Support - Other - Neighborhood Services	6.26	12.30	2.30	4.30
Total	710.87	768.78	733.98	737.48

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Community Facilities Development					
Major Capital Improvement Projects Management	2,493,172	2,840,141	2,487,519	2,837,508	22.74
Minor Parks Capital Improvement Projects	2,371,671	2,887,895	2,997,956	2,822,017	18.56
Sub-Total	4,864,844	5,728,036	5,485,475	5,659,525	41.30
Parks Maintenance and Operations					
Family Camp	863,404	640,658	664,800	191,868	3.60
Happy Hollow Park & Zoo	8,858,743	9,092,162	9,190,121	8,597,222	95.25
Municipal Golf Courses	3,055,300	2,330,400	2,330,400	2,360,000	0.00
Neighborhood Parks and Regional Parks	26,734,617	30,737,739	32,893,183	31,324,957	191.03
Park Rangers	2,682,435	3,090,390	3,076,412	3,054,566	23.64
Parks Administration	2,611,888	2,164,399	2,195,179	2,378,782	8.89
Sports Fields Maintenance and Reservations	811,415	1,276,188	830,447	1,209,438	11.59
Volunteer, Adopt a Park, and Community Gardens	886,792	818,526	843,652	839,305	5.24
Sub-Total	46,504,593	50,150,462	52,024,194	49,956,138	339.24
Recreation and Community Services					
Anti-Graffiti and Anti-Litter	2,438,018	4,308,681	2,887,685	3,578,039	16.50
Aquatics	634,806	884,473	851,138	338,016	12.91
Community Center Operations	18,886,772	21,794,755	19,617,566	17,766,051	203.08
Park Activation/Placemaking	1,783,029	1,773,775	1,244,740	241,168	4.30
PRNS Re-Use	2,310,548	2,929,775	2,030,035	2,206,335	19.60
RCS Administration	2,725,971	2,335,403	2,246,850	2,094,582	9.50
Senior Services	3,533,829	3,777,760	2,081,756	1,939,900	2.50
Youth Gang Prevention and Intervention	8,537,053	10,392,765	8,907,142	9,352,757	49.98
Youth Services	120,631	0	0	0	0.00
Sub-Total	40,970,655	48,197,388	39,866,912	37,516,848	318.37
Strategic Support - Neighborhood Services					
Capital Budget and Project Management	822,269	746,797	740,436	587,928	3.68
PRNS Financial Management	2,560,474	2,728,398	2,892,946	2,790,554	18.15
PRNS Human Resources	892,298	942,320	712,519	707,009	7.21
PRNS Management and Administration	1,233,660	1,426,949	1,248,041	1,401,077	5.23
Sub-Total	5,508,701	5,844,464	5,593,942	5,486,568	34.27
Strategic Support - Other - Neighborhood Services					
PRNS Capital	34,963,079	12,773,404	1,401,033	1,686,499	4.30

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** 2018-2019 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2018-2019	2019-2020	2020-2021	2020-2021	2020-2021
	Actuals**	Adopted	Forecast	Proposed	Proposed Positions
PRNS Gifts	217,179	1,343,987	1,750,796	1,750,796	0.00
PRNS Other Departmental - City-Wide	372,955	625,000	100,000	200,000	0.00
PRNS Other Operational - Administration	810	0	0	0	0.00
PRNS Overhead	96,900	75,718	114,294	119,754	0.00
PRNS Transfers	14,417,808	0	0	0	0.00
PRNS Workers' Compensation	1,023,273	1,350,000	1,150,000	1,150,000	0.00
Public Works Capital - Neighborhood Services	0	0	0	196,780	0.00
Sub-Total	51,092,004	16,168,109	4,516,123	5,103,829	4.30
Total	\$148,940,798	\$126,088,458	\$107,486,646	\$103,722,908	737.48

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	768.78	101,009,937	91,688,374
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Police Athletic League Stadium		(162,562)	(162,562)
• Rebudget: Grace Homeless Showers		(68,000)	(68,000)
• Rebudget: Arcadia Sports Complex		(58,000)	(58,000)
• Rebudget: Encore Fellow		(25,000)	(25,000)
• Senior Nutrition Program		(1,669,710)	(1,669,710)
• Transitional Jobs Program (San José Bridge)		(865,000)	(865,000)
• Reuse Program and Facilities Staffing (1.0 Analyst I/II, 1.0 Community Coordinator, and 1.0 Senior Maintenance Worker)	(3.00)	(642,026)	(642,026)
• Project Hope Expansion (1.0 Community Activity Worker, 1.0 Community Coordinator, 1.0 Community Services Supervisor, and 1.0 Recreation Superintendent)	(4.00)	(684,000)	(684,000)
• Police Activities League (PAL) Facility Support (1.0 Groundskeeper, 1.0 Groundswoker, 1.0 Recreation Program Specialist, and 1.0 Recreation Leader PT)	(4.00)	(493,346)	(493,346)
• Safe Parking Security		(375,600)	(375,600)
• Public Life and Parks Activation		(320,000)	(320,000)
• Vietnamese-American Community Center (2.0 Recreation Leader PT, 1.0 Recreation Program Specialist, and 1.0 Senior Recreation Leader)	(4.00)	(318,191)	(318,191)
• Anti-Graffiti and Anti-Litter Programs (BeautifySJ)		(300,000)	(300,000)
• Local Sales Tax Expenditure Allocation		(300,000)	(300,000)
• Recreation of City Kids (ROCK) Program (1.5 Recreation Leader PT and 1.0 Senior Recreation Leader)	(2.50)	(283,100)	(283,100)
• Flood-Related Parks Capital Projects Staffing (1.0 Program Manager and 1.0 Senior Account Clerk)	(2.00)	(278,367)	0
• Happy Hollow Park and Zoo and Plaza de Cesar Chavez Security		(265,000)	(265,000)
• PRNS Training Program (1.0 Training Specialist)	(1.00)	(228,687)	(228,687)
• Emergency Preparedness Manager (1.0 Program Manager I)	(1.00)	(172,463)	(172,463)
• Preschool Expenses - Early Education Quality Standards		(141,000)	(141,000)
• Welch Park and Eastridge Recreation (0.50 Recreation Leader PT, and 1.0 Senior Recreation Leader)	(1.50)	(119,800)	(119,800)
• Anti-Graffiti Murals (0.25 Community Activity Worker PT)	(0.25)	(100,000)	(100,000)
• Camden Community Center (0.02 Assistant Swimming Pool Manager PT, 0.26 Instructor Lifeguard PT, and 0.02 Swimming Pool Manager PT)	(0.30)	(54,000)	(54,000)
• Cash for Trash		(50,000)	(50,000)
• National Recreation and Park Association Grant		(32,000)	(32,000)
• Monterey Road Sound Wall		(30,500)	(30,500)
• First 5 Early Learning		(27,600)	(27,600)
• San José Parks Foundation		(20,000)	(20,000)
• Via Services		(20,000)	(20,000)

Parks, Recreation and Neighborhood Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

Base Adjustments	Positions	Funds (\$)	General Fund (\$)
• Alum Rock Youth Center Midnight Basketball		(19,800)	(19,800)
• Camp and Programming Scholarships		(14,000)	(14,000)
• Franklin McKinley Children's Initiative Summer Enrichment and Recreation Program Extension		(11,000)	(11,000)
• Pest Management		(12,300)	(12,300)
• Mayfair Community Center Scholarships		(10,000)	(10,000)
• Parks Maintenance Staffing		(2,438)	(2,438)
• Events Coordination Staffing		(2,895)	(2,895)
• Therapeutics and Older Adults/Senior Services Staffing		(794)	(794)
• Diridon Station Area Development Planning Staffing (1.0 Planner IV)	(1.00)	0	0
• Turf Replacement (2.0 Groundswoker, 1.0 Heavy Equipment Operator, 1.0 Park Maintenance Repair Worker II, and 1.0 Senior Maintenance Worker)	(5.00)	0	0
One-time Prior Year Expenditures Subtotal:	(29.55)	(8,177,179)	(7,898,812)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Associate Architect/Landscape Architect to 1.0 Parks Manager - 1.0 Recreation Specialist to 1.0 Recreation Program Specialist		(356,261)	(202,565)
• - 2.75 Recreation Leader PT (City Council approval on October 22, 2019 for Arcadia Sports Complex Staffing)	2.75	-	-
• Parks Rehabilitation Strike and Capital Infrastructure - Deletes 2.0 Groundswoker, 2.0 Maintenance Assistant, 1.0 Office Specialist II, 1.0 Park Maintenance Repair Worker II, 1.0 Senior Geographic Information Systems Specialist, 1.0 Senior Maintenance (City Council approval on October 22, 2019)	(8.00)	-	-
• Living Wage Adjustment		957,383	956,196

Parks, Recreation and Neighborhood Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

Base Adjustments	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
• BeautifySJ Dumpster Days (reallocation from ESD)		180,000	180,000
• Professional Development Program Adjustment		28,600	28,600
• Overtime Adjustment		9,046	9,046
• Part-Time Sick Leave Adjustment		3,142	3,142
• Contract Services: Janitorial Services		111,000	111,000
• Maintenance and Operations: New Parks and Recreations Facilities Maintenance and Operations		48,000	48,000
• Contract Services: Happy Hollow Park and Zoo Foundation		32,825	32,825
• Fees and Payments: Cherry Flat Dam Fee		4,867	4,867
• Vehicle Operations and Maintenance		192,000	148,000
• Gas, Electricity, and Water		114,039	61,221
Technical Adjustments Subtotal:	(5.25)	1,324,641	1,380,332
2020-2021 Forecast Base Budget:	733.98	94,157,399	85,169,894
Budget Proposals Recommended			
1. Transitional Jobs Program (San Jose Bridge)		700,000	500,000
2. Project Hope Expansion	4.00	469,254	469,254
3. Police Activities League (PAL) Facility Support	4.00	399,860	399,860
4. Vietnamese-American Cultural Center	4.00	296,359	296,359
5. Flood-Related Parks Capital Projects Staffing	2.00	290,024	-
6. Parks Capital Improvement Program Staffing Realignment	0.00	244,772	0
7. Parks Business Development Division Manager	1.00	195,680	195,680
8. PRNS Emergency Preparedness Manager	1.00	178,931	178,931
9. Welch Park and Eastridge Recreation	1.50	118,394	118,394
10. New Parks and Recreation Facilities Maintenance and Operations		73,000	73,000
11. San Jose Parks Foundation		20,000	20,000
12. Community Center Cost Savings		(1,375,000)	(1,375,000)
13. Parks Maintenance Watering		(1,250,000)	(1,250,000)
14. Placemaking and Activation	(7.50)	(998,763)	(998,763)
15. Aquatics Program Suspension		(627,107)	(627,107)
16. Family Camp Suspension		(501,462)	(501,462)
17. HHPZ Corporate Rentals	(2.00)	(389,893)	(389,893)
18. City Retirement Contributions Pre-Funding		(360,714)	(303,630)
19. Bascom Community Center and Therapeutic Staffing Temporary Realignment		(305,245)	(305,245)
20. Out-of-School Time Staffing	(2.50)	(234,692)	(234,692)
21. Senior Transportation Funding		(140,000)	(140,000)
22. Recreation and Community Services Division Analyst	(1.00)	(136,920)	(136,920)
23. Vehicle Maintenance and Operations (Fuel Savings)		(133,000)	(130,000)

Parks, Recreation and Neighborhood Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

Budget Proposal Recommended	Positions	All Funds (\$)	General Fund (\$)
24. Plaza de Cesar Chavez Fountain Shut Off		(130,000)	(130,000)
25. Regional Parks Staffing Efficiencies	(1.00)	(102,725)	(102,725)
26. Diridon Station Area Planning Staffing	1.00	(86,377)	(17,275)
27. Regional Parks Food Service Reduction	(1.00)	(40,174)	(40,174)
Total Budget Proposals Recommended	3.50	(3,825,798)	(4,431,408)
2020-2021 Proposed Budget Total	737.48	90,331,601	80,738,486

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Transitional Jobs Program (San Jose Bridge)		700,000	500,000

*Neighborhood Services CSA
Recreation and Community Services Core Service
Anti-Graffiti and Anti-Litter Program*

This action adds one-time non-personal/equipment funding of \$500,000 to continue the expansion of the San Jose Bridge Program that was launched in 2018-2019 as directed in the Mayors March Budget Message for Fiscal Year 2020-2021, as approved by the City Council. This program is a partnership with the Downtown Streets Team and Goodwill to help the homeless get back on their feet, and provide badly-needed cleaning of streets, creeks, and prominent public spaces. The San Jose Bridge Program employs homeless residents to clean litter and trash in dozens of city-wide “hotspots.” Partially funded with \$200,000 from the St. James Park Maintenance District Fund, this program will expand to include routine cleaning at Guadalupe River Park and Trail and St. James Park. (Ongoing costs: \$0)

2. Project Hope Expansion	4.00	469,254	469,254
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*Neighborhood Services CSA
Recreation and Community Services Core Service
Youth Gang Prevention and Intervention Program*

This action continues 1.0 Recreation Superintendent, 1.0 Community Coordinator, 1.0 Community Activity Worker, and adds 1.0 Community Activity Worker position through June 30, 2021 to the operate the six existing Project Hope sites and three new sites. The four positions will help manage, coordinate, and facilitate all nine Project Hope sites. Project Hope leverages community partnerships, community empowerment, and coordination of a broad range of City services to address challenges of crime, poverty, and blight. Project Hope’s model focuses on catalyzing community engagement to sustain lasting change, with City staff providing the initial assistance. The Community Activity Worker positions will support the Community Coordinator in front-line work related to community engagement, trainings, “knock and talks,” space activation, and neighborhood and business association outreach. (Ongoing costs: \$0)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Police Activities League (PAL) Facility Support <i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Sports Fields Maintenance and Reservations Program</i>	4.00	399,860	399,860
<p>This action continues 1.0 Recreation Program Specialist, 1.0 Groundskeeper, 1.0 Groundswoker, and 1.0 Recreation Leader PT unbenefited positions through June 30, 2021 and adds one-time non-personal/equipment funding of \$50,000 to support the completion of business model assessments and to develop a long-term business strategy aimed at making the Police Activities League (PAL) facility and programs sustainable. The additional resources will also continue limited operations at the facility until the long-term business strategy is developed. In 2018-2019, PRNS assumed the responsibility for the management and operations of the facility to address audit recommendations in the June 2018 Audit of the San José Police Activities League issued by the City Auditor. Approved in the 2019-2020 Adopted Operating Budget, PRNS received \$148,258 in one-time funding to explore sustainable business models. The expected timeline for completion of the PAL operating model is fall 2020. The PAL Stadium Complex provides recreational opportunities for youth leagues from across the City, providing a space for practice, games, and tournaments. Amenities and programs include those that support football, baseball, softball, soccer, cheerleading, tae-kwon-do, and boxing. (Ongoing costs: \$0)</p>			
4. Vietnamese-American Cultural Center <i>Neighborhood Services CSA Recreation and Community Services Core Service PRNS Re-Use Program</i>	4.00	296,359	296,359
<p>This action continues 1.0 Recreation Program Specialist, 1.0 Senior Recreation Leader, and 2.0 Recreation Leader PT unbenefited positions, and \$20,000 in one-time non-personal/equipment funding to support operations for the Vietnamese-American Cultural Center at the Shirakawa Community Center, which began in 2016-2017. As the City has not been successful in identifying a qualified partner to act as lead operator, PRNS will continue as the lead operator of this Neighborhood Center Partner Program (Reuse) facility while collaborating with local service providers to enhance services for the community. (Ongoing costs: \$284,751)</p>			
5. Flood-Related Parks Capital Projects Staffing <i>Neighborhood Services CSA Strategic Support – Other- Neighborhood Services Services Core Service PRNS Capital Program</i>	2.00	290,024	0
<p>This action continues 1.0 Program Manager I and 1.0 Senior Account Clerk positions limit-dated through June 30, 2021 for flood-related parks capital projects. With potentially \$7 million remaining in flood-related capital projects that will need to be delivered within the next few years, this team will coordinate the administration of the flood-related projects, including processing FEMA claims applications; managing the reimbursement qualifications for key facilities (e.g. Watson Park, Selma Park, and Happy Hollow Park and Zoo); and assisting with the planning of projects that will be implemented over a multi-year period. (Ongoing costs: \$0)</p>			

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>6. Parks Capital Improvement Program Staffing Realignment</p> <p><i>Neighborhood Services CSA Community Facilitates Development Service Major Capital Improvement Projects Management Program</i></p> <p>This action adds 2.0 Associate Architects/Landscape Architects and deletes 1.0 Analyst II and 1.0 Structure/Landscape Designer II positions. The Associate Architects/Landscape Architect positions will provide general support to major capital projects being delivered as part of the Capital Improvement Program. (Ongoing costs: \$241,683)</p>	0.00	244,772	0
<p>7. Parks Business Development Division Manager</p> <p><i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Parks Administration Program</i></p> <p>This action adds 1.0 Division Manager position to lead business development and provide oversight of the regional park attractions, as well as the environment and nature programs. Through organizational restructuring and alignment of service models and systems, PRNS will be able to achieve more effective program operations, improve service delivery, and ensure consistent quality levels by consolidating resources. The Division Manager position will be responsible for creating and/or updating market analyses, revenue generation and costing models for various lines of business; developing and implementing a Parks Division business plan to boost public awareness and participation; and developing partnerships with community and business stakeholders, including exploring revenue opportunities around program and service offerings, sponsorships, grants, and equity and access strategy development and implementation. (Ongoing costs: \$195,680)</p>	1.00	195,680	195,680
<p>8. PRNS Emergency Preparedness Manager</p> <p><i>Neighborhood Services CSA Strategic Support – Neighborhood Services Core Service PRNS Management and Administration Program</i></p> <p>This action continues 1.0 Program Manager I position to lead strategic planning efforts around disaster preparedness, including the development and operations of the Mass Care Annex and Department Operations Center policies, procedures, and resources. PRNS is responsible for responding to emergencies such as floods, earthquakes, power shutoffs, and pandemics by providing and coordinating disaster recovery. This position will lead PRNS's logistical response to large scale emergencies (i.e. Emergency Operations Center protocols related to staff communication and deployment plans, contact lists, schedules and rotations, and partner communication channels). (Ongoing costs: \$178,931)</p>	1.00	178,931	178,931

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Welch Park and Eastridge Recreation <i>Neighborhood Services CSA Recreation and Community Services Core Service Community Center Operations Program</i> This action extends 1.0 Senior Recreation Leader and 0.50 Recreation Leader PT unbenefited positions through June 30, 2021 to continue current recreation services provided and coordinated at Welch Park. The closest community center to the Welch Neighborhood is the Evergreen Community Center, which is over four miles away. The Senior Recreation Leader position will coordinate staff and leverage partnerships to implement programs and the Recreation Leader PT positions will directly serve the community at these locations to deliver programs such as the Eastridge Teen Center. (Ongoing costs: \$0)	1.50	118,394	118,394
10. New Parks and Recreation Facilities Maintenance and Operations <i>Neighborhood Services CSA Strategic Support – End Fund Balance – Neighborhood Services Core Service Neighborhood Parks and Regional Parks Program</i> This action adds \$73,000 in non-personal/equipment funding to cover operating and maintenance costs associated with new facilities coming online in 2020-2021. These facilities and improvements include All-Inclusive Lincoln Glen Playground, All-Inclusive Rotary Playground, iStar Turnkey Park, and Welch Park and Neighborhood Center Improvements. This funding was anticipated in the 2021-2025 General Fund Forecast and the liquidation of an Earmarked Reserve set aside in the forecast for this purpose is also included. (Ongoing costs: \$73,000)		73,000	73,000
11. San Jose Parks Foundation <i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Neighborhood Parks and Regional Parks Program</i> This action adds one-time non-personal/equipment funding of \$20,000 to provide funds to the San José Parks Foundation to encourage donors and neighborhoods to financially support their own parks. Half of this funding will be matched by the San José Parks Foundation, contingent upon their ability to raise the funds. (Ongoing costs: \$0)		20,000	20,000
12. Community Center Cost Savings <i>Neighborhood Services CSA Recreation and Community Services Core Service Community Center Operations Program</i> This action reduces \$975,000 in personal services costs and \$400,000 in non-personal/equipment costs on a one-time basis. As a result of the COVID-19 pandemic and social distancing requirements, community centers are anticipated to be closed or have limited programming for the foreseeable future, resulting in an estimated savings of \$1.4 million. Programming is scheduled to return to previous levels once social distancing restrictions are lifted. (Ongoing savings: \$0)		(1,375,000)	(1,375,000)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Parks and Landscape Watering		(1,250,000)	(1,250,000)
<p><i>Neighborhood Services CSA</i> <i>Recreation and Community Services</i> <i>Parks Maintenance and Operations Core Service</i> <i>Community Center Operations Program</i> <i>Neighborhood Parks and Regional Parks Program</i></p> <p>This action reduces PRNS's water budget by 18%, resulting in savings of \$1.25 million. Following personal services costs, water is the next largest cost for the PRNS Department. By implementing strict centralized control of all 316 Parks Irrigation Controllers to decrease water usage, PRNS can achieve a substantial reduction in water usage. This reduction will be achieved by centralizing management of all clocks on the Calsense smart irrigation system, reprogramming all non Calsense controllers and centralizing access to each one to ensure proper programming for site-appropriate watering, conducting monthly utilization reviews for Waterfluence data, and examining all parks landscape irrigation for possible area brownouts or turf conversion. By reorganizing current irrigation management practices, the Department anticipates efficiencies with minimal impact to parks landscapes. (Ongoing savings: \$1,250,000)</p>			
14. Placemaking and Activation	(7.50)	(998,763)	(998,763)
<p><i>Neighborhood Services CSA</i> <i>Recreation and Community Services Core Service</i> <i>Park Activation/Placemaking Program</i></p> <p>This action eliminates 1.0 Recreation Superintendent, 3.0 Events Coordinator, 0.50 Events Coordinator PT unbenefited (San Pedro Square), and 3.0 Recreation Leaders for Placemaking Activations, all limited through June 30, 2021. As a result of the COVID-19 pandemic and social distancing requirements that will likely restrict large gatherings for the foreseeable future, and in response to the General Fund shortfall, PRNS will discontinue placemaking activations in Downtown San Jose, including San Pedro Square, and will no longer provide Viva CalleSJ and Viva Parks (Neighborhoods & Downtown). (Ongoing savings: \$0)</p>			
15. Aquatics Program Suspension		(627,107)	(627,107)
<p><i>Neighborhood Services CSA</i> <i>Recreation and Community Services Core Service</i> <i>Aquatics Program</i> <i>PRNS Re-Use Program</i></p> <p>This action suspends funding for 6.58 Instructor Lifeguard PT, 0.21 Assistant Swimming Pool Manager PT, 1.17 Swimming Pool Manager PT, 1.0 Recreation Program Specialist, \$44,000 in non-personal/equipment funding, and \$32,000 in scholarships for 2020-2021. As a result of the COVID-19 pandemic and social distancing requirements, all aquatic programs are suspended in 2020-2021. (Ongoing savings: \$0)</p>			

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
16. Family Camp Suspension		(501,462)	(501,462)
<p>Neighborhood Services CSA Parks Maintenance and Operations Core Service <i>Family Camp Program</i> <i>Happy Hollow Park & Zoo</i> <i>Neighborhood Parks and Regional Parks</i></p> <p>This action suspends \$229,336 in non-personal/equipment funding and holds vacant 0.38 FTE Cook PT unbenefited and 4.00 FTE Recreation Leader PT unbenefited related to the operation of Family Camp. Due to the many challenges and uncertainties presented by COVID-19 and its impacts on program preparation, the San Jose Family Camp at Yosemite summer season for 2020 has been cancelled. Remaining staff resources at Family Camp will maintain infrastructure and facility safety, as well as begin preparing for full programming in Summer 2021. (Ongoing savings: \$0)</p>			
17. HHPZ Corporate Rentals	(2.00)	(389,893)	(389,893)
<p>Neighborhood Services CSA Parks Maintenance and Operations Core Service <i>Happy Hollow Park & Zoo Program</i></p> <p>This action eliminates 1.0 Event Coordinator I position, 1.0 Recreation Leader PT unbenefited position, and \$225,000 in non-personal/equipment funding. This action reassigns Happy Hollow Park and Zoo private rental responsibilities to several other program areas managed through the park's Picnic Basket and Double-H catering food service. In addition, existing staff will assist with food service coordination and celebrations at Happy Hollow Park and Zoo. (Ongoing savings: \$392,631)</p>			
18. City Retirement Contributions Pre-Funding		(360,714)	(303,630)
<p>Neighborhood Services CSA Core Service: Department-wide <i>Program: Department-wide</i></p> <p>This action reduces the Parks Recreation and Neighborhood Service's Personal Services appropriation by \$360,714 in all funds, \$303,630 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$360,714)</p>			

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>19. Bascom Community Center and Therapeutic Staffing Temporary Realignment</p> <p><i>Neighborhood Services CSA Recreation and Community Services Service Community Center Operations Program</i></p> <p>This action suspends six months of personal services funding for 1.75 Recreation Leader PT, 1.50 Recreation Leaders, and 2.0 Recreation Program Specialist related to Bascom Community Center. Bascom Community Center is anticipated to have limited services during a portion of 2020-2021 as the facility is being used as a shelter to the unhoused community as part of the City's response to the COVID-19 pandemic. As a result, programs such as the teen center, fitness room, and school-aged leisure camps will not be offered at the Bascom Community Center. The gym at the community center will be managed by the Therapeutics staff through the Grace Art and Wellness Program. The Willow Glen Community Center will continue as the District 6 hub. (Ongoing savings: \$0)</p>		(305,245)	(305,245)
<p>20. Out-of-School Time Staffing</p> <p><i>Neighborhood Services CSA Recreation and Community Services Core Service Community Center Operations Program</i></p> <p>This action eliminates a vacant 1.0 Recreation Supervisor and vacant 1.5 Senior Recreation Leader PT. There will be no direct service impact from the deletion of the 1.50 Senior Recreation leader positions, as there is a corresponding reduction in a ROCK afterschool program sites at the Cambrian School District. Oversight of the Out-of-School Time programs, including summer camp training and the USDA food program grant management will be eliminated with this deletion and will be absorbed by existing staff in PRNS. (Ongoing savings: \$236,642)</p>	(2.50)	(234,692)	(234,692)
<p>21. Senior Transportation Funding</p> <p><i>Neighborhood Services CSA Recreation and Community Core Service Senior Services Program</i></p> <p>This action eliminates \$140,000 in non-personal/equipment funding from the senior transportation allocation. There will be no impact to services from this action, since the funding is not currently being utilized due to the County of Santa Clara funding the Mobility Management program (Bus Passes and Gas cards) that was previously paid by the City. (Ongoing savings: \$140,000)</p>		(140,000)	(140,000)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>22. Recreation and Community Services Division Analyst</p> <p>Neighborhood Services CSA Recreation and Community Services Core Service <i>RCS Administration Program</i></p> <p>This action eliminates a vacant 1.0 Analyst in the Recreation and Community Services Division. As a result of this elimination, the capacity of the division analytical team will be diminished to provide day-to-day administrative support to a Deputy Director, Division Manager, and three Superintendents to conduct and monitor performance measures, recruitments, and budget analysis. (Ongoing savings: \$139,705)</p>	(1.00)	(136,920)	(136,920)
<p>23. Vehicle Maintenance and Operations (Fuel Savings)</p> <p>Neighborhood Services CSA Core Service: Department-wide <i>Program: Department-wide</i></p> <p>This action decreases the ongoing funding for vehicle operations costs by \$133,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$133,000)</p>		(133,000)	(130,000)
<p>24. Plaza de Cesar Chavez Fountain Shut Off</p> <p>Neighborhood Services CSA Parks Maintenance and Operations Service <i>Neighborhood Parks and Regional Parks Program</i></p> <p>This action eliminates \$130,000 in non-personal/equipment funding on a one-time basis for contractual maintenance services at three City fountains at Plaza de Cesar Chavez, Municipal Rose Garden, and the Pool of Genes in Guadalupe River Park by shutting them off for the duration of 2020-2021, primarily due to the social distancing restrictions associated with the COVID-19 pandemic. Fountains add beauty to the community but are not essential to the health and well-being of the community. Shutting off the fountain at Plaza de Cesar Chavez would also eliminate the need for contract security, which is currently used to monitor the area for misuse of the fountain. (Ongoing savings: \$0)</p>		(130,000)	(130,000)

Parks, Recreation and Neighborhood Services Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
25. Regional Parks Staffing Efficiencies <i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Happy Hollow Park & Zoo Program</i> This action eliminates a vacant 1.0 Senior Recreation Leader assigned to regional attractions managed by the Parks Division. The eliminated Senior Recreation Leader's duties at the Lake Cunningham Action Sports Park will be absorbed by a remaining Senior Recreation Leader and part-time Recreation Leaders. However, the amount of service provided may be impacted by the reduced capacity. (Ongoing savings: \$104,577)	(1.00)	(102,725)	(102,725)
26. Diridon Station Area Planning Staffing <i>Neighborhood Services CSA Community Facilities Development Core Service Strategic Support - Neighborhood Services Core Services Major Capital Improvement Projects Management Program PRNS Management and Administration</i> This action adds 1.0 Planner IV position limit-dated through June 30, 2021 and shifts funding of 0.30 Deputy Director on a one-time basis to be funded by the Diridon Station Area Development Planning allocation in the City-Wide Expenses. These positions will assist in the revisions to the Diridon Station Area Plan and the review of the Google mixed-use development project. In addition, these positions will advise Google on pre-project activation of public spaces, as it is anticipated that parks, public spaces, and trails will be an essential part of the Google Master Plan and Diridon Station Area revisions. (Ongoing costs: \$0)	1.0	(86,377)	(17,275)
27. Regional Parks Food Service Reduction <i>Neighborhood Services CSA Park Maintenance and Operations Core Service Happy Hollow Park & Zoo Program Sports Fields Maintenance and Reservations Program</i> This action eliminates a vacant 0.5 Kitchen Aide PT and 0.5 Cook PT assigned to Arcadia Ballpark and Happy Hollow Park & Zoo. By consolidating efforts, food operations at different locations can be temporarily supported with reduced staffing. The Department will utilize existing staff as well as modify food service delivery and reduced menu options to minimize the impact to Arcadia Ballpark and Happy Hollow Park & Zoo. (Ongoing savings: \$41,135)	(1.00)	(40,174)	(40,174)
2020-2021 Proposed Budget Changes Total	3.50	(3,825,798)	(4,431,408)

Parks, Recreation and Neighborhood Services Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Account Clerk II	2.00	2.00	-
Account Clerk I/II PT	1.72	1.72	-
Accounting Technician	3.00	3.00	-
Administrative Officer	1.00	1.00	-
Amusement Park Supervisor	1.00	1.00	-
Analyst I/II	23.00	20.00	(3.00)
Analyst II PT	1.00	1.00	-
Animal Health Technician	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant Swim Pool Manager PT	0.71	0.69	(0.02)
Associate Architect/Landscape Architect	1.00	2.00	1.00
Associate Structure Landscape Designer	2.00	2.00	-
Building Management Administrator	1.00	1.00	-
Class Instructor PT	25.50	25.50	-
Community Activity Worker	15.00	16.00	1.00
Community Activity Worker PT	1.75	1.50	(0.25)
Community Coordinator	8.00	7.00	(1.00)
Community Services Aide PT	22.80	22.80	-
Community Services Supervisor	4.00	3.00	(1.00)
Cook FT	1.00	1.00	-
Cook PT	2.50	2.00	(0.50)
Deputy Director	3.00	3.00	-
Director, Parks, Recreation and Neighborhood Services	1.00	1.00	-
Division Manager	5.00	6.00	1.00
Entertainment Coordinator	1.00	1.00	-
Events Coordinator I	5.00	1.00	(4.00)
Events Coordinator I PT	0.50	0.00	(0.50)
Events Coordinator II	2.00	2.00	-
Events Coordinator II PT	0.50	0.50	-
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	2.00	2.00	-
Food Service Coordinator PT	1.00	1.00	-
Gardener	25.00	25.00	-
Gerontology Specialist	5.00	5.00	-
Golf Course Manager	1.00	1.00	-
Groundskeeper	7.00	7.00	-
Groundswoker	56.00	52.00	(4.00)
Heavy Equipment Operator	4.00	3.00	(1.00)
Instructor Lifeguard PT	8.72	8.46	(0.26)
Kitchen Aide PT	2.70	2.20	(0.50)
Landscape Maintenance Manager	1.00	1.00	-
Lifeguard PT	2.26	2.26	-
Maintenance Assistant	32.00	30.00	(2.00)
Maintenance Assistant PT	24.12	24.12	-
Maintenance Worker II	1.00	1.00	-
Office Specialist I/II	6.00	5.00	(1.00)

Parks, Recreation and Neighborhood Services Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Park Ranger	12.00	12.00	-
Park Ranger PT	5.59	5.59	-
Parks Facilities Supervisor	12.00	12.00	-
Parks Maintenance Repair Worker I/II	21.00	19.00	(2.00)
Parks Manager	6.00	7.00	1.00
Planner III	1.00	2.00	1.00
Planner IV	2.00	1.00	(1.00)
Program Manager I	8.00	8.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative II	2.00	2.00	-
Puppeteer PT	1.50	1.50	-
Recreation Leader PT	149.14	146.39	(2.75)
Recreation Program Specialist	47.00	48.00	1.00
Recreation Specialist	2.00	1.00	(1.00)
Recreation Superintendent	5.00	4.00	(1.00)
Recreation Supervisor	15.00	14.00	(1.00)
Regional Park Aide PT	11.06	11.06	-
Rides and Attractions Safety Coordinator	1.00	1.00	-
Secretary	1.00	1.00	-
Senior Account Clerk	5.00	5.00	-
Senior Analyst	5.00	5.00	-
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Construction Inspector	1.00	1.00	-
Senior Engineering Technician	1.00	1.00	-
Senior Events Coordinator	1.00	1.00	-
Senior Geographic Information Systems Specialist	2.00	1.00	(1.00)
Senior Maintenance Worker	17.00	14.00	(3.00)
Senior Office Specialist	3.00	3.00	-
Senior Park Ranger	4.00	4.00	-
Senior Recreation Leader	21.00	19.00	(2.00)
Senior Recreation Leader PT	10.17	8.67	(1.50)
Senior Recreation Leader Teacher PT	1.92	1.92	-
Senior Therapeutic Treatment Specialist	1.00	1.00	-
Senior Zoo Keeper	2.00	2.00	-
Staff Specialist	5.00	5.00	-
Staff Technician	1.00	1.00	-
Structure/Landscape Designer	1.00	0.00	(1.00)
Supervising Park Ranger	2.00	2.00	-
Swimming Pool Manager PT	1.52	1.50	(0.02)
Therapeutic Specialist	11.00	11.00	-
Training Specialist	1.00	0.00	(1.00)
Volunteer Coordinator	1.00	1.00	-
Youth Outreach Specialist	8.00	8.00	-
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	-

Parks, Recreation and Neighborhood Services Department

Departmental Position Detail

Position	2019-2020	2020-2021	Change
	Adopted	Proposed	
Zoo Educator	3.00	3.00	-
Zoo Keeper	11.00	11.00	-
Zoo Keeper PT	2.50	2.50	-
Zoo Manager	1.00	1.00	-
Total Positions	768.78	737.48	(31.30)

NOTE: No Golf Course Manager classification in Peoplesoft/ABS, but we reflect a Parks Manager as such in this report

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Planning, Building and Code Enforcement Department

Rosalynn Hughey, Director

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Facilitate the preservation and building of a safe, attractive, vibrant and sustainable San José through partnership with and exceptional service to our diverse communities and customers

City Service Areas

**Community and Economic Development
Neighborhood Services**

Core Services

Citywide Land Use Planning

Develop land use plans and policies to guide the future physical growth of the City

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

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

PROGRAM	DESCRIPTION
<i>Citywide Land Use Planning Core Service</i>	
Citywide Planning	Guides the physical design and development of San José by maintaining and updating the Envision San José 2040 General Plan; preparing and updating Urban Village Plans, Area Development Policies, and Specific Plans; conducting long range planning studies and participating with local partners on regional planning; updating City ordinances and policies as they relate to land use and development; and conducting data analysis.
Planning Environmental Review and Historic Preservation	Ensures environmental protection is included in San José's land use planning decision-making process. The Historic Preservation Program seeks to preserve buildings of historical significance in San José.
Planning Administration	Provides administrative support to Planning Development Services for preparation of public hearings and land use entitlement documents.
<i>Development Plan Review and Building Construction Inspection Core Service</i>	
Building Development Services	Ensures building projects in San José are built to meet City and State standards by providing customer information, supporting small businesses, issuing building permits, conducting plan reviews, and inspecting building projects to ensure compliance with applicable codes and policies.
Planning Development Services	Ensures development within the City is consistent with the City's General Plan by processing land use entitlement applications for consistency with the City's General Plan, regulations and policies; reviewing building permit applications for consistency with the City's requirements and permit approvals; and providing land use and permitting information to the public.
Development Services Administration	Supports the Shared Resources Programs by providing oversight of information technology system development and maintenance support for the department and AMANDA integrated permit and electronic content management systems, imaging documents and processing customer document requests, scheduling building inspections, and assisting customers in person and by phone for appointments.
<i>Code Enforcement Core Service</i>	
Community Code Enforcement	Ensures the health and safety and quality of life for San José residents and businesses by enforcing the municipal code and land use requirements.
Multiple Housing Code Enforcement	Ensures multi-family buildings are maintained in safe, decent, and sanitary conditions by conducting proactive, routine, and complaint-based inspections under the Multiple Housing Residential Occupancy Permit Program.
Solid Waste Code Enforcement	Regulates and inspects solid waste facilities to ensure that each permitted facility is in full compliance with federal, state, and local regulations governing health and operational standards.
Code Enforcement Administration	Provides management and oversight to the Code Enforcement Division along with administrative and analytical support, budget preparation, billing, and monitoring.

Planning, Building and Code Enforcement Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
PBCE Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
PBCE Management and Administration	Provides administrative oversight for the department, including executive management, employee services, human resources, grant tracking/reconciliation, contract management and analytical support.

Planning, Building and Code Enforcement Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Finalize the draft City-initiated Diridon Station Area Plan amendment and finalize development and environmental review analyses for the Downtown West Mixed-Use Development proposal for Council action.
- Complete the Envision San José General Plan (General Plan) Update Four-Year Review.
- Complete updates to policies and Zoning Code, including aligning Zoning Code with the General Plan, updating the Lighting Policy and policies for electronic billboards and planning permit extensions. Complete policy and ordinance changes to conform with state and federal law changes.
- Complete the Berryessa BART and North First Street Urban Village planning process and create new Urban Village and mixed-use zoning districts in the zoning ordinance to implement these and all Urban Village Plans.
- Initiate analysis and engagement process to apply the Mobilehome Park General Plan Land Use Designation to 56 mobilehome parks in the City.
- Complete the updated Citywide Design Guidelines, a component of Council Policy Priority #21.
- Enhance public outreach and communications by implementing plain language guidelines for mailed and on-site Planning public notices.
- Establish a formal digital resource library for utilization by Building Program staff.
- Continue to promote the Accessory Dwelling Unit (ADU) Program, including streamlining the permitting process.
- Complete a policy framework for a mandatory multi-family soft story seismic mitigation ordinance, including potential strategies that incentivize the redevelopment of multifamily soft buildings into quality, affordable housing.
- Complete Code Enforcement field inspection services for Emergency complaints within 24 hours and Priority complaints within 72 hours. Complete inspections of multiple family residential properties to ensure buildings receive a routine inspection within the designated 3-year, 5-year, or 6-year cycle time as required by the building's tier assessment.
- Complete the development and implementation of the new City-Generated Tow Service Delivery Model and related Tow Audit recommendations, including transition of the program to the San José Police Department.
- Administer the new Accessory Dwelling Unit (ADU) Amnesty Program assisting property owners through the process to legalize unpermitted ADUs and Junior ADUs, increasing the affordable housing stock and safety of the City's residents.
- Complete key ordinance updates and amendments to Title 6, Tobacco Retail License, to reduce youth access to tobacco and vaping products and align the municipal code with state regulations and Title 9, Prevention of Abandoned Carts, to reduce the volume of abandoned shopping carts and blight in the community.

2020-2021 Key Budget Actions

- Adds 1.0 Analyst through June 30, 2021 to staff the Accessory Dwelling Unit (ADU) Ally Program.
- Continues 1.0 Planner IV through June 30, 2021 to support the City's Urban Design function and Planning Development Fee Program due to ongoing development activity.
- Continues 3.0 Planner IIIs through June 30, 2021 to support Environmental Review of special programs and 2.0 Planner IIIs through June 30, 2021 to support Planning review of the Downtown West project.
- Eliminates 8 vacant positions to better align staffing and available funding sources: 8.0 Development Fee funded vacant positions (1.0 Principal Planner, 1.0 Planner III, 1.0 Senior Office Specialist, 3.0 Engineer I/II, 1.0 Senior Permit Specialist, and 1.0 Senior Account Clerk).

Operating Funds Managed

- Building Development Fee Program Fund
- Citywide Planning Fee Program Fund
- Planning Development Fee Program Fund

Planning, Building and Code Enforcement Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Citywide Land Use Planning	4,357,731	8,501,209	6,095,723	6,290,986
Code Enforcement	11,197,840	12,183,482	12,340,912	12,238,621
Development Plan Review and Building Construction Inspection	31,564,056	40,754,747	38,516,725	37,479,429
Strategic Support - Community & Economic Development	3,069,158	2,308,864	2,034,044	1,942,739
Strategic Support - Neighborhood Services	436,039	704,641	655,494	623,637
Strategic Support - Other - Community & Economic Development	857,745	1,823,017	7,628,733	7,677,088
Strategic Support - Other - Neighborhood Services	5,720	0	0	0
Total	\$51,488,288	\$66,275,960	\$67,271,631	\$66,252,500
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	46,193,740	57,392,726	55,629,343	54,864,148
Overtime	689,454	181,622	181,622	181,622
Subtotal Personal Services	\$46,883,194	\$57,574,348	\$55,810,965	\$55,045,770
Non-Personal/Equipment	3,359,683	7,250,607	4,513,362	4,228,362
Total Personal Services & Non- Personal/Equipment	\$50,242,877	\$64,824,955	\$60,324,327	\$59,274,132
Other Costs*				
City-Wide Expenses	1,074,729	1,095,026	203,000	353,000
Other	862	12,093	33,893	12,093
Other - Capital	10,870	0	0	0
Overhead Costs	158,949	343,886	6,710,411	6,613,275
Total Other Costs	\$1,245,411	\$1,451,005	\$6,947,304	\$6,978,368
Total	\$51,488,288	\$66,275,960	\$67,271,631	\$66,252,500

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	418,383	489,849	135,571	553,113
General Fund (001)	49,755,739	63,246,653	15,521,697	15,559,476
Building Development Fee Program Fund (237)	0	0	37,541,891	36,552,864
Planning Development Fee Program Fund (238)	0	0	6,994,887	6,541,989
Citywide Planning Fee Program Fund (239)	0	0	3,748,586	3,549,214
Fire Development Fee Program Fund (240)	0	0	580,552	577,629
Public Works Development Fee Program Fund (241)	0	0	539,160	536,276
Low And Moderate Income Housing Asset Fund (346)	145,825	329,379	102,212	288,625
Integrated Waste Management Fund (423)	255,670	496,510	388,494	365,085
Community Development Block Grant Fund (441)	748,822	1,284,290	1,290,803	1,302,646
Storm Sewer Operating Fund (446)	34,808	133,958	136,609	135,905
Multi-Source Housing Fund (448)	31,450	27,766	26,601	26,472
Rental Stabilization Program Fee Fund (450)	0	27,786	30,892	30,724
Airport Maintenance And Operation Fund (523)	36,757	92,213	94,945	94,388
Sewer Service And Use Charge Fund (541)	60,833	147,556	138,731	138,094
Total	\$51,488,288	\$66,275,960	\$67,271,631	\$66,252,500
Positions by Core Service**				
Citywide Land Use Planning	33.15	35.69	31.15	36.00
Code Enforcement	74.17	71.00	69.80	69.80
Development Plan Review and Building Construction Inspection	203.61	208.35	197.14	192.29
Strategic Support - Community & Economic Development	12.72	12.55	10.98	10.23
Strategic Support - Neighborhood Services	3.39	4.75	4.38	4.13
Strategic Support - Other - Community & Economic Development	2.96	4.16	4.05	4.05
Total	330.00	336.50	317.50	316.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Code Enforcement					
Code Enforcement Administration	134,936	153,037	162,820	161,720	0.66
Community Code Enforcement	5,017,007	6,000,043	6,030,394	5,795,609	33.38
Multiple Housing Code Enforcement	4,443,539	4,320,331	4,341,462	4,488,089	25.74
Solid Waste Code Enforcement	1,602,358	1,710,071	1,806,236	1,793,203	10.02
Sub-Total	11,197,840	12,183,482	12,340,912	12,238,621	69.80
Development Plan Review and Building Construction Inspection					
Building Development Services	22,150,012	29,012,895	28,471,712	27,842,093	135.24
Development Services Administration	4,420,629	5,167,846	4,588,810	4,561,912	25.58
Planning Development Services	4,993,415	6,574,006	5,456,203	5,075,424	31.47
Sub-Total	31,564,056	40,754,747	38,516,725	37,479,429	192.29
Citywide Land Use Planning					
Citywide Planning	3,645,306	6,888,527	5,606,197	5,465,279	32.39
Planning Administration	416,778	396,703	413,840	410,479	1.32
Planning Environmental Review and Historic Preservation	295,647	1,215,979	75,686	415,228	2.29
Sub-Total	4,357,731	8,501,209	6,095,723	6,290,986	36.00
Strategic Support - Community & Economic Development					
PBCE Information Technology - Community and Economic Development	859,450	0	0	0	0.00
PBCE Management and Administration - Community and Economic Development	2,209,708	2,308,864	2,034,044	1,942,739	10.23
Sub-Total	3,069,158	2,308,864	2,034,044	1,942,739	10.23
Strategic Support - Neighborhood Services					
PBCE Financial Management - Neighborhood Services	251	0	0	0	0.00
PBCE Management and Administration - Neighborhood Services	435,787	704,641	655,494	623,637	4.13
Sub-Total	436,039	704,641	655,494	623,637	4.13
Strategic Support - Other - Community & Economic Development					
PBCE Other Departmental - City-Wide - Community and Economic Development	425,787	963,728	537,256	683,916	2.05
PBCE Other Departmental - Grants - Community and Economic Development	431,958	515,403	381,066	379,897	2.00
PBCE Overhead - Community and Economic Development	0	343,886	6,710,411	6,613,275	0.00
Sub-Total	857,745	1,823,017	7,628,733	7,677,088	4.05

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Strategic Support - Other - Neighborhood Services					
PBCE Other Departmental - Grants - Neighborhood Services	5,720	0	0	0	0.00
Sub-Total	5,720	0	0	0	0.00
Total	\$51,488,288	\$66,275,960	\$67,271,631	\$66,252,500	316.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	336.50	64,824,955	62,151,627
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Cannabis Regulatory Program CEQA Review		(207,960)	(207,960)
• Rebudget: North San José Area Development Policy and Environmental Impact Report		(196,000)	(196,000)
• Rebudget: Policy and Ordinance Assistance		(188,000)	(188,000)
• Rebudget: San José Sign Ordinance and Lighting Policy Update		(170,000)	(170,000)
• Rebudget: Greenhouse Gas Reduction Strategy Update		(143,000)	(143,000)
• Rebudget: Business Permit Process Improvement Bootcamp		(58,000)	(58,000)
• Rebudget: Code Enforcement Mobile Devices		(57,600)	(57,600)
• Rebudget: Integrated Permit System - Revenue Process Redesign		(50,000)	(50,000)
• Rebudget: Urban Village Master Planning		(22,000)	(22,000)
• Rebudget: Envision San José 2040 General Plan Four-Year Major Review		(21,000)	(21,000)
• Diridon Area Planning Funding Shift	0.00	139,054	139,054
• Planning Administration Realignment	0.00	0	0
• Diridon Station Area Development Planning Staffing (2.0 Planner III)	(2.00)	0	0
• Integrated Permitting System Staff Support (1.0 Analyst I and 3.0 Senior Systems Applications Programmer)	(4.00)	(1,581,124)	(1,383,172)
• Planning Development Fee Staffing (3.0 Planner IV and 1.0 Planning Technician)	(4.00)	(661,251)	(661,251)
• Environmental Review Staffing (3.0 Planner III)	(3.00)	(471,415)	0
• Expedited Housing Development Staffing		(400,000)	(400,000)
• Technology Support (1.0 Senior Systems Applications Programmer and 1.0 Supervising Applications Analyst)	(2.00)	(377,756)	(336,202)
• Child Care Workforce Development and Facilities Staffing (1.0 Planner III)	(1.00)	(257,450)	(257,450)
• Envision San José 2040 General Plan Four-Year Major Review		(225,000)	(225,000)
• Building Development Fee Staffing (1.0 Senior Engineer)	(1.00)	(200,814)	(200,814)
• Administrative Support (1.0 Senior Analyst)	(1.00)	(161,539)	(161,539)
• Policy and Ordinance Support		(150,000)	(150,000)
• City-Generated Tow Services Analysis (1.0 Program Manager I)	(1.00)	(139,296)	(139,296)
• Code Enforcement Supervisor and Support		(75,000)	(75,000)
One-time Prior Year Expenditures Subtotal:	(19.00)	(5,675,151)	(4,964,230)

Planning, Building and Code Enforcement Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Permit Specialist to 1.0 Senior Permit Specialist		1,077,023	878,158
• Overtime Funding Realignment		0	(150,816)
• Professional Development Program Adjustment		16,500	0
• Fund Shift: Development Fee Program		0	(42,626,985)
• Fund Shift: PBCE Shared Resources		0	(20,238)
• Fund Shift: PBCE Staffing		0	24,181
• Vehicle Maintenance and Operations		81,000	27,000
Technical Adjustments Subtotal:	0.00	1,174,523	(41,868,700)
2020-2021 Forecast Base Budget:	317.50	60,324,327	15,318,697
Budget Proposals Recommended			
1. California Environmental Quality Act Compliance and Review	2.00	339,905	0
2. Housing Project Staffing	1.00	169,902	0
3. Accessory Dwelling Unit Ally	1.00	147,169	147,169
4. Climate Smart San José Plan Implementation Staffing		0	0
5. Building Development Fee Program	(4.00)	(588,845)	0
6. City Retirement Contributions Pre-Funding		(363,035)	(93,989)
7. Planning Development Fee Staffing	(2.00)	(211,257)	935
8. Diridon Station Area Development Planning Staffing	2.00	(145,695)	0
9. Planning Development Fee Program		(135,000)	0
10. Multiple Housing Code Enforcement Fee Program	0.00	(133,000)	(133,000)
11. Administrative Support Program	(1.00)	(113,339)	(28,336)
12. Vehicle Maintenance and Operations (Fuel Savings)		(17,000)	(5,000)
Total Budget Proposals Recommended	(5.00)	(1,707,171)	(259,390)
2020-2021 Proposed Budget Total	312.50	58,617,156	15,059,307

Planning, Building and Code Enforcement Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. California Environmental Quality Act Compliance and Review	2.00	339,905	0
<p><i>Community and Economic Development CSA Citywide Land Use Planning and Development Plan Review and Building Construction Inspection Core Services Planning Development Services and Planning Environmental Review and Historic Preservation Programs</i></p> <p>This action continues 2.0 limit-dated Planner III positions through June 30, 2021 to support the Environmental Services Department (ESD) and Citywide Capital Improvement. Per the California Environmental Quality Act (CEQA), the City is required to disclose the environmental impacts of all its actions, including all Council approvals and many staff-level actions involving development and construction. Furthermore, City projects that require Federal funding or approval by a Federal agency also require review under the National Environmental Policy Act. Both Planner III positions will coordinate with consultants on the preparation of adequate environmental documents and standard review timelines to complete the clearances, review correct CEQA references for City Council memos, and/or provide direction on project design to comply with CEQA. (Ongoing costs: \$0)</p>			
2. Housing Project Staffing	1.00	169,902	0
<p><i>Community and Economic Development CSA Citywide Land Use Planning and Development Plan Review and Building Construction Inspection Core Services Citywide Planning and Planning Development Services Programs</i></p> <p>This action continues 1.0 Planner III position in the Planning Division's Environmental Review team through June 30, 2021 and one-time shift of 0.10 Associate Engineer position in the Building Division's Plan Review team to better align funding sources for staff support of Housing projects. The Environmental Review Planner is responsible for reviewing and preparing Federal and State environmental documents on all Housing projects. Additionally, the Housing Department will fund a portion of an Associate Engineer position to support affordable housing project workload in the Building Division. Continued Planning and Building staff support for the Housing Department will facilitate the City's efforts to address housing-related issues. (Ongoing costs: \$0)</p>			
3. Accessory Dwelling Unit Ally	1.00	147,169	147,169
<p><i>Community and Economic Development CSA Development Plan Review and Building Construction Inspection Core Service Building Development Services Program</i></p> <p>This action adds 1.0 Analyst position, limit-dated to June 30, 2021, to continue support for the Accessory Dwelling Units (ADU) Ally Program launched in August 2019. The position will serve as the City's main point of contact for potential ADU applicants and facilitate the promotion of ADUs. Specifically, the position will conduct outreach, informative workshops, and improve customer service in answering all questions regarding ADU application process and requirements. The position will also streamline review processes for ADU applications and conduct data tracking and analysis to ensure the successful continuity of the program. (Ongoing costs: \$0)</p>			

Planning, Building and Code Enforcement Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>4. Climate Smart San José Plan Implementation Staffing</p> <p><i>Community and Economic Development CSA Citywide Land Use Planning Core Service Citywide Planning Program</i></p> <p>This action extends 1.0 limit-dated Planner IV position through June 30, 2021, funded by the City-Wide Climate Smart San José allocation. This position will embark upon initial key initiatives, including reporting and data collection for enhanced Climate Smart performance metric dashboard, and updates to City parking management and policies. For details on the Climate Smart San José funding, please refer to the City-Wide Expenses section. (Ongoing costs: \$0)</p>		0	0
<p>5. Building Development Fee Program</p> <p><i>Community and Economic Development CSA Development Plan Review and Building Construction Inspection Core Service Building Development Services Program</i></p> <p>This action eliminates vacant positions (1.0 Senior Permit Specialist, 2.0 Engineer I, and 1.0 Engineer II) funded by the Building Development Services fee program to bring costs in alignment with projected revenue levels. The Department will seek to minimize service delivery impacts attributable to this reduction in staffing in the Building Development Fee Program. (Ongoing savings: \$591,350)</p>	(4.00)	(588,845)	0
<p>6. City Retirement Contributions Pre-Funding</p> <p><i>Community and Economic Development CSA Core Service: Department-wide Program: Department-wide</i></p> <p><i>Neighborhood Services CSA Core Service: Department-wide Program: Department-wide</i></p> <p>This action reduces the Planning, Building, and Code Enforcement Department's Personal Services appropriation by \$363,035 in all funds, \$93,989 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$363,035)</p>		(363,035)	(93,989)

Planning, Building and Code Enforcement Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Planning Development Fee Staffing <i>Community and Economic Development CSA Development Plan Review and Building Construction Inspection Core Service Planning Development Services Program</i> This action eliminates three vacant positions (1.0 Planner III, 1.0 Principle Planner, 1.0 Senior Office Specialist) and shifts part of the total funding to support a Division Manager (0.35 FTE) position and a Planner IV (0.5 FTE) position in Citywide Planning and Planning Development Services, respectively. This action better aligns Planning Development funding resources with various roles and responsibilities within the Planning Division, and facilitates the City Designer's roles in refining land use, urban design, parking guidelines, and other parameters for the Diridon Station Area. After initial focus on Diridon, the City Designer will continue to provide interdepartmental leadership on design issues in the Downtown, Urban Villages, and other growth areas. (Ongoing savings: \$216,175)	(2.00)	(211,257)	935
8. Diridon Station Area Development Planning Staffing <i>Community and Economic Development CSA Citywide Land Use Planning Core Service Citywide Planning Program</i> This action continues 2.0 Planner II/III positions, limit-dated through June 30, 2021, and shifts funding for a 0.75 Planner IV on a one-time basis, from the Citywide Planning Fee Program to the City-Wide Diridon Station Area Development Planning appropriation to continue processing Google's Downtown West mixed-use development proposal. These positions were approved as part of the 2018-2019 Mid-Year Budget Review, with funding from the Funding and Service Reimbursement Agreement with Google to pay for certain planning and development services in the Diridon Station Area. This continuation allows for further project planning and civic engagement in the Diridon Station Area, including updating the Diridon Station Area Plan, assessing the potential Google mixed-use development project, reviewing all relevant environment documents, and negotiating the Development Agreement. (Ongoing costs: \$0)	2.00	(145,695)	0
9. Planning Development Fee Program <i>Community and Economic Development CSA Citywide Land Use Planning Core Service and Development Plan Review and Building Construction Inspection Core Services Citywide Planning and Planning Development Services Programs</i> This action decreases the Non-Personal/Equipment budget for the Planning Development Services fee program to align costs with anticipated revenue levels in 2020-2021, reducing funding for temporary staffing during peak workloads for the Planning Development Services fee program. City employees will continue to address these peak workloads, and the department will prioritize peak staffing for projects with dedicated funds. (Ongoing savings: \$135,000)		(135,000)	0

Planning, Building and Code Enforcement Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Multiple Housing Code Enforcement Fee Program	0.00	(133,000)	(133,000)

*Community and Economic Development CSA
Citywide Land Use Planning Core Service
Citywide Planning Program*

*Neighborhood Services CSA
Code Enforcement Core Service
Community Code Enforcement and Multiple Housing Code Enforcement Programs*

This action shifts funding of a vacant 1.0 Code Enforcement Inspector II position to the Multiple Housing Code Enforcement fee program to better support response needs in the Multiple Housing Code Enforcement fee program. A corresponding reduction to the Non-Personal/Equipment budget provides ongoing General Fund savings, but may limit the department's ability to fund employee training/development and consultant resources. (Ongoing savings: \$133,000)

11. Administrative Support Program	(1.00)	(113,339)	(28,336)
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*Community and Economic Development CSA
Strategic Support Core Service
PBCE Management and Administration Program*

*Neighborhood Services CSA
Strategic Support Core Service
PBCE Management and Administration Program*

This action eliminates 1.0 vacant Senior Account Clerk, funded by both Building and Planning Development Services fee program, to better align costs with anticipated revenue levels for 2020-2021. The elimination of this vacant position will impact the department's ability to meet service delivery expectations for the Development Services fee programs. (Ongoing savings: \$115,588)

Planning, Building and Code Enforcement Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
12. Vehicle Maintenance and Operations (Fuel Savings) <i>Community and Economic Development CSA Development Plan Review and Building Construction Inspection Core Service Building Development Services Program</i> <i>Neighborhood Services CSA Code Enforcement Core Service Community Code Enforcement, Multiple Housing Code Enforcement, Solid Waste Code Enforcement Programs</i>		(17,000)	(5,000)
<p>This action decreases the ongoing funding for vehicle operations costs by \$17,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$17,000)</p>			
2020-2021 Proposed Budget Changes Total	(1.00)	(1,050,195)	(112,221)

Planning, Building and Code Enforcement Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accountant I/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	5.00	5.00	-
Assistant Director of Planning, Bldg and Code Enforcement	1.00	1.00	-
Assistant to the Director	1.00	1.00	-
Associate Engineer	17.00	17.00	-
Building Inspection Manager	4.00	4.00	-
Building Inspector Combination Certified I/II/III/Sr	63.00	63.00	-
Building Inspector, Supervisor Certified I/II	15.00	15.00	-
Code Enforcement Inspector I/II	45.00	45.00	-
Code Enforcement Supervisor	6.00	6.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Planning, Building and Code Enforcement	1.00	1.00	-
Division Manager	9.00	9.00	-
Engineer I/II	3.00	0.00	(3.00)
Environmental Inspector II	3.00	3.00	-
Geographic Information 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	2.00	1.00	(1.00)
Planner I/II/III	37.00	35.00	(2.00)
Planner II PT	0.50	0.50	-
Planner IV	16.00	14.00	(2.00)
Planning Technician	5.00	4.00	(1.00)
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	4.00	4.00	-
Principal Permit Specialist	5.00	5.00	-
Principal Planner	3.00	2.00	(1.00)
Program Manager I	4.00	3.00	(1.00)
Public Information Manager	1.00	1.00	-
Public Information Representative I	1.00	1.00	-
Regional Park Aide PT	0.00	0.00	-
Senior Account Clerk	2.00	1.00	(1.00)
Senior Analyst	3.00	2.00	(1.00)
Senior Engineer	8.00	7.00	(1.00)
Senior Office Specialist	22.00	21.00	(1.00)
Senior Permit Specialist	16.00	16.00	-
Senior Supervisor, Administration	2.00	2.00	-
Senior Systems Application Programmer	6.00	2.00	(4.00)
Staff Specialist	8.00	8.00	-
Staff Technician	0.00	0.00	-

Planning, Building and Code Enforcement Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Supervising Applications Analyst	2.00	1.00	(1.00)
Supervising Environmental Services Specialist	1.00	1.00	-
Systems Applications Programmer II	1.00	1.00	-
Total Positions	336.50	316.50	(20.00)

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Police Department

Edgardo Garcia, Police Chief

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Create safe places to live, work and learn through community partnerships

City Service Areas

Public Safety

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

PROGRAM	DESCRIPTION
<i>Crime Prevention and Community Education Core Service</i>	
Crime Prevention	Provides community-oriented policing, community education programs, and problem solving support for the Police Department and the community.
School Liaison / Truancy Abatement	Develops and maintains positive communications and relationships between the Police Department and the school districts within the city; supports truancy abatement services.
School Safety	Provides for the safety of school age children as they travel to and from school.
<i>Investigative Services Core Service</i>	
Assaults	Investigates assault cases, hate crimes, criminal threats, and brandishing weapons cases.
Court Liaison	Liaisons with the District Attorney's Office, seeks and processes criminal citations, and coordinates witnesses.
Crime Analysis	Identifies crime trends and crime patterns through analysis of crime data.
Family Violence	Uses a collaborative approach to provide a secure, comfortable and convenient location for victims of family violence in order to facilitate the investigation of their cases and seek the services necessary to ensure their continued safety and well-being.
Financial Crimes / Burglary	Provides police services to the community by providing investigations of economic crimes.
Gang Investigations	Investigates gang-related crimes committed by members of criminal street gangs.
Homicide / Crime Scene	Provides for the investigation of all homicides, suspicious deaths, child deaths, in-custody deaths, and officer involved fatal incidents.
Internal Affairs	Responsible for receiving, documenting, and investigating all citizen complaints, as well as Department-initiated investigations involving Department members.
Investigations Administration	Provides leadership and management for investigative services.
Juvenile / Missing Persons	Responsible for investigating a wide variety of cases involving juvenile offenders and for locating persons who are formally reported as missing from within the city.
Robbery	Conducts investigations of robberies, extortions, kidnappings, grand theft "purse snatch" cases, and other robbery-related crimes.

Police Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Investigative Services Core Service</i>	
Sexual Assaults	Investigates sex offenses reported in the city.
Special Investigations	Collects, analyzes, and disseminates information on the criminal activities of organized crime groups, emerging criminal groups, public disorder and terrorist groups, and threats to public officials or private citizens.
<i>Regulatory Services Core Service</i>	
Cannabis Regulation	Maintains regulatory oversight for cannabis collectives including site inspections, background investigations on collective's employees, investigation of Municipal Code violations, and conducting analysis of criminal activity related to cannabis operations.
Gaming Control	Maintains regulatory oversight for cardrooms including site inspections, background investigations on cardroom's employees, investigation of Municipal Code violations, and conducting analysis of criminal activity relating to cardroom operations.
Permits	Maintains regulatory oversight for business permits such as taxi companies, tow companies, massage parlors, entertainment venues, gaming establishments, bingo parlors, and peddlers in accordance with the Municipal Code.
<i>Respond to Calls for Service and Patrol Support Core Service</i>	
9-1-1 Call Taking & Police Dispatch	Serve as the vital link between public safety and those who need assistance by answering and dispatching emergency and non-emergency calls in a timely, precise, and skilled manner.
Air Support	Provides aerial support for police ground units on matters relating to public and officer safety.
Airport Division	Provides basic police services as well as coordinates with partners to enforce the Airport Security Plan and ensure compliance with all FAA and TSA security directives, existing regulations, and emergency amendments at Norman Y. Mineta San José International Airport.
Downtown Services	Manages policing activities for events associated with the Downtown Entertainment Zone, including regulatory enforcement of the City's Entertainment and Conditional Use Permits at nightclubs and bars, enforcement of Alcoholic Beverage Control violations, cruise management traffic diversion, and patrol checks at parking garages in the Entertainment Zone.
Field Operations Administration	Provides leadership and management for field operations.
Field Patrol	Performs continuous patrol and response to calls for service to ensure immediate public safety.

Police Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Respond to Calls for Service and Patrol Support Core Service</i>	
Metro	Performs a variety of functions, including street level narcotics enforcement, prostitution enforcement, tactical support for the MERGE Unit, augmenting the VCET Unit during upticks in violent gang crime, and various special assignments as needed.
Reserves / Volunteers	Manages volunteers who assist the Department for relief, special functions and community events.
Special Operations	Responds to high-risk incidents, including hostage/barricade situations, with specially trained and equipped staff.
Traffic Enforcement	Enforces traffic laws in order to reduce traffic collisions, their resulting injuries, and facilitates the safe and expedient flow of vehicular and pedestrian traffic.
Violent Crimes Enforcement	With a highly skilled and trained team, provides enforcement of crimes associated with violence related to criminal gang activity in an effort to reduce and prevent youth crime and violence.
<i>Strategic Support Core Service</i>	
Police Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Police Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Police Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Police Department Management and Administration	Provides executive-level, analytical and administrative support to the department.
Police Records	Manages and maintains local, state and federal databases in order to assist in the identification, apprehension and prosecution of criminal offenders, and to ensure officer and public safety.
Police Research and Development	Performs research and preparation of complex reports and projects involving inter-departmental issues and intergovernmental topics.
Police Training and Academy	Delivers constantly updated training programs that support the Department's commitment to excellence, reflecting the highest professional standards in managerial, operational, and personal performance.

Police Department

Department Budget Summary

Expected 2020-2021 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.

2020-2021 Key Budget Actions

- Eliminates one-time funding of \$7.2 million for the Sworn Hire Ahead Program in 2020-2021 that was set aside in an Earmarked Reserve, which would have allowed the hire of additional police officers in advance of future vacancies to provide street-ready officers as vacancies occur.
- Adds one-time funding of \$300,000 for backgrounding candidates for the upcoming Police Officer Recruit Academies as well as civilian candidates for non-sworn vacancies, such as Public Safety Communication Specialists and Public Safety Dispatchers in the 9-1-1 Emergency Communications Center.
- Adds 1.0 Police Lieutenant to support the newly formed Special Victims Unit within the Bureau of Investigations. The unit's primary focus will be the proactive enforcement, coupled with regional capacity building (a primary deliverable for various state and federal grants) for computer-facilitated sexual exploitation, human trafficking and the investigation of reoffending sexual registrants.
- Continues 5.0 Analyst II positions through June 30, 2021 and associated non-personal/equipment funding to support new California Public Records Act (CPRA) laws as well as address the current workload demands.
- Adds one-time funding of \$151,000 to support a portion of the costs for a temporary Police Lieutenant position assigned to the Northern California Regional Intelligence Center to match grant funds.
- Eliminates 8.0 Community Service Officer and 2.0 Senior Community Service Officer positions, all of which are vacant. Although there are no immediate service impacts, an ongoing reduction in the CSO program will reduce the number of calls that CSO's can respond to.
- Reduces a portion of the Department's non-personal/equipment allocation in response to a determination where efficiencies could be gained and/or where expenses could be reduced.
- Adds one-time funding to upgrade the Police and Fire Department's Computer Aided Dispatch (CAD) software and hardware that is used by the Public Safety Answer Points (PSAP).
- Adds one-time non-personal/equipment funding of \$197,000 to replace a small portion of the Mobile Data Computers (MDC) in patrol cars. The mobile data computing equipment is an essential part of the Police Department's secure mobile computer network

Operating Funds Managed

- | | |
|---|---|
| <input type="checkbox"/> Edward Byrne Memorial Justice Assistance Grant | <input type="checkbox"/> Supplemental Law Enforcement Services Fund |
| <input type="checkbox"/> Federal Drug Forfeiture Fund | <input type="checkbox"/> State Drug Forfeiture Fund |

Police Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Crime Prevention and Community Education	6,581,536	7,467,502	7,138,018	7,053,256
Investigative Services	72,612,597	78,807,788	88,956,501	87,880,656
Regulatory Services	4,911,563	4,700,216	4,741,986	4,688,504
Respond To Calls For Service and Patrol Support	271,097,817	305,235,817	299,142,431	289,711,694
Strategic Support - Other - Public Safety	18,126,927	17,431,967	12,462,984	8,112,491
Strategic Support - Public Safety	55,658,635	50,823,460	54,321,000	51,730,841
Total	\$428,989,074	\$464,466,750	\$466,762,920	\$449,177,442
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	342,949,808	389,996,652	398,780,588	392,695,292
Overtime	40,029,885	28,575,551	28,183,626	21,033,626
Subtotal Personal Services	\$382,979,694	\$418,572,203	\$426,964,214	\$413,728,918
Non-Personal/Equipment	26,514,150	28,829,779	27,531,752	27,381,063
Total Personal Services & Non-Personal/Equipment	\$409,493,844	\$447,401,982	\$454,495,966	\$441,109,981
Other Costs*				
City-Wide Expenses	3,066,372	6,252,387	128,500	279,500
General Fund Capital	12,495	0	0	0
Gifts	101,030	0	160,498	0
Other	6,267,697	2,823,346	4,389,995	200,000
Other - Capital	1,138,427	0	0	0
Overhead Costs	0	14,035	15,961	15,961
Workers' Compensation	8,909,210	7,975,000	7,572,000	7,572,000
Total Other Costs	\$19,495,231	\$17,064,768	\$12,266,954	\$8,067,461
Total	\$428,989,074	\$464,466,750	\$466,762,920	\$449,177,442

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Police Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	1,141,477	261,335	423,350	420,368
General Fund (001)	421,209,021	461,038,173	461,670,336	448,438,860
Gift Trust Fund (139)	101,030	0	160,498	0
Supplemental Law Enforcement Services Fund (414)	2,553,700	2,299,016	3,850,044	0
State Drug Forfeiture Fund (417)	257,428	0	0	0
Federal Drug Forfeiture Fund (419)	3,449,074	0	0	0
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)	20,160	551,610	339,951	0
Airport Maintenance And Operation Fund (523)	70,242	116,616	118,741	118,214
General Purpose Parking Fund (533)	186,942	200,000	200,000	200,000
Total	\$428,989,074	\$464,466,750	\$466,762,920	\$449,177,442
Positions by Core Service**				
Crime Prevention and Community Education	62.17	70.67	69.67	69.67
Investigative Services	283.50	284.50	312.50	313.50
Regulatory Services	22.00	23.00	23.00	23.00
Respond To Calls For Service and Patrol Support	1,132.50	1,134.50	1,092.50	1,082.50
Strategic Support - Public Safety	190.50	197.50	209.50	214.50
Total	1,690.67	1,710.17	1,707.17	1,703.17

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Police Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Crime Prevention and Community Education					
Crime Prevention	1,735,352	1,956,034	1,976,614	1,928,424	13.00
Police Activities League	250,430	336,184	7,594	7,594	0.00
School Liaison/Truancy Abatement	1,721,859	2,180,157	2,270,998	2,238,949	7.00
School Safety	2,873,896	2,995,127	2,882,812	2,878,289	49.67
Sub-Total	6,581,536	7,467,502	7,138,018	7,053,256	69.67
Investigative Services					
Assaults	2,791,981	3,379,750	4,075,815	4,010,012	15.00
Court Liaison	2,048,377	2,548,644	2,063,435	1,976,402	12.00
Crime Analysis	1,726,417	2,585,391	2,929,199	2,911,499	20.00
Family Violence	3,885,480	4,568,512	6,031,138	5,926,100	22.00
Financial Crimes/Burglary	4,024,510	5,932,220	6,278,558	6,166,606	23.00
Gang Investigations	4,377,425	5,942,242	5,481,310	5,384,577	20.00
Homicide/Crime Scene	9,412,524	9,616,293	10,295,457	10,096,016	33.00
Internal Affairs	5,477,338	5,489,307	5,714,708	5,601,245	17.00
Investigations Administration	9,629,679	9,616,101	10,401,733	10,257,512	28.00
Juvenile/Missing Persons	1,034,956	1,728,112	2,738,788	2,702,654	11.50
Robbery	4,334,687	4,415,109	4,186,727	4,126,270	14.00
Sexual Assaults	11,584,886	11,793,969	14,515,943	14,620,547	51.00
Special Investigations	12,284,340	11,192,138	14,243,690	14,101,216	47.00
Sub-Total	72,612,597	78,807,788	88,956,501	87,880,656	313.50
Regulatory Services					
Cannabis Regulation	1,433,211	1,346,494	1,394,092	1,378,045	6.00
Gaming	1,815,416	1,503,051	1,510,656	1,500,201	7.00
Permits	1,662,935	1,850,671	1,837,238	1,810,258	10.00
Sub-Total	4,911,563	4,700,216	4,741,986	4,688,504	23.00
Respond To Calls For Service and Patrol Support					
9-1-1 Call Taking & Police Dispatch	24,695,085	26,862,170	28,198,879	28,012,674	162.50
Air Support	2,440,825	2,073,949	2,696,469	2,567,183	7.00
Airport Division	8,281,839	8,424,938	8,731,299	8,641,542	11.00
Downtown Services	2,133,018	2,800,154	2,855,859	2,839,369	8.00
Field Operations Administration	3,952,553	3,816,782	3,930,043	3,863,180	15.00
Field Patrol	203,692,908	224,121,931	215,959,625	207,653,157	757.00
Metro	5,905,075	8,732,113	9,007,424	8,871,775	31.00
Police - Reserves Unit	1,390,905	1,358,248	1,405,789	1,375,808	5.00

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Police Department

Department Budget Summary

	2018-2019	2019-2020	2020-2021	2020-2021	2020-2021
	Actuals**	Adopted	Forecast	Proposed	Proposed Positions
Special Operations	10,833,614	11,022,811	12,999,005	12,764,304	41.00
Traffic Enforcement	3,042,628	11,740,121	8,888,182	8,734,943	31.00
Violent Crimes Enforcement	4,729,367	4,282,600	4,469,857	4,387,759	14.00
Sub-Total	271,097,817	305,235,817	299,142,431	289,711,694	1,082.50
Strategic Support - Public Safety					
Police Department Management and Administration	5,937,733	6,942,555	6,842,462	6,691,873	10.00
Police Financial Management	3,077,801	2,534,290	2,752,036	2,730,276	16.00
Police Human Resources	9,086,261	8,605,964	7,775,933	7,883,078	28.00
Police Information Technology	6,948,957	7,373,217	8,161,350	8,971,843	26.00
Police Records	8,241,122	10,426,339	9,893,333	9,833,527	80.50
Police Research and Development	2,007,872	2,092,221	2,108,190	2,800,450	14.00
Police Training and Academy	20,358,889	12,848,874	16,787,696	12,819,794	40.00
Sub-Total	55,658,635	50,823,460	54,321,000	51,730,841	214.50
Strategic Support - Other - Public Safety					
Police Capital	1,138,427	0	0	0	0.00
Police Gifts	101,030	0	160,498	0	0.00
Police Other Departmental - City-Wide	3,923,829	1,919,705	338,026	338,026	0.00
Police Other Departmental - Grants	4,054,431	7,523,227	4,376,499	186,504	0.00
Police Overhead	0	14,035	15,961	15,961	0.00
Police Workers' Compensation	8,909,210	7,975,000	7,572,000	7,572,000	0.00
Sub-Total	18,126,927	17,431,967	12,462,984	8,112,491	0.00
Total	\$428,989,074	\$464,466,750	\$466,762,920	\$449,177,442	1,703.17

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Police Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	1,710.17	447,174,702	446,810,786
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Vehicle Replacement		(1,200,000)	(1,200,000)
• Rebudget: Bodyworn Camera Contingency		(230,861)	(230,861)
• Rebudget: Intergraph Maintenance Upgrade		(225,000)	(225,000)
• Rebudget: Permitting Software		(75,000)	(75,000)
• Sworn Hire Ahead Program		(7,000,000)	(7,000,000)
• Police Recruitment and Background Services		(825,000)	(825,000)
• Proactive Community Policing/Foot Patrol in High Needs Neighborhoods		(750,000)	(750,000)
• Downtown Foot Patrol Program		(600,000)	(600,000)
• Public Records Request Staffing (3.0 Analyst II)	(3.00)	(398,958)	(398,958)
• Northern California Regional Intelligence Center Grant Staffing		(167,000)	(167,000)
• Stream Stewardship Law Enforcement Program		(150,000)	(150,000)
• 9-1-1/3-1-1 Call Center		(85,000)	(85,000)
• Communication Installation Staffing		(80,000)	(80,000)
• Parent Project Program		(66,000)	(66,000)
• Sexual Assaults Survivor Assistance		(60,000)	(60,000)
• Mobile Electronic Radar Speed Signs		(20,000)	(20,000)
• FBI Safe Streets Task Force		(4,585)	(4,585)
• FBI SF Joint Terrorism Task Force		(4,585)	(4,585)
One-Time Prior Year Expenditures Subtotal:	(3.00)	(11,941,989)	(11,941,989)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		17,227,189	17,185,975
- 1.0 Video/Multimedia Producer to 1.0 Police Forensic Analyst II			
- 1.0 Senior Office Specialist to 1.0 Police Data Specialist II			
- 1.0 Video Unit Supervisor to 1.0 Program Manager I			
- 2.0 Senior Police Data Specialist to 2.0 Analyst I			
- 1.0 Supervising Applications Analyst to 1.0 Department Information Technology Manager			
• Overtime Adjustment		983,245	983,245
• Living Wage Adjustment		153,924	153,924
• Night Shift Differential Adjustment		11,336	11,336
• Professional Development Program Adjustment		1,000	1,000
• Police Staffing Program Realignment		-	-
• Community-Based Organization: YWCA Solutions to Domestic Violence Counseling		2,696	2,696
• Community-Based Organization: Truancy Abatement and Burglary Suppression (TABS)		1,397	1,397
• Community-Based Organization: San Jose Police Chaplaincy Program		1,000	1,000
• Community-Based Organization: Alum Rock Counseling Center, Inc. (Crisis Intervention for Youth)		404	404
• Vehicle Operations and Maintenance		729,010	729,010

Police Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Police Vehicle Replacement		113,540	113,540
• Gas and Electricity		38,512	38,512
Technical Adjustments Subtotal:	0.00	19,263,253	19,222,039
2020-2021 Forecast Base Budget	1,707.17	454,495,966	454,090,836
Budget Proposals Recommended			
1. Public Records Staffing Requests	5.00	725,180	725,180
2. Police and Fire Department Computer Aided Dispatch Upgrade		684,500	684,500
3. Special Victims Unit Staffing	1.00	390,486	390,486
4. Police Backgrounding Services		300,000	300,000
5. Mobile Data Computer Replacements		197,000	197,000
6. Sworn Hire Ahead Program		(7,200,000)	(7,200,000)
7. City Retirement Contributions Pre-Funding		(6,044,688)	(6,041,179)
8. Community Service Officer Staffing	(10.00)	(1,415,524)	(1,415,524)
9. Police Non-Personal/Equipment Savings		(542,939)	(542,939)
10. Vehicle Maintenance and Operations (Fuel Savings)		(480,000)	(480,000)
Total Budget Proposals Recommended	(4.00)	(13,385,985)	(13,382,476)
2020-2021 Proposed Budget Total	1,703.17	441,109,981	440,708,360

Police Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Public Records Requests Staffing	5.00	725,180	725,180

Public Safety CSA
Strategic Support Core Service
Police Research and Development Program

This action continues 5.0 Analyst I/II positions through June 30, 2021 and adds one-time non-personal/equipment funding of \$40,750 to address increasing workload associated with recent amendments to the California Public Records Act (CPRA) and records requests. On September 30, 2018, California Senate Bill (SB) 1421 was approved by Governor Edmund G. Brown Jr., amending Penal Code (PC) Sections 832.7 and 832.8 relating to peace officer personnel records and other records maintained by the Department, effective January 1, 2019. Records that are now subject to public disclosure under PC 832.7, as amended, include: all investigative reports; photographic, audio, and video evidence; and, transcripts or recordings of interviews. SB 1421 additionally required that certain peace officer personnel records and records relating to specified incidents, complaints, and investigations involving peace officers be made available for public inspection. The continuation of this staffing will provide capacity for the processing, redaction, and production of video requests for body worn camera footage, as well as the establishment of departmental procedures, coordination with the City Attorney's Office, compliance with policies, and the collection of applicable fees. (Ongoing costs: \$0)

2. Police and Fire Department Computer Aided Dispatch Upgrade		684,500	684,500
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Public Safety CSA
Strategic Support Core Service
Police Information Technology Program

This action adds one-time personal services funding of \$50,000 and non-personal/equipment funding of \$634,500 to upgrade the Computer Aided Dispatch (CAD) software and hardware used by Police and Fire emergency personnel to handle emergency and non-emergency calls for service. Replacing the existing servers and upgrading to CAD software version will enable the departments to take advantage of newer software features and ensure hardware reliability for emergency response. CAD system hardware and software are typically upgraded or replaced every three to four years due to continual operations, and to keep current with software enhancements. The CAD system was last upgraded in 2016, which included a software upgrade, and the replacement of Police and Fire 9-1-1 Center desktop computers, monitors, and select servers. (Ongoing costs: \$0)

Police Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Special Victims Unit Staffing <i>Public Safety CSA</i> <i>Investigative Services Core Service</i> <i>Sexual Assaults Program</i> This action adds 1.0 Police Lieutenant to the Bureau of Investigations (BOI) to support the creation of a new Special Victims Unit (SVU), facilitating an internal reorganization of the Sexual Assaults Investigative Unit (SAIU) to more effectively prioritize sexual assault response. The SVU will focus on proactive enforcement to combat computer-facilitated sexual exploitation and human trafficking crimes, as well as the investigation of reoffending sexual registrants. The SVU will also engage in regional capacity building, consistent with the primary deliverables of several grant programs from the State Office of Emergency Services, State and Federal Internet Crimes Against Children (ICAC), and the Office on Violence Against Women. Restructuring the SAIU Unit to combine the Human Trafficking and 290 Team (reoffending registrants) is expected to yield force multipliers for the proactive enforcement of internet-related crimes and human trafficking, and enable to the Unit to lead regional, multi-jurisdictional, and large scale operations that reduce local and regional demands. (Ongoing costs: \$390,486)	1.00	390,486	390,486
4. Police Background Services <i>Public Safety CSA</i> <i>Strategic Support Core Service</i> <i>Police Human Resources Program</i> This action adds one-time personal services funding of \$300,000 for the backgrounding of candidates for the three planned Police Officer Recruit Academies in 2020-2021, and for civilian candidates in priority classifications such as Public Safety Communication Specialists, Public Safety Dispatchers, and Crime and Police Data Specialists. This personal services funding will augment the existing backgrounding positions included in the Police Department's Base Budget, bringing total backgrounding resources to approximately \$2.0 million. (Ongoing costs: \$0)		300,000	300,000
5. Mobile Data Computer Replacements <i>Public Safety CSA</i> <i>Strategic Support Core Service</i> <i>Police Information Technology Program</i> This action adds one-time non-personal/equipment funding of \$197,000 to replace a portion of the Mobile Data Computers (MDC) in patrol cars. The Department will seek out other funding opportunities to fully fund the MDC project. The mobile data computing equipment is an essential part of the Police Department's secure mobile computer network. The new computer system will enable improved communications and more efficient computing processes through the newest technology so police officers can support the residents of the City of San José in the most efficient way. The replacement will open new possibilities with a faster more reliable communication network. (Ongoing costs: \$0)		197,000	197,000

Police Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>6. Sworn Hire Ahead Program</p> <p><i>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service Strategic Support Core Service Field Patrol and Police Training and Academy Programs</i></p> <p>This action eliminates the one-time funding of \$7.2 million for the Police Department's Hire Ahead Program. In 2019-2020, \$7.0 million was allocated for the program to fill vacant positions with street-ready officers within an average of 90 days. The dedicated funding was used to overstaff the Department above authorized sworn staffing levels to get a head start on training recruits so they are street-ready when sworn vacancies occur. It takes approximately 12-14 months for a recruit to complete the academy and field training necessary to be considered street-ready. As part of the 2019-2020 Adopted Budget, \$7.2 million was set aside in a reserve to continue this program in 2020-2021. However, due to the revised General Fund shortfall as a result of the COVID-19 pandemic, these funds are recommended for elimination as part of the General Fund budget balancing strategy. As a result of this action, the number of street-ready positions will likely increase. (Ongoing savings: \$0)</p>		(7,200,000)	(7,200,000)
<p>7. City Retirement Contributions Pre-Funding</p> <p><i>Public Safety CSA Core Service: Department-Wide Program: Department-Wide</i></p> <p>This action reduces the Police Department's appropriation by \$6,044,688 in all funds, \$6,041,179 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$6,044,688)</p>		(6,044,688)	(6,041,179)
<p>8. Community Service Officer Staffing</p> <p><i>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service Field Patrol Program</i></p> <p>This action eliminates 8.0 vacant Community Service Officer (CSO) positions and 2.0 vacant Senior CSO positions. The CSO position performs non-hazardous police functions, conducts crime and burglary investigations, and delivers non-emergency police services in support of patrol. In addition, the CSOs write reports in the field, interview witnesses, conduct follow-up investigations, collect evidence, photograph, fingerprint at crime scenes, and perform various other tasks. Although there are no immediate service impacts, an ongoing reduction in the CSO program will reduce the number of calls to which CSO's can respond. (Ongoing savings: \$1,442,992)</p>	(10.00)	(1,415,424)	(1,415,424)

Police Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Police Department Non-Personal/Equipment Savings		(542,939)	(542,939)
<i>Public Safety CSA</i> <i>Core Service: Department-Wide</i> <i>Program: Department-Wide</i>			
<p>This action reduces the Police Department's non-personal/equipment allocation by a total of \$542,939. These anticipated savings will be generated from reduced costs in contractual services for training, data processing, exams, social media, insurance, and subpoena delivery. As, the estimated savings are based on expenses being lower than the current allocated amount, no major impacts to programs are expected as a result of this action. (Ongoing savings: \$542,939)</p>			
10. Vehicle Maintenance Operations (Fuel Savings)		(480,000)	(480,000)
<i>Public Safety CSA</i> <i>Core Service: Department-Wide</i> <i>Program: Department-Wide</i>			
<p>This action decreases the ongoing funding for vehicle operations costs by \$480,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$542,939)</p>			
2020-2021 Proposed Budget Changes Total	(4.00)	(13,385,985)	(13,382,476)

Police Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 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	18.00	22.00	4.00
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	56.00	(8.00)
Crime and Intelligence Analyst	14.00	14.00	-
Crime and Intelligence Data Administrator	1.00	1.00	-
Crime and Intelligence Data Technician	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	-
Department Information Technology Manager	1.00	2.00	1.00
Deputy Chief of Police	4.00	4.00	-
Deputy Director U	2.00	2.00	-
Digital Media Technician	1.00	1.00	-
Division Manager	6.00	6.00	-
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	14.00	14.00	-
Office Specialist II PT	0.50	0.50	-
Police Captain	9.00	9.00	-
Police Data Specialist	61.00	62.00	1.00
Police Data Specialist PT	1.50	1.50	-
Police Forensic Analyst	4.00	5.00	1.00
Police Lieutenant	40.00	41.00	1.00
Police Officer	905.00	905.00	-
Police Property Specialist I/II	17.00	17.00	-
Police Property Supervisor	2.00	2.00	-
Police Sergeant	189.00	189.00	-
Principal Office Specialist	8.00	8.00	-
Program Manager I	3.00	4.00	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	-
School Crossing Guard PT	44.67	44.67	-

Police Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
School Safety Supervisor	4.00	4.00	-
Senior Account Clerk	3.00	3.00	-
Senior Analyst	7.00	7.00	-
Senior Auditor	3.00	3.00	-
Senior Crime and Intelligence Analyst	2.00	2.00	-
Senior Community Service Officer	8.00	6.00	(2.00)
Senior Office Specialist	19.00	18.00	(1.00)
Senior Police Data Specialist	13.00	11.00	(2.00)
Senior Public Safety Dispatcher	14.00	14.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	15.00	15.00	-
Staff Technician	0.00	0.00	-
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	0.00	(1.00)
Video Unit Supervisor	1.00	0.00	(1.00)
Total Positions	1,710.17	1,703.17	(7.00)

Note: Of the 1,703.17 positions in the Police Department in 2020-2021, 1,150.00 are sworn positions and 553.17 are civilian positions. In addition, there are 2.0 sworn positions in the City Attorney's Office.

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Public Works Department

Matthew Cano, Director

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To provide excellent service in building a smart and sustainable community, maintaining and managing City assets, and serving the animal care needs of the community

City Service Areas

Community & Economic Development
Neighborhood Services
Strategic Support

Core Services

Animal Care and Services

Promote and protect the health, safety, and welfare of animals and people in the City of San José

Facilities Management

Provide safe, efficient, comfortable, attractive, and functional buildings and facilities

Fleet and Equipment Services

Manage operations which provide a safe and reliable fleet of vehicles and equipment

Plan, Design, and Construct Public Facilities and Infrastructure

Plan, design, and construct public facilities and infrastructure, Materials Testing Laboratory, and Surveying Services

Regulate/Facilitate Private Development

Review private development to ensure that new development contributes to the safety and welfare of the residents as well as the City's economic development

Strategic Support: Infrastructure and Mapping, Financial and Contractual Administration, Technology Services, Equality Assurance, and Human Resources

Public Works Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Animal Care and Services Core Service</i>	
Animal Licensing and Customer Services	Provides licensing, adoption and customer service support, such as spay and neuter, quarantine, and owner surrender for customers at the Animal Services Center.
Animal Services Field Operations	Provides field services to ensure the health, safety and welfare of animals and people in the City.
<i>Facilities Management Core Service</i>	
City Facilities Repairs and Minor Capital Improvements	Addresses City facility needs, including tracking and conducting repairs and minor capital improvements, managing improvement and remodel projects, performing building system repairs and improvements, and maintaining the work order database.
Energy and Water Conservation	Provides support to ensure the latest energy and water conservation technologies and methodologies are incorporated for all major capital projects.
Facility Maintenance and Operations – City Hall	Provides maintenance, event services and security for City Hall; maintenance includes programmed preventive maintenance and corrective maintenance.
Facility Maintenance and Operations – Non City Hall	Provides maintenance for City-owned facilities (not City Hall), including programmed preventive maintenance and corrective maintenance through requests and building assessments, and repairs in areas such as locksmith work, carpentry, electrical, HVAC, painting, and plumbing.
<i>Fleet and Equipment Services Core Service</i>	
Fleet Maintenance and Operations	Provides preventive maintenance, repairs, and statutory inspections for over 2,800 vehicles and equipment that support public safety, public health, and general government operations citywide.
Fleet Replacement	Manages the acquisition and disposal of all vehicles and equipment, including vehicle procurement and build-up.
Radio Communication	Provides reliable, necessary public and non-public safety-related communications equipment, maintains existing radio equipment and ensures optimal functionality, strategically plans for future upgrades and technology changes while supporting the Silicon Valley Regional Interoperability Authority.

Public Works Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Plan, Design, and Construct Public Facilities and Infrastructure Core Service</i>	
City Facilities Architectural Services and Capital Project Administration	Provides architectural services and project administration for the delivery of capital improvements for City-owned facilities, including recreational facilities, parks, trails, libraries, public safety facilities, and various cultural and municipal facilities.
City Facilities Engineering and Inspection Services	Provides engineering and surveying services to determine roadway pavement sections and develop topographic map; provides quality assurance during construction to ensure compliance with the contract documents, the California Building Standard Code, and industry standards of care.
Transportation, Sanitary and Storm Sewer Capital	Supports the design and construction of right-of-way capital infrastructure projects, general engineering plan review for regional projects, and electrical engineering review for projects constructed by private developers.
<i>Regulate / Facilitate Private Development Core Service</i>	
Public Works Development Services	Provides support to ensure new development projects comply with applicable regulations and provide the necessary public infrastructure including, but not limited to: streets, sidewalks, storm and sanitary sewers, streetlights, landscaping in frontages and street islands, and traffic signals.
<i>Strategic Support Core Service</i>	
Public Works Management and Administration	Provides administrative oversight for the department, including executive management, financial management, information technology support, human resources, and analytical support.

Public Works Department

Service Delivery Framework

Expected 2020-2021 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.

2020-2021 Key Budget Actions

- Adds 3.0 positions to support the delivery of the City's Capital Improvement Programs. After a review of the 2020-2021 Capital Budget and a determination of the appropriate classifications necessary to support those projects, 3.0 positions are added, including 1.0 Principal Engineer and 2.0 Engineer I/II.
- Adds 1.0 Senior Systems Application Programmer and 1.0 Systems Application Programmer through June 30, 2022, in the Public Works Technology Services Division's Capital Project Management System (CPMS) team and \$6,000 of associated one-time non-personal/equipment funding to support the upgrade of the CPMS system to the next generation.
- Adds 1.0 Supervising Environmental Services Specialist position to continue to manage the City's Building Energy Projects Program and serve as an energy advisor on other capital projects throughout the City as needed, including support of bond-funded LED conversion projects.
- Adds ongoing non-personal/equipment funding of \$60,000 for software support in the Office of Equality Assurance (OEA) to facilitate Office's ability to successfully administer and enforce compliance of federal, state, and local laws, policies, and ordinances regarding prevailing, living, and minimum wage.
- Decreases the ongoing Inventory allocation in the Vehicle Maintenance and Operations Fund by \$1.24 million to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. Savings of \$59,000 from this proposal will be generated in the Public Works Department.
- Decreases ongoing non-personal/equipment funding by \$120,000 for City Hall utilities savings from reduced HVAC usage.
- Decreases the ongoing funding for vehicle maintenance and operations costs by \$59,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020.
- Adds 1.0 Communications Installer and eliminates a vacant 1.0 Communication Technician position thus ensuring adequate staffing is available for the ongoing installation, maintenance and repair of mobile device units in City fleet and also support the transition to the Silicon Valley Regional Communications System.

Operating Funds Managed

- | | |
|--|---|
| <input type="checkbox"/> Public Works Program Support Fund | <input type="checkbox"/> Vehicle Maintenance and Operations Fund |
| <input type="checkbox"/> Public Works Development and Utilities Fee Program Fund | <input type="checkbox"/> Public Works Small Cell Fee Program Fund |

Public Works Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Animal Care and Services	8,270,681	8,255,305	8,722,086	8,668,310
Facilities Management	29,967,469	26,384,763	26,553,724	29,499,434
Fleet and Equipment Services	26,900,154	26,654,339	28,025,440	25,540,202
Plan, Design, and Construct Public Facilities and Infrastructure	83,686,519	40,857,816	41,941,906	43,069,831
Regulate/Facilitate Private Development	16,175,697	16,069,494	16,354,725	16,242,916
Strategic Support - Community & Economic Development	151,296	0	0	0
Strategic Support - Neighborhood Services	729,864	721,715	757,606	752,148
Strategic Support - Other - Community & Economic Development	82,917	1,565,000	566,500	566,500
Strategic Support - Other - Neighborhood Services	8,115,234	327,861	415,274	225,000
Strategic Support - Other - Strategic Support	11,605,385	44,993,085	19,215,493	18,990,056
Strategic Support - Strategic Support	17,814,443	8,670,273	9,894,828	10,068,403
Total	\$203,499,660	\$174,499,651	\$152,447,582	\$153,622,800
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	85,569,140	92,883,454	96,165,165	96,320,174
Overtime	2,473,238	1,063,891	1,095,453	1,095,453
Subtotal Personal Services	\$88,042,377	\$93,947,345	\$97,260,618	\$97,415,627
Inventory	7,510,761	8,149,000	8,801,690	7,562,690
Non-Personal/Equipment	16,960,419	17,628,606	18,414,047	18,301,047
Total Personal Services & Non-Personal/Equipment	\$112,513,557	\$119,724,951	\$124,476,355	\$123,279,364
Other Costs*				
City-Wide Expenses	3,047,822	3,107,000	1,058,500	908,500
General Fund Capital	6,881,112	29,645,000	2,020,000	5,020,000
Gifts	271,717	327,861	420,942	225,000
Housing Loans and Grants	1,024,333	0	580,000	1,500,000
Other	11,494,862	17,842,960	17,842,960	16,510,880

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Public Works Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Other - Capital	60,498,977	0	0	0
Overhead Costs	7,234,947	2,903,879	5,223,825	5,404,056
Workers' Compensation	532,332	948,000	825,000	775,000
Total Other Costs	\$90,986,102	\$54,774,700	\$27,971,227	\$30,343,436
Total	\$203,499,660	\$174,499,651	\$152,447,582	\$153,622,800

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Public Works Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	101,199,690	39,758,105	41,743,571	41,923,974
General Fund (001)	57,980,638	83,641,413	40,720,965	43,289,256
Gift Trust Fund (139)	308,399	327,861	420,942	225,000
Public Works Program Support Fund (150)	15,527,617	19,249,977	19,297,666	19,812,173
Building Development Fee Program Fund (237)	0	0	24,964	24,834
Planning Development Fee Program Fund (238)	0	0	12,482	12,417
Fire Development Fee Program Fund (240)	0	0	12,504	12,439
Public Works Development Fee Program Fund (241)	0	0	12,941,118	12,864,936
Public Works Small Cell Permitting Fee Program Fund (242)	0	0	3,689,212	3,668,512
Downtown Property And Business Improvement District Fund (302)	9,079	10,000	10,000	10,000
Low And Moderate Income Housing Asset Fund (346)	132,962	203,360	194,974	194,130
Business Improvement District Fund (351)	253,011	0	0	0
Integrated Waste Management Fund (423)	196,217	577,561	599,088	599,375
Community Development Block Grant Fund (441)	1,244,986	160,798	726,348	1,645,109
Storm Sewer Operating Fund (446)	818,277	1,009,407	976,332	970,911
Transient Occupancy Tax Fund (461)	4,353	0	0	0
San José-Santa Clara Treatment Plant Operating Fund (513)	169,286	133,750	131,948	131,342
Water Utility Fund (515)	36,893	39,547	39,547	39,547
Airport Maintenance And Operation Fund (523)	136,131	205,413	212,667	211,652
General Purpose Parking Fund (533)	28,568	112,348	115,869	115,597
Convention and Cultural Affairs Fund (536)	0	5,000	9,000	9,000
Sewage Treatment Plant Connection Fee Fund (539)	210,544	0	130,716	129,933
Sewer Service And Use Charge Fund (541)	1,682,524	3,013,190	3,009,739	2,996,416
Vehicle Maintenance And Operations Fund (552)	23,560,487	26,051,921	27,427,930	24,736,247
Total	\$203,499,660	\$174,499,651	\$152,447,582	\$153,622,800

Positions by Core Service**				
Animal Care and Services	65.67	75.57	75.57	75.57
Facilities Management	79.10	83.40	83.65	84.65
Fleet and Equipment Services	71.15	71.30	70.55	70.55
Plan, Design, and Construct Public Facilities and Infrastructure	230.17	246.47	237.85	240.85
Regulate/Facilitate Private Development	85.74	94.99	95.64	95.64

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Public Works Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Strategic Support - Neighborhood Services	2.50	2.50	2.50	2.50
Strategic Support - Other - Strategic Support	0.40	0.40	0.00	0.00
Strategic Support - Strategic Support	38.64	46.64	52.51	54.51
Total	573.37	621.27	618.27	624.27

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Public Works Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Animal Care and Services					
Animal Licensing and Customer Services	5,226,742	5,206,500	5,628,810	5,608,998	52.57
Animal Services Field Operations	3,043,939	3,048,805	3,093,276	3,059,312	23.00
Sub-Total	8,270,681	8,255,305	8,722,086	8,668,310	75.57
Facilities Management					
City Facilities Repairs and Minor Capital Improvements	7,842,370	2,927,875	3,431,683	6,405,616	18.50
Energy and Water Conservation	421,851	966,289	0	174,387	1.00
Facility Maintenance and Operations - City Hall	5,749,681	10,505,655	8,186,700	8,044,843	24.00
Facility Maintenance and Operations - Non City Hall	15,953,566	11,984,944	14,935,341	14,874,588	41.15
Sub-Total	29,967,469	26,384,763	26,553,724	29,499,434	84.65
Fleet and Equipment Services					
Fleet Maintenance and Operations	17,774,151	18,394,787	19,647,607	18,340,562	61.55
Fleet Replacement	5,075,850	6,604,960	6,604,960	5,272,880	0.00
Radio Communication	4,050,153	1,654,592	1,772,873	1,926,760	9.00
Sub-Total	26,900,154	26,654,339	28,025,440	25,540,202	70.55
Plan, Design, and Construct Public Facilities and Infrastructure					
City Facilities Architectural Services and Capital Project Administration	5,607,759	8,153,531	7,449,060	7,612,382	42.50
City Facilities Engineering and Inspection Services	2,086,857	13,828,683	14,562,802	14,459,761	82.86
Transportation, Sanitary and Storm Sewer Capital	75,991,903	18,875,602	19,930,044	20,997,688	115.49
Sub-Total	83,686,519	40,857,816	41,941,906	43,069,831	240.85
Regulate/Facilitate Private Development					
Public Works Development Services	16,175,697	16,069,494	16,354,725	16,242,916	95.64
Sub-Total	16,175,697	16,069,494	16,354,725	16,242,916	95.64
Strategic Support - Community & Economic Development					
Public Works Management and Administration - Community and Economic Dev	151,296	0	0	0	0.00
Sub-Total	151,296	0	0	0	0.00
Strategic Support - Neighborhood Services					

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Public Works Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Public Works Information Technology - Neighborhood Services	32,100	0	0	0	0.00
Public Works Management and Administration - Neighborhood Services	697,764	721,715	757,606	752,148	2.50
Sub-Total	729,864	721,715	757,606	752,148	2.50
Strategic Support - Strategic Support					
Public Works Information Technology - Strategic Support	81,511	0	1,219,720	1,406,567	9.97
Public Works Management and Administration - Strategic Support	17,732,932	8,670,273	8,675,108	8,661,836	44.54
Sub-Total	17,814,443	8,670,273	9,894,828	10,068,403	54.51
Strategic Support - Other - Community & Economic Development					
Public Works Capital - Community and Economic Development	82,917	0	0	0	0.00
Public Works Other Departmental - City-Wide - Community and Economic Dev	0	1,565,000	566,500	566,500	0.00
Sub-Total	82,917	1,565,000	566,500	566,500	0.00
Strategic Support - Other - Neighborhood Services					
Public Works Capital - Neighborhood Services	7,699,585	0	0	0	0.00
Public Works Gifts - Neighborhood Services	308,399	327,861	415,274	225,000	0.00
Public Works Other Departmental - Grants - Neighborhood Services	107,249	0	0	0	0.00
Sub-Total	8,115,234	327,861	415,274	225,000	0.00
Strategic Support - Other - Strategic Support					
Public Works Capital - Strategic Support	9,719,710	29,745,000	1,870,000	1,670,000	0.00
Public Works Gifts - Strategic Support	0	0	5,668	0	0.00
Public Works Other Departmental - City-Wide - Strategic Support	1,172,402	353,000	353,000	203,000	0.00
Public Works Other Operational - Administration - Strategic Support	97,363	11,043,206	10,938,000	10,938,000	0.00
Public Works Overhead	567,903	2,903,879	5,223,825	5,404,056	0.00
Public Works Workers' Compensation - Strategic Support	48,007	948,000	825,000	775,000	0.00
Sub-Total	11,605,385	44,993,085	19,215,493	18,990,056	0.00
Total	\$203,499,660	\$174,499,651	\$152,447,582	\$153,622,800	624.27

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Public Works Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	621.27	119,724,951	50,116,413
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Master Addressing Database (Spatial Data Integration) (1.0 Information Systems Analyst)	(1.00)	(237,590)	(237,590)
• Small Cell Permitting Staffing		(210,000)	(210,000)
• Energy Team Staffing (1.0 Supervising Environmental Services Specialist)	(1.00)	(166,289)	0
• Communications Installation Staffing (1.0 Communications Installer)	(1.00)	(112,692)	0
• Ethnic and Minority-Led Small Business Grant Program		(75,000)	(75,000)
• City-wide Contracting Program		(50,000)	(50,000)
• Environmental Innovation Center (EIC) Maintenance		(16,000)	0
• City Hall Security Augmentation		(15,000)	(15,000)
• Family-Friendly City Facilities		(7,500)	(6,000)
• Public Works Training and Workforce Development Program		(2,000)	0
One-time Prior Year Expenditures Subtotal:	(3.00)	(892,071)	(593,590)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Senior Warehouse Worker to 1.0 Warehouse Supervisor		3,226,755	573,087
• Vacancy Factor		1,009,559	237,553
• Living Wage Adjustment		73,556	73,556
• Overtime Adjustment		31,562	(143,731)
• Professional Development Program Adjustment		23,180	0
• Public Works Capital Program Support Adjustment		7,228	0
• Night Shift Differential Adjustment		4,357	2,361
• Contract Services: Janitorial Services (City Facilities)		380,683	380,683
• Operations and Maintenance: Facilities COLA		225,000	225,000
• Operations and Maintenance: Animal Care Services COLA		100,000	100,000
• Fund Shift: CFAS/THS Staffing	0.00	0	88,523
• Dues and Subscriptions: ES - USA Membership		45,000	15,000
• Contractual Services: Fleet Assetworks and Miscellaneous		42,000	0
• Operations and Maintenance: Bioretention		5,230	1,230
• Fund Shift and Program Alignment: Public Works Developme	0.00	18,585	(13,659,964)
• Fund Shift and Program Alignment: Engineering Services	0.00	(530,422)	(434,629)
• Fund Shift and Program Alignment: Facilities Staffing	0.00	(77,288)	(182,563)

Public Works Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
• Fleet Maintenance (Fleet Additions)		390,000	0
• Fleet Inventory (Airport Offsite Fueling)		296,690	0
• Fleet Inventory (Fuel Projection)		288,000	0
• Fleet Inventory (Parts COLA)		68,000	0
• Vehicle Operations and Maintenance		58,000	60,000
• Gas, Electricity, and Water		(42,200)	(11,000)
Technical Adjustments Subtotal:	0.00	5,643,475	(12,674,894)
2020-2021 Forecast Base Budget:	618.27	124,476,355	36,847,929
2020-2021 Proposed Budget Changes			
1. Public Works Department Staffing Plan – Capital Improvement Program (CIP)	3.00	489,536	0
2. Capital Project Management System (CPMS) Upgrades	2.00	195,410	0
3. Public Works Energy Program Staffing	1.00	174,387	0
4. Office of Equality Assurance Minimum Wage Implementation and Enforcement		60,000	60,000
5. Environmental Innovation Center Maintenance Staffing	0.00	1,959	0
6. Fleet Inventory (Fuel Savings)		(1,239,000)	0
7. City Retirement Contributions Pre-Funding		(667,494)	(144,920)
8. City Hall HVAC Energy Savings		(120,000)	(120,000)
9. Vehicle Maintenance and Operations (Fuel Savings)		(59,000)	(44,000)
10. Communications Installation Staffing	0.00	(32,789)	(32,789)
Total Budget Proposals Recommended	6.00	(1,196,991)	(281,709)
2020-2021 Proposed Budget Total	624.27	123,279,364	36,566,220

Public Works Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Public Works Department Staffing Plan – Capital Improvement Program (CIP)</p> <p><i>Strategic Support CSA Plan, Design, and Construct Public Facilities and Infrastructure Core Service City Facilities Architectural Services and Capital Project Administration and Transportation, Sanitary and Storm Sewer Capital Programs</i></p> <p>This action adds 1.0 Principal Engineer and 2.0 Engineer I/II positions to support the delivery of the City's Capital Improvement Programs for 2020-2021 based upon review and analysis of the project delivery needs included in the 2020-2021 Proposed Capital Budget. The Principal Engineer position oversees a team of staff from the City Facilities Architectural Services Division which supports projects and feasibility studies from departments all over the City. Added engineers play a key role in preparing and reviewing plans, designs, and specifications; tracking schedules; providing technical project documentation; and assisting overall project coordination. (Ongoing costs: \$534,042)</p>	3.00	489,536	0
<p>2. Capital Project Management System (CPMS) Upgrades</p> <p><i>Strategic Support CSA Strategic Support Core Service Public Works Management and Administration Program</i></p> <p>This action adds 1.0 Senior Systems Application Programmer and 1.0 Systems Application Programmer positions through June 30, 2022, in the Public Works Technology Services Division's Capital Project Management System (CPMS) team and \$6,000 of associated one-time non-personal/equipment funding to support the positions. Additional staffing will support both front-end and back-end developments for the Department's three-year plan to reengineer the legacy CPMS system to the next generation "CPMS-NextGen". The new system will consist of 3 modules – cost, project life-cycle, and file management – each of which includes two to four sub-modules for a more intuitive, user-friendly, and one-stop shop for all capital projects. (Ongoing costs: \$324,704)</p>	2.00	195,410	0
<p>3. Public Works Energy Program Staffing</p> <p><i>Strategic Support CSA Facilities Management Core Service Energy and Water Conservation Program</i></p> <p>This action adds 1.0 Supervising Environmental Services Specialist position, funded by the Public Works Program Support Fund, the Sewer Service and Use Charge Capital Improvement Fund, and the Public Safety and Infrastructure Bond Fund. This capital-funded position will continue to manage the City's Building Energy Projects Program, which includes coordination on the Energy and Utility Conservation Measures project (Energy Services Company (ESCO)). This position will also serve as an energy advisor on other capital projects throughout the City as needed, including supporting bond-funded LED conversion projects. Continued staffing is necessary due to increases in both project volume and complexity. (Ongoing costs: \$174,387)</p>	1.00	174,387	0

Public Works Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Office of Equality Assurance Minimum Wage Implementation and Enforcement		60,000	60,000

*Strategic Support CSA
Strategic Support Core Service
Public Works Management and Administration Program*

This action adds ongoing non-personal/equipment funding of \$60,000 for the Office of Equality Assurance (OEA). Since 2012, multiple policies, ordinances, and agreements have been approved by City Council or by voters that have increased OEA's duties and functions. Additionally, an increase of capital projects has also contributed to OEA's workload. Non-personal/equipment funding will provide ongoing software support to help provide necessary resources for OEA to administer and enforce compliance of federal, state, and local laws, policies, and ordinances regarding prevailing, living, and minimum wage. (Ongoing costs: \$60,000)

5. Environmental Innovation Center (EIC) Maintenance Staffing	0.00	1,959	0
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*Strategic Support CSA
Facilities Management Core Service
Facility Maintenance and Operations - Non City Hall Program*

This action adds 1.0 Senior Facility Repair Worker and eliminates 1.0 Senior Maintenance Worker positions in the Integrated Waste Management Fund, to better align with the tasks and needs at the Environmental Innovation Center (EIC). As part of the 2019-2020 Adopted Budget, maintenance responsibility for the EIC was transferred from the Environmental Services Department to the Public Works Department. A Senior Facility Repair Worker provides a broader range of responsibilities related to building maintenance and aligns with Public Works' current staffing of the preventative maintenance program. Maintenance staff will serve as liaisons between EIC tenants and the Public Works Department's Work Order Desk to coordinate and deliver maintenance and repairs, providing regular weekday and weekend emergency only coverage. Coverage for on-site tenant needs includes in-house carpentry, locksmith, electrical, HVAC and plumbing repairs, as well as coordination of contracted repairs and maintenance for access control, composting toilets, concrete/pavement, drainage, custodial services, flooring, landscaping, Public Art, solar panels, roofing/guttering, and windows. (Ongoing savings: \$766)

Public Works Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Fleet Inventory (Fuel Savings)		(1,239,000)	0

Strategic Support CSA
Fleet and Equipment Services Core Service
Fleet Maintenance and Operations Program

This action decreases the ongoing Inventory allocation in the Vehicle Maintenance and Operations Fund by \$1.24 million to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. Associated vehicle maintenance and operations allocations in other funds that contribute to this inventory allocation are made city-wide. (Ongoing savings: \$1,239,000)

7. City Retirement Contributions Pre-Funding		(667,494)	(144,920)
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Strategic Support CSA
Core Service: Department-wide
Program: Department-wide

This action reduces the Public Works Department's Personal Services appropriation by \$667,494 in all funds, \$144,920 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$667,494)

Public Works Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. City Hall HVAC Energy Savings		(120,000)	(120,000)
<i>Strategic Support CSA Facilities Management Core Service Facility Maintenance and Operations - City Hall Program</i>			
<p>This action decreases ongoing the Public Works's Department's non-personal/equipment funding by \$120,000 for City Hall utilities savings. To reduce utility spending for City Hall, temperature settings will be adjusted in the summer to decrease HVAC energy consumption. (Ongoing savings: \$120,000)</p>			
9. Vehicle Maintenance and Operations (Fuel Savings)		(59,000)	(44,000)
<i>Strategic Support CSA Core Service: Department-wide Program: Department-wide</i>			
<p>This action decreases the ongoing funding for vehicle operations costs by \$59,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$59,000)</p>			
10. Communications Installation Staffing	0.00	(32,789)	(32,789)
<i>Strategic Support CSA Fleet and Equipment Services Core Service Radio Communication Program</i>			
<p>This action adds 1.0 Communications Installer and eliminates a vacant 1.0 Communication Technician positions funded by the Vehicle Maintenance and Operations Fund. In 2019-2020, fleet inventory increased by 79 assets, or 3%, resulting in more ongoing work for the Communications Installer. The Communications Installer provides ongoing maintenance and repair to approximately 1,500 mobile units. This position also removes approximately 300 units per year from wrecked and retired vehicles and reinstalls them into new vehicles if applicable. The Communications Installer will also continue to support the installation, repair, and maintenance of mobile device units in vehicles for the ongoing transition to the Silicon Valley Regional Communications System. (Ongoing savings: \$36,190)</p>			
2020-2021 Proposed Budget Changes Total	6.00	(1,196,991)	(281,709)

Public Works Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accountant I/II	1.00	1.00	-
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	10.00	10.00	-
Animal Care Attendant	7.00	7.00	-
Animal Care Attendant PT	18.07	18.07	-
Animal Health Technician	5.00	5.00	-
Animal Health Technician PT	3.80	3.80	-
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	1.40	1.40	-
Assistant Director	1.00	1.00	-
Associate Architect/Landscape Architect	2.00	2.00	-
Associate Construction Inspector	21.00	21.00	-
Associate Engineer	54.00	54.00	-
Associate Engineering Technician	20.00	20.00	-
Associate Structure/Landscape Designer	15.00	15.00	-
Automotive Equipment Specialist	1.00	1.00	-
Building Inspector Supervisor	1.00	1.00	-
Building Inspector/Combination Certified	9.00	9.00	-
Building Management Administrator	2.00	2.00	-
Carpenter	4.00	4.00	-
Chief of Surveys	2.00	2.00	-
Communications Installer	2.00	2.00	-
Communications Technician	5.00	4.00	(1.00)
Construction Manager	6.00	6.00	-
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	5.00	5.00	-
Director of Public Works	1.00	1.00	-
Dispatcher	5.00	5.00	-
Division Manager	7.00	7.00	-
Electrician II	9.00	9.00	-
Electrician Supervisor	1.00	1.00	-
Engineer I/II	51.00	53.00	2.00
Engineering Geologist	1.00	1.00	-
Engineering Technician II/I	26.00	26.00	-
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	1.00	1.00	-
Facility Attendant	3.00	3.00	-
Facility Repair Worker	5.00	5.00	-

Public Works Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Facility Sound and Light Technician	1.00	1.00	-
Fleet Manager	1.00	1.00	-
Geographic Information Systems Specialist II	4.00	4.00	-
Information Systems Analyst	6.00	5.00	(1.00)
Instrument Person	4.00	4.00	-
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	-
Maintenance Worker II	1.00	1.00	-
Mechanic	22.00	22.00	-
Mechanical Parts Supervisor	1.00	1.00	-
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	3.00	3.00	-
Principal Account Clerk	2.00	2.00	-
Principal Construction Inspector	7.00	7.00	-
Principal Engineer/Architect	3.00	4.00	1.00
Principal Engineering Technician	5.00	5.00	-
Program Manager I	7.00	7.00	-
Radio Communications Supervisor	1.00	1.00	-
Recreation Leader PT	1.00	1.00	-
Security Officer	4.00	4.00	-
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	5.00	5.00	-
Senior Accountant	1.00	1.00	-
Senior Air Conditioning Mechanic	2.00	2.00	-
Senior Analyst	6.00	6.00	-
Senior Animal Services Officer	3.00	3.00	-
Senior Architect/Landscape Architect	4.00	4.00	-
Senior Auto Equipment Specialist	1.00	1.00	-
Senior Carpenter	1.00	1.00	-
Senior Communications Technician	1.00	1.00	-
Senior Construction Inspector	42.00	42.00	-
Senior Electrician	6.00	6.00	-
Senior Engineer	14.00	14.00	-
Senior Engineering Technician	21.00	21.00	-
Senior Events Coordinator	1.00	1.00	-
Senior Facility Attendant	2.00	2.00	-
Senior Facility Repair Worker	1.00	2.00	1.00
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Maintenance Worker	1.00	0.00	(1.00)
Senior Mechanic	6.00	6.00	-
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	3.00	1.00

Public Works Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Senior Transportation Specialist	2.00	2.00	-
Senior Warehouse Worker	2.00	1.00	(1.00)
Staff Specialist	7.00	7.00	-
Structure/Landscape Designer II	4.00	4.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervising Environmental Services Specialist	1.00	1.00	-
Supervisor, Animal Services Operations	2.00	2.00	-
Survey Field Supervisor	6.00	6.00	-
Systems Application Programmer II	0.00	1.00	1.00
Trades Supervisor	2.00	2.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Worker II	1.00	1.00	-
Warehouse Supervisor	0.00	1.00	1.00
Total Positions	621.27	624.27	3.00

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Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

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Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans

City Service Area

Strategic Support

Core Services

Retirement Plan Administration

Management and administration of the retirement trust funds, administration of retirement benefits, and supervision of investment assets

Strategic Support: Retirement Boards' Support, Training, and Contract Administration

Office of Retirement Services

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Retirement Plan Administration Core Service</i>	
Benefits	Provides retirement planning and counseling services to plan members and administers health care and other benefits for retirees and beneficiaries.
Investments	Manages 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.
<i>Strategic Support Core Service</i>	
Retirement Financial Management	Prepares CAFRs for the retirement plans; runs monthly payroll for retirees and beneficiaries; manages the budget and all other financial transactions for the department.
Retirement Human Resources	Manages personnel-related functions for the department, including hiring, employee development, employee discipline, and personnel transactions.
Retirement Information Technology	Manages the Pension Administration System which houses all retirement data and runs most of the retirement business transactions; provides other information technology services, planning, system development and maintenance for the department.
Retirement Management and Administration	Provides executive-level, analytical, and administrative support to the department and retirement boards.

Office of Retirement Services

Department Budget Summary

Expected 2020-2021 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.

2020-2021 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

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Retirement Plan Administration	62,554	4,573,081	4,417,400	4,417,400
Strategic Support - City Council Appointees	0	2,672,028	2,640,965	2,640,965
Strategic Support - Other - Council Appointees	38,309	40,000	37,000	37,000
Total	\$100,863	\$7,285,109	\$7,095,365	\$7,095,365
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	0	7,095,109	6,958,365	6,958,365
Subtotal Personal Services	\$0	\$7,095,109	\$6,958,365	\$6,958,365
Total Personal Services & Non-Personal/Equipment	\$0	\$7,095,109	\$6,958,365	\$6,958,365
<i>Other Costs*</i>				
City-Wide Expenses	100,863	190,000	137,000	137,000
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$100,863	\$190,000	\$137,000	\$137,000
Total	\$100,863	\$7,285,109	\$7,095,365	\$7,095,365

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide expenses of \$137,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document in the Source and Use of Funds Statements section. There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.

The Office of Retirement Services' 2020-2021 Proposed Administrative Budget as approved by the Federated Retirement System Board and the Police and Fire Plan Board will be released as a Manager's Budget Addendum for the City Council's consideration.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of Retirement Services
Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
General Fund (001)	100,863	190,000	137,000	137,000
Federated Retirement Funds	0	3,549,117	3,480,825	3,480,825
Police and Fire Retirement Funds	0	3,545,992	3,477,540	3,477,540
Total	\$100,863	\$7,285,109	\$7,095,365	\$7,095,365
Positions by Core Service**				
Retirement Plan Administration	24.55	25.55	24.55	24.55
Strategic Support - City Council Appointees	15.20	14.20	14.20	14.20
Total	39.75	39.75	38.75	38.75

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2019-2020 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of Retirement Services

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	62,554	2,473,062	2,280,028	2,280,028	14.30
Retirement Investments	0	2,100,019	2,137,372	2,137,372	10.25
Sub-Total	62,554	4,573,081	4,417,400	4,417,400	24.55
Strategic Support - City Council Appointees					
Retirement Services Financial Management	0	1,131,127	1,154,007	1,154,007	6.45
Retirement Services Information Technology	0	915,421	703,388	703,388	3.45
Retirement Services Management and Administration	0	625,480	783,570	783,570	4.30
Sub-Total	0	2,672,028	2,640,965	2,640,965	14.20
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	38,309	40,000	37,000	37,000	0.00
Sub-Total	38,309	40,000	37,000	37,000	0.00
Total	\$100,863	\$7,285,109	\$7,095,365	\$7,095,365	38.75

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2019-2020):	39.75	7,095,109
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Information Technology Support Staffing (1.0 Information Systems Analyst)	(1.00)	(191,402)
One-time Prior Year Expenditures Subtotal:	38.75	6,903,707
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations:		54,658
- 1.0 Staff Specialist to 1.0 Executive Assistant U		
Technical Adjustments Subtotal:	0.00	54,658
2020-2021 Forecast Base Budget:	38.75	6,958,365
Budget Proposals Recommended		
NONE		
2020-2021 Proposed Budget Total	38.75	6,958,365

Office of Retirement Services

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accountant I/II	1.00	1.00	-
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	-
Executive Assistant U	0.00	1.00	1.00
Financial Analyst	1.00	1.00	-
Information Systems Analyst	2.00	1.00	(1.00)
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	3.00	3.00	-
Retirement Investment Operations Supervisor	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 Specialist	7.00	6.00	(1.00)
Staff Specialist PT	0.75	0.75	-
Total Positions	39.75	38.75	(1.00)

Transportation Department

John Ristow, Director

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The mission of the Transportation Department is to plan, develop, operate, and maintain transportation facilities, services, and related systems which contribute to the livability and economic health of the City

City Service Areas

Environmental and Utility Services
Transportation and Aviation Services

Core Services

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

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

Strategic Support: Budget and Financial Services, Training and Safety, Personnel, and Information Technology

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Sanitary Sewer Maintenance Core Service</i>	
Sanitary Sewer System Maintenance	Provides maintenance and engineering services for the 2,000+ mile sanitary sewer system.
<i>Storm Sewer Maintenance Core Service</i>	
Storm Sewer Operation and Maintenance	Provides maintenance and engineering services for the City's 1,250+ mile storm sewer system and interdepartmental coordination on water quality issues and storm response.
Street Sweeping	Provides in-house and contractual street sweeping on the City's streets; inspects street sweeping, and performs related parking enforcement.
<i>Parking Services Core Service</i>	
Off-Street Parking	Manages the City's public parking facilities including planning, maintenance, security, and operations of parking facilities, and implementation of the annual capital improvement program.
On-Street Downtown Operations	Provides transportation planning and operations support for special events in the Downtown area and City-wide, including developing and implementing event transportation and parking management plans.
On-Street Parking	Provides on-street parking compliance services Downtown, in metered zones, around school zones, and in neighborhoods with posted residential permit parking requirements; revenue collection for parking fees and fines; and meter maintenance.
<i>Pavement Maintenance Core Service</i>	
Corrective Pavement Repair	Responds to urgent service requests and complaints to repair potholes and other minor damage to the pavement network.
Pavement Maintenance Administration and Capital Project Delivery	Assesses and manages the City's 2,400+ mile pavement network, including planning and delivering the annual pavement maintenance projects, managing and developing the capital pavement budget, installing ADA curb ramps and maintaining the City's bridges.
<i>Street Landscape Maintenance Core Service</i>	
Special District Landscape Services	Oversees contractual landscape maintenance in 23 special-funded maintenance districts that have been established in the City.
Streetscape Services	Provides in-house and contractual landscape maintenance on City-owned median islands and frontage properties, tree and sidewalk inspections and repair, special event support, and roadway illegal dumping response for street and traffic safety.

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Traffic Maintenance Core Service</i>	
Traffic Signal Maintenance	Performs maintenance and repairs on the City's 900+ traffic signals, maintains communications between traffic infrastructure and the centralized traffic management system, and performs special project work for traffic signal infrastructure upgrades in addition to funding utility costs for signals city-wide.
Traffic Signs and Markings Maintenance	Performs preventive and corrective maintenance on traffic signs and roadway markings and performs banner installations; installs and repairs traffic safety and traffic calming improvements.
Traffic Streetlights Maintenance	Performs maintenance and repairs on the City's 64,000+ streetlights in addition to funding utility costs for streetlights city-wide.
<i>Transportation Planning and Project Delivery Core Service</i>	
Transportation Capital Project Delivery	Manages the development of major local street improvement and regional transit and highway projects throughout the City including grant management, policy review, General Plan analysis, CEQA review, engineering and design, roadway geometric design, and construction. This Program also plans and manages the conversion of the entire City streetlight inventory to "smart" LED streetlights with a networked control system.
Transportation Multi-Modal Alternatives	Performs planning, engineering, and project delivery for all transportation modes (pedestrians, bicycle, transit, and carpool) to increase multi-modal travel as described in the transportation element of the General Plan.
Transportation Planning and Policy	Manages the transportation elements of the General Plan, coordinates transportation and land use planning studies, manages issues related to private development, analyzes the performance of the transportation system, supports policy and technical committees for regional transportation organizations, and reviews and advocates for transportation legislation serving San José interests.
<i>Transportation Safety and Operations Core Service</i>	
Neighborhood Traffic	Responds to transportation service calls (over 400 annually) and neighborhood traffic-related concerns (1,150 annually) impacting safety and other quality of life issues. Services include traffic safety studies resulting in the installation of traffic control devices such as stop signs, roadway signage, parking restrictions, and pavement markings.
Traffic Safety	Constructs pedestrian and bike safety improvement projects to address various traffic-related issues including, but not limited to, safe school access, neighborhood speeding issues, cut-through traffic, and other pedestrian and bike safety issues.
Traffic Signals and Systems Management	Operates the City's 900+ traffic signal system using the Traffic Management Center, manages associated traffic systems (communication and video network) to reduce travel delays and congestion, and plans and improves the traffic signal system.

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Transportation Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Transportation Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Transportation Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Transportation Management and Administration	Provides executive-level, analytical and administrative support to the department.

Transportation Department

Department Budget Summary

Expected 2020-2021 Service Delivery

- Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement.
- Fully fund pavement maintenance for major streets and a portion of local and neighborhood streets.
- 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.

2020-2021 Key Budget Actions

- Provides one-time funding of \$790,000 for renovation projects within Maintenance Assessment Districts and Community Facilities Districts and makes permanent a Structure/Landscape Designer II position to support an ongoing need for landscape design expertise for Special Assessment Districts renovation projects.
- Restructures staffing for various safety programs to align with available funding and organizational priorities including the addition of 2.0 limit-dated positions to support Vision Zero Quick Build Projects; the upgrade of 3.0 positions to provide a higher level of support for Walk n' Roll and Vision Zero Programs; and the elimination of 2.0 positions in Neighborhood Traffic Safety which will reduce capacity to conduct traffic safety studies and deliver neighborhood safety projects.
- Continues the Beautify San José Street Landscape Maintenance Program, the Contract Vehicle Abatement Services Program, and funding for Our City Forest office and nursery space leases through June 30, 2021.
- Restructures funding and staffing for Pavement Maintenance to align with available funding and organizational priorities including the addition of 1.5 positions to provide tow-enforcement support for pavement projects, a funding shift of 6.0 Pavement Markings positions from General Fund to the Traffic Capital Improvement Program, and the downgrade of 1.0 position providing budget and accounting support position.
- Deletes 2.0 positions assigned to maintain the City's infrastructure of 65,000 streetlights as workload is expected to decline with the conversion to LED fixtures.
- Adds 2.0 positions to support Information Technology needs including database design, business process application development, and security for 350 mobile devices.
- Continues 2.0 grant-related positions for traffic signal timing projects, and development of multimodal transportation plans.
- Provides \$189,000 for a grave-shift vehicle and heavy equipment to maintain large trash capture devices funded by the Storm Sewer Operating Fund and Sewer Service and Use Charge Fund.

Operating Funds Managed

- Community Facilities District/Maintenance Assessment District Funds
- Downtown Property Business and Improvement District Fund
- General Purpose Parking Fund

Transportation Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Core Service				
Parking Services	19,264,872	20,203,797	19,824,090	20,647,426
Pavement Maintenance	39,543,000	9,601,534	9,518,811	9,356,313
Sanitary Sewer Maintenance	17,148,856	20,108,449	20,271,229	20,193,910
Storm Sewer Maintenance	6,997,776	7,740,853	7,818,714	7,922,059
Strategic Support - Environmental & Utility Services	1,427,036	1,374,595	2,010,438	2,078,354
Strategic Support - Other - Environmental & Utility Services	5,896,003	1,340,381	0	43,051
Strategic Support - Other - Transportation & Aviation	13,284,059	11,932,665	12,014,845	12,344,263
Strategic Support - Transportation & Aviation	3,151,122	2,570,967	2,908,581	2,963,760
Street Landscape Maintenance	17,092,020	18,869,574	16,336,696	18,336,843
Traffic Maintenance	15,243,597	15,589,093	15,303,568	14,982,266
Transportation Planning and Project Delivery	18,943,042	7,450,854	7,530,995	7,941,977
Transportation Safety and Operations	14,394,443	12,726,394	12,804,414	12,550,185
Total	\$172,385,825	\$129,509,156	\$126,342,381	\$129,360,407
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	58,208,202	70,141,820	71,832,988	71,838,945
Overtime	2,752,543	1,592,823	1,599,692	1,599,692
Subtotal Personal Services	\$60,960,745	\$71,734,643	\$73,432,680	\$73,438,637
Non-Personal/Equipment	36,471,992	40,036,230	36,770,820	39,110,420
Total Personal Services & Non-Personal/Equipment	\$97,432,737	\$111,770,873	\$110,203,500	\$112,549,057
Other Costs*				
City-Wide Expenses	2,628,170	2,716,011	2,767,810	3,067,810
General Fund Capital	1,210,565	1,476,000	0	0
Gifts	39,374	0	65,503	0
Housing Loans and Grants	21,224	1,269,226	1,269,226	1,269,226
Other	3,541,203	3,845,647	3,845,647	3,912,289
Other - Capital	53,813,700	0	0	0

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Transportation Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Overhead Costs	13,134,096	7,429,399	7,538,695	7,910,025
Workers' Compensation	564,757	1,002,000	652,000	652,000
Total Other Costs	\$74,953,088	\$17,738,283	\$16,138,881	\$16,811,350
Total	\$172,385,825	\$129,509,156	\$126,342,381	\$129,360,407

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Transportation Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Dollars by Fund				
Capital Funds	78,774,316	25,765,571	26,599,695	27,787,440
General Fund (001)	39,490,900	43,617,022	40,497,636	40,275,138
Gift Trust Fund (139)	39,374	0	65,503	0
Downtown Property And Business Improvement District Fund (302)	3,238,671	3,345,647	3,345,647	3,412,289
Community Facilities District No. 13 (Guadalupe Mines) Fund (310)	72,805	89,991	94,213	93,931
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)	112,786	425,256	178,656	178,474
Maintenance District No. 1 (Los Paseos) Fund (352)	332,103	373,509	303,922	303,255
Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)	57,094	73,785	46,000	46,000
Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)	84,327	94,141	94,038	93,827
Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)	185,461	77,355	82,671	82,527
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)	131,891	225,149	148,622	148,433
Maintenance District No. 8 (Zanker-Montague) Fund (361)	97,259	145,428	145,068	144,670
Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)	152,096	181,418	179,701	179,435
Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)	73,585	130,553	120,765	160,651
Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)	113,856	93,379	116,826	176,754
Maintenance District No. 13 (Karina-O'Nel) Fund (366)	68,773	46,718	36,939	36,898
Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)	111,762	102,396	98,094	198,018
Maintenance District No. 15 (Silver Creek Valley) Fund (368)	2,046,240	1,661,817	1,532,432	1,548,457
Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)	1,769,018	1,555,682	1,827,437	2,023,131
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)	42,218	165,347	166,844	266,771
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)	117,743	178,722	192,053	291,822
Maintenance District No. 18 (The Meadowlands) Fund (372)	52,153	116,772	68,247	108,083

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Transportation Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Community Facilities District No. 8 (Communications Hill) Fund (373)	1,031,558	980,562	1,136,709	1,472,732
Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)	53,871	169,235	194,097	194,097
Community Facilities District No. 12 (Basking Ridge) Fund (376)	521,430	474,561	452,560	518,941
Community Facilities District No. 14 (Raleigh- Charlotte) Fund (379)	207,480	349,592	154,311	183,935
Community Development Block Grant Fund (441)	344,486	1,269,226	1,269,226	1,269,226
Storm Sewer Operating Fund (446)	7,746,017	9,813,012	9,662,680	9,798,193
General Purpose Parking Fund (533)	11,260,398	13,428,202	12,457,834	13,287,559
Convention and Cultural Affairs Fund (536)	300,000	0	0	0
Sewer Service And Use Charge Fund (541)	23,756,154	24,559,108	25,073,955	25,079,720
Total	\$172,385,825	\$129,509,156	\$126,342,381	\$129,360,407

Positions by Core Service**

Parking Services	69.09	68.24	68.24	70.84
Pavement Maintenance	54.00	66.65	64.50	64.00
Sanitary Sewer Maintenance	108.00	108.20	106.20	106.70
Storm Sewer Maintenance	42.91	44.06	43.01	43.21
Strategic Support - Environmental & Utility Services	6.55	7.20	9.75	10.45
Strategic Support - Transportation & Aviation	12.05	13.25	12.90	13.40
Street Landscape Maintenance	39.20	40.40	42.30	43.30
Traffic Maintenance	48.25	47.65	46.65	44.65
Transportation Planning and Project Delivery	36.00	40.40	39.40	41.90
Transportation Safety and Operations	58.95	64.95	65.05	63.05
Total	475.00	501.00	498.00	501.50

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** The positions displayed in the 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Transportation Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Dollars by Program*					
Parking Services					
Off-Street Parking	9,809,999	7,659,333	7,759,659	7,764,240	7.70
On-Street Downtown Operations	503,503	1,152,132	1,156,976	1,152,141	3.45
On-Street Parking	8,951,369	11,392,332	10,907,455	11,731,045	59.69
Sub-Total	19,264,872	20,203,797	19,824,090	20,647,426	70.84
Pavement Maintenance					
Corrective Pavement Repair	3,735,401	331,734	348,091	345,953	2.40
Pavement Maintenance Administration and Capital Project Delivery	35,807,599	9,269,800	9,170,720	9,010,360	61.60
Sub-Total	39,543,000	9,601,534	9,518,811	9,356,313	64.00
Sanitary Sewer Maintenance					
Sanitary Sewer System Maintenance	17,148,856	20,108,449	20,271,229	20,193,910	106.70
Sub-Total	17,148,856	20,108,449	20,271,229	20,193,910	106.70
Storm Sewer Maintenance					
Storm Sewer Operation and Maintenance	5,172,966	5,615,944	5,765,318	5,908,907	31.35
Street Sweeping	1,824,809	2,124,909	2,053,396	2,013,152	11.86
Sub-Total	6,997,776	7,740,853	7,818,714	7,922,059	43.21
Street Landscape Maintenance					
Special District Landscape Services	6,801,408	7,105,705	6,758,394	7,783,575	14.45
Streetscape Services	10,290,612	11,763,869	9,578,302	10,553,268	28.85
Sub-Total	17,092,020	18,869,574	16,336,696	18,336,843	43.30
Traffic Maintenance					
Traffic Signal Maintenance	4,987,414	5,070,726	4,855,048	4,827,468	16.20
Traffic Signs and Markings Maintenance	2,925,450	3,151,878	3,199,589	3,223,905	19.00
Traffic Streetlights Maintenance	7,330,733	7,366,489	7,248,931	6,930,893	9.45
Sub-Total	15,243,597	15,589,093	15,303,568	14,982,266	44.65
Transportation Planning and Project Delivery					
Transportation Capital Project Delivery	11,368,810	4,266,417	4,181,757	3,919,576	20.39
Transportation Multi-Modal Alternatives	4,232,571	1,456,214	1,491,191	1,899,982	10.25
Transportation Planning and Policy	3,341,661	1,728,223	1,858,047	2,122,419	11.26
Sub-Total	18,943,042	7,450,854	7,530,995	7,941,977	41.90
Transportation Safety and Operations					

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Transportation Department

Department Budget Summary

	2018-2019	2019-2020	2020-2021	2020-2021	2020-2021
	Actuals**	Adopted	Forecast	Proposed	Proposed Positions
Neighborhood Traffic	2,489,371	3,079,292	3,258,072	2,900,966	15.15
Traffic Safety	3,666,607	3,816,479	3,749,458	3,803,115	15.65
Traffic Signals and Systems Management	8,238,464	5,830,623	5,796,884	5,846,104	32.25
Sub-Total	14,394,443	12,726,394	12,804,414	12,550,185	63.05
Strategic Support - Environmental & Utility Services					
Transportation Financial Management - Environmental and Utility Services	297,732	382,946	462,951	459,829	3.10
Transportation Human Resources - Environmental and Utility Services	280,800	257,350	256,070	253,933	1.40
Transportation Information Technology - Environmental and Utility Services	120,944	226,486	451,398	530,474	2.05
Transportation Management and Administration- Environmental and Utility Services	727,559	507,813	840,019	834,118	3.90
Sub-Total	1,427,036	1,374,595	2,010,438	2,078,354	10.45
Strategic Support - Transportation & Aviation					
Transportation Financial Management - Transportation and Aviation	1,615,853	1,006,968	1,093,684	1,087,400	6.30
Transportation Human Resources - Transportation and Aviation	442,596	450,653	452,618	448,930	2.60
Transportation Information Technology - Transportation and Aviation	407,927	445,695	669,402	738,878	2.45
Transportation Management and Administration - Transportation and Aviation	684,746	667,651	692,877	688,552	2.05
Sub-Total	3,151,122	2,570,967	2,908,581	2,963,760	13.40
Strategic Support - Other - Environmental & Utility Services					
Transportation Overhead - Environmental and Utility Services	5,896,003	1,340,381	0	43,051	0.00
Sub-Total	5,896,003	1,340,381	0	43,051	0.00
Strategic Support - Other - Transportation & Aviation					
Transportation Capital - Transportation and Aviation	3,585,311	1,476,000	0	0	0.00
Transportation Gifts - Transportation and Aviation	39,374	0	65,503	0	0.00
Transportation Other Departmental - City-Wide - Transport and Aviation	187,009	20,000	413,000	413,000	0.00
Transportation Other Departmental - Grants - Transportation and Aviation	106,946	0	0	0	0.00
Transportation Other Operational - Administration - Transport and Aviation	3,238,671	3,345,647	3,345,647	3,412,289	0.00
Transportation Overhead - Transportation and Aviation	5,259,800	6,089,018	7,538,695	7,866,974	0.00

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Transportation Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
Transportation Transfers - Transportation and Aviation	864,299	0	0	0	0.00
Transportation Workers' Compensation - Transportation and Aviation	2,650	1,002,000	652,000	652,000	0.00
Sub-Total	13,284,059	11,932,665	12,014,845	12,344,263	0.00
Total	\$172,385,825	\$129,509,156	\$126,342,381	\$129,360,407	501.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2018-2019 Actuals may not subtotal due to rounding.

Transportation Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2019-2020):	501.00	111,770,873	38,425,011
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: LED Streetlight Fixture Conversion		(373,668)	(373,668)
• Rebudget: Sewer Lateral Replacement Grant		(200,000)	0
• Rebudget: Computerized Maintenance Management System Upgrade		(170,000)	0
• Beautify San José Street Landscape Maintenance Program (1.0 Associate Construction Inspector)	(1.00)	(1,363,623)	(763,623)
• Special Assessment District Landscape and Infrastructure Projects		(1,110,000)	0
• Contract Vehicle Abatement		(610,000)	0
• Our City Forest		(225,000)	(225,000)
• Street Sweeping Waste Collection		(195,500)	0
• Transportation Design and Engineering for New Development (1.0 Engineer I)	(1.00)	(143,014)	(143,014)
• Unity Database Maintenance Systems (1.0 Systems Application Programmer I)	(1.00)	(125,045)	(125,045)
• Tree Planting		(103,000)	(103,000)
One-time Prior Year Expenditures Subtotal:	(3.00)	(4,618,850)	(1,733,350)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		2,053,628	405,121
- 1.0 Engineering Technician II to 1.0 Engineer II			
- 1.0 Engineering Technician II to 1.0 Engineering Trainee PT			
- 1.0 Engineering Technician II to 1.0 Associate Engineering Technician			
• Professional Development Program Adjustment		20,000	20,000
• Living Wage Adjustment		16,224	0
• Overtime Adjustment		6,869	0
• Night Shift Differential Adjustment		2,998	1,391
• Contract Services: Special Assessment Districts		339,056	0
• Contract Services: Sanitary Sewer Odor Control		300,000	0
• Maintenance and Operations: Developer Installed Transportation Infrastructure		77,809	62,680
• Software/Information Systems: Mobile Device Management, Virtualization, and Hosting		36,820	23,100
• Maintenance and Operations: Loop Repairs		16,522	16,522
• Community-Based Organization: Our City Forest		9,351	9,351
• Maintenance and Operations: Radar Speed Display Signs		4,000	4,000
• Sidewalk and Tree Hardship (Shift to City-Wide)		(413,000)	(413,000)
• Hazardous Waste Cleanup (Shift to Fire Department)		(175,000)	0
• Gas, Electricity, and Water		602,200	275,000
• Vehicle Maintenance and Operations		154,000	(16,000)
Technical Adjustments Subtotal:	0	3,051,477	388,165
2020-2021 Forecast Base Budget:	498.00	110,203,500	37,079,826

Transportation Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Special Assessment District Landscape and Infrastructure Projects		790,000	0
2. Contract Vehicle Abatement	1.00	711,906	0
3. Beautify San José Street Landscape Maintenance Program		500,000	500,000
4. Vision Zero Quick Build Project Delivery Team	2.00	353,987	0
5. Information Technology Staffing Support	2.00	260,597	0
6. Our City Forest		225,000	225,000
7. Special Assessment District Landscape Program Design Staffing	1.00	193,345	0
8. Parking Compliance Pavement Project Support	1.50	169,696	22,302
9. Storm Sewer Operations and Maintenance Program Vehicle		152,000	0
10. Multimodal Area Transportation Plans	1.00	146,949	0
11. Shared Micro Mobility Permit Program		129,000	129,000
12. North San José Transit Operations and ATSPM Grant Staffing		87,630	0
13. Walk n' Roll Program Staffing	0.00	70,964	0
14. Special Assessment District Vehicle Replacement		57,000	0
15. New Transportation Infrastructure Maintenance and Operations		52,000	52,000
16. Sewer Video Inspection and Complaint Response Graveyard Shift Vehicle		37,000	0
17. Vision Zero Traffic Safety Study Staffing	0.00	19,053	19,053
18. Climate Smart San José Plan Implementation Staffing	0.00	0	0
19. Pavement Markings Staffing	0.00	0	(611,555)
20. City Retirement Contributions Pre-Funding		(482,463)	(140,161)
21. Neighborhood Traffic Management Staffing	(2.00)	(355,083)	(355,083)
22. Streetlight Maintenance Staffing	(2.00)	(300,054)	(300,054)
23. Regional Rail Planning Staffing	(1.00)	(241,305)	0
24. Vehicle Maintenance and Operations (Fuel Savings)		(203,000)	(63,000)
25. Traffic Capital Staffing	0.00	(28,665)	0
Total Budget Proposals Recommended	3.50	2,345,557	(522,498)
2020-2021 Proposed Budget Total	501.50	112,549,057	36,557,328

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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1. Special Assessment District Landscape and Infrastructure Projects		790,000	0
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***Transportation and Aviation Services CSA
Street Landscape Maintenance Core Service
Special District Landscape Services Program***

This action adds one-time non-personal/equipment funding for the design and renovation of aging landscape and infrastructure in Maintenance Assessment Districts (MAD) and Community Facility Districts (CFD).

The following projects are included for 2020-2021:

CFD 1 (Capitol Auto Mall) - Renovate lighting and decomposed granite in medians along Auto Mall Parkway (\$100,000);

CFD 2 & 3 (Aborn-Murillo & Silverland -Capriana) - Renovate embankment along Vineyard Lake and Fountain Square area (\$150,000);

CFD 8 (Communications Hill) - Renovate Tuscan Hill park strips (Phase 4 of 4) (\$200,000);

CFD 15 (Berryessa-Sierra) - Install fence on top of embankment (Phase 2 of 2) (\$100,000);

MD 11 (Brokaw Rd-Junction Ave-Old Oakland) - Renovate fountains in Brokaw Road median islands (\$40,000);

MD 18 (The Meadowlands) - Renovate planting area behind Metzger Ranch (\$40,000);

MD 20 (Renaissance-N. First) - Renovate median islands on Renaissance Drive (\$60,000); and

MD 22 (Hellyer Ave-Silver Creek Valley Rd) - Renovate median islands on Hellyer Avenue between Embedded Way and Silver Creek Valley Road (\$100,000).

(Ongoing costs: \$0)

2. Contract Vehicle Abatement	1.00	711,906	0
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***Transportation and Aviation Services CSA
Parking Services and Strategic Support Core Services
On-Street Parking and Transportation Information Technology Programs***

This action adds 1.0 Parking and Traffic Control Supervisor position, limit-dated through June 30, 2021, and one-time non-personal/equipment funding of \$565,600 in the General Purpose Parking Fund to continue the Vehicle Abatement Contract Program, which consists of 8.0 contracted staffing resources. This action will continue the program for one year and add a supervisor position to oversee the contracted Vehicle Abatement (VA) employees. This program, initiated in December 2017 and expanded in July 2018 in response to the City Auditor's August 2018 Report: *Audit of Vehicle Abatement: The City Could Improve Customer Service for Vehicle Abatement Requests*, is designed to help address the significant workload associated with investigating and mitigating over 63,000 annual VA service requests. (Ongoing costs: \$0)

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Beautify San José Landscape Maintenance Program		500,000	500,000

*Transportation and Aviation Services CSA
Street Landscape Maintenance Core Service
Streetscape Services Program*

This action adds one-time non-personal/equipment funding in the General Fund for the Transportation Department's Beautify San José Street Landscape Maintenance program. Funding provides for bi-monthly cleaning, weed abatement, some tree maintenance, and other basic streetscape improvement activities at key gateway locations throughout the City. This funding will allow the overall landscape conditions annual ratings to continue to improve due to the enhanced maintenance cycle in the Beautify San José locations increasing from quarterly to bi-monthly service. (Ongoing costs: \$0)

4. Vision Zero Quick Build Project Delivery Team	2.00	353,987	0
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*Transportation and Aviation Services CSA
Pavement Maintenance, Transportation Planning and Project Delivery, and Strategic Support Core Services
Pavement Maintenance Administration and Capital Project Delivery, Transportation Capital Project Delivery, Transportation Information Technology, and Transportation Multi-Modal Alternatives Programs*

This action creates a new Vision Zero "Quick Build" Project Delivery Team by adding 1.0 Associate Engineer and 1.0 Engineer I/II positions (both limit-dated through June 30, 2021) and converting 1.0 Engineer I/II position to 1.0 Associate Engineer position. This team will coordinate across the Planning and Project Delivery and the Traffic Safety and Operations Divisions to focus on quick build projects where paint and plastic can be used to change roadway geometry at intersections and along corridors to reduce severe injuries and fatalities. Quick build projects will help to increase the City's mode share of non-SOV (single-occupancy-vehicle) travel and help to lower Vehicle Miles Traveled (VMT) to reduce carbon emissions and support urbanization to align with City Goals such as the City's Complete Streets Standards and Guidelines, the VMT based Transportation Analysis Policy, and with Climate Smart San José. These positions will be funded by the Building and Structure Construction Tax and Construction Excise Tax Funds. (Ongoing costs: \$23,458)

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>5. Information Technology Staffing Support</p> <p><i>Environment and Utility Services CSA Sanitary Sewer Maintenance, Storm Sewer Maintenance, and Strategic Support Core Services Sanitary Sewer System Maintenance, Storm Sewer Operation and Maintenance, and Transportation Information Technology Programs</i></p> <p><i>Transportation and Aviation Services CSA Parking Services and Strategic Support Core Services Off-Street Parking and Transportation Information Technology Programs</i></p> <p>This action adds 1.0 Network Technician position and makes permanent 1.0 Systems Application Programmer position to support the information technology needs of the Transportation Department, including ongoing needs to update and design functionality for the Department's database systems and support the department's business process application development for Unity/Salesforce and asset tracking and security for about 350 mobile devices deployed primarily to field staff. (Ongoing costs: \$260,597)</p>	2.00	260,597	0
<p>6. Our City Forest</p> <p><i>Transportation and Aviation Services CSA Street Landscape Maintenance Core Service Streetscape Services Program</i></p> <p>This action provides one-time non-personal/equipment funding of \$225,000 to extend funding for Our City Forest facility needs (\$141,000 for office space lease costs and \$84,000 for a nursery on Airport property) through June 2021. Our City Forest (OCF) had until recently used a City facility for its office space. In 2017, this facility was closed for continued occupancy and as a result, OCF was required to relocate. There are no currently-available City facilities that meet OCF requirements, so an alternative location has been leased, with the City covering the cost. OCF also uses a nursery on Airport property, which it previously obtained and operated at below market rate prior to 2018-2019. This arrangement is no longer possible due to Federal requirements; going forward OCF must pay market rate to lease this facility. (Ongoing costs: \$0)</p>		225,000	225,000
<p>7. Special Assessment District Landscape Program Design Staffing</p> <p><i>Transportation and Aviation Services CSA Street Landscape Maintenance Core Service Special District Landscape Services Program</i></p> <p>This action makes permanent 1.0 Structure/Landscape Designer II position funded by Special Assessment Districts to support an ongoing need for design and maintenance in the Special Districts Landscape Program to align with the City's Green Stormwater Infrastructure Plan. In addition, this action provides one-time non-personal/equipment funding for a new truck for transportation (\$35,000) and associated funding for ongoing vehicle operations and maintenance costs (\$1,500). (Ongoing costs: \$159,845)</p>	1.00	193,345	0

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>8. Parking Compliance Pavement Project Support</p> <p><i>Transportation and Aviation Services CSA Parking Services Core Service On-Street Parking Program</i></p> <p>This action adds 2.0 Parking and Traffic Control Officer (PTCO) positions and deletes a 0.5 Parking and Traffic Control Officer part-time position for a net add of 1.5 positions funded by the Pavement Maintenance Program in the Construction Excise Tax Fund. The positions will provide tow-enforcement support during pavement projects. Existing PTCOs provide support for the Pavement Maintenance Program on major streets. However, additional positions are needed for the pavement maintenance program which the City recently re-started in residential neighborhoods as funding has become available. These positions will support the coordination of tow-permits and temporary parking restrictions and the enforcement of tow-away zones to ensure streets are clear of parked vehicles, facilitating construction and pavement work with the least possible impact to residents and businesses. (Ongoing costs: \$169,097)</p>	1.50	169,696	22,302
<p>9. Storm Sewer Operations and Maintenance Program Vehicle</p> <p><i>Environment and Utility Services CSA Storm Sewer Maintenance Core Service Storm Sewer Operation and Maintenance Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$152,000 from the Storm Sewer Operating Fund to purchase a flatbed utility truck with a crane and radio to transport crew members and "stop logs" used to block water inflow into large trash capture devices and pumps so the devices can be cleaned per regulatory requirements. The department will assume maintenance of six new Debris Separating Baffle Box large trash capture devices in 2019-2020, include a "stop log" system to stop the flow of stormwater into the devices to enable maintenance activities to safely occur. The new truck and crane are needed for the transport and installation of the heavy "stop logs" into the trash capture devices, which is not feasible for a crew without this equipment. (Ongoing costs: \$5,000)</p>		152,000	0
<p>10. Multimodal Area Transportation Plans</p> <p><i>Transportation and Aviation Services CSA Transportation Planning and Project Delivery Core Service Transportation Planning and Policy Program</i></p> <p>This action continues 1.0 Transportation Specialist position, limit-dated through June 20, 2021, to support development of multimodal transportation plans for urbanizing areas of the City that advance implementation of the Envision San Jose 2040 General Plan. The position will support the development and analysis of GIS information, streetscape design, graphic design, and multilingual and multicultural communication and engagement. The position is funded through the approved Downtown Transportation Plan and East San Jose Multimodal Transportation Improvement Plan grants. (Ongoing costs: \$0)</p>	1.00	146,949	0

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
11. Shared Micro Mobility Permit Program		129,000	129,000
<i>Transportation and Aviation Services CSA Transportation Planning and Project Delivery Core Service Transportation Planning and Policy Program</i>			
<p>This action adds ongoing non-personal/equipment funding of \$129,000 to fund contracted services for a standardized data processing platform to monitor, process, and analyze micro-mobility data for the City. This data will guide DOT staff in the development of enforcement policy for e-scooter operation and parking to adequately address safety concerns related to e-scooters on City streets and inform ongoing staffing needs for the program. Shared Micro Mobility permits include important safety and data sharing provisions and restricts permit issuance to operators that can develop technology-based solutions to track scooter activity and use technology to deter sidewalk riding on pedestrian-dense streets. This funding provides the data platform to analyze and inform decisions based on the data gathered by the scooter operators. (Ongoing costs: \$0)</p>			
12. North San José Transit Operations and ATSPM Grant Engineer		87,630	0
<i>Transportation and Aviation Services CSA Transportation Safety and Operations Core Service Traffic Signals and Systems Management Program</i>			
<p>This action extends 1.0 Associate Engineer I/II position for eighteen months through June 30, 2022, funded by Building and Structure Construction Tax and grant funding, to serve as a team lead for signal timing, traffic management, and operational analysis activities for projects including North San Jose light rail operations and grant-funded signal timing projects such as Automated Traffic signal Performance Measure (ATSPM) and Downtown Signal Retiming Project (TFCA). These activities will help fulfill the department's goal of proactively retiming approximately 100 signals per year. (Ongoing costs: \$175,260)</p>			
13. Walk n' Roll Program Staffing	0.00	70,964	0
<i>Transportation and Aviation Services CSA Transportation Safety and Operations Core Service Traffic Safety Program</i>			
<p>This action converts 2.0 Recreation Specialist positions to 2.0 Transportation Specialist positions to expand and improve the Transportation Department's Walk n' Roll Safe Routes to School Programs. The positions will be funded by Valley Transportation Authority Measure B Education and Encouragement Act Article 3 grants. These positions will be responsible for managing the City's Walk n' Roll program in the schools by developing curriculum for schools to implement a Walk n' Roll program, conducting walk audits, making recommendations for pedestrian/bike/street safety improvements, and engaging school officials and parent leadership groups to promote safety and to encourage students to walk and bike to school. (Ongoing costs: \$66,374)</p>			

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>14. Special Assessment District Vehicle Replacement</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 to replace a sport-utility vehicle (\$27,000) in Community Facilities District 2 and 3 (Aborn-Murillo and Silverland-Capriana) and a pickup truck (\$30,000) in Community Facilities District 14 (Raleigh Charlotte). The vehicles have reached the end of their useful life. (Ongoing costs: \$0)</p>		57,000	0
<p>15. New Transportation Infrastructure Maintenance and Operations</p> <p><i>Transportation and Aviation Services CSA Traffic Maintenance Core Service Traffic Signs and Markings Maintenance Program</i></p> <p>This action provides non-personal/equipment funding of \$52,000 for the maintenance and operations impacts associated with new capital improvements that are scheduled to come on-line during 2020-2021 as part of the five-year Traffic Capital Improvement Program (CIP). This funding need was anticipated in the 2021-2025 General Fund Forecast, and the liquidation of an Earmarked Reserve set aside in the forecast for this purpose is also included. (Ongoing costs: \$89,000)</p>		52,000	52,000
<p>16. Sewer Video Inspection and Complaint Response Graveyard Shift Vehicle</p> <p><i>Environment and Utility Services CSA Sanitary Sewer Maintenance Core Service Sanitary Sewer System Maintenance Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$37,000 from the Sewer Service and Use Charge Fund to purchase a pickup truck with a radio for the graveyard shift. A graveyard crew was recently added, and it was expected that a vehicle from another shift could be used; however, sometimes shifts overlap thus sharing a vehicle would not be feasible. (Ongoing costs: \$5,000)</p>		37,000	0

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
17. Vision Zero Traffic Safety Study Staffing <i>Transportation and Aviation Services CSA Transportation Safety and Operations Core Service Neighborhood Traffic Program</i> This action converts 1.0 Associate Engineering Technician position to 1.0 Transportation Specialist position to manage Traffic Safety Studies and traffic data collection. This position must coordinate with the Police Department and effectively communicate with City Council, community groups, and other departments and agencies. This position will negotiate, develop, and administer contracts and agreements with consultants and lead and supervise technical and non-technical staff. (Ongoing costs: \$16,353)	0.00	19,053	19,053
18. Climate Smart San José Plan Implementation Staffing <i>Transportation and Aviation Services CSA Transportation Planning and Project Delivery Core Service Transportation Planning and Policy Program</i> This action extends 1.0 Associate Transportation Specialist position through June 30, 2021, to deliver Climate Smart program services. This position will work in the Sustainable Transportation Planning group to enable the delivery of the Bloomberg-funded American Climate Cities Challenge (ACCC) plans and projects. The incumbent will be responsible for developing the Electric Mobility Strategy, measuring performance of sustainability efforts and developing reports, community outreach efforts and pilots as it relates to electric vehicles, and Encourage New Mobility Options effort of the work plan. This position is funded by the Climate Smart City-Wide Expenses allocation that can be found under the City-Wide Section of this document. (Ongoing costs: \$0)		0	0
19. Pavement Markings Staffing <i>Transportation and Aviation Services CSA Pavement Maintenance and Traffic Maintenance Core Services Corrective Pavement Repair and Traffic Signs and Markings Programs</i> This proposal shifts 6.0 maintenance worker positions (0.5 Maintenance Supervisor, 4.0 Maintenance Worker IIs, and 1.5 Maintenance Assistants) for the Roadway Markings team from the General Fund to State Gas Tax funding for pavement maintenance and adds a striper with a ride-along attachment and trailer to install thermoplastic striping and hash marks in bike lanes (\$97,000), also funded by State Gas Tax funding. Pavement Markings positions funded by the General Fund have been typically tasked with preventative maintenance activities throughout the year such as refreshing faded crosswalks, restriping intersections and completing work orders for street marking changes as determined by Geometrics and Neighborhood Traffic Management. This work is eligible to be funded by Pavement Maintenance Program funding sources in the Traffic Capital Improvement Program. (Ongoing costs: \$0)	0.00	0	(611,555)

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
20. City Retirement Contributions Pre-Funding		(482,463)	(140,161)

*Transportation and Aviation Services CSA
Core Service: Department-wide
Program: Department-wide*

*Environment and Utility Services CSA
Core Service: Department-wide
Program: Department-wide*

This action reduces the Transportation Department’s Personal Services appropriation by \$482,463 in all funds, \$140,151 in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City’s retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees’ Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$482,463)

21. Neighborhood Traffic Management Staffing	(2.00)	(355,083)	(355,083)
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*Transportation and Aviation Services CSA
Transportation Safety and Operations Core Service
Neighborhood Traffic Program*

This action deletes 1.0 Associate Engineer position and 1.0 Engineer II position from the Neighborhood Traffic Management Pedestrian Safety staff. This action will reduce the department's ability to perform Engineering and Traffic Surveys (ETS), Traffic Safety studies, and Pedestrian Safety enhancement/Traffic Calming projects. The San Jose Police Department (SJPD) may be impacted by DOT's reduced ability to provide reports which are required for radar speed enforcement. Engineering and Traffic Surveys are State-mandated studies required to establish posted speed limits on the City’s major roads and some neighborhood collector roads; and are required for SJPD to use radar during enforcement. About 70 ETS expire annually and require new studies. In addition, the average response time for requests from neighborhoods, school, and businesses will be increased. The Traffic Safety group receives about 1,200 annual requests from neighborhoods, schools, and businesses (including all-way stop studies, crosswalk studies, school safety, speeding, red curb, intersection/driveway visibility). Also, the current delivery of about 40 Pedestrian Safety Enhancement/Traffic Calming projects per year may reduce to 32 projects per year. (Ongoing savings: \$355,083)

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
22. Streetlight Maintenance Staffing	(2.00)	(300,054)	(300,054)

*Transportation and Aviation Services CSA
Traffic Maintenance Core Service
Traffic Streetlights Maintenance Program*

This action deletes 1.0 Electrician II position and 1.0 Maintenance Worker II position assigned to maintain the City's infrastructure of 65,000 streetlights. These positions respond to streetlight outages and replace the standard bulbs with LED fixtures. LED streetlight fixtures are expected to last for up to ten years whereas standard bulbs typically last for two years. Although ongoing maintenance needs of other aspects of the new technology are not yet fully known, the department will continuously analyze its maintenance needs and modify as appropriate. In the short term, the deletion of both positions could slow streetlight outage response and some LED conversion work until all lights are converted; however, the Electrician position has been vacant for some time and is difficult to fill. (Ongoing savings: \$303,582)

23. Regional Rail Planning Staffing	(1.00)	(241,305)	0
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*Transportation and Aviation Services CSA
Transportation Planning and Project Delivery Core Service
Transportation Capital Project Delivery Program*

This action deletes 1.0 Division Manager position for the High Speed Rail Program, which has been vacant since September 12, 2018. Due to the level of coordination with outside groups and decision-making requirements, it has been determined that the job duties of this function are better performed at a Deputy Director-level position thus the responsibilities for the High Speed Rail Program have been shifted to the Planning and Project Delivery Deputy Director and Senior Engineers in the Regional Rail Project team. (Ongoing savings: \$241,305)

Transportation Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
24. Vehicle Maintenance and Operations (Fuel Savings) <i>Environment and Utility Services CSA</i> Sanitary Sewer Maintenance and Storm Sewer Maintenance Core Services <i>Sanitary Sewer System Maintenance, Storm Sewer Operation and Maintenance, and Street Sweeping Program</i> Transportation and Aviation Services CSA Parking Services, Street Landscape Maintenance, Traffic Maintenance, Transportation Planning and Project Delivery, and Transportation Safety and Operations Core Services <i>Neighborhood Traffic, Off-Street Parking, On-Street Parking, Special District Landscape Services, Streetscape Services, Traffic Signal Maintenance, Traffic Signals and Systems Management, Traffic Signs and Markings Maintenance, Traffic Streetlights Maintenance, Transportation Capital Project Deliver, and Transportation Planning and Policy Programs</i>		(203,000)	(63,000)
<p>This action decreases the ongoing funding for vehicle operations costs by \$203,000 to reflect estimated savings from the significant declines in fuel prices since the beginning of calendar year 2020. These declines are largely attributable to the unforeseen increase in crude oil supply and global economic contraction during the COVID-19 pandemic, following the release of the 2021-2025 Five-Year Forecast and Revenue Projections in February 2020. Based on recent fuel price trends and the Short-Term Energy Outlook released by the United States Energy Information Administration in April 2020, revised projections result in city-wide savings of \$1.24 million, of which \$940,000 is from the General Fund. In consideration of the recent economic volatility and sudden global supply changes, a Fuel Usage Reserve totaling \$300,000 is set aside within the Vehicle Maintenance and Operations Fund to address upward price fluctuation. (Ongoing savings: \$203,000)</p>			
25. Traffic Capital Staffing	0.00	(28,665)	0
<p><i>Transportation and Aviation Services CSA</i> Pavement Maintenance, Transportation Planning and Project Delivery, and Strategic Support Core Services <i>Pavement Maintenance Administration and Capital Project Delivery, Transportation Capital Project Delivery, Transportation Financial Management, and Transportation Planning and Policy Programs</i></p> <p>This action converts 1.0 Senior Analyst position to 1.0 Analyst position and realigns funding for 0.4 Associate Engineer position and 0.6 Senior Analyst position from the Construction Excise Tax Fund to the Building and Structure Construction Tax Fund in the Capital Budget Group. The department has determined that an Analyst position, reporting to the Traffic Capital Budget Senior Analyst, would provide support for accurate and timely billing to ensure appropriate cash flow, detailed budget analysis to maximize use of available funds, and regular financial reporting as required by granting agencies. The position shifts will better align the work the positions do with the funding sources for the positions. (Ongoing savings: \$28,665)</p>			
2020-2021 Proposed Budget Changes Total	3.50	2,345,557	(522,498)

Transportation Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	9.00	1.00
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	20.00	19.00	(1.00)
Associate Engineer	30.00	31.00	1.00
Associate Engineering Technician	6.00	6.00	-
Associate Transportation Specialist	8.00	8.00	-
Communications Technician	1.00	1.00	-
Concrete Finisher	3.00	3.00	-
Construction Manager	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	3.00	3.00	-
Director of Transportation	1.00	1.00	-
Division Manager	9.00	8.00	(1.00)
Electrical Maintenance Superintendent	1.00	1.00	-
Electrician I/II	14.00	13.00	(1.00)
Electrician Supervisor	3.00	3.00	-
Engineer I/II	34.00	33.00	(1.00)
Engineering Technician I/II	6.00	3.00	(3.00)
Engineering Trainee PT	1.50	2.50	1.00
Geographic Information Systems Specialist II	3.00	3.00	-
Heavy Equipment Operator	10.00	10.00	-
Information Systems Analyst	3.00	3.00	-
Maintenance Assistant/Maintenance Worker I	61.00	61.00	-
Maintenance Assistant PT/Maintenance Worker I PT	1.50	1.50	-
Maintenance Superintendent	4.00	4.00	-
Maintenance Supervisor	11.00	11.00	-
Maintenance Worker II	77.00	76.00	(1.00)
Network Engineer	2.00	2.00	-
Network Technician I/II/III	1.00	2.00	1.00
Office Specialist I/II	3.00	3.00	-
Operations Manager	1.00	1.00	-
Parking and Traffic Control Officer	39.00	41.00	2.00
Parking and Traffic Control Officer PT	4.00	3.50	(0.50)
Parking and Traffic Control Supervisor	2.00	3.00	1.00
Parking/Ground Transportation Administrator	2.00	2.00	-
Parking Manager I/II	2.00	2.00	-
Principal Construction Inspector	3.00	3.00	-
Principal Engineer/Architect	1.00	1.00	-
Program Manager I	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Recreation Specialist	2.00	0.00	(2.00)
Security Services Supervisor	1.00	1.00	-

Transportation Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
Senior Account Clerk	3.00	3.00	-
Senior Analyst	7.00	6.00	(1.00)
Senior Construction Inspector	8.00	8.00	-
Senior Electrician	3.00	3.00	-
Senior Engineer	12.00	12.00	-
Senior Engineering Technician	3.00	3.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	2.00	2.00	-
Senior Maintenance Worker	25.00	25.00	-
Senior Office Specialist	5.00	5.00	-
Senior Parking and Traffic Control Officer	5.00	5.00	-
Senior Transportation Specialist	6.00	6.00	-
Staff Specialist	7.00	7.00	-
Street Sweeper Operator	5.00	5.00	-
Structure/Landscape Designer I/II	-	1.00	1.00
Systems Application Programmer II	2.00	2.00	-
Transportation Specialist	9.00	13.00	4.00
Total Positions	501.00	501.50	0.50

City-Wide Expenses

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To provide for City-Wide expenses that relate to more than one department or are not directly associated with ongoing departmental operations

City Service Areas

Community and Economic Development

Neighborhood Services

Transportation and Aviation Services

Environmental and Utility Services

Public Safety

Strategic Support

City-Wide Expenses

Department Budget Summary

	2018-2019 Actuals <u>1</u>	2019-2020 Adopted <u>2</u>	2020-2021 Forecast <u>3</u>	2020-2021 Proposed <u>4</u>	% Change <u>(2 to 4)</u>
Dollars by Core Service					
Community and Economic Development	12,120,076	\$26,803,461	\$14,436,514	\$15,830,379	(40.9%)
Environmental and Utility Services	2,166,822	2,576,032	970,000	1,470,000	(42.9%)
Neighborhood Services	10,250,883	11,104,616	8,325,495	8,425,495	(24.1%)
Public Safety	18,873,465	24,654,706	15,610,500	15,761,500	(36.1%)
Transportation and Aviation Services	3,190,277	3,716,011	3,417,810	3,717,810	
Strategic Support	169,735,253	19,591,367	16,988,500	28,735,500	46.7%
Strategic Support - Council Appointees	12,334,540	24,808,444	13,880,214	13,769,214	(44.5%)
Total	\$228,671,316	\$113,254,637	\$73,629,033	\$87,709,898	(141.8%)
Dollars by Category					
City-Wide Expenses	\$228,671,316	\$113,254,637	\$73,629,033	\$87,709,898	(22.6%)
Total	\$228,671,316	\$113,254,637	\$73,629,033	\$87,709,898	(22.6%)
Dollars by Category					
General Fund	\$228,671,316	\$113,254,637	\$73,629,033	\$87,709,898	(22.6%)
Total	\$228,671,316	\$113,254,637	\$73,629,033	\$87,709,898	(22.6%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

City-Wide Expenses

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2019-2020):	0.00	113,254,637
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Community and Economic Development CSA		
• Rebudget: 2017 Flood - Building Permit and Inspection Fee Waivers		(66,000)
• Rebudget: 4th Street Garage Banquet Facility Maintenance and Operations		(400,000)
• Rebudget: Commercial Development Impact Study		(150,000)
• Rebudget: Cultural Events and Festivals		(108,000)
• Rebudget: Destination: Home SV Grant		(150,000)
• Rebudget: Diridon Station Area Development Planning		(245,000)
• Rebudget: Economic Development Pre-Development Activities		(45,000)
• Rebudget: Historic Preservation		(326,026)
• Rebudget: Homeless Housing Innovations		(500,000)
• Rebudget: Homeless Rapid Rehousing		(2,000,000)
• Rebudget: Japantown Creative Center for the Arts Transportation Improvements		(400,000)
• Rebudget: Museum Place Project		(5,000)
• Rebudget: Neighborhood Business Districts		(100,000)
• Rebudget: Parade of Floats Public Art Statues		(3,511)
• Rebudget: Service Year		(300,000)
• 2020 Census Outreach Support		(625,000)
• Blight Busters		(150,000)
• City-wide Retail Attraction Program		(187,500)
• CommUniverCity Program		(53,000)
• Diridon Station Area Development Planning		(4,573,080)
• Downtown Ice Capital Infrastructure Investment		(100,000)
• Downtown Pedestrian Quality of Life		(250,000)
• East Side Grown Street Food Hub		(75,000)
• Economic Development Pre-Development Activities		(100,000)
• Expanding Pre-Apprenticeship Opportunities		(106,000)
• General Planning Support		(200,000)
• Homeless Roundtable and Proactive Engagement		(200,000)
• Manufacturing Jobs Initiative		(106,500)
• Parcel Mapping Demonstration Project		(190,000)
• Pocket Park in Tropicana-Lanai Neighborhood		(25,000)
• San José Economic Identity		(150,000)
• Sonic Runway Public Art		(150,000)
• Sports Authority		(350,000)
• Storefront Activation Grant Program		(200,000)
• Storefront Activation Program - Alum Rock		(75,000)
Subtotal:	0.00	(12,664,617)
Environmental and Utility Services CSA		
• Rebudget: Burrowing Owl Habitat Management		(120,000)
• Rebudget: Climate Protection Grant		(135,000)
• Rebudget: Climate Smart		(94,000)
• Rebudget: Expedited Purified Water Program		(167,000)
• Climate Protection Grant		(163,000)

City-Wide Expenses

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Environmental and Utility Services CSA		
• Climate Smart		(80,000)
• Climate Smart San José Plan Implementation		(700,000)
• Council District #4 Dumpster Days		(25,000)
Subtotal:	0.00	(1,484,000)
Neighborhood Services CSA		
• Rebudget: BeautifySJ Grants		(75,065)
• Rebudget: Hospital Intervention Program - CalOES Grant (2018)		(4,693)
• Rebudget: Library Grants		(10,000)
• Rebudget: Park and Open Street Activation - Council District #02		(15,673)
• Rebudget: Park and Open Street Activation - Council District #08		(4,828)
• Rebudget: PG&E Summer Cooling Shelter Program Grant		(12,230)
• Rebudget: San Jose BEST and Safe Summer Initiative Programs		(602,532)
• Rebudget: San José Promise		(50,000)
• Rebudget: Street Activation		(50,000)
• BeautifySJ Grants		(200,000)
• Childcare Facilities and Training		(212,000)
• Department of Justice - Bureau of Justice Assistance Grant Category 3		(76,456)
• Department of Justice - Bureau of Justice Assistance Grant Category 7		(90,400)
• Local Sales Tax - Park Ranger Program Police Support		(275,000)
• Neighborhood Association Start Up Impact Fund		(50,000)
• New Hope for Youth Grant		(299,000)
• Park and Open Street Activation - Council District #03 (San Pedro Square and St. John Street Activation)		(110,000)
• Parks Activation		(98,500)
• San José Learns		(500,000)
• STEM Education		(19,700)
Subtotal:	0.00	(2,756,077)
Public Safety CSA		
• Rebudget: 2016 County Victim Services Program		(272,562)
• Rebudget: Bulletproof Vest Partnership		(112,596)
• Rebudget: City Law Enforcement Grant 2016-2017		(144,596)
• Rebudget: CrimeStoppers		(39,000)
• Rebudget: Internet Crimes Against Children Federal Grant 2016-2018		(26,984)
• Rebudget: Internet Crimes Against Children State Grant 2018-2020		(248,550)
• Rebudget: Internet Crimes Against Children Task Force - Forensic Analyst Capacity Hiring Program		(190,583)
• Rebudget: Internet Crimes Against Children Task Force Invited Awards		(356,727)
• Rebudget: Justice and Mental Health Collaboration Program		(750,000)
• Rebudget: Local Sales Tax - South San José Substation		(1,500,000)
• Rebudget: NCS-X Implementation Program		(168,156)
• Rebudget: Northern California Regional Intelligence Center - Police 2018		(7,110)
• Rebudget: OVW Improving Criminal Justice Response Program		(797,833)
• Rebudget: San José End of Watch Police Memorial		(86,960)
• Rebudget: Selective Traffic Enforcement Grant Program 2018-2019		(168,155)
• Rebudget: Silicon Valley Community Foundation Strengthening Community Relations Project		(3,000)

City-Wide Expenses

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Public Safety CSA		
• Rebudget: State Homeland Security Grant Program		(130,000)
• Rebudget: Urban Areas Security Initiative Grant - Fire 2018		(149,197)
• Rebudget: Urban Areas Security Initiative Grant - OEM 2018		(465,122)
• Rebudget: Urban Areas Security Initiative Grant - Police 2018		(210,246)
• Community Video Cameras		(21,000)
• FirstNet Emergency Communications Network		(400,000)
• Local Sales Tax - FirstNet Emergency Communications Network		(1,000,000)
• State Homeland Security Grant Program		(158,032)
Subtotal:	0.00	(7,406,409)
Transportation and Aviation Services CSA		
• Rebudget: Blossom Hill Road Sound Wall - Assessment District Administration		(20,000)
• Rebudget: Contractual Street Tree Planting		(209,436)
• Rebudget: Tree Mitigation		(126,945)
• Contractual Street Tree Planting		(2,790)
Subtotal:	0.00	(359,171)
Strategic Support CSA		
• Rebudget: Arena Community Fund		(140,000)
• Rebudget: Broadband and Digital Inclusion Strategy		(200,000)
• Rebudget: Certified Access Specialist (CASp) Program - ADA Compliance		(330,000)
• Rebudget: City Council District 2 Participatory Budgeting - Calpine Settlement		(151,000)
• Rebudget: City Council Participatory Budgeting - Administration		(5,000)
• Rebudget: City Council Participatory Budgeting - Council District #01		(280,000)
• Rebudget: City Council Participatory Budgeting - Council District #03		(530,000)
• Rebudget: City Council Participatory Budgeting - Council District #05		(133,000)
• Rebudget: City Manager Special Projects		(200,000)
• Rebudget: Citywide Open Data Environment and Architecture		(600,000)
• Rebudget: Cybersecurity		(171,000)
• Rebudget: Digital Inclusion Program		(624,761)
• Rebudget: Elections and Ballot Measures		(797,000)
• Rebudget: Energy and Utility Conservation Measures Program		(800,000)
• Rebudget: Fair Labor Standards Act System Configuration		(64,000)
• Rebudget: False Claims Act Litigation Settlement		(287,474)
• Rebudget: Family College Success Center		(50,000)
• Rebudget: Financial Management System (FMS) Upgrade		(226,000)
• Rebudget: General Liability Claims		(4,000,000)
• Rebudget: Information Technology Desktop Modernization		(147,000)
• Rebudget: Internal Financial Controls Evaluation		(102,000)
• Rebudget: Local Sales Tax - My San José 2.0		(1,384,000)
• Rebudget: Measure B Settlement		(400,000)
• Rebudget: My San José 2.0		(135,000)
• Rebudget: Organizational Effectiveness		(50,000)
• Rebudget: Public Participation through Technology		(65,000)
• Rebudget: San José Data and Performance Project		(150,000)
• Ballot Measure Polling		(150,000)
• City Hall Campus Expansion Debt Service		(143,000)
• Citywide Digital Services Strategy		(300,000)
• Council Policy Priorities Implementation		(200,000)

City-Wide Expenses

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Strategic Support CSA		
• Employee Recognition		(25,000)
• ERP System Feasibility Assessment		(200,000)
• Fair Labor Standards Act System Configuration		(260,000)
• Family College Success Center		(50,000)
• Insurance Premiums		(30,367)
• Measure T Implementation		(250,000)
• Property Tax Administration Fee		(15,000)
Subtotal:	0.00	(13,645,602)
One-time Prior Year Expenditures Subtotal:	0.00	(38,315,876)
 Technical Adjustments to Costs of Ongoing Activities		
Community and Economic Development CSA		
• 4th Street Garage Banquet Facility Maintenance and Operations		(60,000)
• Arena Authority		6,829
• Business Incentive - Business Cooperation Program		(259,000)
• Business Incentive - Business Cooperation Program Administration		(254,000)
• Children's Discovery Museum		56,500
• City-wide Retail Attraction Program		200,000
• Hammer Theater Capital Maintenance		30,000
• Hammer Theater Center Operations and Maintenance		24,000
• History San Jose		25,000
• Homeless Response Team		46,500
• Mexican Heritage Plaza Capital Maintenance		50,000
• Mexican Heritage Plaza Maintenance and Operations		1,500
• Property Leases		46,084
• San Jose Downtown Association		7,500
• San Jose Museum of Art		66,000
• Sports Authority		11,757
• Tech Museum of Innovation		299,000
Subtotal:	0.00	297,670
Environmental and Utility Services CSA		
• Sanitary Sewer Fees		26,000
• Silicon Valley Energy Watch (SVEW) 2019		(218,032)
• Storm Fees		70,000
Subtotal:	0.00	(122,032)
Neighborhood Services CSA		
• San Jose BEST and Safe Summer Initiative Programs		176,956
• Workers' Compensation Claims - PRNS		(200,000)
Subtotal:	0.00	(23,044)
Public Safety CSA		
• Internet Crimes Against Children State Grant 2018-2020		(640,000)
• Northern California Regional Intelligence Center - Police 2018		(110,797)
• Northern California Regional Intelligence Center - Police 2019		121,000
• Urban Areas Security Initiative Grant - Police 2018		(105,000)

City-Wide Expenses

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
Public Safety CSA		
• Workers' Compensation Claims - Fire		(500,000)
• Workers' Compensation Claims - Police		(403,000)
Subtotal:	<u>0.00</u>	<u>(1,637,797)</u>
Transportation and Aviation Services CSA		
• Contractual Street Tree Planting		(2,030)
• Sidewalk and Trees Hardship		413,000
• Workers' Compensation Claims - Transportation		(350,000)
Subtotal:	<u>0.00</u>	<u>60,970</u>
Strategic Support CSA		
• 1970, 1980, and 1990 COLA Federated, Police & Fire Retirees		(3,000)
• Banking Services		(74,000)
• Bond Project Audits		18,738
• CAFR Annual Audit		7,596
• Certified Access Specialist (CASp) Program - ADA Compliance		32,000
• City Dues/Memberships		71,000
• City Hall Campus Expansion Debt Service		125,000
• Civil Service Commission		(4,000)
• Government Access - Capital Expenditures		(14,000)
• Grant Compliance Single Audit		2,671
• Insurance Premiums		466,000
• PEG - CreaTV		(9,000)
• Police Officers' Professional Liability Insurance		(26,000)
• Police Retirees' Health/Dental Fees		(50,000)
• Property Tax Administration Fee		52,500
• Public, Educational, and Government (PEG) Access Facilities - Capital		(41,000)
• Workers' Compensation Claims - Other Departments		(117,000)
• Workers' Compensation Claims - Public Works		(123,000)
• Workers' Compensation State License		(200,000)
Subtotal:	<u>0.00</u>	<u>114,505</u>
Technical Adjustments Subtotal:	0.00	(1,309,728)
2020-2021 Forecast Base Budget:	0.00	73,629,033

Budget Proposals Recommended

Community and Economic Development CSA		
1. Blight Busters		150,000
2. City-wide Retail Attraction Program		(100,000)
3. CommUniverCity Program		53,000
4. Diridon Station Area Development Planning		875,865
5. Diridon Station Area Development Planning - Post Application		500,000
6. Economic Development Pre-Development Activities		100,000
7. Homeless Rapid Rehousing		(2,000,000)

City-Wide Expenses

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	<u>Positions</u>	<u>General Fund (\$)</u>
<hr/> Budget Proposals Recommended <hr/>		
Community and Economic Development CSA		
8. Measure E - 5% Program Administration		1,500,000
9. Measure E - Homeless Student Housing		115,000
10. Storefront Activation Grant Program		200,000
Community and Economic Development Subtotal:	<u>0.00</u>	<u>1,393,865</u>
Environmental and Utility Services CSA		
1. Climate Smart San José Plan Implementation		500,000
Environmental and Utility Services Subtotal:	<u>0.00</u>	<u>500,000</u>
Neighborhood Services CSA		
1. BeautifySJ Grants		100,000
Neighborhood Services Subtotal:	<u>0.00</u>	<u>100,000</u>
Public Safety CSA		
1. Northern California Regional Intelligence Center - Police 2019		151,000
Public Safety Subtotal:	<u>0.00</u>	<u>151,000</u>
Transportation and Aviation Services CSA		
1. Emergency Street Tree Services		150,000
2. Sidewalk Repairs		150,000
Transportation and Aviation Services Subtotal:	<u>0.00</u>	<u>300,000</u>
Strategic Support CSA		
1. Employee Engagement Program Survey and Training		(91,000)
2. Energy Services Company (ESCO) Debt Service		10,580,000
3. Fair Labor Standards Act System Configuration		75,000
4. Learning Management System		(178,000)
5. Mayor and City Council Travel		(10,000)
6. Public Works Unfunded Projects		(150,000)
7. State of the City Convocation		(10,000)
8. TRANs Debt Service		1,420,000
Strategic Support Subtotal:	<u>0.00</u>	<u>11,636,000</u>
Total Budget Proposals Recommended	0.00	14,080,865
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2020-2021 Proposed Budget Total	0.00	87,709,898
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City-Wide Expenses

Budget Changes By City Service Area

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
1. Blight Busters		150,000
<p>This action provides one-time funding of \$150,000 to continue the program led by the Planning, Building and Code Enforcement Department to improve City code enforcement response. The City previously had a “Blight Busters” program that dissolved as the result of the challenging budget years during the last economic downturn. This funding brings some of that work back through this pilot program that leverages technology, the ability to collaborate with groups such as SJ Works, and well-trained volunteers to minimize workload on City staff. The program’s goal is to improve enforcement in high-need neighborhoods. (Ongoing costs: \$0)</p>		
2. City-wide Retail Attraction Program		(100,000)
<p>This action reduces the City-wide Retail Attraction Program appropriation to the Office of Economic Development by \$100,000. In accordance with the Mayor’s March Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this funding created a City-wide Retail Attraction Program that researches and markets San José submarkets and prime opportunity sites, provides outreach to a broad range of retailers, assists small business owners seeking retail sites, and supports property owners and developers in facilitating the leasing of available retail spaces. (Ongoing savings: \$100,000)</p>		
3. CommUniverCity Program		53,000
<p>This action provides one-time funding of \$53,000 to the Housing Department to support collaborative efforts in community engagement among East San José neighborhood groups. Several community groups, including SOMOS Mayfair, the Alum Rock Santa Clara Street Business Association, and AARP, in collaboration with CommUniverCity, have committed to gathering community input and comprehensively documenting current neighborhood conditions towards developing a community assessment and neighborhood improvement plan. (Ongoing costs: \$0)</p>		
4. Diridon Station Area Development Planning		875,865
<p>This action adds one-time funding of \$875,865 to the Office of Economic Development for Diridon Station Area Development Planning. This funding allows the City to continue to manage project planning efforts, development review, legal review, and civic engagement and outreach in the Diridon Station Area. This funding also supports affordable housing implementation planning, district parking planning, transportation planning, parks and public realm planning, district utilities planning, dedicated fire review, and updating the Diridon Station Area Plan. (Ongoing costs: \$0)</p>		
5. Diridon Station Area Development Planning - Post Application		500,000
<p>This action adds one-time funding of \$500,000, fully reimbursed by the Google agreement, to support post-application development work conducted by the Transportation, Public Works, Fire, and Planning, Building, and Code Enforcement Departments. Anticipated work includes transportation and construction permit planning and traffic mitigation plan. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes By City Service Area

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
6. Economic Development Pre-Development Activities		100,000
This action adds one-time funding of \$100,000 to the Office of Economic Development 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)		
7. Homeless Rapid Rehousing		(2,000,000)
This action shifts homeless rapid rehousing funding of \$2.0 million, for two years, from the General Fund Homeless Rapid Rehousing appropriation to the Housing Department's Multi-Source Housing Fund. This funding will continue to address homelessness, and this two-year funding shift totaling \$4.0 million into the City's Housing Authority Litigation Award Fund will maintain funding for homeless rapid rehousing. (Ongoing savings: \$2,000,000)		
8. Measure E - 5% Program Administration		1,500,000
On March 3, 2020, voters approved the passage of Measure E, a real property transfer tax that would provide funding to assist the homeless and provide affordable housing. On December 10, 2019, Mayor and City Council approved the spending priorities for the potential General Fund revenue from the real property transfer tax should it be approved. The spending priorities are as follows: 5% of the overall revenues will be set aside for City administration, then of the remaining funding: 45% will be set aside for permanent supportive and affordable rental housing for extremely low-income households, 35% will be set aside for affordable rental housing for low-income households, 10% will be set aside for below market-rate for-sale housing and rental housing for moderate income households, and 10% will be set aside for homelessness prevention. This action establishes the Measure E – Program Administration appropriation to the Housing Department in the amount of \$2.0 million to fund staff that will administer the program, monitor and track the budget, report actual revenues and expenditures, and provide financial reports. (Ongoing costs: \$2,000,000)		
9. Measure E - Homeless Student Housing		115,000
As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action establishes the Measure E – Homeless Student Housing appropriation to the Housing Department with one-time funding of \$115,000. This funding spread over a two-year period will support the Bill Wilson Center to provide temporary housing to college students experiencing homelessness and housing insecurity. (Ongoing costs: \$0)		

City-Wide Expenses

Budget Changes By City Service Area

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
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Community and Economic Development CSA

10. Storefront Activation Grant Program		200,000
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This action adds one-time funding of \$200,000 to the Office of Economic Development to continue the city-wide Storefront Activation Grant Program, which assists small business owners with leasing or occupying a vacant or existing ground floor space with funding to make interior and/or exterior improvements. In accordance with the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this funding will help transform empty spaces to vibrant retail by helping entrepreneurs reduce the burden of City fees for tenant improvements and permits. This program is intended to enliven, beautify, and activate storefronts located in commercial districts city-wide. (Ongoing costs: \$0)

Subtotal Community and Economic Development CSA:	0.00	1,393,865
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Environmental and Utility Services CSA

1. Climate Smart San José Plan Implementation		500,000
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This action allocates one-time funding of \$500,000 to the Environmental Services Department to further the implementation of the Climate Smart San José Plan. This funding will be used to extend staff support to leverage the resources provided by the \$2.5 million Bloomberg American Cities Climate Challenge (ACCC) grant award that will help implement key efforts included in the Climate Smart San José plan. Staffing extensions, limit-dated through June 30, 2021, include 1.0 Associate Transportation Specialist position in the Transportation Department responsible for developing the Electric Mobility Strategy, 1.0 Planner IV position in the Planning, Building and Code Enforcement Department to help develop the Climate Smart performance metric dashboard and update the City's parking management policies, and 1.0 Analyst position in the Environmental Services Department to perform quantitative and qualitative data analytics, dashboard development, and research and development of best practices in greenhouse gas emissions management throughout the City. The position extensions are discussed in more detail within each department in the City Departments/Council Appointees section of this document. (Ongoing costs: \$0)

Subtotal Environmental and Utility Services CSA:	0.00	500,000
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City-Wide Expenses

Budget Changes By City Service Area

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
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Neighborhood Services CSA

1. BeautifySJ Grants		100,000
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This action adds one-time funding of \$100,000 to the Parks, Recreation and Neighborhood Services Department to lead additional beautification and community-building efforts in neighborhoods. The neighborhood grants projects support community celebrations, such as National Night Out and block party events; the grant also fund murals, tree plantings, and community garden/urban agriculture projects. (Ongoing costs: \$0)

Subtotal Neighborhood Services CSA:	0.00	100,000
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Public Safety CSA

1. Northern California Regional Intelligence Center – Police 2019		151,000
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This action adds one-time personal services funding of \$151,000 to the Police Department to support a portion of the costs for a temporary Police Lieutenant position assigned to the Northern California Regional Intelligence Center (NCRIC), augmenting grant-supported funding included in the 2020-2021 Base Budget. NCRIC is an all-crimes/all-threats fusion center providing analytic and technical resources to collect, evaluate, analyze, and disseminate timely information related to terrorist threats, criminal events, organized criminal activity, narcotics organizations, gang activity, and serial crime events to government and private sector agencies. NCRIC grant funds will pay for \$242,000 of the position, leaving a gap of \$151,000. (Ongoing costs: \$0)

Subtotal Public Safety CSA:	0.00	151,000
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Transportation and Aviation Services CSA

1. Emergency Street Tree Services		150,000
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This action adds \$150,000 in ongoing City-Wide funding to the Department of Transportation for emergency work on trees within the public right-of-way that are the responsibility of private property owners. The funding will increase the annual Emergency Tree Service appropriation from \$600,000 to \$750,000 to address increased contractual costs as well as an increased number of requests for emergency and property-owner-authorized work to perform tree services. This cost is offset by revenue from the property owner for reimbursement of the work performed by the City's contractors. (Ongoing costs: \$150,000)

City-Wide Expenses

Budget Changes By City Service Area

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Transportation and Aviation Services CSA		
2. Sidewalk Repairs		150,000
<p>This action adds \$150,000 in ongoing City-Wide funding to the Department of Transportation for emergency work on sidewalks within the public right-of-way that are the responsibility of private property owners. The funding will increase the annual Sidewalk Repairs appropriation from \$1.75 million to \$1.9 million to address increased contractual costs as well as an increased number of requests for property-owner-authorized work to perform sidewalk repairs. This cost is offset by revenue from the property owner for reimbursement of the work performed by the City's contractors. (Ongoing costs \$150,000)</p>		
Subtotal Transportation and Aviation Services CSA:	0.00	300,000
Strategic Support CSA		
1. Employee Engagement Program Survey and Training		(91,000)
<p>This action eliminates funding to conduct the bi-annual Gallup Q12 Employee survey and associated trainings. The Office of Employee Relations will consider developing a new internal survey approach to gain insights on the engagement level of the workforce and determine focus areas to improve employee engagement. (Ongoing savings: \$91,000)</p>		
2. Energy Services Company (ESCO) Debt Service		10,580,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action adds one-time funding of \$10.58 million to the Finance Department to fully pay off the Energy Services Company (ESCO) debt service. This will retire the taxable equipment lease entered into with the Bank of America Public Capital Corporation on May 29, 2014, pursuant to a Master Equipment Lease/Purchase Agreement, that was subsequently repurposed to finance the modernization of streetlight equipment pursuant to an Energy Services Company (ESCO) agreement with Chevron Energy Solutions, now operating as OpTerra Energy Services. This payoff will result in savings of \$2.1 million, enabled by the issuance of Series 2020A and Series 2020B taxable fixed rate lease revenue bonds in Spring 2020. (Ongoing costs: \$0)</p>		
3. Fair Labor Standards Act System Configuration		75,000
<p>This action provides one-time funding of \$75,000 to enable the Finance Department to continue to receive technical software and legal consulting services on an as-needed basis to ensure payroll system compliance with the rules and regulations of the Fair Labor Standards Act. (Ongoing costs: \$0)</p>		
4. Learning Management System		(178,000)
<p>This action eliminates the Learning Management System City-Wide appropriation for a General Fund savings of \$178,000. This system is a platform to register, record, and deliver information related to training and development. Over the last 18 months, utilization of the system has been minimal; as a result, the system service contract has been cancelled in fiscal year 2020-2021. (Ongoing savings: \$178,000)</p>		

City-Wide Expenses

Budget Changes By City Service Area

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Strategic Support CSA		
5. Mayor and City Council Travel		(10,000)
<p>This action reduces the Mayor and Council Travel appropriation by \$10,000 ongoing, as a result, limited travel funding will be available for the Mayor and City Councilmembers. The city-wide Mayor and City Council Travel allocation funds travel that meets the criteria as outlined in Council Policy 9-5. The Mayor and Councilmembers may continue to use their own Office Budget to cover travel expenses for themselves or for their Council Staff. This reduction aligns with the organization's General Fund balancing strategy. (Ongoing savings: \$10,000)</p>		
6. Public Works Unfunded Projects		(150,000)
<p>This action decreases the ongoing Public Works Unfunded Projects appropriation by \$150,000, from \$350,000 to \$200,000. This reduction will limit all non-safety or less critical preliminary assessment or feasibility work for projects that do not have an already identified funding source. (Ongoing savings: \$150,000)</p>		
7. State of the City Convocation		(10,000)
<p>This action reduces funding for the State of the City Convocation appropriation to the City Clerk's Office by \$10,000 ongoing. Due to the reduction, the State of the City Convocation events may be held on a smaller scale and less frequent. This reduction aligns with the organization's General Fund balancing strategy. (Ongoing savings: \$10,000)</p>		
8. TRANs Debt Service		1,420,000
<p>This action reestablishes an appropriation for the Tax and Revenue Anticipation Notes (TRANs) Debt Service in 2020-2021 in the amount of \$1,420,000 to account for the estimated interest and debt issuance costs associated with the TRANs to be issued in 2020-2021 to pre-pay the City contribution to the retirement funds. This action is anticipated to generate expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing costs: \$0)</p>		
Subtotal Strategic Support CSA:	0.00	11,636,000
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2020-2021 Proposed Budget Changes Total	0.00	14,080,865

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Community and Economic Development				
<i>City Manager - Office of Economic Development</i>				
Arena Authority	206,000	227,630	234,459	234,459
BART Public Art Design	36,060	0	0	0
Business Incentive - Business Cooperation Program	82,910	310,000	51,000	51,000
Business Incentive - Business Cooperation Program Administration	92,009	310,000	56,000	56,000
Business Incentive - Samsung	35,000	70,000	70,000	70,000
Census 2020 Outreach Support	45,180	625,000	0	0
Children's Discovery Museum	203,063	270,750	327,250	327,250
Cinequest Film and Virtual Reality Festival	50,000	0	0	0
City-wide Retail Attraction Program	0	187,500	200,000	100,000
College Football Championships	50,149	0	0	0
Commercial Development Impact Study	0	150,000	0	0
CommUniverCity Program	0	153,000	100,000	100,000
Cultural Affairs Special Project	4,992	0	0	0
Cultural Events and Festivals - Secondary Employment	41,663	108,000	0	0
Diridon Station Area Development Planning - Post Application	0	0	0	500,000
Diridon Station Area Development Planning	1,055,318	4,818,080	0	875,865
Downtown Ice Capital Infrastructure Investment	0	100,000	0	0
Downtown Pedestrian Quality of Life	0	250,000	0	0
East Side Grown Street Food Hub	0	75,000	0	0
Economic Development Pre-Development Activities	133,889	145,000	0	100,000
Expanding Pre-Apprenticeship Opportunities	0	106,000	0	0
Filling Empty Storefronts Pilot Project	26,066	0	0	0
Hammer Theater Center Operations and Maintenance	285,000	285,000	309,000	309,000
Hammer Theatre Capital Maintenance	0	0	30,000	30,000
History San José	784,000	825,000	850,000	850,000
Italian-American History Museum Funding Match	250,000	0	0	0
Joint Venture Silicon Valley	35,617	35,617	35,617	35,617
Local Sales Tax - Diridon Station Area Development Planning	49,773	0	0	0
Local Sales Tax - San José Works - Youth Jobs Initiative	912,403	1,500,000	1,500,000	1,500,000
Manufacturing Jobs Initiative	0	106,500	0	0
Measure T Implementation	32,602	0	0	0
Move Your Jobs to San José Communications	100,000	0	0	0
Museum Place Project	2,080	5,000	0	0
Neighborhood Business Districts	0	150,000	50,000	50,000
Parade of Floats Public Art Statues	1,768	3,511	0	0
Pocket Park in the Tropicana-Lanai Neighborhood	0	25,000	0	0
Property Leases	1,583,223	1,660,201	1,706,285	1,706,285

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
San José Creates and Connects	42,309	0	0	0
San José Downtown Association	350,000	250,000	257,500	257,500
San José Economic Identity	0	150,000	0	0
San José Jobs Communications Campaign	46,062	0	0	0
San José Museum of Art	475,000	475,000	541,000	541,000
San Jose Regional Transportation Hub Project	28,392	0	0	0
San José Works: Youth Jobs Initiative (SJ Works)	78,944	0	0	0
SAP Center Renegotiation	1,000	0	0	0
Service Year	0	300,000	0	0
Silicon Valley Talent Partnership	25,775	0	0	0
Small Business Anti-Displacement Research	32,500	0	0	0
Sonic Runway - Public Art	0	150,000	0	0
Sports Authority	890,882	741,896	403,653	403,653
Storefront Activation	175,095	200,000	0	200,000
Storefront Activation Program - Alum Rock	0	75,000	0	0
Tech Museum of Innovation	1,049,750	1,049,750	1,348,750	1,348,750
<i>Housing Department</i>				
CommUniverCity Program	0	0	0	53,000
Homeless Housing Innovations	0	500,000	0	0
Homeless Rapid Rehousing	221,128	6,000,000	4,000,000	2,000,000
Homeless Response Team	1,079,865	1,550,000	1,596,500	1,596,500
Homeless Roundtable & Proactive Engagement	0	200,000	0	0
Local Sales Tax - Domestic Violence Survivor Assistance	150,000	0	0	0
Measure E - 5% Program Administration	0	0	0	1,500,000
Measure E - Homeless Student Housing	0	0	0	115,000
San José Watershed Community Stewardship and Engagement Project	(1,415)	0	0	0
Senior Food Assistance - Council District #04	75,000	0	0	0
Senior Food Assistance - Council District #09	75,000	0	0	0
<i>Planning, Building and Code Enforcement Department</i>				
2017 Flood - Building Permit Relief	0	66,000	0	0
Blight Busters	0	150,000	0	150,000
Climate Smart San José Plan Implementation	31,996	0	0	0
Destination: Home SV Grant	35,772	330,000	180,000	180,000
Development Fee Program Integrated Permitting System	844,069	0	0	0
Diridon Station Area Development Planning	9,952	0	0	0
General Planning Support	0	200,000	0	0
Historic Preservation	132,040	326,026	0	0
Planning Commission	20,900	23,000	23,000	23,000
<i>Public Works Department</i>				
4th Street Garage Banquet Facility Maintenance and Operations	0	475,000	15,000	15,000

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Census 2020 Outreach Support	54,464	0	0	0
Diridon Station Area Development Planning	93,432	0	0	0
Economic Development Pre-Development Activities	3,400	0	0	0
Japantown CCA	0	400,000	0	0
Mexican Heritage Plaza Capital Maintenance	0	50,000	100,000	100,000
Mexican Heritage Plaza Maintenance and Operations	0	450,000	451,500	451,500
Parcel Mapping Demonstration Project	0	190,000	0	0
TOTAL	\$12,120,076	\$26,803,461	\$14,436,514	\$15,830,379

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Environmental and Utility Services				
<i>Environmental Services Department</i>				
Burrowing Owl Habitat Management	842	120,000	0	0
City Facilities Solid Waste Collection and Processing	65,200	80,000	80,000	80,000
Climate Protection Grant	7,275	298,000	0	0
Climate Smart	837	174,000	0	0
Climate Smart San José Plan Implementation	1,433	700,000	0	500,000
Council District #4 Dumpster Days	0	25,000	0	0
Expedited Purified Water Program	711	167,000	0	0
Property Assessed Clean Energy (PACE) Program	12,161	0	0	0
Sanitary Sewer Fees	491,734	514,000	540,000	540,000
Silicon Valley Energy Watch (SVEW) 2016 - 2018	1,071,206	0	0	0
Silicon Valley Energy Watch 2019	172,306	218,032	0	0
Storm Fees	343,117	280,000	350,000	350,000
TOTAL	\$2,166,822	\$2,576,032	\$970,000	\$1,470,000

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Neighborhood Services				
<i>Library Department</i>				
Library Grants	263,796	10,000	0	0
San José Learns	1,250,000	1,500,000	1,000,000	1,000,000
San José Promise	93,013	50,000	0	0
STEM Education	0	19,700	0	0
<i>Parks, Recreation and Neighborhood Services Department</i>				
After School Education and Safety Programs for 2017 - 2018	(171)	0	0	0
After School Education and Safety Programs for 2018-2019	431,060	0	0	0
BeautifySJ Grants	97,955	375,065	100,000	200,000
BeautifySJ Litter Pilot	175,000	0	0	0
Childcare Facilities and Training	0	212,000	0	0
Department of Justice - Bureau of Justice Assistance Grant Category 3	0	76,456	0	0
Department of Justice - Bureau of Justice Assistance Grant Category 7	0	90,400	0	0
Homeless Response Team	92,105	0	0	0
Hospital Intervention Program - CalOES Grant (2018)	209,805	4,693	0	0
Local Sales Tax - Beautify SJ Grants	200,000	0	0	0
Local Sales Tax - Park Ranger Program Police Support	0	275,000	0	0
Neighborhood Association Start Up Impact Fund	0	50,000	0	0
New Hope For Youth Grant	284,050	299,000	0	0
Park and Open Street Activation - Council District #02	80,222	15,673	0	0
Park and Open Street Activation - Council District #03	0	110,000	0	0
Park and Open Street Activation - Council District #08	72,827	4,828	0	0
Parks Activation	0	98,500	0	0
PG&E Summer Cooling Shelter Program Grant	882	12,230	0	0
Problem Gambling	75,000	0	0	0
San José BEST and Safe Summer Initiative Programs	5,678,981	6,501,071	6,075,495	6,075,495
San José Learns	60,000	0	0	0
San José Works: Youth Jobs Initiative (SJ Works)	7,638	0	0	0
Street Activation	513	50,000	0	0
Summer Youth Nutrition Program	47,684	0	0	0
Workers' Compensation Claims - PRNS	1,023,273	1,350,000	1,150,000	1,150,000
<i>Public Works Department</i>				
Maddie Lifesaving Grant	107,249	0	0	0
TOTAL	\$10,250,883	\$11,104,616	\$8,325,495	\$8,425,495

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Public Safety				
<i>Office of the City Manager</i>				
FirstNet Emergency Communications Network	0	810,000	410,000	410,000
Local Sales Tax - FirstNet Emergency Communications Network	0	1,000,000	0	0
Urban Areas Security Initiative Grant - OEM 2018	0	465,122	0	0
<i>Fire Department</i>				
Measure T Implementation	2,035	0	0	0
Urban Areas Security Initiative Grant - Fire 2017	130,825	0	0	0
Urban Areas Security Initiative Grant - Fire 2018	0	149,197	0	0
Workers' Compensation Claims - Fire	6,670,249	8,000,000	7,500,000	7,500,000
<i>Independent Police Auditor's Office</i>				
Silicon Valley Foundation Strengthening Community Relations Project	94,774	3,000	0	0
<i>Police Department</i>				
2016 County Victim Services Program	29,583	272,562	0	0
Bay Area Regional Interoperability Communication System (BAYRICS)	7,000	7,500	7,500	7,500
Bulletproof Vest Partnership	115,225	112,596	0	0
City Law Enforcement Grant 2016-2017	95,074	144,596	0	0
Community Video Cameras	0	21,000	0	0
CrimeStoppers	1,800	39,000	0	0
Internet Crimes Against Children Federal Grant 2016 - 2018	81,114	26,984	0	0
Internet Crimes Against Children State Grant 2018-2020	111,450	888,550	0	0
Internet Crimes Against Children Task Force - Forensic Analyst Capacity Hiring P	19,745	190,583	0	0
Internet Crimes Against Children Task Force Invited Awards	393,806	356,727	0	0
Justice and Mental Health Collaboration Program	0	750,000	0	0
Local Sales Tax - South San José Substation	0	1,500,000	0	0
NCS-X Implementation Program	0	168,156	0	0
Northern California Regional Intelligence Center - Police 2017	128,209	0	0	0
Northern California Regional Intelligence Center – Police 2018	124,514	117,907	0	0
Northern California Regional Intelligence Center - Police 2019	0	0	121,000	272,000
OVW Improving Criminal Justice Response Program	20,502	797,833	0	0
Police Helicopter Replacement	1,588,748	0	0	0
San José End of Watch Police Memorial	10,224	86,960	0	0
Selective Traffic Enforcement Program 2017-2018	61,683	0	0	0
Selective Traffic Enforcement Program 2018-2019	109,579	168,155	0	0
State Homeland Security Grant Program	13,772	288,032	0	0

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Urban Areas Security Initiative Grant - Police 2017	69,589	0	0	0
Urban Areas Security Initiative Grant - Police 2018	84,755	315,246	0	0
Workers' Compensation Claims - Police	8,909,210	7,975,000	7,572,000	7,572,000
TOTAL	\$18,873,465	\$24,654,706	\$15,610,500	\$15,761,500

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Transportation and Aviation Services				
<i>Transportation Department</i>				
Arena Traffic Control	5,148	0	0	0
Blossom Hill Road Sound Wall - Assessment District Administration	0	20,000	0	0
City Council Participatory Budgeting - Council District #03	4,865	0	0	0
Contractual Street Tree Planting	2,160	219,066	4,810	4,810
Emergency Street Tree Services	686,805	600,000	600,000	750,000
General Employee Tuition	289	0	0	0
Sick Leave Payments Upon Retirement	180,235	0	0	0
Sidewalk and Tree Hardship	0	0	413,000	413,000
Sidewalk Repairs	1,748,668	1,750,000	1,750,000	1,900,000
Tree Mitigation	0	126,945	0	0
Workers' Compensation Claims - Transportation	562,107	1,000,000	650,000	650,000
TOTAL	\$3,190,277	\$3,716,011	\$3,417,810	\$3,717,810

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Strategic Support				
<i>Finance Department</i>				
Banking Services	1,992,482	1,782,000	1,708,000	1,708,000
Business Tax System Replacement	320,580	0	0	0
Certified Access Specialist Program	32,009	550,000	252,000	252,000
City Hall Campus Expansion Debt Service	0	143,000	125,000	125,000
Cybersecurity	0	171,000	0	0
Energy Services Company (ESCO) Debt Service	3,069,463	2,961,000	2,961,000	13,541,000
ERP System Feasibility Assessment	0	200,000	0	0
Fair Labor Standards Act System Configuration	86,573	324,000	0	75,000
Financial Management System (FMS) Upgrade	63,800	226,000	0	0
Human Resources/Payroll Budget Systems Upgrades	11,427	0	0	0
Insurance Premiums	561,144	769,367	1,205,000	1,205,000
Internal Financial Controls Evaluation	0	102,000	0	0
Police Officers' Professional Liability Insurance	93,084	126,000	100,000	100,000
Property Tax Administration Fee	1,873,892	1,875,000	1,912,500	1,912,500
Revenue Enhancement Consulting Services	311,166	455,000	455,000	455,000
Sick Leave Payments Upon Retirement	4,185,128	5,000,000	5,000,000	5,000,000
TRANS Debt Service	151,940,138	0	0	1,420,000
<i>Human Resources Department</i>				
General Employee Tuition	96,098	100,000	100,000	100,000
Health Care Incentive	29,000	0	0	0
Learning Management System - City Wide LMS	62,500	178,000	178,000	0
Talent Recruitment Initiative	29,135	0	0	0
Workers' Compensation Claims - Other Departments	783,869	967,000	850,000	850,000
Workers' Compensation State License	821,246	1,200,000	1,000,000	1,000,000
<i>Information Technology Department</i>				
Information Technology Desktop Modernization	98,917	147,000	0	0
<i>Public Works Department</i>				
4th Street Garage Banquet Facility Maintenance and Operations	162,717	0	0	0
Chinese Historical Society	3,000	3,000	3,000	3,000
Cultural Facilities Capital Maintenance	796,088	139,000	139,000	139,000
Energy and Utility Conservation Measures Program	421,851	800,000	0	0
General Employee Tuition	3,455	0	0	0
Homeless Rapid Rehousing	60	0	0	0
Measure T Implementation	450,362	250,000	0	0
Mexican Heritage Plaza Capital Maintenance	81,261	0	0	0
Mexican Heritage Plaza Maintenance and Operations	450,000	0	0	0
Public Works Unfunded Projects	85,566	350,000	350,000	200,000
Sick Leave Payments Upon Retirement	334,917	0	0	0
Workers' Compensation Claims - Public Works	484,325	773,000	650,000	650,000

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
<i>Office of the City Attorney</i>				
False Claims Act Litigation Settlement	1,120	287,474	0	0
Fiscal Reform Plan Outside Legal Counsel	47,764	0	0	0
General Liability Claims	3,751,340	10,000,000	6,000,000	6,000,000
<i>Office of the City Auditor</i>				
Bond Project Audits	45,340	64,000	82,738	82,738
CAFR Annual Audit	250,682	253,188	260,784	260,784
Grant Compliance Single Audit	84,166	89,021	91,692	91,692
<i>Office of the City Clerk</i>				
Arena Community Fund	207,379	390,000	250,000	250,000
City Auditor's Office Performance Audit	0	3,000	3,000	3,000
City Council District #02 Participatory Budgeting - Calpine Settlement	627,597	151,000	0	0
City Council Participatory Budgeting - Administration	45,000	5,000	0	0
City Council Participatory Budgeting - Council District #01	121,904	280,000	0	0
City Council Participatory Budgeting - Council District #03	70,692	530,000	0	0
City Council Participatory Budgeting - Council District #05	1,735	133,000	0	0
City Dues / Memberships	403,000	422,000	493,000	493,000
Civil Service Commission	15,455	20,000	16,000	16,000
Elections and Ballot Measures	1,793,639	2,653,000	1,856,000	1,856,000
Equal Justice Works Fellow	32,000	0	0	0
Ethics Commission	102,151	40,000	40,000	40,000
Mayor and City Council Travel	11,073	20,000	20,000	10,000
State of the City Convocation	16,881	55,000	55,000	45,000
<i>Office of the City Manager</i>				
2-1-1 Call Center	75,000	75,000	75,000	75,000
Ballot Measure Polling	73,000	150,000	0	0
Broadband and Digital Inclusion Strategy	909,223	200,000	0	0
City Manager Special Projects	89,677	200,000	0	0
City Outreach and Education Efforts	54,775	92,000	92,000	92,000
Citywide Digital Services Strategy	0	300,000	0	0
City-wide Open Data Environment and Architecture	0	600,000	0	0
CommUniverCity Program	101,578	0	0	0
Council Policy Priorities Implementation	0	200,000	0	0
Customer Satisfaction Survey (Bi-Annual)	57,000	79,000	79,000	79,000
Digital Inclusion Program	20,000	2,829,761	2,205,000	2,205,000
E-Ideas Program	0	25,000	25,000	25,000
Emergency Management Performance Grant - CMO 2018	82,891	0	0	0
Employee Engagement Program Survey and Training	0	91,000	91,000	0
Employee Recognition	0	25,000	0	0
Family College Success Center	22,151	100,000	0	0

City-Wide Expenses

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Government Access - Capital Expenditures	241,471	445,000	431,000	431,000
Labor / Employee Relations Consultant Funding	30,281	0	0	0
Local Sales Tax - My San José 2.0	181,196	1,384,000	0	0
Measure B Settlement	818,551	400,000	0	0
My San José 2.0	66,349	135,000	0	0
Organizational Effectiveness	25,563	90,000	40,000	40,000
PEG - CreaTV	323,834	252,000	243,000	243,000
Public, Educational, and Government (PEG) Access Facilities - Capital	1,379,544	1,335,000	1,294,000	1,294,000
Public Participation through Technology	0	65,000	0	0
San José Data and Performance Project	0	150,000	0	0
Talent Recruitment Initiative	1,668	0	0	0
Urban Areas Security Initiative Grant - OEM 2017	51,008	0	0	0
<i>Office of Retirement Services</i>				
1970, 1980, and 1990 COLA Federated, Police & Fire Retirees	38,309	40,000	37,000	37,000
Police Retirees' Health / Dental Fees	62,554	150,000	100,000	100,000
TOTAL	\$182,069,793	\$44,399,811	\$30,868,714	\$42,504,714

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General Fund Capital, Transfers, Reserves

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To provide necessary funding for: (1) capital projects not funded by a dedicated funding source, (2) transfers to other funds, (3) reserves earmarked for known future needs, and (4) a reserve for unforeseen contingencies

City Service Areas

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

Expense Type

Capital Contributions

Transfers to Other Funds

Earmarked Reserves

Contingency Reserve

General Fund Capital, Transfers, Reserves

Budget Summary

	2018-2019 Actuals <u>1</u>	2019-2020 Adopted <u>2</u>	2020-2021 Forecast <u>3</u>	2020-2021 Proposed <u>4</u>	% Change <u>(2 to 4)</u>
Dollars by Expense Type					
Capital Contributions	12,287,389	49,224,500	6,530,000	9,530,000	(80.6%)
Transfers to Other Funds	47,831,355	37,707,745	61,219,886	68,080,886	80.5%
Earmarked Reserves	N/A	128,137,050	22,042,952	61,528,952	(52.0%)
Contingency Reserve	N/A	38,500,000	40,000,000	40,000,000	3.9%
Total	\$60,118,744	\$253,569,295	\$129,792,838	\$179,139,838	(29.4%)
Dollars by Category					
Capital, Transfers, Reserves	60,118,744	253,569,295	129,792,838	179,139,838	(29.4%)
Total	\$60,118,744	\$253,569,295	\$129,792,838	\$179,139,838	(29.4%)
Dollars by Fund					
General Fund	60,118,744	253,569,295	129,792,838	179,139,838	(29.4%)
Total	\$60,118,744	\$253,569,295	\$129,792,838	\$179,139,838	(29.4%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2019-2020):	0.00	253,569,295
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions Rebudgets: Accessible Pedestrian Signal		(87,000)
• Capital Contributions Rebudgets: African American Community Services Agency Upgrades		(252,000)
• Capital Contributions Rebudgets: Alviso Park Improvements		(86,000)
• Capital Contributions Rebudgets: Animal Care and Services - Various Improvements		(100,000)
• Capital Contributions Rebudgets: Arc Flash Hazard Analysis		(126,000)
• Capital Contributions Rebudgets: Arena Repairs		(200,000)
• Capital Contributions Rebudgets: Children's Discovery Museum Air Handler Unit Replacement		(460,000)
• Capital Contributions Rebudgets: City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance		(222,000)
• Capital Contributions Rebudgets: City Hall Audio/Visual Upgrade		(321,000)
• Capital Contributions Rebudgets: City Hall HVAC Control System Replacement		(2,350,000)
• Capital Contributions Rebudgets: City Hall Network Operations Center - Electrical Switch Replacement		(4,400,000)
• Capital Contributions Rebudgets: City Hall Rotunda Lighting		(39,000)
• Capital Contributions Rebudgets: City Hall Waterproofing		(900,000)
• Capital Contributions Rebudgets: City-Wide Building Assessment		(200,000)
• Capital Contributions Rebudgets: Fire Apparatus Replacement		(2,500,000)
• Capital Contributions Rebudgets: Fire Training Center Environmental Monitoring		(100,000)
• Capital Contributions Rebudgets: Hammer Theatre Center Carpet Replacement		(136,000)
• Capital Contributions Rebudgets: Hammer Theatre Center HVAC Controls		(144,000)
• Capital Contributions Rebudgets: History San José - Automatic Parking Lot G		(50,000)
• Capital Contributions Rebudgets: History San José - Fallon House Elevator & Ramp Replacement		(83,000)
• Capital Contributions Rebudgets: Kelley House Demolition		(48,000)
• Capital Contributions Rebudgets: Local Sales Tax - Police Communications Center Elevator Retrofit		(596,000)
• Capital Contributions Rebudgets: Mexican Heritage Plaza Concrete Repair		(50,000)
• Capital Contributions Rebudgets: Mexican Heritage Plaza HVAC System Components Upgrades		(82,000)
• Capital Contributions Rebudgets: Miscellaneous Cultural Facility Repairs		(179,000)
• Capital Contributions Rebudgets: Police Administration Building Boiler and Chiller Replacement		(400,000)
• Capital Contributions Rebudgets: Police Administration Building Fencing - Employee Parking Lot Perimeter		(186,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions Rebudgets: Police Communications Center Elevator Retrofit		(565,000)
• Capital Contributions Rebudgets: Police Communications Emergency Uninterrupted Power Supply		(350,000)
• Capital Contributions Rebudgets: Police Fleet Management System		(130,000)
• Capital Contributions Rebudgets: San José Museum of Art HVAC Controls Upgrades		(394,000)
• Capital Contributions Rebudgets: San José Stage Company		(1,000,000)
• Capital Contributions Rebudgets: The Tech Museum Controls Module Improvements		(100,000)
• Capital Contributions Rebudgets: Unanticipated/Emergency Maintenance		(350,000)
• Capital Contributions Rebudgets: Vietnamese-American Community Center Planning and Fundraising		(37,000)
• Capital Contributions: Almaden Community Center Shade Structure		(100,000)
• Capital Contributions: Almaden Winery Building Fundraising Feasibility Study		(50,000)
• Capital Contributions: Alum Rock Park Playground Renovation		(207,000)
• Capital Contributions: Alviso Park Improvements		(250,000)
• Capital Contributions: Animal Care and Services - Various Improvements		(100,000)
• Capital Contributions: Animal Care and Services Boilers and BMS		(350,000)
• Capital Contributions: Biebrach Park Renovation		(206,000)
• Capital Contributions: Canoas Park Playground Renovation		(207,000)
• Capital Contributions: Charmeran Avenue Crosswalk		(115,000)
• Capital Contributions: Children's Discovery Museum Air Handler Unit Replacement		(550,000)
• Capital Contributions: Chris Hotts Park Lighting		(60,000)
• Capital Contributions: Chris Hotts Park Playground Renovation		(206,000)
• Capital Contributions: City Hall Antenna and Rotunda Audio		(300,000)
• Capital Contributions: City Hall Elevator Controls		(150,000)
• Capital Contributions: City Hall Fire Alarm Upgrade		(100,000)
• Capital Contributions: City Hall Rotunda Lighting		(300,000)
• Capital Contributions: City Hall Security Upgrades		(750,000)
• Capital Contributions: Council District #4 Park Amenities		(40,000)
• Capital Contributions: De Anza Park Playground Renovation		(206,000)
• Capital Contributions: Eden Avenue Road Humps		(64,000)
• Capital Contributions: Fire Station #14 Improvements		(50,000)
• Capital Contributions: Fire Training Center Environmental Monitoring		(200,000)
• Capital Contributions: Fox Lane Crosswalk		(50,000)
• Capital Contributions: Guadalupe River Park Improvements		(550,000)
• Capital Contributions: Hammer Theatre Center Chiller Replacement		(500,000)
• Capital Contributions: Hammer Theatre Center Upgrades		(350,000)
• Capital Contributions: Happy Hollow Park and Zoo Exhibit Improvements		(500,000)
• Capital Contributions: History San José - Automatic Parking Lot G		(150,000)
• Capital Contributions: Jeneane Marie Circle Fencing		(102,000)
• Capital Contributions: Koch Lane at Marsha Way Crosswalk		(25,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions: La Ragione Playground Renovation		(206,000)
• Capital Contributions: Meadowfair Park Master Plan		(150,000)
• Capital Contributions: Mexican Heritage Plaza Concrete Repair		(50,000)
• Capital Contributions: Municipal Stadium Paving		(300,000)
• Capital Contributions: New Jersey Avenue/Foxworthy Avenue Bulb-Outs		(55,000)
• Capital Contributions: Park Furniture Improvements		(400,000)
• Capital Contributions: Parks Rehabilitation Strike and Capital Infrastructure Team		(350,000)
• Capital Contributions: Paul Moore Park Improvements		(206,000)
• Capital Contributions: Local Sales Tax - PAB/PAC Phase I Elevator Modernization		(3,500,000)
• Capital Contributions: Police Activities League Stadium Master Plan		(400,000)
• Capital Contributions: Police Activities League Stadium Turf Replacement		(3,000,000)
• Capital Contributions: Police Administration Building Fencing - Employee Parking Lot Perimeter		(100,000)
• Capital Contributions: Railroad Quiet Zone		(500,000)
• Capital Contributions: Ramac Park Turf Replacement		(2,000,000)
• Capital Contributions: Re-Use Facilities Improvements		(1,000,000)
• Capital Contributions: Safety-Pedestrian and Roadway Improvements Program		(300,000)
• Capital Contributions: San José Museum of Art - Minor Renovations		(100,000)
• Capital Contributions: Smythe Sports Field Turf Replacement		(200,000)
• Capital Contributions: Southside Community Center Computer Lab Improvements		(30,500)
• Capital Contributions: The Tech Museum Controls Module Improvements		(4,000,000)
• Capital Contributions: The Tech Museum Tile Wall Evaluation and Repairs		(1,400,000)
• Capital Contributions: Traffic Signal at Monroe and Hedding Streets		(280,000)
• Capital Contributions: Turf Replacement		(700,000)
• Capital Contributions: Vietnamese-American Cultural Center Improvements		(50,000)
• Capital Contributions: Vietnamese-American Cultural Center Playground Renovation		(206,000)
• Capital Contributions: Willow Glen Community Center Equipment		(50,000)
• Transfers to Other Funds: Municipal Golf Course Fund		(5,696,400)
• Transfers to Other Funds: Self-Insured Medical Fund		(1,500,000)
• Transfers to Other Funds: Service Yards C&C Tax Fund		(300,000)
• Earmarked Reserves Rebudget: Artificial Turf Capital Replacement Reserve		(2,252,000)
• Earmarked Reserves Rebudget: Budget Stabilization Reserve		(17,000,000)
• Earmarked Reserves Rebudget: Building Development Fee Program Reserve		(19,362,103)
• Earmarked Reserves Rebudget: City Health Plan Restructuring Reserve		(2,000,000)
• Earmarked Reserves Rebudget: Citywide Planning Development Fee Program Reserve		(843,615)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Earmarked Reserves Rebudget: Code Enforcement Permit System Reserve		(908,000)
• Earmarked Reserves Rebudget: Creative Center for the Arts Parking Reserve		(750,000)
• Earmarked Reserves Rebudget: Cultural Facilities Capital Maintenance Reserve		(3,135,849)
• Earmarked Reserves Rebudget: Development Fee Program Technology Reserve		(235,000)
• Earmarked Reserves Rebudget: Fire Development Fee Program Reserve		(5,373,529)
• Earmarked Reserves Rebudget: Fiscal Reform Plan Implementation Reserve		(6,000)
• Earmarked Reserves Rebudget: Japantown Neighborhood Parking Pilot Program Reserve		(250,000)
• Earmarked Reserves Rebudget: Planning Development Fee Program Reserve		(107,817)
• Earmarked Reserves Rebudget: Police Property Facility Relocation Reserve		(500,000)
• Earmarked Reserves Rebudget: Public Works Development Fee Program - Small Cell Permitting Reserve		(374,189)
• Earmarked Reserves Rebudget: Public Works Development Fee Program Reserve		(5,805,410)
• Earmarked Reserves Rebudget: Salaries and Benefits Reserve		(8,350,000)
• Earmarked Reserves Rebudget: Sick Leave Payments Upon Retirement Reserve		(5,000,000)
• Earmarked Reserves Rebudget: Workers Compensation/General Liability Catastrophic Reserve		(15,000,000)
• Earmarked Reserves: 2020-2021 Citywide Retail Attraction Program Reserve		(187,500)
• Earmarked Reserves: 2020-2021 Franklin McKinley Children's Initiative Summer Enrichment and Recreation Program Extension Reserve		(11,000)
• Earmarked Reserves: 2020-2021 Future Deficit Reserve		(10,894,000)
• Earmarked Reserves: 2020-2021 Parks Rehabilitation Strike and Capital Infrastructure Team Reserve		(725,000)
• Earmarked Reserves: 2020-2021 Pest Management Reserve		(80,000)
• Earmarked Reserves: 2020-2021 Police Sworn Hire Ahead Program Reserve		(7,200,000)
• Earmarked Reserves: 2020-2021 Proactive Legal Enforcement of Blighted and Nuisance Properties Reserve		(226,768)
• Earmarked Reserves: 2020-2021 Public Life and Parks Activation Reserve		(500,000)
• Earmarked Reserves: 2020-2021 Talent Development Reserve		(330,000)
• Earmarked Reserves: 2021-2022 Parks Rehabilitation Strike and Capital Infrastructure Team Reserve		(745,000)
• Earmarked Reserves: Budget Stabilization Reserve		(10,000,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Earmarked Reserves: Business Tax Billing System Replacement Reserve		(1,305,436)
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		850,000
• Earmarked Reserves: Information Technology Sinking Fund Reserve		(2,000,000)
• Earmarked Reserves: Office of Equality Assurance Labor Compliance System Reserve		(200,000)
• Earmarked Reserves: Salary and Benefits Reserve		(5,426,834)
• Earmarked Reserves: Sexual Assaults Law Enforcement Training and Supportive Services Reserve		(690,000)
One-Time Prior Year Expenditures Subtotal:	0.00	(177,965,950)
Technical Adjustments to Costs of Ongoing Activities		
• Capital Contributions: Closed Landfill/Methane Monitoring		100,000
• Capital Contributions: Fuel Tank Monitoring		(10,000)
• Capital Contributions: Parks Rehabilitation Strike and Capital Infrastructure Team		760,000
• Transfers to Other Funds: Building Planning Development Fee Program Fund		21,000,000
• Transfers to Other Funds: Business Improvement District Fund		449
• Transfers to Other Funds: City Hall Debt Service Fund		(2,317,215)
• Transfers to Other Funds: Citywide Planning Fee Program Fund		2,000,000
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund		250,000
• Transfers to Other Funds: Downtown Property and Business Improvement District Fund		25,307
• Transfers to Other Funds: Fire Development Fee Program Fund		5,000,000
• Transfers to Other Funds: Municipal Golf Course Fund		(950,000)
• Transfers to Other Funds: Planning Development Fee Program Fund		1,500,000
• Transfers to Other Funds: Public Works Development Fee Program Fund		3,500,000
• Transfers to Other Funds: Public Works Small Cell Permitting Program Fund		500,000
• Transfers to Other Funds: Service Yards Construction and Conveyance Tax Fund		500,000
• Earmarked Reserves: Artificial Turf Replacement		65,000
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		1,250,000
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		73,000
• Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve		52,000
• Earmarked Reserves: Salaries and Benefits Reserve		19,390,952
• Contingency Reserve		1,500,000
Technical Adjustments Subtotal:	0.00	54,189,493
2020-2021 Forecast Base Budget:	0.00	129,792,838

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2019-2020 Adopted to 2020-2021 Proposed)

	Positions	General Fund (\$)
Budget Proposals Recommended		
Capital Contributions		
1. Capital Contributions: 4th Street Garage Fire Pump Replacement		350,000
2. Capital Contributions: HVAC Cyber Security Upgrade		150,000
3. Capital Contributions: Police Administration Building Fencing - Employee Parking Lot Perimeter		300,000
4. Capital Contributions: PAB Fire Protection System		300,000
5. Capital Contributions: PAB/PAC Phase 2 Elevator Modernization		2,200,000
6. Capital Contributions: Radio Systems Upgrade		200,000
7. Capital Contributions: Unanticipated/Emergency Maintenance		(500,000)
Capital Contributions Subtotal:	0.00	3,000,000
Transfers to Other Funds		
1. Transfers to Other Funds: City Hall Debt Service Fund		(800,000)
2. Transfers to Other Funds: Municipal Golf Course Fund		7,911,000
3. Transfers to Other Funds: Vehicle Maintenance and Operations Fund		(250,000)
Transfers to Other Funds Subtotal:	0.00	6,861,000
Earmarked Reserves		
1. Earmarked Reserves: 2021-2022 Future Deficit Reserve		11,076,000
2. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		(1,250,000)
3. Earmarked Reserves: Essential Services Reserve		1,000,000
4. Earmarked Reserves: Measure E - Extremely Low Income Reserve (45%)		12,710,000
5. Earmarked Reserves: Measure E - Homelessness Prevention Reserve (10%)		2,850,000
6. Earmarked Reserves: Measure E - Low Income Reserve (35%)		9,975,000
7. Earmarked Reserves: Measure E - Moderate Income Reserve (10%)		2,850,000
8. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		(73,000)
9. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve		(52,000)
10. Earmarked Reserves: City Attorney's Office Outside Litigation Reserve		500,000
11. Earmarked Reserves: Salaries and Benefits Reserve		(100,000)
Earmarked Reserves Subtotal:	0.00	39,486,000
Total Budget Proposals Recommended	0.00	49,347,000
2020-2021 Proposed Budget Total	0.00	179,139,838

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
1. Capital Contributions: 4th Street Garage Fire Pump Replacement		350,000
<i>Strategic Support CSA</i>		
<p>This action provides one-time funding to replace a fire pump located at the 4th Street Garage. The existing fire pump is almost at the end of its useful life and is an integral part of the fire sprinkler system water supply. The pump boosts water pressure in the sprinkler and standpipe systems to ensure the required amount of water is delivered through fire sprinklers to address designed coverage. (Ongoing costs: \$0)</p>		
2. Capital Contributions: HVAC Cyber Security Upgrade		150,000
<i>Strategic Support CSA</i>		
<p>This action provides one-time funding to implement a security firewall for the existing Building Management System to prevent infiltration and other cyber security risks. (Ongoing costs: \$0)</p>		
3. Capital Contributions: Police Administration Building Fencing – Employee Parking Lot Perimeter		300,000
<i>Strategic Support CSA</i>		
<p>This action provides additional one-time funding to install a perimeter fence around the employee parking lots at the Police Administration Building, which are used by Police Department and Fire Department personnel. The parking lots include the employee parking lot bordered by Taylor Street, San Pedro Street, and Mission Street and an existing, secure Police Department lot. (Ongoing costs: \$0)</p>		
4. Capital Contributions: PAB Fire Protection System		300,000
<i>Strategic Support CSA</i>		
<p>This project provides one-time funding for the preliminary study and design of the fire protection system for the Police Administration Building, including identification of the remedy method, preparation of construction elements, and administration of consultant costs for the design of construction drawings. (Ongoing costs: \$0)</p>		
5. Capital Contributions: PAB/PAC Phase 2 Elevator Modernization		2,200,000
<i>Strategic Support CSA</i>		
<p>This allocation provides one-time funding for Phase 2 of the PAB/PAC Elevator modernization project, which will replace a second bank of two elevators to meet code requirements. One-time funding of \$3.5 million was provided in 2019-2020 for the modernization of five elevators, including design and construction of two mechanical rooms to meet code requirements at the Police Administration Building and Police Communications Center. The elevators were built in the 1960s and are frequently out of service, and replacement parts are not readily available and are expensive to custom make. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
6. Capital Contributions: Radio Systems Upgrade		200,000
<i>Strategic Support CSA</i>		
<p>This action provides one-time funding to upgrade the current legacy radio system, which is over 20 years old and for which parts are becoming obsolete and costly. There are currently 2,518 city users that rely on the radio system. Once the legacy system is replaced, it can serve as a backup system for the Police Department and Fire Department, should the Silicon Valley Regional Interoperability Authority system experience a shutdown. This initial allocation of \$200,000 will provide consultant services to assist with project planning. (Ongoing costs: \$0)</p>		
7. Capital Contributions: Unanticipated/Emergency Maintenance		(500,000)
<i>Strategic Support CSA</i>		
<p>This action decreases ongoing funding for Unanticipated/Emergency Maintenance projects by \$500,000, from \$1,250,000 to \$750,000. These funds are used to implement projects that correct safety problems or address other urgent and unanticipated maintenance needs. More critical, safety-related repairs will be prioritized for city-wide buildings supported by the General Fund. (Ongoing savings: \$500,000)</p>		
Subtotal Capital Contributions:	0.00	3,000,000
Transfers to Other Funds		
1. Transfers to Other Funds: City Hall Debt Service Fund		(800,000)
<i>Strategic Support CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action reduces the Transfer to the City Hall Debt Service Fund by \$800,000 in 2020-2021 to recognize estimated savings from the refunding of outstanding debt associated with the construction of City Hall. (Ongoing savings: \$800,000)</p>		
2. Transfers to Other Funds: Municipal Golf Course Fund		7,911,000
<i>Neighborhood Services CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action increases the transfer to the Municipal Golf Course Fund by \$7,911,000 in 2020-2021 to complete the payoff of outstanding debt associated with the Los Lagos Golf Course, of which \$2.8 million was previously paid down in 2019-2020. This completes the retirement of outstanding debt for the municipal golf courses, as obligations for the Rancho Del Pueblo Golf Course were fully paid off in 2019-2020. (Ongoing savings: \$1,289,000)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Transfers to Other Funds		
3. Transfers to Other Funds: Vehicle Maintenance and Operations Fund		(250,000)
<i>Strategic Support CSA</i>		
<p>This action reduces the Transfer to the Vehicle Maintenance and Operations Fund by \$250,000 for the scheduled replacement of the City's vehicle fleet. This allocation was previously increased by \$300,000 in 2019-2020 to advance vehicle replacements. This reduction will prolong overall asset replacement for non-safety, general fleet vehicles supported by the General Fund. (Ongoing savings: \$250,000)</p>		
Subtotal Transfers to Other Funds:	0.00	6,861,000
Earmarked Reserves		
1. Earmarked Reserves: 2021-2022 Future Deficit Reserve		11,076,000
<i>Strategic Support CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action establishes a 2020-2021 Future Deficit Reserve in the amount of \$11.1 million. This reserve addresses the anticipated 2021-2022 General Fund shortfall on a one-time basis as projected in the 2021-2025 General Fund Forecast that was issued in February 2020. However, with the current situation of the pandemic, it is likely that the projected shortfall for 2021-2022 will be a different amount. (Ongoing costs: \$0)</p>		
2. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(1,250,000)
<i>Strategic Support CSA</i>		
<p>This action liquidates the Deferred Infrastructure and Maintenance Reserve that was set aside as part of the 2021-2025 General Fund Forecast to be allocated to deferred maintenance and technology projects included as part of the 2020-2021 Proposed Budget. (Ongoing savings: \$0)</p>		
3. Earmarked Reserves: Essential Services Reserve		1,000,000
<i>Strategic Support CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action establishes an Essential Services Reserve in the amount of \$1.0 million that will be used to support services that are of essential importance to our residents. Services deemed essential by the City Council will be funded with the use of these one-time funds. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
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Earmarked Reserves

- | | |
|--|-------------------|
| 4. Earmarked Reserves: Measure E - Extremely Low Income Reserve (45%) | 12,710,000 |
|--|-------------------|

Community and Economic Development CSA

On March 3, 2020, voters approved the passage of Measure E - a real property transfer tax that would provide funding to assist the homeless and provide affordable housing. On December 10, 2019, the Mayor and City Council approved the spending priorities for the potential General Fund revenue from the real property transfer tax, should it be approved. The spending priorities are as follows: 5% of the overall revenues will be set-aside for City administration then of the remaining funding: 45% will be set aside for permanent supportive and affordable rental housing for extremely low-income households 35% will be set aside for affordable rental housing for low-income households 10% will be set aside for below market-rate for-sale housing and rental housing for moderate income households and 10% will be set aside for homelessness prevention. This action establishes the Measure E – Extremely Low-Income Households Reserve in the amount of \$12.71 million to set aside funding for permanent supportive and affordable rental housing for extremely low-income households defined as earning less than 30% of area median income. (Ongoing costs: \$12,710,000)

- | | |
|---|------------------|
| 5. Earmarked Reserves: Measure E - Homelessness Prevention Reserve (10%) | 2,850,000 |
|---|------------------|

Community and Economic Development CSA

On March 3, 2020, voters approved the passage of Measure E - a real property transfer tax that would provide funding to assist the homeless and provide affordable housing. On December 10, 2019, the Mayor and City Council approved the spending priorities for the potential General Fund revenue from the real property transfer tax, should it be approved. The spending priorities are as follows: 5% of the overall revenues will be set-aside for City administration then of the remaining funding: 45% will be set aside for permanent supportive and affordable rental housing for extremely low-income households 35% will be set aside for affordable rental housing for low-income households 10% will be set aside for below market-rate for-sale housing and rental housing for moderate income households and 10% will be set aside for homelessness prevention. This action establishes the Measure E – Homelessness Prevention Reserve in the amount of \$2.85 million to set aside funding for homelessness prevention and rental assistance for homeless college and school-engaged students, victims of domestic violence, seniors, and families. (Ongoing costs: \$2,850,000)

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
6. Earmarked Reserves: Measure E - Low Income Reserve (35%)		9,975,000
<i>Community and Economic Development CSA</i>		
<p>On March 3, 2020, voters approved the passage of Measure E - a real property transfer tax that would provide funding to assist the homeless and provide affordable housing. On December 10, 2019, the Mayor and City Council approved the spending priorities for the potential General Fund revenue from the real property transfer tax, should it be approved. The spending priorities are as follows: 5% of the overall revenues will be set-aside for City administration then of the remaining funding: 45% will be set aside for permanent supportive and affordable rental housing for extremely low-income households 35% will be set aside for affordable rental housing for low-income households 10% will be set aside for below market-rate for-sale housing and rental housing for moderate income households and 10% will be set aside for homelessness prevention. This action establishes the Measure E – Low-Income Households Reserve in the amount of \$9.975 million to set aside funding for affordable rental house for low-income households defined as earning 30%-80% of area median income. (Ongoing costs: \$9,975,000)</p>		
7. Earmarked Reserves: Measure E - Moderate Income Reserve (10%)		2,850,000
<i>Community and Economic Development CSA</i>		
<p>On March 3, 2020, voters approved the passage of Measure E - a real property transfer tax that would provide funding to assist the homeless and provide affordable housing. On December 10, 2019, the Mayor and City Council approved the spending priorities for the potential General Fund revenue from the real property transfer tax, should it be approved. The spending priorities are as follows: 5% of the overall revenues will be set-aside for City administration then of the remaining funding: 45% will be set aside for permanent supportive and affordable rental housing for extremely low-income households 35% will be set aside for affordable rental housing for low-income households 10% will be set aside for below market-rate for-sale housing and rental housing for moderate income households and 10% will be set aside for homelessness prevention. This action establishes the Measure E – Moderate-Income Households Reserve in the amount of \$2.85 million to set aside funding for below market-rate for-sale housing and rental housing for moderate-income households defined as earning up to and including 120% of area median income. (Ongoing costs: \$2,850,000)</p>		
8. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(73,000)
<i>Neighborhood Services CSA</i>		
<p>This action liquidates the Earmarked Reserve that was established in the 2021-2025 General Fund Forecast for projected operations and maintenance expense of \$73,000 related to new parks and recreation facilities that are scheduled to become operational in 2020-2021. These facilities include all-inclusive playgrounds for Almaden Lake, Emma Prusch, Lincoln Glen, and Rotary Playgarden; Communications Hill II – Hillsdale Fitness Staircase; Bruzzone Park; and Mercado Park. These funds are allocated for operations and maintenance expenses in the Parks, Recreation and Neighborhood Services Department. (Ongoing savings: \$73,000)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2020-2021 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
9. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(52,000)
<i>Transportation and Aviation Services CSA</i>		
<p>This action liquidates the Earmarked Reserve that was established in the 2021-2025 General Fund Forecast for projected operations and maintenance expense of \$52,000 related to traffic safety enhancements for pedestrians and bicyclists, such as Pedestrian Improvements, Traffic Signal Modifications/Construction, Tully Road Safety Corridor Improvements and Vision Zero projects: City-wide Pedestrian Safety and Traffic Calming and Quick Build projects. These funds are allocated for operations and maintenance expense in the Transportation Department. (Ongoing savings: \$52,000)</p>		
10. Earmarked Reserves: City Attorney's Office Outside Litigation Reserve		500,000
<i>Strategic Support CSA</i>		
<p>This action sets aside \$500,000 in funding to support costs incurred for contracted outside litigation services, as needed by the City Attorney's Office for representation in active cases. Outside legal representation is secured in response to claims and lawsuits against the City, and when workload fluctuation and liability exposure warrant assistance. (Ongoing costs: \$0)</p>		
11. Earmarked Reserves: Salaries and Benefits Reserve		(100,000)
<i>Strategic Support CSA</i>		
<p>This action decreases the Salaries and Benefits Reserve by \$100,000 to reflect potential savings associated with the implementation of a Voluntary Furlough/Reduced Work Week program for City employees. (Ongoing savings: \$0)</p>		
Subtotal Earmarked Reserves:	0.00	39,486,000
<hr/>		
2020-2021 Proposed Budget Changes Total	0.00	49,347,000

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Neighborhood Services CSA				
Parks & Community Facilities Dev. Capital Program				
Almaden Community Center Shade Structure	0	100,000	0	0
Almaden Winery Building Fundraising Feasibility Study	0	50,000	0	0
Alum Rock Park Playground Renovation	0	207,000	0	0
Alviso Park Improvements	0	336,000	0	0
Animal Care and Services Waterproofing	240,083	0	0	0
Biebrach Park Renovation	0	206,000	0	0
Canoas Park Playground Renovation	0	207,000	0	0
Chris Hotts Park Lighting	0	60,000	0	0
Chris Hotts Park Playground Renovation	0	206,000	0	0
Council District #4 Park Amenities	0	40,000	0	0
De Anza Park Playground Renovation	0	206,000	0	0
Guadalupe River Park Improvements	0	550,000	0	0
Happy Hollow Park and Zoo Exhibit Improvements	0	500,000	0	0
Jeneane Marie Circle Fencing	0	102,000	0	0
Kelley House Demolition	37,236	48,000	0	0
La Ragione Playground Renovation	0	206,000	0	0
Meadowfair Park Master Plan	0	150,000	0	0
Park Furniture Improvements	0	400,000	0	0
Parks Rehabilitation Strike and Capital Infrastructure Team	0	350,000	760,000	760,000
Paul Moore Park Improvements	0	206,000	0	0
Plaza de Cesar Chavez Stage Canopy	4,000	0	0	0
Police Athletic League Stadium Master Plan	0	400,000	0	0
Police Athletic League Stadium Turf Replacement	0	3,000,000	0	0
Ramac Park Turf Replacement	0	2,000,000	0	0
Re-Use Facilities Improvements	0	1,000,000	0	0
Shirakawa Community Center Tenant Improvements	10,000	0	0	0
Smythe Sports Field Turf Replacement	0	200,000	0	0
Southside Community Center Computer Lab Improvements	0	30,500	0	0
Super Bowl 50 - San José Museum of Art Sign Replacement	30,857	0	0	0
Turf Replacement	0	700,000	0	0
Vietnamese American Cultural Center Improvements	0	50,000	0	0
Vietnamese-American Community Center Planning and Fundraising	214,269	37,000	0	0
Vietnamese-American Cultural Center Playground Renovation	0	206,000	0	0
Willow Glen Community Center Equipment	0	50,000	0	0
Total Parks & Community Fac. Dev. Capital Pgm.	\$536,445	\$11,803,500	\$760,000	\$760,000
Total Neighborhood Services CSA	\$536,445	\$11,803,500	\$760,000	\$760,000
Public Safety CSA				
Public Safety Capital Program				
Emergency Vehicle Preemption Service	585,946	0	0	0
Fire Apparatus Replacement	3,378,909	6,250,000	3,750,000	3,750,000
Fire Station 14 Improvements	0	50,000	0	0
South San José Police Substation	12,495	0	0	0
Total Public Safety Capital Program	\$3,977,350	\$6,300,000	\$3,750,000	\$3,750,000
Total Public Safety CSA	\$3,977,350	\$6,300,000	\$3,750,000	\$3,750,000

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Transportation & Aviation Services CSA				
Traffic Capital Program				
Accessible Pedestrian Signal	306	87,000	0	0
Charmeran Ave Crosswalk	0	115,000	0	0
Eden Avenue Road Humps	0	64,000	0	0
Emergency Vehicle Preemption Service	246,638	0	0	0
Fox Lane Crosswalk	0	50,000	0	0
Koch Lane at Marsha Way Crosswalk	0	25,000	0	0
LED Streetlights - Chynoweth Avenue	515	0	0	0
Local Sales Tax - Pavement Maintenance Program	723,986	0	0	0
New Jersey Ave/Foxworthy Ave Bulb-Outs	0	55,000	0	0
Pavement Maintenance Program	229,213	0	0	0
Railroad Quiet Zone	0	500,000	0	0
Safety-Pedestrian and Roadway Improvements Program	0	300,000	0	0
Traffic Signal at Monroe and Hedding Streets	0	280,000	0	0
Total Traffic Capital Program	\$1,200,658	\$1,476,000	\$0	\$0
Total Transportation & Aviation Services CSA	\$1,200,658	\$1,476,000	\$0	\$0
Strategic Support CSA				
Municipal Improvements Capital Program				
4th Street Garage Fire Pump Replacement	0	0	0	350,000
African American Community Services Agency Upgrades	136,147	252,000	0	0
African American Community Services Center Improvements	52,997	0	0	0
Animal Care and Services - Various Improvements	128,088	200,000	0	0
Animal Care and Services Boilers and BMS	0	350,000	0	0
Animal Care and Services Washer / Dryer Replacement	145,500	0	0	0
Arc Flash Hazard Analysis	314,379	126,000	0	0
Arena Repairs	29,985	300,000	100,000	100,000
Children's Discovery Museum - Bill's Backyard	9,557	0	0	0
Children's Discovery Museum Air Handler Unit Replacement	24,959	1,010,000	0	0
Children's Discovery Museum Carpet Replacement	2,000	0	0	0
Children's Discovery Museum Skylight Replacement	5,500	0	0	0
City Hall and Police Communications Uninterrupted Power Supply Cap. Maint.	108,944	422,000	200,000	200,000
City Hall Antenna and Rotunda Audio	0	300,000	0	0
City Hall Audio/Visual Upgrade	231,657	321,000	0	0
City Hall Campus Expansion	18,386	0	0	0
City Hall Elevator Controls	0	150,000	0	0
City Hall Fire Alarm Upgrade	0	100,000	0	0
City Hall HVAC Control System Replacement	344,455	2,350,000	0	0
City Hall Network Operations Center - Electrical Switch Replacement	327,334	4,400,000	0	0
City Hall Rotunda Lighting	89,812	339,000	0	0
City Hall Security Upgrades	0	750,000	0	0
City Hall Waterproofing	9,481	900,000	0	0
City-wide Building Assessment	23,512	200,000	0	0
Closed Landfill Compliance	431,571	350,000	450,000	450,000
East Side Union High School District Community Wireless Network Project	29,999	0	0	0

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Family-Friendly City Facilities (General Fund)	1,186	0	0	0
Fire Training Center Environmental Monitoring	0	300,000	0	0
Fuel Tank Monitoring	37,396	30,000	20,000	20,000
Hammer Theatre Center Carpet Replacement	113,336	136,000	0	0
Hammer Theatre Center Chiller Replacement	0	500,000	0	0
Hammer Theatre Center HVAC Controls	339,064	144,000	0	0
Hammer Theatre Center Upgrades	0	350,000	0	0
History San José - Automatic Parking Lot Gate	0	200,000	0	0
History San José - Fallon House Elevator & Ramp Replacement	2,144	83,000	0	0
History San José - Pacific Hotel - Restrooms Remodel	242,966	0	0	0
History San José Indoor Programming	25,000	0	0	0
HVAC Cyber Security Upgrade	0	0	0	150,000
Local Sales Tax - PAB/PCC Phase I Elevator Modernization	0	3,500,000	0	0
Local Sales Tax - Police Communications Center Elevator Retrofit	3,454	596,000	0	0
Mexican Heritage Plaza Concrete Repair	1,587	100,000	0	0
Mexican Heritage Plaza HVAC System Components Upgrades	358,500	82,000	0	0
Miscellaneous Cultural Facility Repairs	20,062	179,000	0	0
Municipal Stadium Paving	0	300,000	0	0
PAB/PAC Phase I Elevator Modernization	0	0	0	2,200,000
Pavement Maintenance Program	2,457	0	0	0
Police Administration Building Boiler and Chiller Replacement	0	400,000	0	0
Police Administration Building Fencing - Employee Parking Lot Perimeter	29,614	286,000	0	300,000
Police Administration Building Fire Protection System	0	0	0	300,000
Police Administration Building Roof Replacement	115,869	0	0	0
Police Communications Center Electrical System Upgrade	14,273	0	0	0
Police Communications Center Elevator Retrofit	17,206	565,000	0	0
Police Communications Emergency Uninterrupted Power Supply	2,011,034	350,000	0	0
Police Communications Fire Protection System Upgrade	10,531	0	0	0
Police Fleet Management System	132,603	130,000	0	0
Radio Systems Upgrade	0	0	0	200,000
San José Municipal Stadium Improvements	9,624	0	0	0
San José Museum of Art - Minor Renovations	0	100,000	0	0
San José Museum of Art HVAC Controls Upgrades	16,146	394,000	0	0
San José Museum of Art Roof Replacement	32,626	0	0	0
San José Stage Company	0	1,000,000	0	0
South San José Police Substation	3,200	0	0	0
The Tech Museum Controls Module Improvements	87,741	4,100,000	0	0
The Tech Museum Tile Wall Evaluation and Repairs	0	1,400,000	0	0
Unanticipated/Emergency Maintenance	481,052	1,600,000	1,250,000	750,000
Total Municipal Improvements Capital Program	\$6,572,936	\$29,645,000	\$2,020,000	\$5,020,000
Total Strategic Support CSA	\$6,572,936	\$29,645,000	\$2,020,000	\$5,020,000
TOTAL CAPITAL CONTRIBUTIONS	\$12,287,389	\$49,224,500	\$6,530,000	\$9,530,000

General Fund Capital, Transfers, Reserves

Expense Type: Transfers to Other Funds

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Transfers to Other Funds				
<i>Community and Economic Development CSA</i>				
Transfer to the Building Development Fee Program Fund	0	0	21,000,000	21,000,000
Transfer to the Business Improvement District Fund	10,683	11,217	11,666	11,666
Transfer to the Citywide Planning Fee Program Fund	0	0	2,000,000	2,000,000
Transfer to the Planning Development Fee Program Fund	0	0	1,500,000	1,500,000
Transfer to the San José Arena Capital Reserve Fund	2,300,000	2,300,000	2,300,000	2,300,000
Total Community and Economic Development CSA	\$2,310,683	\$2,311,217	\$26,811,666	\$26,811,666
<i>Neighborhood Services CSA</i>				
Transfer to Parks and Recreation Bond Projects Fund	4,722,000	0	0	0
Transfer to the Municipal Golf Course Fund	2,700,000	8,396,400	1,750,000	9,661,000
Total Neighborhood Services CSA	\$7,422,000	\$8,396,400	\$1,750,000	\$9,661,000
<i>Public Safety CSA</i>				
Transfer to the Fire Development Fee Program Fund	0	0	5,000,000	5,000,000
Total Public Safety CSA	\$0	\$0	\$5,000,000	\$5,000,000
<i>Transportation and Aviation Services CSA</i>				
Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	673,291	400,000	400,000	400,000
Transfer to the Downtown Property and Business Improvement District Fund	817,000	825,733	851,040	851,040
Transfer to the Maint. District No. 11 (Brokaw - Junction to Old Oakland) Fund	6,354	6,354	6,354	6,354
Transfer to the Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	21,461	21,461	21,461	21,461
Transfer to the Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	8,996	8,996	8,996	8,996
Transfer to the Maint. District No. 22 (Hellyer - Silver Creek Valley) Fund	35,223	35,223	35,223	35,223
Transfer to the Maintenance District No. 15 (Silver Creek Valley) Fund	16,636	16,636	16,636	16,636
Transfer to the Maintenance District No. 19 (River Oaks Area Landscaping) Fund	6,195	6,195	6,195	6,195
Transfer to the Maintenance District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	2,408	2,408	2,408	2,408
Transfer to the Maintenance District No. 8 (Zanker - Montague) Fund	2,353	2,353	2,353	2,353
Transfer to the Maintenance District No. 9 (Santa Teresa - Great Oaks) Fund	23,480	23,480	23,480	23,480
Total Transportation and Aviation Services CSA	\$1,613,397	\$1,348,839	\$1,374,146	\$1,374,146
<i>Strategic Support CSA</i>				
Transfer to the Public Works Development Fee Program Fund	0	0	3,500,000	3,500,000
Transfer to the Public Works Small Cell Permitting Fee Program Fund	0	0	500,000	500,000
Transfer to the Convention Center Facility District Revenue Fund	4,300,000	0	0	0
Transfer to the Self-Insured Medical Fund	3,000,000	1,500,000	0	0
Transfer to the Community Facilities Revenue Fund	4,900,000	0	0	0
Transfer to the Vehicle Maintenance and Operations Fund	1,200,000	1,500,000	1,500,000	1,250,000

General Fund Capital, Transfers, Reserves

Expense Type: Transfers to Other Funds

Detail of Costs Description

	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed
Transfers to Other Funds				
Transfer to the Communications Construction and Conveyance Tax Fund	1,400,000	1,000,000	1,250,000	1,250,000
Transfer to the Service Yards C&C Tax Fund	0	300,000	500,000	500,000
Transfer to the City Hall Debt Service Fund	21,685,275	21,351,289	19,034,074	18,234,074
Total Strategic Support CSA	\$36,485,275	\$25,651,289	\$26,284,074	\$25,234,074
TOTAL TRANSFERS TO OTHER FUNDS	\$47,831,355	\$37,707,745	\$61,219,886	\$68,080,886

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

Earmarked Reserves	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	Type of Reserve*
Community and Economic Development CSA					
2020-2021 Citywide Retail Attraction Program Reserve		187,500	0	0	C
Building Development Fee Program Reserve		19,362,103	0	0	B
City-Wide Planning Fee Reserve		843,615	0	0	B
Code Enforcement Permit System Reserve		908,000	0	0	B
Development Fee Program Technology Reserve		235,000	0	0	B
Fire Development Fee Program Reserve		5,373,529	0	0	B
Measure E - 10% Homelessness Prevention Reserve		0	0	2,850,000	C
Measure E - 10% Moderate Income Reserve		0	0	2,850,000	C
Measure E - 35% Low Income Reserve		0	0	9,975,000	C
Measure E - 45% Extremely Low Income Reserve		0	0	12,710,000	C
Planning Development Fee Program Reserve		107,817	0	0	B
Public Works Development Fee Program - Small Cell Permitting Reserve		374,189	0	0	B
Public Works Development Fee Program Reserve		5,805,410	0	0	B
Total Community and Economic Development CSA	N/A	\$33,197,163	\$0	\$28,385,000	
Neighborhood Services CSA					
2020-2021 Franklin-McKinley Children's Initiative Summer Enrichment Reserve		11,000	0	0	C
2020-2021 Parks Rehabilitation Strike and Capital Infrastructure Team Reserve		725,000	0	0	C
2020-2021 Pest Management Reserve		80,000	0	0	C
2020-2021 Public Life and Parks Activation Reserve		500,000	0	0	C
2021-2022 Parks Rehabilitation Strike and Capital Infrastructure Team Reserve		745,000	0	0	C
Artificial Turf Capital Replacement Reserve		2,614,000	427,000	427,000	C
New Parks and Recreation Facilities M&O Reserve		0	73,000	0	C
Total Neighborhood Services CSA	N/A	\$4,675,000	\$500,000	\$427,000	
Public Safety CSA					
2020-2021 Police Sworn Hire Ahead Program Reserve		7,200,000	0	0	C
Police Property Facility Relocation Reserve		500,000	0	0	C
Sexual Assaults Law Enforcement Training and Supportive Services Reserve		690,000	0	0	C
Total Public Safety CSA	N/A	\$8,390,000	\$0	\$0	
Transportation and Aviation Services CSA					
Creative Center for the Arts Parking Reserve		750,000	0	0	C
Japantown Neighborhood Parking Pilot Program		250,000	0	0	C
New Traffic Infrastructure Assets M&O Reserve		0	52,000	0	C
Total Transportation and Aviation Services CSA	N/A	\$1,000,000	\$52,000	\$0	
Strategic Support CSA					
2020-2021 Future Deficit Reserve		10,894,000	0	0	A
2020-2021 Proactive Legal Enforcement of Blighted & Nuisance Properties Reserve		226,768	0	0	C
2020-2021 Talent Development Reserve		330,000	0	0	C
2021-2022 Future Deficit Reserve		0	0	11,076,000	A

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

Earmarked Reserves	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	Type of Reserve*
Budget Stabilization Reserve		27,000,000	0	0	A
Business Tax System Replacement Reserve		1,305,436	0	0	C
City Attorney's Office Outside Litigation Reserve		0	0	500,000	C
City Health Plan Restructuring Reserve		2,000,000	0	0	C
Cultural Facilities Capital Maintenance Reserve		3,135,849	850,000	850,000	C
Deferred Infrastructure and Maintenance Reserve		0	1,250,000	0	C
Essential Services Reserve		0	0	1,000,000	C
Fiscal Reform Plan Implementation Reserve		6,000	0	0	C
IT Sinking Fund Reserve		2,000,000	0	0	C
Office of Equality Assurance Labor Compliance System Reserve		200,000	0	0	C
Salaries and Benefits Reserve		13,776,834	19,390,952	19,290,952	A,C
Sick Leave Payments Upon Retirement Reserve		5,000,000	0	0	C
Workers Compensation / General Liability Catastrophic Reserve		15,000,000	0	0	A
Total Strategic Support CSA		\$80,874,887	\$21,490,952	\$32,716,952	
TOTAL EARMARKED RESERVES	N/A	\$128,137,050	\$22,042,952	\$61,528,952	

* 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 a 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	2018-2019 Actuals	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	Type of Reserve*
Strategic Support CSA					
Contingency Reserve		38,500,000	40,000,000	40,000,000	A
Total Strategic Support CSA	N/A	\$38,500,000	\$40,000,000	\$40,000,000	
TOTAL CONTINGENCY RESERVE	N/A	\$38,500,000	\$40,000,000	\$40,000,000	

* Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

B: Restricted Reserve (set aside for a specified purpose from a restricted funding source).

C: Programmatic Reserve (set aside to deliver a particular program/project; many are multi-year projects).

Airport Customer Facility And Transportation Fee Fund (519)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Coverage Reserve (Source)	4,590,912	4,675,915	4,675,915	4,675,915	4,764,311
Future Debt Service Reserve (Source)	7,526,103	7,904,966	8,139,461	8,139,461	4,099,476
Rate Stabilization Reserve (Source)	918,106	918,106	918,106	918,106	937,193
Reserve for Encumbrances (Source)	5,320	5,320	1,268	1,268	1,268
Total Beginning Fund Balance	13,040,441	13,504,307	13,734,750	13,734,750	9,802,248
Revenue from the Use of Money/Property					
Interest	226,637	200,000	200,000	200,000	221,665
Total Revenue from the Use of Money/Property	226,637	200,000	200,000	200,000	221,665
Fees, Rates, and Charges					
Customer Transport Fee	21,465,191	21,938,435	21,938,435	14,924,743	6,895,231
Rental Car Agencies	112,207	112,207	112,207	2,153,559	13,024,483
Total Fees, Rates, and Charges	21,577,398	22,050,642	22,050,642	17,078,302	19,919,714
TOTAL SOURCE OF FUNDS	34,844,475	35,754,949	35,985,392	31,013,052	29,943,627
USE OF FUNDS					
Expenditures					
Airport Non-Personal/Equipment	2,286,267	2,491,222	2,491,222	2,029,852	2,248,496
CFC Audit	7,590	8,500	11,500	11,500	11,500
Operations Contingency	0	250,000	247,000	0	100,000
Total Expenditures	2,293,857	2,749,722	2,749,722	2,041,352	2,359,996
Transfers					
Transfer to the Airport Fiscal Agent Fund	18,703,660	19,057,245	19,057,245	19,057,245	19,418,720
Transfer to the Airport Surplus Revenue Fund	112,207	112,207	112,207	112,207	0
Total Transfers	18,815,867	19,169,452	19,169,452	19,169,452	19,418,720
Ending Fund Balance					
Debt Service Coverage Reserve (Use)	4,675,915	4,764,311	4,764,311	4,764,311	4,854,680
Future Debt Service Reserve (Use)	8,139,461	8,128,951	8,363,446	4,099,476	2,371,770
Rate Stabilization Reserve (Use)	918,106	937,193	937,193	937,193	937,193
Reserve for Encumbrances (Use)	1,268	5,320	1,268	1,268	1,268
Total Ending Fund Balance	13,734,750	13,835,775	14,066,218	9,802,248	8,164,911
TOTAL USE OF FUNDS	34,844,474	35,754,949	35,985,392	31,013,052	29,943,627

* Actuals may not subtotal due to rounding.

Airport Fiscal Agent Fund (525)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve (Source)	82,453,092	82,765,220	83,355,018	83,355,018	83,825,582
Total Beginning Fund Balance	<u>82,453,092</u>	<u>82,765,220</u>	<u>83,355,018</u>	<u>83,355,018</u>	<u>83,825,582</u>
Revenue from the Use of Money/Property					
Unassigned Special Fund Viscodes	0	0	0	0	0
Interest	2,274,035	1,252,000	1,252,000	1,252,000	1,252,000
Total Revenue from the Use of Money/Property	<u>2,274,035</u>	<u>1,252,000</u>	<u>1,252,000</u>	<u>1,252,000</u>	<u>1,252,000</u>
Transfers					
Airport Customer Facility and Transportation Fee Fund	18,703,660	19,057,245	19,057,245	19,057,245	19,418,720
Airport Passenger Facility Charge Fund	27,025,696	27,480,000	27,480,000	27,480,000	22,527,000
Airport Revenue Fund	45,394,501	46,721,099	46,721,099	46,721,099	51,960,960
Total Transfers	<u>91,123,857</u>	<u>93,258,344</u>	<u>93,258,344</u>	<u>93,258,344</u>	<u>93,906,680</u>
TOTAL SOURCE OF FUNDS	<u><u>175,850,984</u></u>	<u><u>177,275,564</u></u>	<u><u>177,865,362</u></u>	<u><u>177,865,362</u></u>	<u><u>178,984,262</u></u>
USE OF FUNDS					
Expenditures					
Principal and Interest Payments	92,044,894	93,257,618	93,257,618	93,257,618	93,906,680
Total Expenditures	<u>92,044,894</u>	<u>93,257,618</u>	<u>93,257,618</u>	<u>93,257,618</u>	<u>93,906,680</u>
Transfers					
Transfer to the Airport Revenue Fund	451,073	150,000	1,000,000	782,162	600,000
Total Transfers	<u>451,073</u>	<u>150,000</u>	<u>1,000,000</u>	<u>782,162</u>	<u>600,000</u>
Ending Fund Balance					
Debt Service Reserve (Use)	83,355,018	83,867,946	83,607,744	83,825,582	84,477,582
Total Ending Fund Balance	<u>83,355,018</u>	<u>83,867,946</u>	<u>83,607,744</u>	<u>83,825,582</u>	<u>84,477,582</u>
TOTAL USE OF FUNDS	<u><u>175,850,985</u></u>	<u><u>177,275,564</u></u>	<u><u>177,865,362</u></u>	<u><u>177,865,362</u></u>	<u><u>178,984,262</u></u>

* Actuals may not subtotal due to rounding.

Airport Maintenance And Operation Fund (523)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Master Trust Agreement Reserve (Source)	23,677,333	23,384,058	18,606,243	18,606,243	26,192,628
Reserve for Encumbrances (Source)	6,999,976	6,999,976	6,408,908	6,408,908	6,408,908
Workers' Compensation Claims Reserve (Source)	3,021,230	3,021,230	2,534,343	2,534,343	2,534,343
Total Beginning Fund Balance	33,698,539	33,405,264	27,549,494	27,549,494	35,135,879
Transfers					
Airport Revenue Fund	106,020,673	111,125,169	116,836,237	106,701,237	112,785,947
Airport Surplus Revenue Fund	9,000,000	0	0	0	0
Total Transfers	115,020,673	111,125,169	116,836,237	106,701,237	112,785,947
TOTAL SOURCE OF FUNDS	148,719,212	144,530,433	144,385,731	134,250,731	147,921,826
USE OF FUNDS					
Expenditures					
Airline Reserve Funds Distribution	30,209,772	0	0	0	0
Airport Non-Personal/Equipment	36,973,965	45,690,740	46,007,740	40,172,740	48,519,899
Airport Personal Services	31,327,090	35,956,442	36,480,890	33,980,890	34,885,907
Annual Audit	46,224	78,250	78,250	78,250	80,593
Banking Services	0	100,000	100,000	100,000	125,000
City Attorney Non-Personal/Equipment	4,000	4,000	4,000	4,000	4,000
City Attorney Personal Services	751,979	724,650	738,408	738,408	724,419
City Manager Non-Personal/Equipment	23,500	24,500	24,500	24,500	24,500
ITD Non-Personal/Equipment	0	24,339	24,339	24,339	7,686
ITD Personal Services	31,604	27,639	27,639	27,639	25,995
OED Personal Services	158,183	211,811	211,811	211,811	220,859
Operations Contingency	0	2,691,427	1,834,624	34,624	1,000,000
Overhead	5,128,635	5,434,741	5,434,741	5,434,741	5,395,977
PBCE Personal Services	36,757	79,895	79,895	79,895	81,785
Police Personal Services	70,242	102,581	102,581	102,581	102,253
PRNS Personal Services	70,879	63,915	65,512	65,512	66,622
PW Non-Personal/Equipment	8,679	14,511	14,511	14,511	14,000
PW Personal Services	127,452	165,719	165,719	165,719	171,019
Workers' Compensation Claims	140,973	633,500	633,500	633,500	633,500
Total Expenditures	105,109,934	92,028,660	92,028,660	81,893,660	92,084,014
Transfers					
Transfer to the General Fund - Aircraft Rescue/Fire Fighting Services	6,921,136	7,261,525	7,261,525	7,261,525	7,741,781
Transfer to the General Fund - Police Services	9,138,648	9,959,667	9,959,667	9,959,667	10,414,810
Total Transfers	16,059,784	17,221,192	17,221,192	17,221,192	18,156,591
Ending Fund Balance					
Master Trust Agreement Reserve (Use)	18,606,243	25,259,375	26,192,628	26,192,628	28,737,970
Reserve for Encumbrances (Use)	6,408,908	6,999,976	6,408,908	6,408,908	6,408,908
Workers' Compensation Claim Reserve (Use)	2,534,343	3,021,230	2,534,343	2,534,343	2,534,343
Total Ending Fund Balance	27,549,494	35,280,581	35,135,879	35,135,879	37,681,221
TOTAL USE OF FUNDS	148,719,212	144,530,433	144,385,731	134,250,731	147,921,826

* Actuals may not subtotal due to rounding.

Airport Revenue Fund (521)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve (Source)	75,104,573	74,310,271	70,745,578	70,745,578	67,772,113
Future Budgets-Capital Reserve (Source)	26,630,779	23,130,779	23,130,779	23,130,779	0
Total Beginning Fund Balance	<u>101,735,352</u>	<u>97,441,050</u>	<u>93,876,357</u>	<u>93,876,357</u>	<u>67,772,113</u>
Revenue from Federal Government					
Coronavirus Aid, Relief, and Economic Security (CARES) Act	0	0	0	0	40,000,000
Total Revenue from Federal Government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000,000</u>
Fees, Rates, and Charges					
Airfield Area	8,340,063	8,617,805	8,617,805	6,441,942	4,754,464
Landing Fees	18,984,453	28,604,101	28,604,101	21,335,548	25,000,000
Miscellaneous	14,690,595	12,911,488	12,911,488	14,635,665	14,574,297
Parking and Roadway	64,395,545	63,222,644	63,222,644	48,448,554	27,743,224
Petroleum Products	2,929,571	3,382,156	3,382,156	2,311,697	1,073,443
Terminal Building	23,716,741	22,468,304	22,468,304	20,059,423	15,391,818
Terminal Rental	42,814,630	73,211,505	73,211,505	65,965,422	65,000,000
Total Fees, Rates, and Charges	<u>175,871,599</u>	<u>212,418,003</u>	<u>212,418,003</u>	<u>179,198,251</u>	<u>153,537,246</u>
Transfers					
Airport Fiscal Agent Fund	451,073	150,000	1,000,000	782,162	600,000
General Fund	673,291	400,000	487,472	487,472	400,000
Airport Surplus Revenue	0	0	112,207	112,207	0
Total Transfers	<u>1,124,364</u>	<u>550,000</u>	<u>1,599,679</u>	<u>1,381,841</u>	<u>1,000,000</u>
TOTAL SOURCE OF FUNDS	<u>278,731,315</u>	<u>310,409,053</u>	<u>307,894,039</u>	<u>274,456,449</u>	<u>262,309,359</u>
USE OF FUNDS					
Transfers					
Transfer to the Airport Fiscal Agent Fund	45,394,501	46,721,099	46,721,099	46,721,099	51,960,960
Transfer to the Airport Maintenance and Operation Fund	106,020,673	111,125,169	116,836,237	106,701,237	112,785,947
Transfer to the Airport Surplus Revenue Fund	33,439,783	53,262,000	63,262,000	53,262,000	15,321,000
Total Transfers	<u>184,854,957</u>	<u>211,108,268</u>	<u>226,819,336</u>	<u>206,684,336</u>	<u>180,067,907</u>
Ending Fund Balance					
Airline Agreement Reserve (Use)	70,745,578	99,300,785	81,074,703	67,772,113	82,241,452
Future Budgets - Capital Reserve (Use)	23,130,779	0	0	0	0
Total Ending Fund Balance	<u>93,876,357</u>	<u>99,300,785</u>	<u>81,074,703</u>	<u>67,772,113</u>	<u>82,241,452</u>
TOTAL USE OF FUNDS	<u>278,731,314</u>	<u>310,409,053</u>	<u>307,894,039</u>	<u>274,456,449</u>	<u>262,309,359</u>

* Actuals may not subtotal due to rounding.

Airport Surplus Revenue Fund (524)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve (Source)	288,846	588,846	765,320	765,320	765,320
Discretionary Expense Reserve (Source)	10,000,000	11,000,000	11,000,000	11,000,000	0
Rate Stabilization Reserve (Source)	9,000,000	0	0	0	0
Total Beginning Fund Balance	19,288,846	11,588,846	11,765,320	11,765,320	765,320
Revenue from the Use of Money/Property					
Interest	400,170	0	0	0	0
Total Revenue from the Use of Money/Property	400,170	0	0	0	0
Transfers					
Airport Customer Facility and Transportation Fee Fund	112,207	112,207	112,207	112,207	0
Airport Revenue Fund	33,439,783	53,262,000	63,262,000	53,262,000	15,321,000
Total Transfers	33,551,990	53,374,207	63,374,207	53,374,207	15,321,000
TOTAL SOURCE OF FUNDS	53,241,006	64,963,053	75,139,527	65,139,527	16,086,320
USE OF FUNDS					
Expenditures					
Commercial Paper Principal and Interest	10,640,686	4,000,000	14,000,000	4,000,000	2,000,000
Green Island Principal and Interest	0	112,207	0	0	0
Total Expenditures	10,640,686	4,112,207	14,000,000	4,000,000	2,000,000
Transfers					
Transfer to the Airport Maintenance and Operation Fund	9,000,000	0	0	0	0
Transfer to the Airport Renewal and Replacement Fund	21,835,000	60,262,000	60,262,000	60,262,000	13,321,000
Transfer to the Airport Revenue Fund	0	0	112,207	112,207	0
Total Transfers	30,835,000	60,262,000	60,374,207	60,374,207	13,321,000
Ending Fund Balance					
Airline Agreement Reserve (Use)	765,320	588,846	765,320	765,320	765,320
Discretionary Expense Reserve (Use)	11,000,000	0	0	0	0
Total Ending Fund Balance	11,765,320	588,846	765,320	765,320	765,320
TOTAL USE OF FUNDS	53,241,006	64,963,053	75,139,527	65,139,527	16,086,320

* Actuals may not subtotal due to rounding.

Benefits Funds - Benefit Fund (160)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	3,064	3,064	3,860	3,860	3,860
Retiree Healthcare Solutions Reserve (Source)	18,520	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	707,876	1,274,396	868,053	868,053	932,692
Total Beginning Fund Balance	729,460	1,277,460	871,913	871,913	936,552
Revenue from the Use of Money/Property					
Interest-Demutualization Funds	11,882	5,000	5,000	5,000	5,000
Total Revenue from the Use of Money/Property	11,882	5,000	5,000	5,000	5,000
Other Revenue					
COBRA Administration Fee	651	0	0	0	0
Flexible Spending Accounts Forfeitures	0	0	0	176,000	0
Contractual Performance Guarantee Penalties	192,012	0	0	6,218	0
Total Other Revenue	192,663	0	0	182,218	0
Transfers					
401(a) Defined Contribution Retirement Plan	186,794	185,000	230,000	225,000	240,000
Benefits Administration Fee	987,149	1,050,000	1,050,000	1,140,000	1,452,717
Employee Assistance Program	454,226	465,000	465,000	465,000	475,000
FICA - Medicare	9,483,314	9,800,000	9,800,000	10,000,000	10,800,000
General Employee Vision	325,038	340,000	340,000	335,000	345,000
General Purpose Parking Fund	2,591	2,000	2,000	2,000	2,500
Health Plans	51,352,199	58,050,000	58,050,000	57,500,000	64,000,000
MEF Legal	86,990	88,000	88,000	88,000	91,000
PTC 457	1,392,964	1,430,000	1,502,000	1,460,000	1,550,000
Total Transfers	64,271,264	71,410,000	71,527,000	71,215,000	78,956,217
TOTAL SOURCE OF FUNDS	65,205,270	72,692,460	72,403,913	72,274,131	79,897,769
USE OF FUNDS					
Expenditures					
401(a) Defined Contribution Retirement Plan	186,794	185,000	230,000	225,000	240,000
Benefits Consultant Fee	215,851	291,470	291,470	250,000	254,721
Employee Assistance Program	454,141	465,000	465,000	465,000	475,000
FICA-Medicare	9,527,651	9,800,000	9,800,000	10,000,000	10,800,000
General Employee Vision	325,543	340,000	340,000	335,000	345,000
Health Plans	51,392,248	58,050,000	58,050,000	57,500,000	64,000,000
HR Non-Personal/Equipment	9,522	0	25,000	25,000	25,000
HR Personal Services	523,364	713,702	728,677	713,702	876,765
MEF Legal	86,985	88,000	88,000	88,000	91,000
Overhead	174,179	204,884	204,884	204,884	235,778
PTC 457	1,390,000	1,430,000	1,502,000	1,460,000	1,550,000
Wellness Program	9,751	783,436	434,850	30,000	404,850
Total Expenditures	64,296,029	72,351,492	72,159,881	71,296,586	79,298,114
Transfers					
Transfer to the City Hall Debt Service Fund	37,328	40,993	40,993	40,993	60,453
Total Transfers	37,328	40,993	40,993	40,993	60,453

* Actuals may not subtotal due to rounding.

Benefits Funds - Benefit Fund (160)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Ending Fund Balance					
Reserve for Encumbrances (Use)	3,860	3,064	3,860	3,860	3,860
Unrestricted Ending Fund Balance (Use)	868,053	296,911	199,179	932,692	535,342
Total Ending Fund Balance	871,913	299,975	203,039	936,552	539,202
 TOTAL USE OF FUNDS	 65,205,270	 72,692,460	 72,403,913	 72,274,131	 79,897,769

* Actuals may not subtotal due to rounding.

Benefits Funds - Dental Insurance Fund (155)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Dental Claims Reserve (Source)	2,792,500	2,750,000	2,703,250	2,703,250	2,800,000
Retiree Healthcare Solutions Reserve (Source)	9,098	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	802,978	729,950	1,015,138	1,061,888	1,169,453
Total Beginning Fund Balance	3,604,576	3,479,950	3,718,388	3,765,138	3,969,453
Revenue from the Use of Money/Property					
Interest	79,155	40,000	40,000	65,000	40,000
Total Revenue from the Use of Money/Property	79,155	40,000	40,000	65,000	40,000
Fees, Rates, and Charges					
Participant Contributions	328,649	340,000	340,000	340,000	340,000
Total Fees, Rates, and Charges	328,649	340,000	340,000	340,000	340,000
Other Revenue					
COBRA Administration Fee	499	0	0	0	0
Total Other Revenue	499	0	0	0	0
Transfers					
COBRA Revenue	5,579	0	0	0	0
Reimbursement from City Funds	5,620,901	5,750,000	5,750,000	5,740,000	6,015,000
Reimbursement from Retirement Funds	6,150,447	6,100,000	6,100,000	6,200,000	6,400,000
Total Transfers	11,776,927	11,850,000	11,850,000	11,940,000	12,415,000
TOTAL SOURCE OF FUNDS	15,789,806	15,709,950	15,948,388	16,110,138	16,764,453
USE OF FUNDS					
Expenditures					
Dental HMO Plan	316,226	323,000	333,000	333,000	386,000
HR Non-Personal/Equipment	543,923	561,000	561,000	561,000	586,000
HR Personal Services	249,229	172,355	175,686	175,686	177,998
Overhead	91,466	48,665	48,665	48,665	46,654
Payment of Claims	10,803,525	11,200,000	11,200,000	11,000,000	11,200,000
Total Expenditures	12,004,368	12,305,020	12,318,351	12,118,351	12,396,652
Transfers					
Transfer to the City Hall Debt Service Fund	20,301	22,334	22,334	22,334	13,140
Total Transfers	20,301	22,334	22,334	22,334	13,140
Ending Fund Balance					
Dental Claims Reserve (Use)	2,703,250	2,800,000	2,800,000	2,800,000	1,400,000
Unrestricted Ending Fund Balance (Use)	1,061,887	582,596	807,703	1,169,453	2,954,661
Total Ending Fund Balance	3,765,137	3,382,596	3,607,703	3,969,453	4,354,661
TOTAL USE OF FUNDS	15,789,806	15,709,950	15,948,388	16,110,138	16,764,453

* Actuals may not subtotal due to rounding.

Benefits Funds - Life Insurance Fund (156)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve (Source)	2,008	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	127,147	190,784	168,229	168,229	154,714
Total Beginning Fund Balance	129,155	190,784	168,229	168,229	154,714
Revenue from the Use of Money/Property					
Interest	9,561	4,000	4,000	4,424	4,000
Total Revenue from the Use of Money/Property	9,561	4,000	4,000	4,424	4,000
Fees, Rates, and Charges					
Participant Contributions	758,270	850,000	870,000	848,000	890,000
Total Fees, Rates, and Charges	758,270	850,000	870,000	848,000	890,000
Other Revenue					
Benefits Administration Fee	142,126	0	0	147,000	165,000
Total Other Revenue	142,126	0	0	147,000	165,000
Transfers					
Benefits Administration Fee	0	150,000	150,000	0	0
Reimbursement from City Funds	641,738	655,000	655,000	685,000	710,000
Total Transfers	641,738	805,000	805,000	685,000	710,000
TOTAL SOURCE OF FUNDS	1,680,850	1,849,784	1,847,229	1,852,653	1,923,714
USE OF FUNDS					
Expenditures					
HR Non-Personal/Equipment	0	2,140	2,140	2,140	2,140
HR Personal Services	73,911	114,748	116,290	116,290	86,737
Life Insurance Premiums	1,407,621	1,500,000	1,520,000	1,540,000	1,600,000
Overhead	25,467	33,325	33,325	33,325	23,270
Total Expenditures	1,506,999	1,650,213	1,671,755	1,691,755	1,712,147
Transfers					
Transfer to the City Hall Debt Service Fund	5,622	6,184	6,184	6,184	8,238
Total Transfers	5,622	6,184	6,184	6,184	8,238
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	168,229	193,387	169,290	154,714	203,329
Total Ending Fund Balance	168,229	193,387	169,290	154,714	203,329
TOTAL USE OF FUNDS	1,680,850	1,849,784	1,847,229	1,852,653	1,923,714

* Actuals may not subtotal due to rounding.

Benefits Funds - Self-Insured Medical Fund (158)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	0	704	704	704
Unrestricted Beginning Fund Balance (Source)	471,906	2,655,033	2,406,779	1,841,167	779,584
Total Beginning Fund Balance	471,906	2,655,033	2,407,483	1,841,871	780,288
Revenue from the Use of Money/Property					
Interest	38,282	5,000	5,000	66,600	0
Total Revenue from the Use of Money/Property	38,282	5,000	5,000	66,600	0
Fees, Rates, and Charges					
COBRA Administration Fee	113	0	0	0	0
Participant Contributions	1,564,711	1,500,000	1,500,000	739,000	0
Total Fees, Rates, and Charges	1,564,823	1,500,000	1,500,000	739,000	0
Transfers					
COBRA Revenue	5,519	0	0	0	0
Reimbursement from City Funds	1,095,380	900,000	900,000	437,500	0
Reimbursement from Retirement Funds	7,529,793	7,050,000	7,050,000	3,345,000	0
Reimbursement from Stop Loss	62,946	0	922,000	952,000	0
General Fund	3,000,000	1,500,000	1,500,000	0	0
Total Transfers	11,693,638	9,450,000	10,372,000	4,734,500	0
TOTAL SOURCE OF FUNDS	13,768,650	13,610,033	14,284,483	7,381,971	780,288
USE OF FUNDS					
Expenditures					
HR Non-Personal/Equipment	32,500	15,271	15,271	15,271	15,271
HR Personal Services	58,218	118,875	169,224	169,224	0
Overhead	32,830	35,014	35,014	35,014	0
Payment of Claims	10,895,801	11,900,000	11,900,000	6,000,000	600,000
Provider Administration Fee	228,129	200,000	200,000	95,575	0
Stop Loss Premium	668,529	600,000	600,000	274,651	0
Total Expenditures	11,916,007	12,869,160	12,919,509	6,589,735	615,271
Transfers					
Transfer to the City Hall Debt Service Fund	10,772	11,948	11,948	11,948	0
Total Transfers	10,772	11,948	11,948	11,948	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	704	0	704	704	704
Unrestricted Ending Fund Balance (Use)	1,841,167	728,925	1,352,322	779,584	164,313
Total Ending Fund Balance	1,841,871	728,925	1,353,026	780,288	165,017
TOTAL USE OF FUNDS	13,768,650	13,610,033	14,284,483	7,381,971	780,288

* Actuals may not subtotal due to rounding.

Benefits Funds - Unemployment Insurance Fund (157)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve (Source)	4,605	0	0	0	0
Unemployment Insurance Claims Reserve (Source)	1,000,000	1,000,000	1,000,000	1,000,000	750,000
Unrestricted Beginning Fund Balance (Source)	969,547	281,708	405,233	405,233	253,242
Total Beginning Fund Balance	1,974,152	1,281,708	1,405,233	1,405,233	1,003,242
Revenue from the Use of Money/Property					
Interest	33,707	20,000	20,000	20,000	20,000
Total Revenue from the Use of Money/Property	33,707	20,000	20,000	20,000	20,000
Transfers					
Reimbursement from City Funds	0	200,000	200,000	200,000	400,000
Total Transfers	0	200,000	200,000	200,000	400,000
TOTAL SOURCE OF FUNDS	2,007,859	1,501,708	1,625,233	1,625,233	1,423,242
USE OF FUNDS					
Expenditures					
HR Non-Personal/Equipment	6,600	13,008	13,008	13,008	13,404
HR Personal Services	159,046	75,649	75,649	75,649	73,890
Overhead	53,239	22,094	22,094	22,094	20,128
Payment of Claims	373,591	500,000	500,000	500,000	650,000
Total Expenditures	592,476	610,751	610,751	610,751	757,422
Transfers					
Transfer to the City Hall Debt Service Fund	10,150	11,240	11,240	11,240	7,664
Total Transfers	10,150	11,240	11,240	11,240	7,664
Ending Fund Balance					
Unemployment Insurance Claims Reserve (Use)	1,000,000	750,000	750,000	750,000	500,000
Unrestricted Ending Fund Balance (Use)	405,233	129,717	253,242	253,242	158,156
Total Ending Fund Balance	1,405,233	879,717	1,003,242	1,003,242	658,156
TOTAL USE OF FUNDS	2,007,859	1,501,708	1,625,233	1,625,233	1,423,242

* Actuals may not subtotal due to rounding.

Building Development Fee Program Fund (237)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Licenses and Permits					
Building Development Program Fees	0	0	0	0	24,606,400
Total Licenses and Permits	0	0	0	0	24,606,400
Revenue from the Use of Money/Property					
Interest	0	0	0	0	500,000
Total Revenue from the Use of Money/Property	0	0	0	0	500,000
Transfers					
General Fund	0	0	0	0	21,000,000
Total Transfers	0	0	0	0	21,000,000
TOTAL SOURCE OF FUNDS	0	0	0	0	46,106,400
USE OF FUNDS					
Expenditures					
Building Development Fee Program - Non-Personal/Equipment (PBCE)	0	0	0	0	1,544,369
Building Development Fee Program - Personal Services (OED)	0	0	0	0	53,798
Building Development Fee Program - Personal Services (PBCE)	0	0	0	0	27,151,122
Building Development Fee Program - Personal Services (PW)	0	0	0	0	21,202
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	0	0	0	7,360
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	0	0	0	0	676,666
Development Fee Program - Shared Resources Personal Services (Finance)	0	0	0	0	109,797
Development Fee Program - Shared Resources Personal Services (HR)	0	0	0	0	26,600
Development Fee Program - Shared Resources Personal Services (ITD)	0	0	0	0	256,852
Development Fee Program - Shared Resources Personal Services (PBCE)	0	0	0	0	2,482,057
OED Personal Services	0	0	0	0	210,303
Overhead	0	0	0	0	4,809,698
Total Expenditures	0	0	0	0	37,349,824
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	1,354,584
Total Transfers	0	0	0	0	1,354,584
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	0	7,401,992
Total Ending Fund Balance	0	0	0	0	7,401,992
TOTAL USE OF FUNDS	0	0	0	0	46,106,400

* Actuals may not subtotal due to rounding.

Business Improvement District Fund (351)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Downtown BID Reserve (Source)	(31,463)	0	31,407	31,407	0
Hotel BID Reserve (Source)	48,045	0	407,637	407,637	0
Japantown BID Reserve (Source)	1,715	0	5,921	5,921	0
Willow Glen CBID Reserve (Source)	24,062	19,062	25,066	25,066	25,188
Total Beginning Fund Balance	42,359	19,062	470,031	470,031	25,188
Special Assessments					
Downtown BID Assessment	709,032	730,000	730,000	657,000	657,000
Hotel Benefit Assessment District	3,307,637	2,900,000	2,900,000	2,610,000	2,610,000
Japantown Benefit Assessment District	40,921	35,000	35,000	31,500	31,500
Willow Glen CBID Assessment	243,331	349,000	349,000	249,509	365,462
Total Special Assessments	4,300,922	4,014,000	4,014,000	3,548,009	3,663,962
Transfers					
General Fund	10,683	11,217	11,217	11,217	11,666
Total Transfers	10,683	11,217	11,217	11,217	11,666
TOTAL SOURCE OF FUNDS	4,353,964	4,044,279	4,495,248	4,029,257	3,700,816
USE OF FUNDS					
Expenditures					
Administration Services	4,096	10,000	10,000	5,000	10,000
Downtown Business Improvement District	646,162	730,000	761,407	688,407	657,000
Hotel Business Improvement District	2,948,045	2,900,000	3,289,590	3,017,637	2,610,000
Japantown Business Improvement District	36,715	35,000	40,921	37,421	31,500
Willow Glen Community Benefit District	248,914	355,217	361,221	255,604	371,925
Total Expenditures	3,883,932	4,030,217	4,463,139	4,004,069	3,680,425
Ending Fund Balance					
Downtown BID Reserve (Use)	31,407	0	0	0	0
Hotel BID Reserve (Use)	407,637	0	18,047	0	0
Japantown BID Reserve (Use)	5,921	0	0	0	0
Willow Glen CBID Reserve (Use)	25,066	14,062	14,062	25,188	20,391
Total Ending Fund Balance	470,031	14,062	32,109	25,188	20,391
TOTAL USE OF FUNDS	4,353,963	4,044,279	4,495,248	4,029,257	3,700,816

* Actuals may not subtotal due to rounding.

Cash Reserve Fund (002)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	5,789	5,879	5,905	5,905	6,005
Total Beginning Fund Balance	<u>5,789</u>	<u>5,879</u>	<u>5,905</u>	<u>5,905</u>	<u>6,005</u>
Revenue from the Use of Money/Property					
Interest	116	95	95	100	100
Total Revenue from the Use of Money/Property	<u>116</u>	<u>95</u>	<u>95</u>	<u>100</u>	<u>100</u>
TOTAL SOURCE OF FUNDS	<u><u>5,905</u></u>	<u><u>5,974</u></u>	<u><u>6,000</u></u>	<u><u>6,005</u></u>	<u><u>6,105</u></u>
USE OF FUNDS					
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	5,905	5,974	6,000	6,005	6,105
Total Ending Fund Balance	<u>5,905</u>	<u>5,974</u>	<u>6,000</u>	<u>6,005</u>	<u>6,105</u>
TOTAL USE OF FUNDS	<u><u>5,905</u></u>	<u><u>5,974</u></u>	<u><u>6,000</u></u>	<u><u>6,005</u></u>	<u><u>6,105</u></u>

* Actuals may not subtotal due to rounding.

City Hall Debt Service Fund (210)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	0	4,000	4,000	4,000
Unrestricted Beginning Fund Balance (Source)	1,031,448	496,150	1,005,402	1,005,402	784,252
Total Beginning Fund Balance	1,031,448	496,150	1,009,402	1,009,402	788,252
Revenue from the Use of Money/Property					
Interest	195,370	155,000	155,000	300,000	200,000
Total Revenue from the Use of Money/Property	195,370	155,000	155,000	300,000	200,000
Transfers					
Capital Funds	2,257,000	2,507,000	2,507,000	2,507,000	2,257,000
Special Funds	4,016,802	3,973,561	3,973,561	3,973,561	5,719,674
General Fund	21,685,275	21,351,289	21,351,289	21,351,289	18,234,074
Total Transfers	27,959,077	27,831,850	27,831,850	27,831,850	26,210,748
TOTAL SOURCE OF FUNDS	29,185,895	28,483,000	28,996,252	29,141,252	27,199,000
USE OF FUNDS					
Expenditures					
City Hall Debt Service	25,876,818	26,342,000	26,342,000	26,342,000	25,188,000
City Hall Garage Debt Service	1,972,675	2,011,000	2,011,000	2,011,000	2,007,000
Total Expenditures	27,849,494	28,353,000	28,353,000	28,353,000	27,195,000
Transfers					
Transfer to Sanitary Sewer Connection Fee Fund	18,000	0	0	0	0
Transfer to Sewer Service and Use Charge Capital Improvement Fund	309,000	0	0	0	0
Total Transfers	327,000	0	0	0	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	4,000	0	4,000	4,000	4,000
Unrestricted Ending Fund Balance (Use)	1,005,402	130,000	639,252	784,252	0
Total Ending Fund Balance	1,009,402	130,000	643,252	788,252	4,000
TOTAL USE OF FUNDS	29,185,896	28,483,000	28,996,252	29,141,252	27,199,000

* Actuals may not subtotal due to rounding.

Citywide Planning Fee Program Fund (239)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Revenue from the Use of Money/Property					
Interest	0	0	0	0	47,000
Total Revenue from the Use of Money/Property	0	0	0	0	47,000
Fees, Rates, and Charges					
Citywide Planning Program Fees	0	0	0	0	2,405,830
Total Fees, Rates, and Charges	0	0	0	0	2,405,830
Transfers					
General Fund	0	0	0	0	2,000,000
Total Transfers	0	0	0	0	2,000,000
TOTAL SOURCE OF FUNDS	0	0	0	0	4,452,830
USE OF FUNDS					
Expenditures					
Citywide Planning Fee - Non-Personal/Equipment (PBCE)	0	0	0	0	394,357
Citywide Planning Fee - Personal Services (PBCE)	0	0	0	0	2,711,146
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	0	0	0	0	14,489
Development Fee Program - Shared Resources Personal Services (PBCE)	0	0	0	0	64,700
Overhead	0	0	0	0	600,221
Total Expenditures	0	0	0	0	3,784,913
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	125,803
Total Transfers	0	0	0	0	125,803
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	0	542,114
Total Ending Fund Balance	0	0	0	0	542,114
TOTAL USE OF FUNDS	0	0	0	0	4,452,830

* Actuals may not subtotal due to rounding.

Community Development Block Grant Fund (441)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Section 108 Debt Service Reserve (Source)	0	700,000	700,000	700,000	0
Reserve for Encumbrances (Source)	407,737	407,737	535,744	535,744	535,744
Unrestricted Beginning Fund Balance (Source)	7,461,317	6,583,060	8,416,469	8,416,469	1,555,133
Total Beginning Fund Balance	7,869,054	7,690,797	9,652,213	9,652,213	2,090,877
Revenue from the Use of Money/Property					
Unassigned Special Fund Viscodes	197,543	0	0	0	0
Housing Rehab Loan Repayments	312,459	300,000	300,000	300,000	300,000
Other Loan Repayments	0	100,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	510,002	400,000	400,000	400,000	400,000
Revenue from Federal Government					
Coronavirus Aid, Relief, and Economic Security (CARES) Act	0	0	5,263,414	5,263,414	0
CDBG Grant Entitlement	8,927,311	8,856,601	8,856,601	8,856,601	8,947,319
Total Revenue from Federal Government	8,927,311	8,856,601	14,120,015	14,120,015	8,947,319
Other Revenue					
Unassigned Special Fund Viscodes	340	0	0	0	0
Total Other Revenue	340	0	0	0	0
TOTAL SOURCE OF FUNDS	17,306,706	16,947,398	24,172,228	24,172,228	11,438,196
USE OF FUNDS					
Expenditures					
CARES Act	0	0	5,263,414	5,263,414	0
City Food Services	0	0	1,200,000	1,200,000	0
Code Enforcement Operations	736,055	1,102,037	697,963	697,963	1,265,529
Contractual Community Services	1,514,314	1,288,490	1,288,490	1,288,490	1,402,098
Emergency Housing Vouchers	0	0	2,000,000	2,000,000	0
Housing Emergency and Minor Repair Program	1,594,949	1,650,000	2,050,000	2,050,000	2,000,000
Housing Program Development and Monitoring	1,084,177	1,582,359	1,775,449	1,775,449	1,364,835
Housing Rehabilitation Loans and Grants	292,324	276,799	2,296,494	1,003,000	1,000,000
Job Readiness Training Project	517,007	500,000	500,000	500,000	250,000
Legal Aid Fair Housing Program	250,000	318,896	318,896	318,896	150,000
Legal Services	18,650	17,974	17,974	17,974	20,576
Microenterprise Loans	0	0	2,500,000	2,500,000	0
Neighborhood Infrastructure Improvements	44,778	7,720,000	969,074	969,074	0
Planning Studies	12,767	32,091	32,091	32,091	34,719
Public Works Neighborhood Infrastructure Improvements	978,563	0	1,055,000	1,055,000	1,500,000
Transportation Neighborhood Infrastructure Improvements	610,909	1,410,000	1,410,000	1,410,000	0
Total Expenditures	7,654,493	15,898,646	23,374,845	22,081,351	8,987,757
Ending Fund Balance					
Property Acquisition Reserve (Use)	700,000	0	0	0	0
Reserve for Encumbrances (Use)	535,744	407,737	535,744	535,744	535,744
Unrestricted Ending Fund Balance (Use)	8,416,469	641,015	261,639	1,555,133	1,914,695
Total Ending Fund Balance	9,652,213	1,048,752	797,383	2,090,877	2,450,439
TOTAL USE OF FUNDS	17,306,706	16,947,398	24,172,228	24,172,228	11,438,196

* Actuals may not subtotal due to rounding.

Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	9,585	9,585	23,254	23,254	23,254
Unrestricted Beginning Fund Balance (Source)	464,612	509,704	491,465	491,465	503,748
Total Beginning Fund Balance	474,197	519,289	514,719	514,719	527,002
Revenue from the Use of Money/Property					
Interest	9,119	7,800	7,800	9,100	9,100
Total Revenue from the Use of Money/Property	9,119	7,800	7,800	9,100	9,100
Special Assessments					
Special Assessments Revenue	149,146	170,800	170,800	170,800	177,400
Total Special Assessments	149,146	170,800	170,800	170,800	177,400
TOTAL SOURCE OF FUNDS	632,462	697,889	693,319	694,619	713,502
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	93,934	121,136	121,136	121,136	223,050
DOT Personal Services	12,861	48,625	67,625	37,520	55,559
Overhead	10,948	8,961	8,961	8,961	13,213
Total Expenditures	117,743	178,722	197,722	167,617	291,822
Ending Fund Balance					
Reserve for Encumbrances (Use)	23,254	9,585	23,254	23,254	23,254
Unrestricted Ending Fund Balance (Use)	491,465	509,582	472,343	503,748	398,426
Total Ending Fund Balance	514,719	519,167	495,597	527,002	421,680
TOTAL USE OF FUNDS	632,462	697,889	693,319	694,619	713,502

* Actuals may not subtotal due to rounding.

Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	3,636	3,636	0	0	0
Retiree Healthcare Solutions Reserve (Source)	6,213	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	1,813,328	1,684,281	1,693,541	1,693,541	1,632,878
Total Beginning Fund Balance	1,823,177	1,687,917	1,693,541	1,693,541	1,632,878
Revenue from the Use of Money/Property					
Interest	25,317	25,300	25,300	24,900	24,900
Total Revenue from the Use of Money/Property	25,317	25,300	25,300	24,900	24,900
Special Assessments					
Special Assessments Revenue	1,614,065	1,670,200	1,670,200	1,670,200	1,725,500
Total Special Assessments	1,614,065	1,670,200	1,670,200	1,670,200	1,725,500
TOTAL SOURCE OF FUNDS	3,462,559	3,383,417	3,389,041	3,388,641	3,383,278
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	1,460,502	1,219,756	1,550,756	1,550,756	1,630,500
DOT Personal Services	231,372	269,105	190,105	138,186	298,692
Overhead	77,144	66,821	66,821	66,821	93,939
Total Expenditures	1,769,018	1,555,682	1,807,682	1,755,763	2,023,131
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	1,669
Total Transfers	0	0	0	0	1,669
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	3,636	0	0	0
Unrestricted Ending Fund Balance (Use)	1,693,541	1,824,099	1,581,359	1,632,878	1,358,478
Total Ending Fund Balance	1,693,541	1,827,735	1,581,359	1,632,878	1,358,478
TOTAL USE OF FUNDS	3,462,559	3,383,417	3,389,041	3,388,641	3,383,278

* Actuals may not subtotal due to rounding.

Community Facilities District No. 8 (Communications Hill) Fund (373)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	2,337	2,337	0	0	0
Retiree Healthcare Solutions Reserve (Source)	4,118	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	2,043,331	1,928,051	1,503,599	1,503,599	1,007,529
Total Beginning Fund Balance	2,049,786	1,930,388	1,503,599	1,503,599	1,007,529
Revenue from the Use of Money/Property					
Interest	35,545	29,000	29,000	25,000	25,000
Total Revenue from the Use of Money/Property	35,545	29,000	29,000	25,000	25,000
Special Assessments					
Special Assessments Revenue	449,826	468,300	468,300	468,300	542,000
Total Special Assessments	449,826	468,300	468,300	468,300	542,000
TOTAL SOURCE OF FUNDS	2,535,157	2,427,688	2,000,899	1,996,899	1,574,529
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	713,357	637,952	900,952	650,952	931,330
DOT Personal Services	233,202	272,484	358,484	268,292	413,623
Overhead	84,999	70,126	70,126	70,126	127,779
Total Expenditures	1,031,558	980,562	1,329,562	989,370	1,472,732
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	1,690
Total Transfers	0	0	0	0	1,690
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	2,337	0	0	0
Unrestricted Ending Fund Balance (Use)	1,503,599	1,444,789	671,337	1,007,529	100,107
Total Ending Fund Balance	1,503,599	1,447,126	671,337	1,007,529	100,107
TOTAL USE OF FUNDS	2,535,157	2,427,688	2,000,899	1,996,899	1,574,529

* Actuals may not subtotal due to rounding.

Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	299,838	302,708	309,358	309,358	193,823
Total Beginning Fund Balance	299,838	302,708	309,358	309,358	193,823
Revenue from the Use of Money/Property					
Interest	6,132	5,100	5,100	4,700	4,700
Total Revenue from the Use of Money/Property	6,132	5,100	5,100	4,700	4,700
Special Assessments					
Special Assessments Revenue	57,260	49,000	49,000	49,000	50,600
Total Special Assessments	57,260	49,000	49,000	49,000	50,600
TOTAL SOURCE OF FUNDS	363,229	356,808	363,458	363,058	249,123
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	24,101	124,182	124,182	124,182	146,000
DOT Personal Services	12,015	31,125	31,125	31,125	31,125
Overhead	17,755	13,928	13,928	13,928	16,972
Total Expenditures	53,871	169,235	169,235	169,235	194,097
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	309,358	187,573	194,223	193,823	55,026
Total Ending Fund Balance	309,358	187,573	194,223	193,823	55,026
TOTAL USE OF FUNDS	363,229	356,808	363,458	363,058	249,123

* Actuals may not subtotal due to rounding.

Community Facilities District No. 12 (Basking Ridge) Fund (376)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	13,467	13,467	38	38	38
Retiree Healthcare Solutions Reserve (Source)	1,535	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	1,314,910	1,262,708	980,053	980,053	662,887
Total Beginning Fund Balance	1,329,912	1,276,175	980,091	980,091	662,925
Revenue from the Use of Money/Property					
Interest	25,214	19,100	19,100	15,900	15,900
Total Revenue from the Use of Money/Property	25,214	19,100	19,100	15,900	15,900
Special Assessments					
Special Assessments Revenue	146,395	152,200	152,200	152,200	152,200
Total Special Assessments	146,395	152,200	152,200	152,200	152,200
TOTAL SOURCE OF FUNDS	1,501,521	1,447,475	1,151,391	1,148,191	831,025
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	313,929	203,790	203,790	173,828	84,400
DOT Personal Services	134,985	216,281	311,281	256,948	330,438
Overhead	72,516	54,490	54,490	54,490	104,103
Total Expenditures	521,430	474,561	569,561	485,266	518,941
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	1,341
Total Transfers	0	0	0	0	1,341
Ending Fund Balance					
Reserve for Encumbrances (Use)	38	13,467	38	38	38
Unrestricted Ending Fund Balance (Use)	980,053	959,447	581,792	662,887	310,705
Total Ending Fund Balance	980,091	972,914	581,830	662,925	310,743
TOTAL USE OF FUNDS	1,501,521	1,447,475	1,151,391	1,148,191	831,025

* Actuals may not subtotal due to rounding.

Community Facilities District No. 13 (Guadalupe Mines) Fund (310)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	344,351	363,597	353,093	353,093	368,406
Total Beginning Fund Balance	344,351	363,597	353,093	353,093	368,406
Revenue from the Use of Money/Property					
Interest	7,130	5,900	5,900	6,900	6,900
Total Revenue from the Use of Money/Property	7,130	5,900	5,900	6,900	6,900
Special Assessments					
Special Assessments Revenue	64,297	59,500	59,500	59,500	59,400
Total Special Assessments	64,297	59,500	59,500	59,500	59,400
Transfers					
Storm Sewer Operating Fund	10,121	10,121	10,121	10,121	10,121
Total Transfers	10,121	10,121	10,121	10,121	10,121
TOTAL SOURCE OF FUNDS	425,898	439,118	428,614	429,614	444,827
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	55,113	56,018	56,018	26,018	37,160
DOT Personal Services	8,172	26,890	52,890	28,107	42,375
Overhead	9,520	7,083	7,083	7,083	14,396
Total Expenditures	72,805	89,991	115,991	61,208	93,931
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	353,093	349,127	312,623	368,406	350,896
Total Ending Fund Balance	353,093	349,127	312,623	368,406	350,896
TOTAL USE OF FUNDS	425,898	439,118	428,614	429,614	444,827

* Actuals may not subtotal due to rounding.

Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	2,077	2,077	323	323	323
Unrestricted Beginning Fund Balance (Source)	707,456	928,781	734,448	734,448	610,635
Total Beginning Fund Balance	709,533	930,858	734,771	734,771	610,958
Revenue from the Use of Money/Property					
Interest	14,236	13,900	13,900	13,900	13,900
Total Revenue from the Use of Money/Property	14,236	13,900	13,900	13,900	13,900
Special Assessments					
Special Assessments Revenue	556,699	576,900	576,900	576,900	595,900
Total Special Assessments	556,699	576,900	576,900	576,900	595,900
TOTAL SOURCE OF FUNDS	1,280,468	1,521,658	1,325,571	1,325,571	1,220,758
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	133,131	270,000	270,000	270,000	105,600
DOT Personal Services	43,412	62,975	62,975	54,228	58,808
Overhead	30,938	23,499	23,499	23,499	28,164
PRNS Non-Personal/Equipment	307,989	339,396	339,396	339,396	427,214
PRNS Personal Services	30,228	27,490	27,490	27,490	28,457
Total Expenditures	545,697	723,360	723,360	714,613	648,243
Ending Fund Balance					
Reserve for Encumbrances (Use)	323	2,077	323	323	323
Unrestricted Ending Fund Balance (Use)	734,448	796,221	601,888	610,635	572,192
Total Ending Fund Balance	734,771	798,298	602,211	610,958	572,515
TOTAL USE OF FUNDS	1,280,468	1,521,658	1,325,571	1,325,571	1,220,758

* Actuals may not subtotal due to rounding.

Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	406,080	506,172	496,418	496,418	546,456
Total Beginning Fund Balance	406,080	506,172	496,418	496,418	546,456
Revenue from the Use of Money/Property					
Interest	9,215	7,600	7,600	9,300	9,300
Total Revenue from the Use of Money/Property	9,215	7,600	7,600	9,300	9,300
Special Assessments					
Special Assessments Revenue	96,421	97,300	97,300	97,300	96,600
Total Special Assessments	96,421	97,300	97,300	97,300	96,600
Transfers					
Storm Sewer Operating Fund	26,920	26,920	26,920	26,920	26,920
Total Transfers	26,920	26,920	26,920	26,920	26,920
TOTAL SOURCE OF FUNDS	538,636	637,992	628,238	629,938	679,276
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	29,200	150,000	150,000	70,000	250,000
DOT Personal Services	9,037	12,043	12,043	10,178	12,527
Overhead	3,981	3,304	3,304	3,304	4,244
Total Expenditures	42,218	165,347	165,347	83,482	266,771
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	496,418	472,645	462,891	546,456	412,505
Total Ending Fund Balance	496,418	472,645	462,891	546,456	412,505
TOTAL USE OF FUNDS	538,636	637,992	628,238	629,938	679,276

* Actuals may not subtotal due to rounding.

Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	270,456	573,176	519,442	519,442	753,979
Total Beginning Fund Balance	270,456	573,176	519,442	519,442	753,979
Revenue from the Use of Money/Property					
Interest	8,709	8,600	8,600	11,400	11,400
Total Revenue from the Use of Money/Property	8,709	8,600	8,600	11,400	11,400
Special Assessments					
Special Assessments Revenue	353,063	366,300	366,300	356,250	378,400
Total Special Assessments	353,063	366,300	366,300	356,250	378,400
Transfers					
Storm Sewer Operating Fund	0	28,000	28,000	28,000	28,000
Total Transfers	0	28,000	28,000	28,000	28,000
TOTAL SOURCE OF FUNDS	632,228	976,076	922,342	915,092	1,171,779
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	95,507	396,135	501,135	136,135	136,500
DOT Personal Services	9,349	23,000	23,000	18,857	31,552
Overhead	7,930	6,121	6,121	6,121	10,422
PRNS Non-Personal/Equipment	0	59,901	59,901	0	59,901
Total Expenditures	112,786	485,157	590,157	161,113	238,375
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	519,442	490,919	332,185	753,979	933,404
Total Ending Fund Balance	519,442	490,919	332,185	753,979	933,404
TOTAL USE OF FUNDS	632,228	976,076	922,342	915,092	1,171,779

* Actuals may not subtotal due to rounding.

Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Developer Contributions Revenue	0	0	0	0	51,300
Total Beginning Fund Balance	0	0	0	0	51,300
Special Assessments					
Special Assessments Revenue	0	0	0	51,300	53,000
Total Special Assessments	0	0	0	51,300	53,000
Developer Contributions					
Developer Contributions Revenue	0	0	37,629	37,629	0
Total Developer Contributions	0	0	37,629	37,629	0
TOTAL SOURCE OF FUNDS	0	0	37,629	88,929	104,300
USE OF FUNDS					
Expenditures					
Community Facilities District No. 17 Feasibility Project	0	0	37,629	37,629	0
Total Expenditures	0	0	37,629	37,629	0
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	51,300	104,300
Total Ending Fund Balance	0	0	0	51,300	104,300
TOTAL USE OF FUNDS	0	0	37,629	88,929	104,300

* Actuals may not subtotal due to rounding.

Community Facilities Revenue Fund (422)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Hayes Capital Improvement Reserve (Source)	2,301,225	0	0	0	0
Hayes Close Out Costs Reserve (Source)	0	2,635,000	2,635,000	2,635,000	35,000
Reserve for Encumbrances (Source)	40,643	40,643	9,161	9,161	9,161
Unrestricted Beginning Fund Balance (Source)	1,389,438	485,263	2,008,235	2,008,235	2,035,235
Total Beginning Fund Balance	3,731,306	3,160,906	4,652,396	4,652,396	2,079,396
Revenue from the Use of Money/Property					
Interest	128,262	0	0	93,000	0
Total Revenue from the Use of Money/Property	128,262	0	0	93,000	0
Other Revenue					
Hayes Center - Capital Improvement	352,601	0	0	0	0
Property Sale Proceeds	28,240,175	0	0	0	0
Hayes Mansion Insurance Reimbursement	98,728	0	0	0	0
Hayes I and II Debt-Related Payment	3,456,205	0	0	0	0
Total Other Revenue	32,147,709	0	0	0	0
Transfers					
General Fund	4,900,000	0	0	0	0
Total Transfers	4,900,000	0	0	0	0
TOTAL SOURCE OF FUNDS	40,907,277	3,160,906	4,652,396	4,745,396	2,079,396
USE OF FUNDS					
Expenditures					
Debt Service Payments for the Hayes Phase I	896,063	0	0	0	0
Debt Service Payments for the Hayes Phase III	22,938,961	0	0	0	0
Hayes Close Out Costs	2,435,604	475,000	1,975,000	56,000	1,500,000
Hayes Consultant Costs	63,068	0	0	10,000	0
Hayes Repair and Improvements	6,308	0	0	0	0
Operating / Debt Subsidy	2,050,000	0	0	0	0
Total Expenditures	28,390,005	475,000	1,975,000	66,000	1,500,000
Transfers					
Transfer to the General Fund	7,864,876	0	2,600,000	2,600,000	0
Total Transfers	7,864,876	0	2,600,000	2,600,000	0
Ending Fund Balance					
Hayes Close Out Costs Reserve (Use)	2,635,000	2,635,000	35,000	35,000	35,000
Reserve for Encumbrances (Use)	9,161	40,643	9,161	9,161	9,161
Unrestricted Ending Fund Balance (Use)	2,008,235	10,263	33,235	2,035,235	535,235
Total Ending Fund Balance	4,652,396	2,685,906	77,396	2,079,396	579,396
TOTAL USE OF FUNDS	40,907,277	3,160,906	4,652,396	4,745,396	2,079,396

* Actuals may not subtotal due to rounding.

Convention and Cultural Affairs Fund (536)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Reserve (Source)	1,950,000	0	0	0	0
Center for Performing Arts Rehabilitation Reserve (Source)	1,000,000	0	0	0	0
Reserve for Encumbrances (Source)	81,092	81,092	161,261	161,261	161,261
Revenue Stabilization Reserve (Source)	4,000,000	4,000,000	4,000,000	4,000,000	0
Unrestricted Beginning Fund Balance (Source)	1,959,490	5,140,617	7,006,508	7,006,508	848,141
Total Beginning Fund Balance	8,990,582	9,221,709	11,167,769	11,167,769	1,009,402
Revenue from the Use of Money/Property					
Interest	41,537	103,000	103,000	135,000	100,000
Total Revenue from the Use of Money/Property	41,537	103,000	103,000	135,000	100,000
Other Revenue					
Broadway San Jose	126,559	60,000	60,000	58,000	0
Miscellaneous	3,537,641	0	0	0	0
Total Other Revenue	3,664,200	60,000	60,000	58,000	0
Transfers					
Convention and Cultural Affairs Capital Fund	0	0	5,000,000	5,000,000	0
Transient Occupancy Tax Fund	15,043,740	17,742,865	11,191,378	11,191,378	10,994,865
Total Transfers	15,043,740	17,742,865	16,191,378	16,191,378	10,994,865
TOTAL SOURCE OF FUNDS	27,740,059	27,127,574	27,522,147	27,552,147	12,104,267
USE OF FUNDS					
Expenditures					
City Facilities Safety Assessment	0	0	207,000	207,000	0
Civic Auditorium/Center for Performing Arts Marketing and Cap. Improvement	105,894	0	227,996	227,996	0
Convention Center City Free Use	222,169	275,000	275,000	60,000	275,000
Convention Facilities Industry Advisor	10,000	100,000	100,000	80,000	100,000
Convention Facilities Operations	1,731,534	5,220,000	11,500,000	11,500,000	7,800,000
CVB Marketing Services	500,000	500,000	0	0	500,000
Downtown Wayfinding Signage	300,000	0	0	0	0
Insurance Expenses	236,335	331,000	338,000	338,000	338,000
PW Non-Personal/Equipment	0	5,000	5,000	5,000	9,000
Team San José Incentive Fee	200,000	250,000	250,000	250,000	250,000
Team San José Management Fee	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Workers' Compensation Claims	30,802	67,000	67,000	31,000	67,000
Total Expenditures	4,336,734	7,748,000	13,969,996	13,698,996	10,339,000
Transfers					
Transfer to the Convention and Cultural Affairs Capital Fund	11,208,000	11,967,000	11,967,000	11,967,000	0
Transfer to the General Fund - Broadway San Jose	123,610	60,000	60,000	60,000	0
Transfer to the General Fund - Contract Oversight	278,080	278,088	278,088	278,088	290,410
Transfer to the General Fund - Overhead	556,366	469,161	469,161	469,161	443,055
Transfer to the General Fund- Cultural Facilities Cap. Maint. Cost Sharing	69,500	69,500	69,500	69,500	69,500
Total Transfers	12,235,556	12,843,749	12,843,749	12,843,749	802,965

* Actuals may not subtotal due to rounding.

Convention and Cultural Affairs Fund (536)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Ending Fund Balance					
Reserve for Encumbrances (Use)	161,261	81,092	161,261	161,261	161,261
Revenue Stabilization Reserve (Use)	4,000,000	4,000,000	0	0	0
Unrestricted Ending Fund Balance (Use)	7,006,508	2,454,733	547,141	848,141	801,041
Total Ending Fund Balance	11,167,769	6,535,825	708,402	1,009,402	962,302
 TOTAL USE OF FUNDS	 27,740,059	 27,127,574	 27,522,147	 27,552,147	 12,104,267

* Actuals may not subtotal due to rounding.

Convention Center Facilities District Revenue Fund (791)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve (Source)	10,502,550	10,502,550	10,502,550	10,502,550	10,502,550
Revenue Stabilization Reserve (Source)	10,258,950	10,258,950	10,258,950	10,258,950	10,258,950
South Hall Site Acquisition Debt Service Reserve (Source)	0	4,300,000	4,300,000	4,300,000	3,000,000
Unrestricted Beginning Fund Balance (Source)	5,381,985	3,142,985	4,851,630	4,851,630	1,173,630
Total Beginning Fund Balance	26,143,485	28,204,485	29,913,130	29,913,130	24,935,130
Revenue from the Use of Money/Property					
Interest	728,364	658,000	658,000	200,000	200,000
Total Revenue from the Use of Money/Property	728,364	658,000	658,000	200,000	200,000
Convention Center Facilities District Special Tax					
Convention Center Facilities District Special Tax Revenue	18,288,437	18,530,000	12,350,000	12,350,000	13,400,000
Total Convention Center Facilities District Special Tax	18,288,437	18,530,000	12,350,000	12,350,000	13,400,000
Transfers					
General Fund	4,300,000	0	0	0	0
Total Transfers	4,300,000	0	0	0	0
TOTAL SOURCE OF FUNDS	49,460,286	47,392,485	42,921,130	42,463,130	38,535,130
USE OF FUNDS					
Expenditures					
Debt Service: Commercial Paper	2,791,921	0	0	0	0
Debt Service: Exhibit Hall Commercial Paper	2,528,780	2,546,000	2,546,000	2,546,000	2,392,000
Debt Service: Lease Revenue Bonds	2,241,763	2,248,000	2,248,000	2,248,000	2,252,000
Debt Service: Special Tax Bonds	8,212,313	8,214,000	8,214,000	8,214,000	8,212,000
South Hall Acquisition Debt Service	1,152,380	1,700,000	1,700,000	1,700,000	1,103,000
Total Expenditures	16,927,156	14,708,000	14,708,000	14,708,000	13,959,000
Transfers					
Transfer to the Convention Center Facilities District Capital Fund	2,470,000	2,700,000	2,700,000	2,700,000	2,000,000
Transfer to the General Fund	150,000	120,000	120,000	120,000	120,000
Total Transfers	2,620,000	2,820,000	2,820,000	2,820,000	2,120,000
Ending Fund Balance					
Debt Service Reserve (Use)	10,502,550	10,502,550	10,502,550	10,502,550	10,502,550
Revenue Stabilization Reserve (Use)	10,258,950	10,258,950	10,258,950	10,258,950	10,258,950
South Hall Site Acquisition Debt Service Reserve (Use)	4,300,000	4,300,000	3,000,000	3,000,000	0
Unrestricted Ending Fund Balance (Use)	4,851,630	4,802,985	1,631,630	1,173,630	1,694,630
Total Ending Fund Balance	29,913,130	29,864,485	25,393,130	24,935,130	22,456,130
TOTAL USE OF FUNDS	49,460,286	47,392,485	42,921,130	42,463,130	38,535,130

* Actuals may not subtotal due to rounding.

Downtown Property And Business Improvement District Fund (302)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	14,830	14,830	2	2	2
Unrestricted Beginning Fund Balance (Source)	1,526,246	1,474,850	1,497,643	1,497,643	1,597,970
Total Beginning Fund Balance	1,541,076	1,489,680	1,497,645	1,497,645	1,597,972
Revenue from the Use of Money/Property					
Interest	14,038	9,000	9,000	21,000	21,000
Total Revenue from the Use of Money/Property	14,038	9,000	9,000	21,000	21,000
Special Assessments					
Special Assessments Revenue	2,295,834	2,402,467	2,402,467	2,463,000	2,532,721
Total Special Assessments	2,295,834	2,402,467	2,402,467	2,463,000	2,532,721
Transfers					
General Purpose Parking Fund	894,447	77,447	77,447	77,447	77,447
General Fund	0	825,733	825,733	825,733	851,040
Total Transfers	894,447	903,180	903,180	903,180	928,487
TOTAL SOURCE OF FUNDS	4,745,395	4,804,327	4,812,292	4,884,825	5,080,180
USE OF FUNDS					
Expenditures					
Downtown Property and Business Improvement District	2,843,671	2,950,647	2,950,647	2,881,853	3,017,289
Downtown Transit Mall	395,000	395,000	395,000	395,000	395,000
PW Personal Services	9,079	10,000	10,000	10,000	10,000
Total Expenditures	3,247,750	3,355,647	3,355,647	3,286,853	3,422,289
Ending Fund Balance					
Reserve for Encumbrances (Use)	2	14,830	2	2	2
Unrestricted Ending Fund Balance (Use)	1,497,643	1,433,850	1,456,643	1,597,970	1,657,889
Total Ending Fund Balance	1,497,645	1,448,680	1,456,645	1,597,972	1,657,891
TOTAL USE OF FUNDS	4,745,395	4,804,327	4,812,292	4,884,825	5,080,180

* Actuals may not subtotal due to rounding.

Economic Development Administration Loan Fund (444)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	6,730	6,825	6,865	6,865	6,960
Total Beginning Fund Balance	6,730	6,825	6,865	6,865	6,960
Revenue from the Use of Money/Property					
Interest	135	95	95	95	100
Total Revenue from the Use of Money/Property	135	95	95	95	100
TOTAL SOURCE OF FUNDS	6,865	6,920	6,960	6,960	7,060
USE OF FUNDS					
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	6,865	6,920	6,960	6,960	7,060
Total Ending Fund Balance	6,865	6,920	6,960	6,960	7,060
TOTAL USE OF FUNDS	6,865	6,920	6,960	6,960	7,060

* Actuals may not subtotal due to rounding.

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	20,160	19,657	0	0	0
Unrestricted Beginning Fund Balance (Source)	(503)	0	(409)	(409)	0
Total Beginning Fund Balance	19,657	19,657	(409)	(409)	0
Revenue from the Use of Money/Property					
Interest	94	0	0	0	0
Total Revenue from the Use of Money/Property	94	0	0	0	0
Revenue from Federal Government					
Federal Government Revenue	0	551,610	842,197	842,197	0
Total Revenue from Federal Government	0	551,610	842,197	842,197	0
Transfers					
General Fund	0	0	409	409	0
Total Transfers	0	0	409	409	0
TOTAL SOURCE OF FUNDS	19,751	571,267	842,197	842,197	0
USE OF FUNDS					
Expenditures					
2015 Justice Assistance Grant	20,160	0	0	0	0
2017 Justice Assistance Grant	0	269,209	269,209	269,209	0
2018 Justice Assistance Grant	0	282,401	282,401	282,401	0
2019 Justice Assistant Grant	0	0	290,587	290,587	0
Total Expenditures	20,160	551,610	842,197	842,197	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	19,657	0	0	0
Unrestricted Ending Fund Balance (Use)	(409)	0	0	0	0
Total Ending Fund Balance	(409)	19,657	0	0	0
TOTAL USE OF FUNDS	19,751	571,267	842,197	842,197	0

* Actuals may not subtotal due to rounding.

Emergency Reserve Fund (406)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	42,712	42,712	(3,073)	(3,073)	(3,073)
Unrestricted Beginning Fund Balance (Source)	1,370,024	1,215,024	1,318,728	1,318,728	818,728
Total Beginning Fund Balance	1,412,736	1,257,736	1,315,655	1,315,655	815,655
Revenue from the Use of Money/Property					
Interest	26,373	24,000	24,000	25,000	22,000
Total Revenue from the Use of Money/Property	26,373	24,000	24,000	25,000	22,000
Revenue from State of California					
SB89 COVID-19 Emergency Grant	0	0	3,919,821	3,919,821	0
Total Revenue from State of California	0	0	3,919,821	3,919,821	0
Revenue from Federal Government					
COVID-19 Reimbursements	0	0	0	10,500,000	5,000,000
Total Revenue from Federal Government	0	0	0	10,500,000	5,000,000
Transfers					
General Fund	0	0	10,000,000	10,000,000	0
Total Transfers	0	0	10,000,000	10,000,000	0
TOTAL SOURCE OF FUNDS	1,439,109	1,281,736	15,259,476	25,760,476	5,837,655
USE OF FUNDS					
Expenditures					
2017 Flood - Finance Claims Administration	103,454	285,000	285,000	0	0
COVID-19 Emergency Response	0	0	10,500,000	10,500,000	5,000,000
Total Expenditures	103,454	285,000	10,785,000	10,500,000	5,000,000
Transfers					
Transfer to the General Fund	0	0	0	10,500,000	0
Transfer to the General Fund - Interest Income	20,000	24,000	24,000	25,000	22,000
Transfer to the Multi-Source Housing Fund	0	0	3,919,821	3,919,821	0
Total Transfers	20,000	24,000	3,943,821	14,444,821	22,000
Ending Fund Balance					
Reserve for Encumbrances (Use)	(3,073)	42,712	(3,073)	(3,073)	(3,073)
Unrestricted Ending Fund Balance (Use)	1,318,728	930,024	533,728	818,728	818,728
Total Ending Fund Balance	1,315,655	972,736	530,655	815,655	815,655
TOTAL USE OF FUNDS	1,439,109	1,281,736	15,259,476	25,760,476	5,837,655

* Actuals may not subtotal due to rounding.

Federal Drug Forfeiture Fund (419)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	3,449,074	3,449,074	0	0	0
Unrestricted Beginning Fund Balance (Source)	129,046	129,046	221,896	221,896	6,896
Total Beginning Fund Balance	3,578,120	3,578,120	221,896	221,896	6,896
Revenue from the Use of Money/Property					
Interest	1,300	0	0	0	0
Total Revenue from the Use of Money/Property	1,300	0	0	0	0
Revenue from Federal Government					
Federal Revenue	91,550	0	0	0	0
Total Revenue from Federal Government	91,550	0	0	0	0
TOTAL SOURCE OF FUNDS	3,670,970	3,578,120	221,896	221,896	6,896
USE OF FUNDS					
Expenditures					
Police Helicopter Replacement	3,449,074	0	0	0	0
Police Non-Personal/Equipment	0	0	215,000	215,000	0
Total Expenditures	3,449,074	0	215,000	215,000	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	3,449,074	0	0	0
Unrestricted Ending Fund Balance (Use)	221,896	129,046	6,896	6,896	6,896
Total Ending Fund Balance	221,896	3,578,120	6,896	6,896	6,896
TOTAL USE OF FUNDS	3,670,970	3,578,120	221,896	221,896	6,896

* Actuals may not subtotal due to rounding.

Federated Retiree Healthcare Trust Fund (124)
STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals*	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	267,840,000	321,597,846	294,488,000	294,488,000	310,984,393
Total Beginning Fund Balance	267,840,000	321,597,846	294,488,000	294,488,000	310,984,393
Revenue from the Use of Money/Property					
Participant Income	10,578,000	9,890,000	9,890,000	10,059,425	9,352,500
Investment Income	9,406,000	25,720,391	25,720,391	15,854,342	16,769,223
Total Revenue from the Use of Money/Property	19,984,000	35,610,391	35,610,391	25,913,767	26,121,723
Transfers					
City Contributions	26,410,000	21,790,000	21,790,000	21,790,130	21,000,000
Total Transfers	26,410,000	21,790,000	21,790,000	21,790,130	21,000,000
TOTAL SOURCE OF FUNDS	314,234,000	378,998,237	351,888,391	342,191,897	358,106,116
USE OF FUNDS					
Expenditures					
Health Insurance	19,366,000	30,431,277	30,431,277	30,701,990	30,608,000
VEBA Transfers	19,000	0	0	18,900	0
Professional Fees	361,000	106,950	106,950	486,614	451,806
Total Expenditures	19,746,000	30,538,227	30,538,227	31,207,504	31,059,806
Ending Fund Balance					
Reserve for Claims (Use)	294,488,000	348,460,010	321,350,164	310,984,393	327,046,310
Total Ending Fund Balance	294,488,000	348,460,010	321,350,164	310,984,393	327,046,310
TOTAL USE OF FUNDS	314,234,000	378,998,237	351,888,391	342,191,897	358,106,116

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 4/16/20.

* Actuals may not subtotal due to rounding.

Federated Retirement Fund (134)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals*	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	2,078,750,000	2,133,800,277	2,132,152,000	2,132,152,000	2,223,182,508
Total Beginning Fund Balance	2,078,750,000	2,133,800,277	2,132,152,000	2,132,152,000	2,223,182,508
Revenue from the Use of Money/Property					
Participant Income	22,606,000	23,818,600	23,818,600	23,819,321	24,563,140
Investment Income	76,921,000	98,350,040	98,350,040	105,607,632	110,762,155
Total Revenue from the Use of Money/Property	99,527,000	122,168,640	122,168,640	129,426,953	135,325,295
Transfers					
City Contributions	173,006,000	179,558,000	179,558,000	179,557,581	190,926,000
1980 COLA	498	500	500	498	500
1990 COLA	25,090	26,345	26,345	22,635	22,500
Total Transfers	173,031,588	179,584,845	179,584,845	179,580,714	190,949,000
TOTAL SOURCE OF FUNDS	2,351,308,588	2,435,553,762	2,433,905,485	2,441,159,667	2,549,456,803
USE OF FUNDS					
Expenditures					
Retirement Personal Services	2,961,017	3,549,117	3,489,000	3,195,380	3,560,000
Retirement Non-Personal/Equipment	1,174,744	1,408,000	1,408,000	1,082,747	1,246,000
Benefits	205,066,000	210,176,903	210,176,903	213,443,355	220,198,000
Health Insurance	9,460,000	0	0	0	0
Professional Fees	469,239	792,050	792,050	232,544	439,194
1980 COLA	498	500	500	498	500
1990 COLA	25,090	26,345	26,345	22,635	22,500
Total Expenditures	219,156,588	215,952,915	215,892,798	217,977,159	225,466,194
Ending Fund Balance					
Reserve for Claims (Use)	2,132,152,000	2,219,600,847	2,218,012,687	2,223,182,508	2,323,990,609
Total Ending Fund Balance	2,132,152,000	2,219,600,847	2,218,012,687	2,223,182,508	2,323,990,609
TOTAL USE OF FUNDS	2,351,308,588	2,435,553,762	2,433,905,485	2,441,159,667	2,549,456,803

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 4/16/20. 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 April.

* Actuals may not subtotal due to rounding.

Fire Development Fee Program Fund (240)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Licenses and Permits					
Fire Development Program Fees	0	0	0	0	6,195,280
Total Licenses and Permits	0	0	0	0	6,195,280
Revenue from the Use of Money/Property					
Interest	0	0	0	0	144,000
Total Revenue from the Use of Money/Property	0	0	0	0	144,000
Transfers					
General Fund	0	0	0	0	5,000,000
Total Transfers	0	0	0	0	5,000,000
TOTAL SOURCE OF FUNDS	0	0	0	0	11,339,280
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	0	0	0	2,748
Development Fee Program - Shared Resources Personal Services (Finance)	0	0	0	0	9,149
Development Fee Program - Shared Resources Personal Services (TTD)	0	0	0	0	50,845
Fire Development Fee Program - Non-Personal/Equipment (Fire)	0	0	0	0	97,779
Fire Development Fee Program - Non-Personal/Equipment (PBCE)	0	0	0	0	97,682
Fire Development Fee Program - Personal Services (Fire)	0	0	0	0	7,351,662
Fire Development Fee Program - Personal Services (PBCE)	0	0	0	0	414,702
Fire Development Fee Program - Personal Services (PW)	0	0	0	0	10,601
Overhead	0	0	0	0	1,206,543
Total Expenditures	0	0	0	0	9,241,711
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	147,465
Total Transfers	0	0	0	0	147,465
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	0	1,950,104
Total Ending Fund Balance	0	0	0	0	1,950,104
TOTAL USE OF FUNDS	0	0	0	0	11,339,280

* Actuals may not subtotal due to rounding.

Fire Retiree Healthcare Trust Fund (126)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals*	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	45,408,000	57,589,425	56,852,000	56,852,000	70,234,841
Total Beginning Fund Balance	45,408,000	57,589,425	56,852,000	56,852,000	70,234,841
Revenue from the Use of Money/Property					
Investment Income	2,520,000	4,509,230	4,509,230	4,000,312	4,891,470
Total Revenue from the Use of Money/Property	2,520,000	4,509,230	4,509,230	4,000,312	4,891,470
Transfers					
City Contributions	8,942,000	9,367,000	9,367,000	9,407,688	10,062,000
Total Transfers	8,942,000	9,367,000	9,367,000	9,407,688	10,062,000
TOTAL SOURCE OF FUNDS	56,870,000	71,465,655	70,728,230	70,260,000	85,188,311
USE OF FUNDS					
Expenditures					
VEBA Transfers	0	0	0	0	0
Professional Fees	18,000	39,754	39,754	25,159	24,899
Total Expenditures	18,000	39,754	39,754	25,159	24,899
Ending Fund Balance					
Reserve for Claims (Use)	56,852,000	71,425,901	70,688,476	70,234,841	85,163,412
Total Ending Fund Balance	56,852,000	71,425,901	70,688,476	70,234,841	85,163,412
TOTAL USE OF FUNDS	56,870,000	71,465,655	70,728,230	70,260,000	85,188,311

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 4/2/20.

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance And Construction Fund - 1943 (409)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	7,232,958	7,100,000	7,100,000	6,600,000	6,600,000
Total Gas Tax	7,232,958	7,100,000	7,100,000	6,600,000	6,600,000
TOTAL SOURCE OF FUNDS	7,232,958	7,100,000	7,100,000	6,600,000	6,600,000
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	7,232,958	7,100,000	7,100,000	6,600,000	6,600,000
Total Transfers	7,232,958	7,100,000	7,100,000	6,600,000	6,600,000
TOTAL USE OF FUNDS	7,232,958	7,100,000	7,100,000	6,600,000	6,600,000

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance And Construction Fund - 1964 (410)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	3,684,439	3,600,000	3,600,000	3,200,000	3,200,000
Total Gas Tax	3,684,439	3,600,000	3,600,000	3,200,000	3,200,000
TOTAL SOURCE OF FUNDS	3,684,439	3,600,000	3,600,000	3,200,000	3,200,000
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	3,684,439	3,600,000	3,600,000	3,200,000	3,200,000
Total Transfers	3,684,439	3,600,000	3,600,000	3,200,000	3,200,000
TOTAL USE OF FUNDS	3,684,439	3,600,000	3,600,000	3,200,000	3,200,000

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance And Construction Fund - 1990 (411)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	5,739,422	5,600,000	5,600,000	5,200,000	5,200,000
Total Gas Tax	5,739,422	5,600,000	5,600,000	5,200,000	5,200,000
TOTAL SOURCE OF FUNDS	5,739,422	5,600,000	5,600,000	5,200,000	5,200,000
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	5,739,422	5,600,000	5,600,000	5,200,000	5,200,000
Total Transfers	5,739,422	5,600,000	5,600,000	5,200,000	5,200,000
TOTAL USE OF FUNDS	5,739,422	5,600,000	5,600,000	5,200,000	5,200,000

* Actuals may not subtotal due to rounding.

General Purpose Parking Fund (533)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
2018-2019 Blighted Street Medians, Gateways and Roadside Areas Reserve (Source)	200,000	0	0	0	0
Downtown Parking Investment Reserve (Source)	640,000	0	0	0	0
Emergency Repairs Reserve (Source)	700,000	700,000	700,000	700,000	700,000
Reserve for Encumbrances (Source)	1,036,552	1,036,552	1,097,675	1,097,675	1,097,675
Retiree Healthcare Solutions Reserve (Source)	63,314	0	0	0	0
SAP Center Area Parking Reserve (Source)	4,000,000	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	18,180,227	6,575,112	7,956,776	7,956,776	1,971,215
Total Beginning Fund Balance	24,820,093	8,311,664	9,754,451	9,754,451	3,768,890
Revenue from the Use of Money/Property					
Interest	159,082	150,000	150,000	50,000	50,000
Total Revenue from the Use of Money/Property	159,082	150,000	150,000	50,000	50,000
Fees, Rates, and Charges					
Parking Lots and Garages	14,728,948	14,420,000	14,420,000	12,391,632	10,815,000
Parking Meters	4,285,796	4,217,000	4,217,000	3,270,569	3,140,000
Parking Meter Removal Fees	394	10,000	10,000	0	10,000
Total Fees, Rates, and Charges	19,015,138	18,647,000	18,647,000	15,662,201	13,965,000
Other Revenue					
Miscellaneous	218,062	308,000	308,000	308,000	308,000
SARA Enforceable Obligations Reimbursement	0	14,300,000	14,300,000	14,300,000	0
Total Other Revenue	218,062	14,608,000	14,608,000	14,608,000	308,000
Transfers					
Housing Trust Fund	31,200	0	0	0	0
Total Transfers	31,200	0	0	0	0
TOTAL SOURCE OF FUNDS	44,243,575	41,716,664	43,159,451	40,074,652	18,091,890
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	7,408,791	8,570,217	8,570,217	7,965,217	8,051,497
DOT Personal Services	2,411,420	2,484,499	2,498,466	2,003,466	2,697,713
Downtown Public Restrooms	2,532	500,000	500,000	500,000	500,000
ITD Non-Personal/Equipment	8,970	13,539	13,539	13,539	9,401
ITD Personal Services	2,803	5,253	5,253	5,253	7,353
Overhead	1,435,006	1,909,971	1,909,971	1,909,971	2,078,705
Police Garage Security Services	186,942	200,000	375,000	375,000	200,000
PW Non-Personal/Equipment	28,568	29,488	29,488	29,488	29,488
PW Personal Services	0	48,386	48,386	48,386	49,956
Workers' Compensation Claims	2,650	2,000	2,000	2,000	2,000
Total Expenditures	11,487,681	13,763,353	13,952,320	12,852,320	13,626,113
Transfers					
Transfer to the City Hall Debt Service Fund	127,035	115,431	115,431	115,431	103,433
Transfer to the Downtown Property and Business Improvement District Fund	77,447	77,447	77,447	77,447	77,447
Transfer to the General Fund	210,000	1,157,000	1,157,000	1,157,000	497,000

* Actuals may not subtotal due to rounding.

General Purpose Parking Fund (533)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Transfer to the General Fund - San Jose Downtown Association	997,000	210,000	210,000	210,000	210,000
Transfer to the General Purpose Parking Capital Fund	21,589,961	21,893,564	21,893,564	21,893,564	754,000
Total Transfers	23,001,443	23,453,442	23,453,442	23,453,442	1,641,880
Ending Fund Balance					
Emergency Repairs Reserve (Use)	700,000	700,000	700,000	700,000	700,000
Reserve for Encumbrances (Use)	1,097,675	1,036,552	1,097,675	1,097,675	1,097,675
Unrestricted Ending Fund Balance (Use)	7,956,776	2,763,317	3,956,014	1,971,215	1,026,222
Total Ending Fund Balance	9,754,451	4,499,869	5,753,689	3,768,890	2,823,897
TOTAL USE OF FUNDS	44,243,575	41,716,664	43,159,451	40,074,652	18,091,890

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	170,706	170,706	76,043	76,043	76,043
Unrestricted Beginning Fund Balance (Source)	4,735,490	3,049,056	4,023,291	4,254,328	2,055,610
Total Beginning Fund Balance	4,906,196	3,219,762	4,099,334	4,330,371	2,131,653
Revenue from the Use of Money/Property					
Library Purposes	1,295	0	0	0	0
Public Safety Purposes	372	0	0	0	0
Total Revenue from the Use of Money/Property	1,666	0	0	0	0
Other Revenue					
Clerk Purposes	430	0	0	0	0
DOT Purposes	300	0	0	0	0
Library Purposes	443,427	0	132,495	509	537,251
OED Purposes	3,420	0	25,000	0	0
Other Purposes	22,856	0	581	222,877	0
PRNS Purposes	553,840	0	120,561	113,881	0
Public Safety Purposes	22,957	0	0	91,431	0
PW Purposes	390,944	0	0	27,369	0
Total Other Revenue	1,438,175	0	278,637	456,067	537,251
TOTAL SOURCE OF FUNDS	6,346,037	3,219,762	4,377,971	4,786,438	2,668,904
USE OF FUNDS					
Expenditures					
Airport Military Lounge	0	0	581	581	0
Albino, Erminia and Alba Joyce Martini Memorial Fund	0	105,940	106,702	52,702	54,000
Almaden Lake Park	0	0	2,878	2,878	0
Almaden Lake Park Rangers	0	0	711	711	0
Almaden Winery Improvements	0	0	32,612	32,612	0
Alum Rock Park	0	0	3,713	3,713	0
Alviso Community Center	0	0	22,888	22,888	0
Alviso Recreation and Teen Program	0	0	1,905	1,905	0
Animal Adoption	0	0	4,502	4,502	0
Animal Services Donations	297,750	327,861	423,370	198,370	225,000
Annual District I Festival in the Park	0	1,642	1,669	1,669	0
Anti-Theft Car Campaign	25	0	2	2	0
Art + Technology Program	16,375	0	70,297	39,297	31,000
Art Work	0	0	9,333	9,333	0
Arts and Education Week	0	85,474	3,556	3,556	0
Berryessa Center Art Project	0	0	2,568	2,568	0
Books for Little Hands	0	0	6,647	6,647	0
CADPE - Drug Education	617	0	54	54	0
Calabazas BMX Park	0	0	3,081	3,081	0
Calabazas Branch Library	0	0	2,156	2,156	0
Camden Community Center Miscellaneous Gifts	3,045	0	5,424	5,424	0
Canine Unit	0	0	2,438	2,438	0
Castro School Landscaping	0	0	7,401	7,401	0
Child Safety Seats	6,228	0	268	268	0
Children's Interview Center	15,490	0	30,129	30,129	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Coleman / Guadalupe Traffic Study and Mitigation	0	0	15,840	15,840	0
Combined Gifts	0	0	7,064	7,064	0
Commodore Park Maintenance	85,340	228,291	193,496	87,917	105,000
Communications Facility Fitness Center	1,040	0	91	91	0
Community Cultural Council	0	0	3,967	3,967	0
CommUnity Resource Fair	0	19,825	21,180	21,180	0
Community Services Program	0	0	3,093	3,093	0
Crime Prevention Committee	0	0	895	895	0
Cultural Performance	0	0	89	89	0
Cybercadet Program	2,268	0	198	198	0
Dando Artwork Maintenance	0	0	25,000	25,000	0
Emma Prusch Farm Park	4,803	0	10,705	10,705	0
Facebook	429,488	398,641	491,971	308,971	183,000
Family Camp Camperships	0	0	5,916	5,916	0
Friends of Paul Moore Park	0	0	4,271	4,271	0
G.E.A.R. Program	114	0	10	10	0
Garbage Stickers	32,703	43,269	54,318	54,318	0
Go Girl Go BAWSI	0	0	868	868	0
Grace Community Center	1,226	0	41,770	41,770	0
Gullo Park Turf Irrigation	0	0	19,347	19,347	0
Hazardous Material Training	0	0	2,225	2,225	0
Heliport System Plan Study	0	0	30,166	30,166	0
Incubation Office Project	0	0	4,865	4,865	0
Internet Crimes Against Children	5,014	0	217	217	0
Investigative Enhancement	37,704	0	825	825	0
IPA's Teen Leadership Council	0	0	2,227	2,227	0
J. Ward Memorial Scholarship	120	0	283	283	0
Japanese Friendship Garden	4,787	0	14,337	14,337	0
Kidport	0	0	4	4	0
Kinjo Gardens	0	0	5,797	5,797	0
Lake Cunningham Skate Park	0	0	7,130	7,130	0
Leland High School Tennis	0	0	2,584	2,584	0
Library Literacy Project	9,558	0	44,834	44,834	0
Library-General Gifts	653,671	500,000	642,347	357,347	822,251
Major Awards Banquet	5,410	0	91	91	0
Mayor's College Motivation Program	0	21,113	21,465	21,465	0
Mayor's Gang Prevention Task Force Clean Slate Program	3,437	0	19,944	19,944	0
Mayor's Safe Families	2,728	0	118	118	0
Miscellaneous Gifts Under \$1,000	1,189	0	19,336	19,336	0
Miscellaneous Gifts under \$5,000	0	0	0	26,429	0
Miscellaneous Gifts Under \$5,000 (Inactive)	0	0	26,429	0	0
Mise and Starbird Gift	0	0	49,774	24,774	25,000
Mitty/Bevans Pedestrian Safety Project	39,366	0	0	0	0
N. San Pedro Area Park Maintenance	0	0	120,561	59,561	61,000
Newhall Park Maintenance	28,433	312,326	304,048	158,048	146,000
Nicolas Prusch Swimming	0	369,672	372,331	184,331	188,000
O'Donnell's Gardens Park	0	0	37,776	37,776	0
OED Miscellaneous Gifts	0	0	17	17	0
Our City Forest	8	0	3	3	0
Overfelt Gardens	1,367	0	1,711	1,711	0
Pedestrian Enhancements - International Circle and Hospital Parkway	0	0	2,299	2,299	0
Police & School Partnership Program	4,412	0	386	386	0
Police Educational Robot	1,044	0	91	91	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Police Miscellaneous Gifts	408	0	0	0	0
Police Mounted Unit	0	0	18,056	18,056	0
Police Reserves Unit	5,698	0	19,692	19,692	0
Public Education Program	0	0	16,596	16,596	0
River Oaks Park Maintenance	60,188	335,099	308,619	186,055	122,000
Robbery Secret Witness	7,568	0	660	660	0
Roosevelt Roller Hockey Rink Legacy Project 2018-2019	195,766	0	104,234	52,234	52,000
RP & CS General Gifts over \$1,000	1,438	43,770	56,238	42,238	14,000
S.A.V.E. Program	0	0	37,083	37,083	0
Safe Summer Initiative	0	0	24,438	24,438	0
San José Vietnam War Memorial	0	0	12,681	12,681	0
Scholastic Crime Stoppers	2,330	0	204	204	0
School Safety Gifts	1,730	0	75	75	0
Spay / Neuter Program	10,650	0	46,425	46,425	0
Sponsorship Gifts	0	0	184	184	0
St. James Park Landscaping	0	0	8,722	8,722	0
Trauma Kits	883	0	77	77	0
Vista Montana Park Maintenance	33,929	253,496	249,479	94,479	155,000
Volunteer Program	320	0	28	28	0
Willow Glen Founders Day	0	0	739	739	0
Youth Commission	0	0	18,503	18,503	0
Total Expenditures	2,015,667	3,046,419	4,301,930	2,654,785	2,183,251
Ending Fund Balance					
Reserve for Encumbrances (Use)	76,043	170,706	76,043	76,043	76,043
Unrestricted Ending Fund Balance (Use)	4,254,328	2,637	(2)	2,055,610	409,610
Total Ending Fund Balance	4,330,371	173,343	76,041	2,131,653	485,653
TOTAL USE OF FUNDS	6,346,037	3,219,762	4,377,971	4,786,438	2,668,904

* Actuals may not subtotal due to rounding.

Home Investment Partnership Program Trust Fund (445)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve (Source)	0	0	0	0	5,000,000
Reserve for Encumbrances (Source)	1,297,116	1,297,116	3,664,197	3,664,197	3,664,197
Retiree Healthcare Solutions Reserve (Source)	15,312	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	9,404,482	4,009,902	3,088,813	3,055,398	382,393
Total Beginning Fund Balance	10,716,910	5,307,018	6,753,010	6,719,595	9,046,590
Revenue from the Use of Money/Property					
Interest	208,140	100,000	100,000	100,000	100,000
Loan Repayments	2,797,769	1,750,000	1,750,000	1,000,000	1,000,000
Total Revenue from the Use of Money/Property	3,005,909	1,850,000	1,850,000	1,100,000	1,100,000
Revenue from Federal Government					
Grant Revenue	1,464,623	3,239,144	5,820,290	3,239,144	3,319,683
Total Revenue from Federal Government	1,464,623	3,239,144	5,820,290	3,239,144	3,319,683
TOTAL SOURCE OF FUNDS	15,187,443	10,396,162	14,423,300	11,058,739	13,466,273
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	31,826	72,622	74,515	10,000	73,441
Fair Housing	0	66,962	81,104	81,104	0
Housing Loans and Grants	7,751,262	0	0	204,806	0
Housing Non-Personal/Equipment	80,584	46,714	46,714	46,714	46,714
Housing Personal Services	79,599	144,005	144,005	144,005	149,150
Overhead	61,126	25,520	25,520	25,520	30,991
Tenant Based Rental Assistance	463,451	2,252,235	2,252,235	1,500,000	2,000,000
Total Expenditures	8,467,848	2,608,058	2,624,093	2,012,149	2,300,296
Ending Fund Balance					
Housing Project Reserve (Use)	0	6,000,000	6,000,000	5,000,000	5,000,000
Reserve for Encumbrances (Use)	3,664,197	1,297,116	3,664,197	3,664,197	3,664,197
Unrestricted Ending Fund Balance (Use)	3,055,398	490,988	2,135,010	382,393	2,501,780
Total Ending Fund Balance	6,719,595	7,788,104	11,799,207	9,046,590	11,165,977
TOTAL USE OF FUNDS	15,187,443	10,396,162	14,423,300	11,058,739	13,466,273

* Actuals may not subtotal due to rounding.

Housing Trust Fund (440)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	757,515	757,515	889,130	889,130	889,130
Unrestricted Beginning Fund Balance (Source)	2,875,296	1,732,879	2,777,496	2,777,496	1,354,784
Total Beginning Fund Balance	3,632,811	2,490,394	3,666,626	3,666,626	2,243,914
Revenue from the Use of Money/Property					
Interest	80,407	50,000	50,000	60,000	50,000
Total Revenue from the Use of Money/Property	80,407	50,000	50,000	60,000	50,000
Other Revenue					
Bond Administration Fees	1,489,511	900,000	900,000	1,000,000	900,000
Disaster Assistance (Source)	0	0	0	0	63,000
Miscellaneous	63,000	63,000	63,000	63,000	50,000
Total Other Revenue	1,552,511	963,000	963,000	1,063,000	1,013,000
TOTAL SOURCE OF FUNDS	5,265,729	3,503,394	4,679,626	4,789,626	3,306,914
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	276	35,117	35,117	5,000	36,071
Destination: Home	103,349	0	0	0	0
Disaster Assistance	0	63,000	63,000	63,000	63,000
Emergency Assistance	0	50,000	50,000	50,000	50,000
Employment Initiative Program	0	0	250,000	250,000	125,000
Homeless Response Team	0	35,000	35,000	35,000	0
Homeless Case Management and Homeless Management Information System	0	50,000	50,000	50,000	0
Housing and Homeless Projects	906,315	1,262,000	1,596,180	1,372,000	1,237,000
Housing Non-Personal/Equipment	25,008	50,000	100,000	75,000	53,220
Housing Personal Services	395,203	550,816	562,630	562,630	550,128
Overhead	100,453	61,281	61,281	61,281	32,410
Total Expenditures	1,530,603	2,157,214	2,803,208	2,523,911	2,146,829
Transfers					
Transfer to the City Hall Debt Service Fund	37,300	21,801	21,801	21,801	30,278
Transfer to the General Purpose Parking Fund	31,200	0	0	0	0
Total Transfers	68,500	21,801	21,801	21,801	30,278
Ending Fund Balance					
Reserve for Encumbrances (Use)	889,130	757,515	889,130	889,130	889,130
Unrestricted Ending Fund Balance (Use)	2,777,496	566,864	965,487	1,354,784	240,677
Total Ending Fund Balance	3,666,626	1,324,379	1,854,617	2,243,914	1,129,807
TOTAL USE OF FUNDS	5,265,729	3,503,394	4,679,626	4,789,626	3,306,914

* Actuals may not subtotal due to rounding.

Ice Centre Revenue Fund (432)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Previously Approved Repairs Reserve (Source)	3,544,555	2,057,321	2,057,321	2,057,321	0
Reserve for Encumbrances (Source)	0	0	28,640	28,640	28,640
Unrestricted Beginning Fund Balance (Source)	2,997,500	232,369	1,096,565	1,096,565	52,831
Total Beginning Fund Balance	6,542,055	2,289,690	3,182,526	3,182,526	81,471
Revenue from the Use of Money/Property					
Interest	121,043	135,000	135,000	44,000	45,000
Ice Centre - Additional Rent	0	62,955	122,970	122,970	63,063
Ice Centre - Base Rent	2,565,012	3,462,000	3,590,471	3,590,471	3,422,034
Total Revenue from the Use of Money/Property	2,686,055	3,659,955	3,848,441	3,757,441	3,530,097
Other Revenue					
Miscellaneous Revenue	75,000	0	0	0	0
Total Other Revenue	75,000	0	0	0	0
TOTAL SOURCE OF FUNDS	9,303,110	5,949,645	7,030,967	6,939,967	3,611,568
USE OF FUNDS					
Expenditures					
Ice Centre Debt Service Payment	2,193,440	2,385,000	2,385,000	2,385,000	2,321,000
Ice Centre Oversight Expenses	48,500	49,955	49,955	49,955	51,454
Repairs - Electrical	0	540,000	940,182	940,182	90,000
Repairs - Mechanical	3,690,611	447,100	1,700,385	1,700,385	278,000
Repairs - Miscellaneous	63,019	65,000	175,556	175,556	165,000
Repairs - Structures	3,081	35,000	1,363,922	1,363,922	440,865
Repairs - Unanticipated/Emergency	69,524	75,000	225,225	225,225	75,000
Solar4America Ice Rink Expansion Feasibility Study	39,763	0	7,000	7,000	0
Total Expenditures	6,107,937	3,597,055	6,847,225	6,847,225	3,421,319
Transfers					
Transfer to the General Fund - Ice Centre Insurance Expenses	12,646	11,271	12,102	11,271	11,609
Total Transfers	12,646	11,271	12,102	11,271	11,609
Ending Fund Balance					
Previously Approved Repairs Reserve (Use)	2,057,321	2,057,321	0	0	0
Reserve for Encumbrances (Use)	28,640	0	28,640	28,640	28,640
Unrestricted Ending Fund Balance (Use)	1,096,565	283,998	143,000	52,831	150,000
Total Ending Fund Balance	3,182,526	2,341,319	171,640	81,471	178,640
TOTAL USE OF FUNDS	9,303,109	5,949,645	7,030,967	6,939,967	3,611,568

* Actuals may not subtotal due to rounding.

Inclusionary Fee Fund (451)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve (Source)	0	0	0	0	7,653,742
Missing Middle Affordable Housing Reserve (Source)	0	0	0	0	10,000,000
Unrestricted Beginning Fund Balance (Source)	0	0	0	0	7,730,021
Total Beginning Fund Balance	0	0	0	0	25,383,763
Revenue from the Use of Money/Property					
Inclusionary Policy Loan Repayments	0	0	0	100,000	0
Interest	0	100,000	100,000	100,000	200,000
Total Revenue from the Use of Money/Property	0	100,000	100,000	200,000	200,000
Fees, Rates, and Charges					
Inclusionary In-Lieu Policy Fee	0	0	0	6,760,240	5,499,760
Inclusionary In-Lieu Ordinance Fee	0	0	0	22,000	0
Total Fees, Rates, and Charges	0	0	0	6,782,240	5,499,760
Transfers					
Multi-Source Housing Fund	0	11,102,044	18,755,786	18,755,786	0
Total Transfers	0	11,102,044	18,755,786	18,755,786	0
TOTAL SOURCE OF FUNDS	0	11,202,044	18,855,786	25,738,026	31,083,523
USE OF FUNDS					
Expenditures					
Housing Non-Personal/Equipment	0	0	205,000	130,256	0
Housing Personal Services	0	199,378	199,378	199,378	235,946
Overhead	0	24,629	24,629	24,629	15,131
PBCE Personal Services	0	0	50,000	0	0
Total Expenditures	0	224,007	479,007	354,263	251,077
Ending Fund Balance					
Housing Project Reserve (Use)	0	0	7,653,742	7,653,742	15,000,000
Missing Middle Affordable Housing Reserve	0	10,000,000	10,000,000	10,000,000	10,000,000
Unrestricted Ending Fund Balance (Use)	0	978,037	723,037	7,730,021	5,832,446
Total Ending Fund Balance	0	10,978,037	18,376,779	25,383,763	30,832,446
TOTAL USE OF FUNDS	0	11,202,044	18,855,786	25,738,026	31,083,523

* Actuals may not subtotal due to rounding.

Integrated Waste Management Fund (423)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Environmental Innovation Center Reserve (Source)	0	0	0	0	74,000
Operations and Maintenance Reserve (Source)	11,417,000	11,541,382	11,541,382	11,541,382	13,308,642
Rate Stabilization Reserve (Source)	0	10,000,000	10,000,000	10,000,000	0
Reserve for Encumbrances (Source)	2,357,067	2,357,067	1,904,055	1,904,055	1,904,055
Retiree Healthcare Solutions Reserve (Source)	374,448	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	16,596,797	9,631,887	12,262,878	12,262,878	7,157,057
Total Beginning Fund Balance	30,745,312	33,530,336	35,708,315	35,708,315	22,443,754
Licenses and Permits					
Franchise Applications	535	611	611	1,222	711
Total Licenses and Permits	535	611	611	1,222	711
Fines, Forfeitures, and Penalties					
CDDD Ineligible Refunds	898,972	765,000	765,000	805,000	810,000
Lien-Related	440,719	484,500	484,500	379,225	369,500
Total Fines, Forfeitures, and Penalties	1,339,691	1,249,500	1,249,500	1,184,225	1,179,500
Revenue from the Use of Money/Property					
Interest	718,629	860,000	860,000	769,000	659,000
Las Plumas Tenant	504,206	534,600	534,600	534,600	534,600
Total Revenue from the Use of Money/Property	1,222,835	1,394,600	1,394,600	1,303,600	1,193,600
Revenue from Local Agencies					
Household Hazardous Waste Revenue from County	731,491	300,000	300,000	490,000	300,000
Total Revenue from Local Agencies	731,491	300,000	300,000	490,000	300,000
Revenue from State of California					
SB 332 Revenue	257,712	250,000	250,000	295,000	250,000
Total Revenue from State of California	257,712	250,000	250,000	295,000	250,000
Fees, Rates, and Charges					
AB 939 Fees	3,687,206	3,660,000	3,660,000	3,525,000	3,690,000
Recycle Plus Collection Charges	129,598,872	135,765,000	135,765,000	136,800,000	155,024,000
Total Fees, Rates, and Charges	133,286,078	139,425,000	139,425,000	140,325,000	158,714,000
Other Revenue					
Hauler Payments	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000
Miscellaneous Revenue	122,136	19,000	19,000	246,000	14,000
Miscellaneous Solid Waste	257,334	241,000	241,000	14,000	231,000
NMTC Proceeds, Reimbursement	1,786,032	0	0	0	0
Total Other Revenue	4,815,502	2,910,000	2,910,000	2,910,000	2,895,000
TOTAL SOURCE OF FUNDS	172,399,156	179,060,047	181,238,026	182,217,362	186,976,565

USE OF FUNDS

Expenditures

Banking Services	0	100,000	100,000	100,000	100,000
City Attorney Personal Services	62,007	60,999	62,580	60,000	54,845
City Manager Personal Services	0	0	0	0	122,048
County Revenue Collection Fee	963,793	1,015,826	1,015,826	1,022,800	1,227,360

* Actuals may not subtotal due to rounding.

Integrated Waste Management Fund (423)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Customer Information System Transition	0	130,000	130,000	6,000	0
Delinquent Lien Releases	632	60,000	60,000	4,000	60,000
EIC QALICB Master Lease Payment	222,000	0	0	0	0
ESD Non-Personal/Equipment	2,404,501	5,464,853	5,464,853	4,200,000	3,176,104
ESD Personal Services	7,357,913	9,203,112	9,195,744	8,600,000	9,095,005
Finance Non-Personal/Equipment	107,381	282,500	282,500	150,000	112,500
Finance Personal Services	721,268	973,612	973,612	750,000	910,264
Household Hazardous Waste Las Plumas Facility	31,617	75,000	1,000	1,000	0
HR Personal Services	30,222	27,303	27,303	30,000	27,413
IDC Disposal Agreement	4,143,827	4,154,372	4,154,372	4,250,000	4,421,574
ITD Non-Personal/Equipment	10,363	84,507	84,507	50,000	63,550
ITD Personal Services	676,214	617,827	617,827	550,000	591,242
Multi-Family Recycle Plus	21,699,430	24,223,882	24,223,882	24,050,000	25,516,637
Neighborhood Clean-Up Supplies	848	0	0	0	0
Overhead	1,775,651	2,203,585	2,203,585	2,203,585	2,884,569
PBCE Non-Personal/Equipment	13,588	129,463	129,463	27,000	40,155
PBCE Personal Services	241,234	305,514	305,514	360,000	262,392
PW Non-Personal/Equipment	8,469	177,018	177,018	125,000	124,703
PW Personal Services	187,747	340,558	342,190	240,000	387,258
Single Family Dwelling Processing	14,461,578	18,422,532	18,422,532	18,600,000	19,063,221
Single-Family Recycle Plus	56,187,941	67,895,682	67,895,682	68,500,000	72,923,900
Workers' Compensation Claims	57,173	34,000	64,000	64,000	34,000
Yard Trimming Collection/Processing	24,290,179	25,388,894	25,388,894	25,000,000	26,031,233
Total Expenditures	135,655,577	161,371,039	161,322,884	158,943,385	167,229,973
Transfers					
Transfer to the City Hall Debt Service Fund	735,264	690,223	690,223	690,223	689,500
Transfer to the General Fund - CDDD Revenue	300,000	140,000	140,000	140,000	300,000
Total Transfers	1,035,264	830,223	830,223	830,223	989,500
Ending Fund Balance					
Environmental Innovation Center Reserve (Use)	0	0	74,000	74,000	74,000
Operations and Maintenance Reserve (Use)	11,685,255	13,428,816	13,428,816	13,308,642	14,036,417
Rate Stabilization Reserve (Use)	10,000,000	0	0	0	0
Reserve for Encumbrances (Use)	1,904,055	2,357,067	1,904,055	1,904,055	1,904,055
Unrestricted Ending Fund Balance (Use)	12,119,005	1,072,902	3,678,048	7,157,057	2,742,620
Total Ending Fund Balance	35,708,315	16,858,785	19,084,919	22,443,754	18,757,092
TOTAL USE OF FUNDS	172,399,156	179,060,047	181,238,026	182,217,362	186,976,565

**The 2020-2021 Proposed Recycle Plus Collection Charges revenue includes a fourteen point two percent (14.2%) rate increase in 2020-2021 to offset base cost increases and additional expenses associated with proposed Recycle Plus program augmentation.

* Actuals may not subtotal due to rounding.

Library Parcel Tax Fund (418)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	56,416	56,416	132,861	132,861	132,861
Retiree Healthcare Solutions Reserve (Source)	102,837	0	0	0	0
Six Day Expansion Model Reserve (Source)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Unrestricted Beginning Fund Balance (Source)	7,079,358	4,617,709	5,024,366	5,024,366	2,264,939
Total Beginning Fund Balance	10,238,611	7,674,125	8,157,227	8,157,227	5,397,800
Revenue from the Use of Money/Property					
Interest	118,497	100,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	118,497	100,000	100,000	100,000	100,000
Other Revenue					
Miscellaneous	499	0	0	0	0
Total Other Revenue	499	0	0	0	0
Library Parcel Tax					
Library Parcel Tax Revenue	9,268,860	9,458,903	9,458,903	9,458,903	9,742,670
Total Library Parcel Tax	9,268,860	9,458,903	9,458,903	9,458,903	9,742,670
TOTAL SOURCE OF FUNDS	19,626,468	17,233,028	17,716,130	17,716,130	15,240,470
USE OF FUNDS					
Expenditures					
Acquisition of Materials	2,308	0	0	0	0
Annual Audit	13,387	17,000	17,000	17,000	17,000
Automation Projects and System Maintenance	3,888	0	0	0	0
HR Non-Personal/Equipment	25,200	25,200	25,200	25,200	25,200
HR Personal Services	55,514	78,019	78,019	78,019	75,423
Library Non-Personal/Equipment	1,508,529	1,741,830	1,758,830	1,758,830	2,026,308
Library Personal Services	6,530,365	7,745,029	7,787,829	7,787,829	7,374,274
Total Expenditures	8,139,190	9,607,078	9,666,878	9,666,878	9,518,205
Transfers					
Transfer to the City Hall Debt Service Fund	53,050	51,452	51,452	51,452	53,954
Transfer to the Library Parcel Tax Capital Fund	3,277,000	2,600,000	2,600,000	2,600,000	1,939,141
Total Transfers	3,330,050	2,651,452	2,651,452	2,651,452	1,993,095
Ending Fund Balance					
Reserve for Encumbrances (Use)	132,861	56,416	132,861	132,861	132,861
Six Day Expansion Model Reserve (Use)	3,000,000	3,000,000	3,000,000	3,000,000	2,662,942
Unrestricted Ending Fund Balance (Use)	5,024,366	1,918,082	2,264,939	2,264,939	933,367
Total Ending Fund Balance	8,157,227	4,974,498	5,397,800	5,397,800	3,729,170
TOTAL USE OF FUNDS	19,626,467	17,233,028	17,716,130	17,716,130	15,240,470

* Actuals may not subtotal due to rounding.

Low And Moderate Income Housing Asset Fund (346)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Affordable Housing Web Portal Reserve (Source)	0	0	0	0	1,732,000
Committed Projects Reserve (Source)	8,984,212	29,522,532	29,522,532	29,522,532	0
Housing Project Reserve (Source)	45,635,788	59,885,040	59,885,040	59,885,040	84,000,000
Reserve for Encumbrances (Source)	5,336,592	5,336,592	5,144,934	5,144,934	5,144,934
Retiree Healthcare Solutions Reserve (Source)	246,180	0	0	0	0
Revenue Stabilization Reserve (Source)	5,500,000	5,500,000	5,500,000	5,500,000	0
Unrestricted Beginning Fund Balance (Source)	55,327,895	21,551,625	48,780,165	48,780,165	34,308,359
Total Beginning Fund Balance	121,030,667	121,795,789	148,832,671	148,832,671	125,185,293
Revenue from the Use of Money/Property					
Interest	2,545,397	2,000,000	2,000,000	3,000,000	3,000,000
Loan Repayments	38,011,169	16,500,000	32,445,149	16,500,000	14,000,000
Total Revenue from the Use of Money/Property	40,556,565	18,500,000	34,445,149	19,500,000	17,000,000
Other Revenue					
Miscellaneous	4,059	0	5,748,384	5,749,386	0
Total Other Revenue	4,059	0	5,748,384	5,749,386	0
TOTAL SOURCE OF FUNDS	161,591,292	140,295,789	189,026,204	174,082,057	142,185,293
USE OF FUNDS					
Expenditures					
City Attorney Non-Personal/Equipment	11,082	16,724	316,724	316,274	16,724
City Attorney Personal Services	711,872	936,268	947,742	936,268	1,018,535
City Manager Non-Personal/Equipment	18,000	18,375	18,375	18,375	18,375
City Manager Personal Services	3,500	6,061	6,061	6,061	0
Finance Personal Services	62,682	106,244	106,244	106,244	176,767
Homeless Services	195,088	250,000	250,000	250,000	250,000
Homeowner Education Program	4,815	0	0	0	0
Housing Loans and Grants	2,292,295	37,014,960	63,839,960	35,500,000	48,339,960
Housing Non-Personal/Equipment	695,626	1,321,476	1,789,476	1,471,476	1,719,761
Housing Personal Services	6,012,476	6,376,418	6,467,912	6,376,418	7,036,041
Housing Predevelopment Activity	240,403	650,000	1,000,000	1,000,000	900,000
HR Personal Services	26,987	35,443	35,443	35,443	35,730
ITD Non-Personal/Equipment	0	20,775	20,775	20,775	1,470
ITD Personal Services	0	12,050	12,050	12,050	0
Loan Management	80,358	225,000	225,000	175,000	225,000
Overhead	1,621,687	1,632,620	1,632,620	1,632,620	550,695
PBCE Non-Personal/Equipment	3,249	44,141	44,141	44,141	16,311
PBCE Personal Services	142,438	232,809	232,809	232,809	256,156
PW Non-Personal/Equipment	38,531	20,766	20,766	20,766	27,650
PW Personal Services	94,431	152,214	152,214	152,214	157,251
Successor Agency to the Redevelopment Agency	0	70,000	70,000	70,000	70,000
Workers' Compensation Claims	23,692	100,000	100,000	100,000	100,000
Total Expenditures	12,279,212	49,242,344	77,288,312	48,476,934	60,916,426
Transfers					
Transfer to the City Hall Debt Service Fund	479,409	419,830	419,830	419,830	401,068
Total Transfers	479,409	419,830	419,830	419,830	401,068
Ending Fund Balance					

* Actuals may not subtotal due to rounding.

Low And Moderate Income Housing Asset Fund (346)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Affordable Housing Web Portal Reserve (Use)	0	1,800,000	1,732,000	1,732,000	0
Committed Projects Reserve (Use)	29,522,532	0	9,350,000	0	0
Housing Project Reserve (Use)	59,885,040	75,000,000	80,720,000	84,000,000	70,000,000
Reserve for Encumbrances (Use)	5,144,934	5,336,592	5,144,934	5,144,934	5,144,934
Revenue Stabilization Reserve (Use)	5,500,000	6,000,000	6,000,000	0	0
Unrestricted Ending Fund Balance (Use)	48,780,165	2,497,023	8,371,128	34,308,359	5,722,865
Total Ending Fund Balance	148,832,671	90,633,615	111,318,062	125,185,293	80,867,799
TOTAL USE OF FUNDS	161,591,292	140,295,789	189,026,204	174,082,057	142,185,293

* Actuals may not subtotal due to rounding.

Maintenance District No. 1 (Los Paseos) Fund (352)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve (Source)	4,314	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	195,931	199,521	215,003	215,003	220,476
Total Beginning Fund Balance	200,245	199,521	215,003	215,003	220,476
Revenue from the Use of Money/Property					
Interest	3,609	3,000	3,000	3,000	3,000
Total Revenue from the Use of Money/Property	3,609	3,000	3,000	3,000	3,000
Special Assessments					
Special Assessments Revenue	343,252	316,100	316,100	316,100	338,900
Total Special Assessments	343,252	316,100	316,100	316,100	338,900
TOTAL SOURCE OF FUNDS	547,106	518,621	534,103	534,103	562,376
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	213,696	184,424	300,424	200,424	180,700
DOT Personal Services	77,151	151,548	114,548	75,666	93,305
Overhead	41,256	37,537	37,537	37,537	29,250
Total Expenditures	332,103	373,509	452,509	313,627	303,255
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	215,003	145,112	81,594	220,476	259,121
Total Ending Fund Balance	215,003	145,112	81,594	220,476	259,121
TOTAL USE OF FUNDS	547,106	518,621	534,103	534,103	562,376

* Actuals may not subtotal due to rounding.

Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	111,943	147,023	141,180	141,180	163,892
Total Beginning Fund Balance	111,943	147,023	141,180	141,180	163,892
Revenue from the Use of Money/Property					
Interest	2,434	2,200	2,200	2,600	2,600
Total Revenue from the Use of Money/Property	2,434	2,200	2,200	2,600	2,600
Special Assessments					
Special Assessments Revenue	81,489	84,600	84,600	84,600	87,400
Total Special Assessments	81,489	84,600	84,600	84,600	87,400
Transfers					
General Fund	2,408	2,408	2,408	2,408	2,408
Total Transfers	2,408	2,408	2,408	2,408	2,408
TOTAL SOURCE OF FUNDS	198,274	236,231	230,388	230,788	256,300
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	49,694	64,884	64,884	64,884	46,000
DOT Personal Services	5,123	6,889	6,889	0	0
Overhead	2,277	2,012	2,012	2,012	0
Total Expenditures	57,094	73,785	73,785	66,896	46,000
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	141,180	162,446	156,603	163,892	210,300
Total Ending Fund Balance	141,180	162,446	156,603	163,892	210,300
TOTAL USE OF FUNDS	198,274	236,231	230,388	230,788	256,300

* Actuals may not subtotal due to rounding.

Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	222,981	252,901	125,215	125,215	129,707
Total Beginning Fund Balance	222,981	252,901	125,215	125,215	129,707
Revenue from the Use of Money/Property					
Interest	4,180	3,800	3,800	1,700	1,700
Total Revenue from the Use of Money/Property	4,180	3,800	3,800	1,700	1,700
Special Assessments					
Special Assessments Revenue	83,515	89,100	89,100	89,100	92,000
Total Special Assessments	83,515	89,100	89,100	89,100	92,000
TOTAL SOURCE OF FUNDS	310,676	345,801	218,115	216,015	223,407
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	160,500	44,170	44,170	54,170	47,400
DOT Personal Services	16,455	26,453	26,453	25,406	26,900
Overhead	8,505	6,732	6,732	6,732	8,227
Total Expenditures	185,461	77,355	77,355	86,308	82,527
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	125,215	268,446	140,760	129,707	140,880
Total Ending Fund Balance	125,215	268,446	140,760	129,707	140,880
TOTAL USE OF FUNDS	310,676	345,801	218,115	216,015	223,407

* Actuals may not subtotal due to rounding.

Maintenance District No. 8 (Zanker-Montague) Fund (361)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	94,415	94,415	117,703	117,703	117,703
Unrestricted Beginning Fund Balance (Source)	162,106	173,160	153,053	153,053	137,040
Total Beginning Fund Balance	256,521	267,575	270,756	270,756	254,743
Revenue from the Use of Money/Property					
Interest	4,784	4,000	4,000	4,700	4,700
Total Revenue from the Use of Money/Property	4,784	4,000	4,000	4,700	4,700
Special Assessments					
Special Assessments Revenue	104,357	109,300	109,300	109,300	112,800
Total Special Assessments	104,357	109,300	109,300	109,300	112,800
Transfers					
General Fund	2,353	2,353	2,353	2,353	2,353
Total Transfers	2,353	2,353	2,353	2,353	2,353
TOTAL SOURCE OF FUNDS	368,015	383,228	386,409	387,109	374,596
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	44,451	80,160	80,160	80,160	51,300
DOT Personal Services	41,560	52,428	68,428	39,366	70,753
Overhead	11,248	12,840	12,840	12,840	22,617
Total Expenditures	97,259	145,428	161,428	132,366	144,670
Ending Fund Balance					
Reserve for Encumbrances (Use)	117,703	94,415	117,703	117,703	117,703
Unrestricted Ending Fund Balance (Use)	153,053	143,385	107,278	137,040	112,223
Total Ending Fund Balance	270,756	237,800	224,981	254,743	229,926
TOTAL USE OF FUNDS	368,015	383,228	386,409	387,109	374,596

* Actuals may not subtotal due to rounding.

Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Retiree Healthcare Solutions Reserve (Source)	1,249	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	198,830	253,528	233,390	233,390	264,123
Total Beginning Fund Balance	200,079	253,528	233,390	233,390	264,123
Revenue from the Use of Money/Property					
Interest	3,714	3,800	3,800	4,100	4,100
Total Revenue from the Use of Money/Property	3,714	3,800	3,800	4,100	4,100
Special Assessments					
Special Assessments Revenue	158,213	172,600	172,600	172,600	178,200
Total Special Assessments	158,213	172,600	172,600	172,600	178,200
Transfers					
General Fund	23,480	23,480	23,480	23,480	23,480
Total Transfers	23,480	23,480	23,480	23,480	23,480
TOTAL SOURCE OF FUNDS	385,486	453,408	433,270	433,570	469,903
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	105,581	105,596	105,596	125,596	119,000
DOT Personal Services	27,155	59,800	59,800	27,829	45,324
Overhead	19,359	16,022	16,022	16,022	15,111
Total Expenditures	152,096	181,418	181,418	169,447	179,435
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	233,390	271,990	251,852	264,123	290,468
Total Ending Fund Balance	233,390	271,990	251,852	264,123	290,468
TOTAL USE OF FUNDS	385,486	453,408	433,270	433,570	469,903

* Actuals may not subtotal due to rounding.

Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	250,786	272,243	257,780	257,780	169,109
Total Beginning Fund Balance	250,786	272,243	257,780	257,780	169,109
Revenue from the Use of Money/Property					
Interest	4,955	4,100	4,100	4,800	4,800
Total Revenue from the Use of Money/Property	4,955	4,100	4,100	4,800	4,800
Special Assessments					
Special Assessments Revenue	69,270	65,400	65,400	65,400	72,800
Total Special Assessments	69,270	65,400	65,400	65,400	72,800
Transfers					
General Fund	6,354	6,354	6,354	6,354	6,354
Total Transfers	6,354	6,354	6,354	6,354	6,354
TOTAL SOURCE OF FUNDS	331,365	348,097	333,634	334,334	253,063
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	53,316	104,212	145,212	145,212	133,150
DOT Personal Services	13,426	20,890	20,890	14,562	20,982
Overhead	6,842	5,451	5,451	5,451	6,519
Total Expenditures	73,585	130,553	171,553	165,225	160,651
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	257,780	217,544	162,081	169,109	92,412
Total Ending Fund Balance	257,780	217,544	162,081	169,109	92,412
TOTAL USE OF FUNDS	331,365	348,097	333,634	334,334	253,063

* Actuals may not subtotal due to rounding.

Maintenance District No. 13 (Karina-O'Nel) Fund (366)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	138,092	137,668	123,923	123,923	149,191
Total Beginning Fund Balance	138,092	137,668	123,923	123,923	149,191
Revenue from the Use of Money/Property					
Interest	2,417	2,100	2,100	2,300	2,300
Total Revenue from the Use of Money/Property	2,417	2,100	2,100	2,300	2,300
Special Assessments					
Special Assessments Revenue	52,187	54,200	54,200	54,200	55,900
Total Special Assessments	52,187	54,200	54,200	54,200	55,900
TOTAL SOURCE OF FUNDS	192,696	193,968	180,223	180,423	207,391
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	57,197	36,280	36,280	21,280	26,900
DOT Personal Services	9,091	8,431	8,431	7,945	7,632
Overhead	2,485	2,007	2,007	2,007	2,366
Total Expenditures	68,773	46,718	46,718	31,232	36,898
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	123,923	147,250	133,505	149,191	170,493
Total Ending Fund Balance	123,923	147,250	133,505	149,191	170,493
TOTAL USE OF FUNDS	192,696	193,968	180,223	180,423	207,391

* Actuals may not subtotal due to rounding.

Maintenance District No. 15 (Silver Creek Valley) Fund (368)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	4,415	4,415	0	0	0
Retiree Healthcare Solutions Reserve (Source)	10,246	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	1,925,230	1,016,605	894,479	894,479	515,512
Total Beginning Fund Balance	1,939,891	1,021,020	894,479	894,479	515,512
Revenue from the Use of Money/Property					
Interest	30,931	23,400	23,400	12,000	12,000
Total Revenue from the Use of Money/Property	30,931	23,400	23,400	12,000	12,000
Special Assessments					
Special Assessments Revenue	931,143	1,010,400	1,010,400	1,010,400	1,240,800
Total Special Assessments	931,143	1,010,400	1,010,400	1,010,400	1,240,800
Transfers					
Storm Sewer Operating Fund	22,118	22,118	22,118	22,118	22,118
General Fund	16,636	16,636	16,636	16,636	16,636
Total Transfers	38,754	38,754	38,754	38,754	38,754
TOTAL SOURCE OF FUNDS	2,940,719	2,093,574	1,967,033	1,955,633	1,807,066
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	1,436,197	968,581	968,581	968,581	818,600
DOT Personal Services	426,776	552,326	446,326	330,630	556,754
Overhead	183,266	140,910	140,910	140,910	173,103
Total Expenditures	2,046,240	1,661,817	1,555,817	1,440,121	1,548,457
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	5,966
Total Transfers	0	0	0	0	5,966
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	4,415	0	0	0
Unrestricted Ending Fund Balance (Use)	894,479	427,342	411,216	515,512	252,643
Total Ending Fund Balance	894,479	431,757	411,216	515,512	252,643
TOTAL USE OF FUNDS	2,940,719	2,093,574	1,967,033	1,955,633	1,807,066

* Actuals may not subtotal due to rounding.

Maintenance District No. 18 (The Meadowlands) Fund (372)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	72,500	116,951	122,896	122,896	141,721
Total Beginning Fund Balance	72,500	116,951	122,896	122,896	141,721
Revenue from the Use of Money/Property					
Interest	1,518	1,800	1,800	2,200	2,200
Total Revenue from the Use of Money/Property	1,518	1,800	1,800	2,200	2,200
Special Assessments					
Special Assessments Revenue	101,031	101,300	101,300	89,000	89,100
Total Special Assessments	101,031	101,300	101,300	89,000	89,100
TOTAL SOURCE OF FUNDS	175,049	220,051	225,996	214,096	233,021
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	29,622	34,673	34,673	34,673	78,150
DOT Personal Services	12,132	65,456	45,456	21,059	22,447
Overhead	10,398	16,643	16,643	16,643	7,486
Total Expenditures	52,153	116,772	96,772	72,375	108,083
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	122,896	103,279	129,224	141,721	124,938
Total Ending Fund Balance	122,896	103,279	129,224	141,721	124,938
TOTAL USE OF FUNDS	175,049	220,051	225,996	214,096	233,021

* Actuals may not subtotal due to rounding.

Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	257,527	298,637	287,023	287,023	222,443
Total Beginning Fund Balance	257,527	298,637	287,023	287,023	222,443
Revenue from the Use of Money/Property					
Interest	5,182	4,500	4,500	4,400	4,400
Total Revenue from the Use of Money/Property	5,182	4,500	4,500	4,400	4,400
Special Assessments					
Special Assessments Revenue	150,010	162,500	162,500	162,500	172,900
Total Special Assessments	150,010	162,500	162,500	162,500	172,900
Transfers					
General Fund	6,195	6,195	6,195	6,195	6,195
Total Transfers	6,195	6,195	6,195	6,195	6,195
TOTAL SOURCE OF FUNDS	418,914	471,832	460,218	460,118	405,938
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	94,038	174,290	200,290	200,290	103,350
DOT Personal Services	24,967	40,507	40,507	27,033	34,323
Overhead	12,886	10,352	10,352	10,352	10,760
Total Expenditures	131,891	225,149	251,149	237,675	148,433
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	287,023	246,683	209,069	222,443	257,505
Total Ending Fund Balance	287,023	246,683	209,069	222,443	257,505
TOTAL USE OF FUNDS	418,914	471,832	460,218	460,118	405,938

* Actuals may not subtotal due to rounding.

Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	203,022	223,210	169,561	169,561	152,735
Total Beginning Fund Balance	203,022	223,210	169,561	169,561	152,735
Revenue from the Use of Money/Property					
Interest	4,136	3,500	3,500	3,000	3,000
Total Revenue from the Use of Money/Property	4,136	3,500	3,500	3,000	3,000
Special Assessments					
Special Assessments Revenue	54,798	62,800	62,800	62,800	64,800
Total Special Assessments	54,798	62,800	62,800	62,800	64,800
Transfers					
General Fund	21,461	21,461	21,461	21,461	21,461
Total Transfers	21,461	21,461	21,461	21,461	21,461
TOTAL SOURCE OF FUNDS	283,417	310,971	257,322	256,822	241,996
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	99,893	77,613	90,613	90,613	159,250
DOT Personal Services	10,023	12,365	12,365	10,073	13,351
Overhead	3,940	3,401	3,401	3,401	4,153
Total Expenditures	113,856	93,379	106,379	104,087	176,754
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	169,561	217,592	150,943	152,735	65,242
Total Ending Fund Balance	169,561	217,592	150,943	152,735	65,242
TOTAL USE OF FUNDS	283,417	310,971	257,322	256,822	241,996

* Actuals may not subtotal due to rounding.

Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	97,073	118,783	120,710	120,710	138,165
Total Beginning Fund Balance	97,073	118,783	120,710	120,710	138,165
Revenue from the Use of Money/Property					
Interest	2,078	1,800	1,800	2,000	2,000
Total Revenue from the Use of Money/Property	2,078	1,800	1,800	2,000	2,000
Special Assessments					
Special Assessments Revenue	96,889	100,600	100,600	100,600	103,900
Total Special Assessments	96,889	100,600	100,600	100,600	103,900
Transfers					
General Fund	8,996	8,996	8,996	8,996	8,996
Total Transfers	8,996	8,996	8,996	8,996	8,996
TOTAL SOURCE OF FUNDS	205,037	230,179	232,106	232,306	253,061
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	44,687	47,060	47,060	47,060	51,800
DOT Personal Services	27,673	37,550	37,550	37,550	31,905
Overhead	11,967	9,531	9,531	9,531	10,122
Total Expenditures	84,327	94,141	94,141	94,141	93,827
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	120,710	136,038	137,965	138,165	159,234
Total Ending Fund Balance	120,710	136,038	137,965	138,165	159,234
TOTAL USE OF FUNDS	205,037	230,179	232,106	232,306	253,061

* Actuals may not subtotal due to rounding.

Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	162,986	178,036	150,410	150,410	159,737
Total Beginning Fund Balance	162,986	178,036	150,410	150,410	159,737
Revenue from the Use of Money/Property					
Interest	3,087	2,700	2,700	3,000	3,000
Total Revenue from the Use of Money/Property	3,087	2,700	2,700	3,000	3,000
Special Assessments					
Special Assessments Revenue	60,876	63,500	63,500	63,500	73,800
Total Special Assessments	60,876	63,500	63,500	63,500	73,800
Transfers					
General Fund	35,223	35,223	35,223	35,223	35,223
Total Transfers	35,223	35,223	35,223	35,223	35,223
TOTAL SOURCE OF FUNDS	262,172	279,459	251,833	252,133	271,760
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	98,305	86,630	86,630	76,630	181,000
DOT Personal Services	9,517	12,365	12,365	12,365	12,702
Overhead	3,940	3,401	3,401	3,401	4,316
Total Expenditures	111,762	102,396	102,396	92,396	198,018
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	150,410	177,063	149,437	159,737	73,742
Total Ending Fund Balance	150,410	177,063	149,437	159,737	73,742
TOTAL USE OF FUNDS	262,172	279,459	251,833	252,133	271,760

* Actuals may not subtotal due to rounding.

Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
City Housing Authority Reserve (Source)	26,301,213	21,698,554	21,762,582	21,762,582	10,254,418
Committed Projects Reserve (Source)	0	500,000	500,000	500,000	0
Homeless Emergency Aid Program Reserve (Source)	0	6,989,988	6,989,988	6,989,988	0
Housing Project Reserve (Source)	13,695,000	13,195,000	13,195,000	13,195,000	5,856,258
Inclusionary In-Lieu Policy Fee Reserve (Source)	4,000,000	16,350,000	16,350,000	16,350,000	0
Reserve for Encumbrances (Source)	2,835,499	2,835,499	15,237,527	15,237,527	15,237,527
Retiree Healthcare Solutions Reserve (Source)	46,068	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	19,715,895	3,381,518	9,362,860	9,019,358	32,565,514
Total Beginning Fund Balance	66,593,675	64,950,559	83,397,957	83,054,455	63,913,717
Fines, Forfeitures, and Penalties					
Rent Stabilization Program	77,465	0	0	0	0
Total Fines, Forfeitures, and Penalties	77,465	0	0	0	0
Revenue from the Use of Money/Property					
Unassigned Special Fund Viscodes	0	0	0	0	0
Interest	2,103,693	560,000	720,000	1,000,000	560,000
Loan Repayments	2,080,234	750,000	870,000	1,750,000	1,750,000
Recovery Act - Neighborhood Stabilization Program 2	46,262	0	0	140,000	40,000
Total Revenue from the Use of Money/Property	4,230,189	1,310,000	1,590,000	2,890,000	2,350,000
Revenue from State of California					
Grant Revenue	11,389,987	0	0	0	0
Homeless Housing Assistance and Prevention Grant (Source)	0	0	23,832,511	23,832,511	0
Total Revenue from State of California	11,389,987	0	23,832,511	23,832,511	0
Revenue from Federal Government					
Coronavirus Aid, Relief, and Economic Security (CARES) Act	0	0	2,893,097	2,893,097	0
Grant Revenue	2,170,628	2,161,039	4,572,988	1,689,191	3,091,982
Total Revenue from Federal Government	2,170,628	2,161,039	7,466,085	4,582,288	3,091,982
Fees, Rates, and Charges					
Housing Impact Fees and Charges	1,444,206	0	0	0	0
Inclusionary In-Lieu Policy Fee	5,923,810	0	0	0	0
Miscellaneous	118,627	0	0	75,000	75,000
Multi-Family Housing Fees and Charges	429,073	500,000	500,000	600,000	600,000
Rent Stabilization Program	3,572,900	0	0	0	0
Total Fees, Rates, and Charges	11,488,617	500,000	500,000	675,000	675,000
Other Revenue					
Miscellaneous Revenue	76,352	10,000	10,000	0	0
Total Other Revenue	76,352	10,000	10,000	0	0
Transfers					
Multi-Source Housing Fund	4,400,000	44,474,696	46,218,222	46,218,222	0
Emergency Reserve Fund	0	0	3,919,821	3,919,821	0
Total Transfers	4,400,000	44,474,696	50,138,043	50,138,043	0

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
TOTAL SOURCE OF FUNDS	100,426,913	113,406,294	166,934,596	165,172,297	70,030,699
Expenditures					
2017 Coyote Creek Flood Recovery Efforts	1,589,434	1,900,000	2,221,297	1,227,165	994,132
Bridge Housing Communities	0	0	1,700,000	4,490,000	0
CalHome (BEGIN) Program	2,830	0	0	0	0
CalHome (Homebuyer) Program	0	10,000	10,000	0	10,000
CalHome (Rehabilitation) Program	246,441	275,000	275,000	200,000	275,000
Capital Grant Program	656,972	0	0	350,000	0
CARES Emergency Shelter Grants	0	0	2,683,479	2,683,479	0
CARES HOPWA Grants	0	0	209,618	209,618	0
City Attorney Personal Services	330,905	145,886	160,207	160,207	88,126
Crisis Response Interventions	0	3,289,987	3,289,987	3,289,987	0
Destination: Home COVID-19	0	0	2,000,000	2,000,000	0
Emergency Shelter Grants	668,373	882,266	762,263	762,263	882,711
Emergency Shelters	0	0	17,232,511	6,000,000	11,232,511
Grant Administration	0	0	1,600,000	0	0
Homeless Rapid Rehousing	4,047,565	500,000	2,110,523	750,000	4,925,000
Homeless Outreach Services	41,485	920,000	920,000	350,025	500,000
Homeless Youth	0	0	2,000,000	0	2,000,000
Homelessness Prevention System	0	1,000,000	4,000,000	1,000,000	3,000,000
HOPWA GRANTS	1,019,529	1,278,773	1,278,773	1,278,773	1,397,182
HOPWA PSH	457,345	12,600	1,454,160	1,454,160	418,819
HOPWA VAWA	102,633	9,300	1,087,092	1,087,092	508,957
Housing Loans and Grants	103,213	0	200,000	0	200,000
Housing Non-Personal/Equipment	388,705	34,547	34,547	34,547	34,547
Housing Personal Services	1,986,342	1,387,687	1,465,699	650,000	1,078,978
Interim Housing Solutions	0	2,200,000	2,200,000	2,200,000	0
Loan Administration	0	500,000	500,000	5,000	525,000
Overhead	1,032,527	233,693	233,693	233,693	130,023
PBCE Personal Services	31,450	24,557	24,557	24,557	25,072
Permanent Supportive Housing Services	0	1,000,000	1,000,000	560,000	0
Rebuilding for Heroes	131,414	3,170,000	3,068,586	40,000	100,000
Recovery Act - Neighborhood Stabilization Program 2	135,295	60,000	140,000	140,000	200,000
SB89 COVID-19 Emergency	0	0	3,919,821	3,000,000	919,821
Survivors of Violence Housing Assistance	0	75,000	75,000	75,000	0
VA Rental Subsidy Program	0	1,000,000	1,000,000	0	0
Total Expenditures	12,972,458	19,909,296	58,856,813	34,255,566	29,445,879
Transfers					
Transfer to the Affordable Housing Impact Fee Fund	0	509,200	1,891,932	1,891,932	0
Transfer to the Homeless Emergency Aid Program Fund	4,400,000	6,989,987	7,093,666	7,093,666	0
Transfer to the Housing Authority Litigation Award Fund	0	36,975,509	37,232,624	37,232,624	0
Transfer to the Inclusionary Fund	0	11,102,044	18,755,786	18,755,786	0
Transfer to the Rent Stabilization Program Fund	0	734,960	2,029,006	2,029,006	0
Total Transfers	4,400,000	56,311,700	67,003,014	67,003,014	0
Ending Fund Balance					
City Housing Authority Reserve (Use)	21,762,582	15,226,384	10,254,418	10,254,418	8,228,502
Committed Projects Reserve (Use)	500,000	0	0	0	0
Homeless Emergency Aid Program Reserve (Use)	6,989,988	0	0	0	0
Housing Project Reserve (Use)	13,195,000	13,510,000	5,856,258	5,856,258	11,697,732

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Inclusionary In-Lieu Policy Fee Reserve (Use)	16,350,000	0	0	0	0
Reserve for Encumbrances (Use)	15,237,527	2,835,499	15,237,527	15,237,527	15,237,527
Unrestricted Ending Fund Balance (Use)	9,019,358	5,613,415	9,726,566	32,565,514	5,421,059
Total Ending Fund Balance	83,054,455	37,185,298	41,074,769	63,913,717	40,584,820
TOTAL USE OF FUNDS	100,426,913	113,406,294	166,934,596	165,172,297	70,030,699

* Actuals may not subtotal due to rounding.

Municipal Golf Course Fund (518)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	637,969	653,969	712,152	712,152	725,152
Total Beginning Fund Balance	637,969	653,969	712,152	712,152	725,152
Revenue from the Use of Money/Property					
Interest	10,567	12,000	12,000	100,000	12,000
San Jose Municipal Golf Course	418,915	440,000	440,000	340,000	340,000
Total Revenue from the Use of Money/Property	429,482	452,000	452,000	440,000	352,000
Transfers					
General Fund	2,700,000	8,396,400	10,696,400	10,696,400	9,661,000
Total Transfers	2,700,000	8,396,400	10,696,400	10,696,400	9,661,000
TOTAL SOURCE OF FUNDS	3,767,451	9,502,369	11,860,552	11,848,552	10,738,152
USE OF FUNDS					
Expenditures					
Coyote Creek Environmental Mitigation	0	1,000	1,000	1,000	1,000
Los Lagos Debt Service	1,498,081	4,394,400	6,694,400	6,694,400	9,270,000
Los Lagos Golf Course	603,545	600,000	600,000	438,000	500,000
Rancho del Pueblo Debt Service	439,977	3,421,000	3,490,000	3,490,000	0
Rancho del Pueblo Golf Course	513,696	500,000	500,000	500,000	500,000
Total Expenditures	3,055,300	8,916,400	11,285,400	11,123,400	10,271,000
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	712,152	585,969	575,152	725,152	467,152
Total Ending Fund Balance	712,152	585,969	575,152	725,152	467,152
TOTAL USE OF FUNDS	3,767,452	9,502,369	11,860,552	11,848,552	10,738,152

* Actuals may not subtotal due to rounding.

Planning Development Fee Program Fund (238)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Revenue from the Use of Money/Property					
Interest	0	0	0	0	31,000
Total Revenue from the Use of Money/Property	0	0	0	0	31,000
Fees, Rates, and Charges					
Planning Development Program Fees	0	0	0	0	5,891,328
Total Fees, Rates, and Charges	0	0	0	0	5,891,328
Transfers					
General Fund	0	0	0	0	1,500,000
Total Transfers	0	0	0	0	1,500,000
TOTAL SOURCE OF FUNDS	0	0	0	0	7,422,328
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	0	0	0	1,514
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	0	0	0	0	178,063
Development Fee Program - Shared Resources Personal Services (Finance)	0	0	0	0	38,886
Development Fee Program - Shared Resources Personal Services (HR)	0	0	0	0	17,734
Development Fee Program - Shared Resources Personal Services (ITD)	0	0	0	0	45,417
Development Fee Program - Shared Resources Personal Services (PBCE)	0	0	0	0	680,840
Overhead	0	0	0	0	873,695
Planning Development Fee Program - Non-Personal/Equipment (PBCE)	0	0	0	0	165,523
Planning Development Fee Program - Personal Services (PBCE)	0	0	0	0	4,661,857
Planning Development Fee Program - Personal Services (PW)	0	0	0	0	10,601
Total Expenditures	0	0	0	0	6,674,130
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	340,133
Total Transfers	0	0	0	0	340,133
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	0	408,065
Total Ending Fund Balance	0	0	0	0	408,065
TOTAL USE OF FUNDS	0	0	0	0	7,422,328

* Actuals may not subtotal due to rounding.

Police Retiree Healthcare Trust Fund (125)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals*	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	74,098,000	93,400,715	92,255,000	92,255,000	113,288,917
Total Beginning Fund Balance	74,098,000	93,400,715	92,255,000	92,255,000	113,288,917
Revenue from the Use of Money/Property					
Investment Income	4,099,000	7,267,736	7,267,736	6,469,905	7,860,433
Total Revenue from the Use of Money/Property	4,099,000	7,267,736	7,267,736	6,469,905	7,860,433
Transfers					
City Contributions	14,086,000	14,451,000	14,451,000	14,595,078	15,320,000
Total Transfers	14,086,000	14,451,000	14,451,000	14,595,078	15,320,000
TOTAL SOURCE OF FUNDS	92,283,000	115,119,451	113,973,736	113,319,983	136,469,350
USE OF FUNDS					
Expenditures					
Professional Fees	28,000	70,551	31,066	31,066	38,398
Total Expenditures	28,000	70,551	31,066	31,066	38,398
Ending Fund Balance					
Reserve for Claims (Use)	92,255,000	115,048,900	113,942,670	113,288,917	136,430,952
Total Ending Fund Balance	92,255,000	115,048,900	113,942,670	113,288,917	136,430,952
TOTAL USE OF FUNDS	92,283,000	115,119,451	113,973,736	113,319,983	136,469,350

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 4/2/20.

* Actuals may not subtotal due to rounding.

Police and Fire Retirement Fund (135)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals*	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	3,539,205,000	3,695,653,669	3,625,272,000	3,625,272,000	3,795,714,592
Total Beginning Fund Balance	3,539,205,000	3,695,653,669	3,625,272,000	3,625,272,000	3,795,714,592
Revenue from the Use of Money/Property					
Participant Income	38,216,000	41,372,366	41,372,366	40,144,335	42,987,000
Investment Income	115,467,000	206,230,204	206,230,204	200,958,593	211,756,011
Total Revenue from the Use of Money/Property	153,683,000	247,602,570	247,602,570	241,102,928	254,743,011
Transfers					
City Contributions	182,334,000	186,260,000	186,260,000	186,258,749	205,900,000
1970 COLA	534	535	535	534	1,000
1980 COLA	8,385	8,820	8,820	7,470	9,000
1990 COLA	3,801	3,800	3,800	3,801	4,000
Total Transfers	182,346,720	186,273,155	186,273,155	186,270,554	205,914,000
TOTAL SOURCE OF FUNDS	3,875,234,720	4,129,529,394	4,059,147,725	4,052,645,482	4,256,371,603
USE OF FUNDS					
Expenditures					
Retirement Personal Services	3,334,302	3,545,992	3,898,000	3,608,216	4,171,000
Retirement Non-Personal/Equipment	1,159,922	1,408,000	1,408,000	1,068,509	1,250,000
Benefits	218,008,000	223,653,000	223,653,000	226,769,000	234,580,000
Health Insurance	26,403,000	26,231,000	26,231,000	24,702,000	26,703,000
Professional Fees	954,776	952,695	992,180	771,360	983,703
1970 COLA	534	535	535	534	1,000
1980 COLA	8,385	8,820	8,820	7,470	9,000
1990 COLA	3,801	3,800	3,800	3,801	4,000
Total Expenditures	249,872,720	255,803,842	256,195,335	256,930,890	267,701,703
Ending Fund Balance					
Reserve for Claims (Use)	3,625,362,000	3,873,725,552	3,802,952,390	3,795,714,592	3,988,669,900
Total Ending Fund Balance	3,625,362,000	3,873,725,552	3,802,952,390	3,795,714,592	3,988,669,900
TOTAL USE OF FUNDS	3,875,234,720	4,129,529,394	4,059,147,725	4,052,645,482	4,256,371,603

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 4/2/20. 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 April.

* Actuals may not subtotal due to rounding.

Public Works Development Fee Program Fund (241)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Revenue from the Use of Money/Property					
Interest	0	0	0	0	125,000
Total Revenue from the Use of Money/Property	0	0	0	0	125,000
Fees, Rates, and Charges					
Public Works Development Program Fees	0	0	0	0	6,479,200
Public Works Utility Program Fees	0	0	0	0	4,446,000
Total Fees, Rates, and Charges	0	0	0	0	10,925,200
Transfers					
General Fund	0	0	0	0	3,500,000
Total Transfers	0	0	0	0	3,500,000
TOTAL SOURCE OF FUNDS	0	0	0	0	14,550,200
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	0	0	0	930
Development Fee Program - Shared Resources Personal Services (Finance)	0	0	0	0	22,875
Development Fee Program - Shared Resources Personal Services (ITD)	0	0	0	0	44,978
Overhead	0	0	0	0	1,970,377
Public Works Development Fee Program - Non-Personal/Equipment (PBCE)	0	0	0	0	104,371
Public Works Development Fee Program - Non-Personal/Equipment (PW)	0	0	0	0	298,907
Public Works Development Fee Program - Personal Services (OED)	0	0	0	0	55,847
Public Works Development Fee Program - Personal Services (PBCE)	0	0	0	0	365,748
Public Works Development Fee Program - Personal Services (PW)	0	0	0	0	10,684,208
Total Expenditures	0	0	0	0	13,548,241
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	114,691
Total Transfers	0	0	0	0	114,691
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	0	887,268
Total Ending Fund Balance	0	0	0	0	887,268
TOTAL USE OF FUNDS	0	0	0	0	14,550,200

* Actuals may not subtotal due to rounding.

Public Works Program Support Fund (150)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	43,982	43,982	213,639	213,639	213,639
Unrestricted Beginning Fund Balance (Source)	2,350,183	1,957,217	2,315,440	2,315,440	1,000,441
Total Beginning Fund Balance	2,394,165	2,001,199	2,529,079	2,529,079	1,214,080
Revenue from the Use of Money/Property					
Interest	81,113	73,000	73,000	73,000	73,000
Total Revenue from the Use of Money/Property	81,113	73,000	73,000	73,000	73,000
Other Revenue					
Miscellaneous	46,030	0	0	0	0
Total Other Revenue	46,030	0	0	0	0
Transfers					
Capital Program Support	1,720,177	2,050,000	2,050,000	1,800,000	2,052,000
Compensated Absence	9,602,052	10,938,000	10,938,000	10,030,000	10,938,000
Public Works Program Support	5,452,818	6,160,000	6,160,000	5,360,000	7,137,000
Total Transfers	16,775,047	19,148,000	19,148,000	17,190,000	20,127,000
TOTAL SOURCE OF FUNDS	19,296,355	21,222,199	21,750,079	19,792,079	21,414,080
USE OF FUNDS					
Expenditures					
Capital Program Staff Training	0	50,000	50,000	50,000	50,000
Capital Support Vehicle Program	0	250,000	250,000	250,000	250,000
Compensated Time Off	9,507,787	10,938,000	10,938,000	10,030,000	10,938,000
Finance Non-Personal/Equipment	32,202	20,000	20,000	20,000	20,000
Finance Personal Services	35,698	52,763	52,763	13,990	54,728
HR Personal Services	142,099	147,402	147,402	110,667	173,749
ITD Non-Personal/Equipment	0	50,956	110,956	110,956	2,142
ITD Personal Services	37,233	70,601	70,601	70,601	74,221
Overhead	1,022,951	1,259,363	1,259,363	1,200,282	1,277,703
PW Non-Personal/Equipment	927,763	727,759	727,759	727,759	736,759
PW Personal Services	5,061,543	6,089,121	6,084,048	5,993,744	6,619,736
Total Expenditures	16,767,275	19,655,965	19,710,892	18,577,999	20,197,038
Ending Fund Balance					
Reserve for Encumbrances (Use)	213,639	43,982	213,639	213,639	213,639
Unrestricted Ending Fund Balance (Use)	2,315,440	1,522,252	1,825,548	1,000,441	1,003,403
Total Ending Fund Balance	2,529,079	1,566,234	2,039,187	1,214,080	1,217,042
TOTAL USE OF FUNDS	19,296,354	21,222,199	21,750,079	19,792,079	21,414,080

* Actuals may not subtotal due to rounding.

Public Works Small Cell Permitting Fee Program Fund (242)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Revenue from the Use of Money/Property					
Interest	0	0	0	0	10,000
Total Revenue from the Use of Money/Property	0	0	0	0	10,000
Fees, Rates, and Charges					
Public Works Small Cell Permitting Program Fees	0	0	0	0	3,699,000
Total Fees, Rates, and Charges	0	0	0	0	3,699,000
Transfers					
General Fund	0	0	0	0	500,000
Total Transfers	0	0	0	0	500,000
TOTAL SOURCE OF FUNDS	0	0	0	0	4,209,000
USE OF FUNDS					
Expenditures					
Overhead	0	0	0	0	566,440
Public Works Small Cell Permitting - Non-Personal/Equipment (PW)	0	0	0	0	12,000
Public Works Small Cell Permitting - Personal Services (PW)	0	0	0	0	3,090,072
Total Expenditures	0	0	0	0	3,668,512
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	30,488
Total Transfers	0	0	0	0	30,488
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	0	0	510,000
Total Ending Fund Balance	0	0	0	0	510,000
TOTAL USE OF FUNDS	0	0	0	0	4,209,000

* Actuals may not subtotal due to rounding.

Rental Stabilization Program Fee Fund (450)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	0	0	0	0	1,692,375
Total Beginning Fund Balance	0	0	0	0	1,692,375
Revenue from the Use of Money/Property					
Interest	0	25,000	25,000	2,500	10,000
Total Revenue from the Use of Money/Property	0	25,000	25,000	2,500	10,000
Fees, Rates, and Charges					
Apartment Rent Ordinance Fee	0	2,975,607	2,975,607	3,426,813	2,980,000
Ellis Act Fee	0	0	0	5,000	5,000
Mobilehome Ordinance Fee	0	259,053	259,053	259,877	260,000
Tenant Protection Ordinance Fee	0	770,880	770,880	434,347	750,000
Total Fees, Rates, and Charges	0	4,005,540	4,005,540	4,126,037	3,995,000
Transfers					
Multi-Source Housing Fund	0	734,960	2,029,006	2,029,006	0
Total Transfers	0	734,960	2,029,006	2,029,006	0
TOTAL SOURCE OF FUNDS	0	4,765,500	6,059,546	6,157,543	5,697,375
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	0	513,196	513,196	513,196	528,817
Housing Non-Personal/Equipment	0	353,515	1,033,515	853,515	378,515
Housing Personal Services	0	2,686,591	2,686,591	2,686,591	2,678,159
Overhead	0	387,130	387,130	387,130	461,261
PBCE Personal Services	0	24,736	24,736	24,736	26,534
Total Expenditures	0	3,965,168	4,645,168	4,465,168	4,073,286
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	800,332	1,414,378	1,692,375	1,624,089
Total Ending Fund Balance	0	800,332	1,414,378	1,692,375	1,624,089
TOTAL USE OF FUNDS	0	4,765,500	6,059,546	6,157,543	5,697,375

* Actuals may not subtotal due to rounding.

San José Arena Capital Reserve Fund (459)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Previously Approved Repairs Reserve (Source)	1,204,662	961,247	961,247	961,247	2,753,054
Unrestricted Beginning Fund Balance (Source)	2,699,441	1,310,691	5,328,759	5,328,759	1,368,577
Total Beginning Fund Balance	3,904,103	2,271,938	6,290,006	6,290,006	4,121,631
Revenue from the Use of Money/Property					
Interest	122,136	115,000	115,000	177,000	85,000
San Jose Arena Management	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Total Revenue from the Use of Money/Property	1,822,136	1,815,000	1,815,000	1,877,000	1,785,000
Transfers					
General Fund (Arena Revenue)	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Total Transfers	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
TOTAL SOURCE OF FUNDS	8,026,239	6,386,938	10,405,006	10,467,006	8,206,631
USE OF FUNDS					
Expenditures					
Electrical Repairs	313,688	152,750	1,668,438	1,668,438	1,235,500
Mechanical Repairs	490,320	1,700,000	1,885,429	1,885,429	2,496,500
Miscellaneous Repairs	72,491	1,173,500	1,241,690	1,241,690	58,000
Structures Repairs	624,686	955,000	1,166,003	1,166,003	10,000
Unanticipated / Emergency Repairs	235,048	150,000	383,815	383,815	200,000
Total Expenditures	1,736,232	4,131,250	6,345,375	6,345,375	4,000,000
Ending Fund Balance					
Previously Approved Repairs Reserve (Use)	961,247	961,247	2,753,054	2,753,054	2,753,054
Unrestricted Ending Fund Balance (Use)	5,328,759	1,294,441	1,306,577	1,368,577	1,453,577
Total Ending Fund Balance	6,290,006	2,255,688	4,059,631	4,121,631	4,206,631
TOTAL USE OF FUNDS	8,026,238	6,386,938	10,405,006	10,467,006	8,206,631

* Actuals may not subtotal due to rounding.

San José Clean Energy Operating Fund (501)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	0	5,000,000	0	0	20,000,000
Rate Stabilization Reserve (Source)	0	0	1,939,000	1,939,000	0
Reserve for Encumbrances (Source)	49,164	49,164	4,548,823	4,548,823	4,548,823
Unrestricted Beginning Fund Balance (Source)	(251,935)	9,401,187	11,745,930	11,745,930	22,890,396
Total Beginning Fund Balance	(202,771)	14,450,351	18,233,753	18,233,753	47,439,219
Revenue from the Use of Money/Property					
Interest	131,115	0	0	800,000	750,000
Total Revenue from the Use of Money/Property	131,115	0	0	800,000	750,000
Fees, Rates, and Charges					
Energy Sales	102,570,927	297,526,000	302,526,000	334,000,000	302,000,000
Total Fees, Rates, and Charges	102,570,927	297,526,000	302,526,000	334,000,000	302,000,000
Other Revenue					
Reimbursements	285,161	0	0	0	0
Total Other Revenue	285,161	0	0	0	0
Financing Proceeds					
Other Financing Proceeds	0	30,000,000	30,000,000	0	30,000,000
Commercial Paper Proceeds	9,086,327	0	0	0	0
Total Financing Proceeds	9,086,327	30,000,000	30,000,000	0	30,000,000
TOTAL SOURCE OF FUNDS	111,870,759	341,976,351	350,759,753	353,033,753	380,189,219
USE OF FUNDS					
Expenditures					
Bonding and Security (CPUC)	0	150,000	150,000	150,000	150,000
City Attorney Non-Personal/Equipment	0	500,000	500,000	0	0
City Attorney Personal Services	320,627	483,637	618,453	618,453	781,343
City Manager Personal Services	0	0	0	0	97,565
Community Energy Non-Personal/Equipment	4,705,602	8,787,801	8,987,801	8,000,000	9,437,801
Community Energy Personal Services	2,702,842	4,289,172	4,624,172	4,100,000	5,766,081
Cost of Energy	84,581,939	286,790,000	293,290,000	287,000,000	272,074,395
Debt Service - Interest - CP	94,103	480,000	480,000	600,000	931,431
Debt Service - Interest - Revolver	66,083	1,650,000	1,650,000	596,021	613,564
Debt Service - Principal - CP	0	0	0	0	10,000,000
Debt Service - Principal - Revolver	0	10,000,000	10,000,000	0	0
Finance Non-Personal/Equipment	0	0	0	0	24,000
Finance Personal Services	114,806	153,891	153,891	95,000	158,825
Letter of Credit Fees	293,182	1,000,000	1,000,000	408,509	407,114
Overhead	0	1,140,543	1,140,543	1,140,543	2,091,562
Pacific Gas & Electric Security Fees	486,779	1,460,000	1,460,000	1,452,333	1,512,000
State Electrical ENERGY Surcharge	271,043	1,526,000	1,526,000	1,217,886	1,235,028
Total Expenditures	93,637,006	318,411,044	325,580,860	305,378,745	305,280,709
Transfers					
Transfer to the City Hall Debt Service Fund	0	215,789	215,789	215,789	232,130
Total Transfers	0	215,789	215,789	215,789	232,130

* Actuals may not subtotal due to rounding.

San José Clean Energy Operating Fund (501)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Ending Fund Balance					
Community Energy Rate Stabilization Reserve (Use)	1,939,000	0	0	0	0
Operations and Maintenance Reserve (Use)	0	20,000,000	20,000,000	20,000,000	20,000,000
Reserve for Encumbrances (Use)	4,548,823	49,164	4,548,823	4,548,823	4,548,823
Restricted Credit Reserve (Use)	0	0	0	0	30,000,000
Unrestricted Ending Fund Balance (Use)	11,745,930	3,300,354	414,281	22,890,396	20,127,557
Total Ending Fund Balance	18,233,753	23,349,518	24,963,104	47,439,219	74,676,380
TOTAL USE OF FUNDS	111,870,759	341,976,351	350,759,753	353,033,753	380,189,219

* Actuals may not subtotal due to rounding.

San José Municipal Stadium Capital Fund (476)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Revenue from the Use of Money/Property					
Rent - Baseball Acquisition Company	36,882	39,000	39,000	39,000	39,000
Total Revenue from the Use of Money/Property	<u>36,882</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>
TOTAL SOURCE OF FUNDS	<u><u>36,882</u></u>	<u><u>39,000</u></u>	<u><u>39,000</u></u>	<u><u>39,000</u></u>	<u><u>39,000</u></u>
USE OF FUNDS					
Expenditures					
Capital Enhancements	36,882	39,000	39,000	39,000	39,000
Total Expenditures	<u>36,882</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>
TOTAL USE OF FUNDS	<u><u>36,882</u></u>	<u><u>39,000</u></u>	<u><u>39,000</u></u>	<u><u>39,000</u></u>	<u><u>39,000</u></u>

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Income Fund (514)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	422,993	231,393	326,334	326,334	431,354
Total Beginning Fund Balance	<u>422,993</u>	<u>231,393</u>	<u>326,334</u>	<u>326,334</u>	<u>431,354</u>
Revenue from the Use of Money/Property					
Interest	2,337	5,020	5,020	5,020	8,410
Rental	201,004	100,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	<u>203,341</u>	<u>105,020</u>	<u>105,020</u>	<u>105,020</u>	<u>108,410</u>
TOTAL SOURCE OF FUNDS	<u><u>626,334</u></u>	<u><u>336,413</u></u>	<u><u>431,354</u></u>	<u><u>431,354</u></u>	<u><u>539,764</u></u>
USE OF FUNDS					
Transfers					
Transfer to the Sewer Service and Use Charge Fund	300,000	0	0	0	0
Total Transfers	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	326,334	336,413	431,354	431,354	539,764
Total Ending Fund Balance	<u>326,334</u>	<u>336,413</u>	<u>431,354</u>	<u>431,354</u>	<u>539,764</u>
TOTAL USE OF FUNDS	<u><u>626,334</u></u>	<u><u>336,413</u></u>	<u><u>431,354</u></u>	<u><u>431,354</u></u>	<u><u>539,764</u></u>

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Operating Fund (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	17,113,000	16,203,000	16,203,000	16,203,000	16,900,000
Reserve for Encumbrances (Source)	4,061,817	4,061,817	2,961,023	2,961,023	2,961,023
Retiree Healthcare Solutions Reserve (Source)	1,650,750	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	13,585,908	7,881,118	13,792,975	13,792,975	17,620,070
Workers' Compensation Claims Reserve (Source)	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Beginning Fund Balance	38,763,475	30,497,935	35,308,998	35,308,998	39,833,093
Revenue from the Use of Money/Property					
Interest	277,397	430,000	430,000	1,400,000	430,000
Total Revenue from the Use of Money/Property	277,397	430,000	430,000	1,400,000	430,000
Revenue from Local Agencies					
Contributions - Other Agencies	17,574,936	18,500,000	18,500,000	19,554,838	27,300,000
Contributions - Santa Clara	12,905,106	13,400,000	13,400,000	13,320,094	17,500,000
Total Revenue from Local Agencies	30,480,042	31,900,000	31,900,000	32,874,932	44,800,000
Other Revenue					
Miscellaneous	409,067	340,000	340,000	394,400	340,000
South Bay Dischargers Authority	62,934	65,000	65,000	61,750	0
Total Other Revenue	472,001	405,000	405,000	456,150	340,000
Transfers					
Sewer Service and Use Charge Fund	53,400,000	64,000,000	64,000,000	64,000,000	85,500,000
Total Transfers	53,400,000	64,000,000	64,000,000	64,000,000	85,500,000
TOTAL SOURCE OF FUNDS	123,392,915	127,232,935	132,043,998	134,040,080	170,903,093
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	60,304	156,657	156,657	67,933	93,366
City Manager Non-Personal/Equipment	18,000	18,375	18,375	18,200	18,375
City Manager Personal Services	3,500	6,061	6,061	6,202	0
ESD Non-Personal/Equipment	22,945,093	30,134,600	30,134,600	27,348,000	34,010,552
ESD Personal Services	51,205,082	56,910,428	56,856,698	52,142,367	57,113,685
Finance Non-Personal/Equipment	236	2,958	2,958	2,900	2,958
Finance Personal Services	82,285	127,764	127,764	120,137	126,872
HR Non-Personal/Equipment	1,500	1,500	1,500	1,500	1,500
HR Personal Services	345,370	325,165	327,383	337,921	325,128
Inventory	616,167	600,000	600,000	596,000	600,000
ITD Non-Personal/Equipment	269	128,893	128,893	96,670	14,604
ITD Personal Services	112,335	99,364	99,364	61,513	101,080
Legacy Lagoons Remediation	0	0	0	0	39,300,000
Overhead	11,058,648	11,762,560	11,762,560	11,762,560	12,255,861
PW Non-Personal/Equipment	10,793	13,925	13,925	10,400	7,000
PW Personal Services	158,492	98,771	98,771	123,275	101,466
Workers' Compensation Claims	407,909	605,000	605,000	544,500	605,000
Total Expenditures	87,025,983	100,992,021	100,940,509	93,240,078	144,677,447
Transfers					
Transfer to the City Hall Debt Service Fund	1,057,934	966,909	966,909	966,909	944,260

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Operating Fund (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Total Transfers	1,057,934	966,909	966,909	966,909	944,260
Ending Fund Balance					
Operations and Maintenance Reserve (Use)	16,203,000	16,900,000	16,900,000	16,900,000	16,705,000
Reserve for Encumbrances (Use)	2,961,023	4,061,817	2,961,023	2,961,023	2,961,023
Unrestricted Ending Fund Balance (Use)	13,792,975	1,960,188	7,923,557	17,620,070	3,263,363
Workers' Compensation Claim Reserve (Use)	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Ending Fund Balance	35,308,998	25,274,005	30,136,580	39,833,093	25,281,386
TOTAL USE OF FUNDS	123,392,915	127,232,935	132,043,998	134,040,080	170,903,093

* Actuals may not subtotal due to rounding.

Sewage Treatment Plant Connection Fee Fund (539)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Treatment Plant Expansion Reserve (Source)	13,104,760	13,859,760	15,044,537	15,044,536	18,330,536
Total Beginning Fund Balance	<u>13,104,760</u>	<u>13,859,760</u>	<u>15,044,537</u>	<u>15,044,536</u>	<u>18,330,536</u>
Revenue from the Use of Money/Property					
Interest	259,302	154,000	154,000	260,000	398,819
Total Revenue from the Use of Money/Property	<u>259,302</u>	<u>154,000</u>	<u>154,000</u>	<u>260,000</u>	<u>398,819</u>
Fees, Rates, and Charges					
Connection Fees	3,140,019	2,100,000	2,100,000	3,187,000	2,100,000
Metcalf Energy Center Repayment	0	313,000	313,000	313,000	313,000
Total Fees, Rates, and Charges	<u>3,140,019</u>	<u>2,413,000</u>	<u>2,413,000</u>	<u>3,500,000</u>	<u>2,413,000</u>
TOTAL SOURCE OF FUNDS	<u><u>16,504,081</u></u>	<u><u>16,426,760</u></u>	<u><u>17,611,537</u></u>	<u><u>18,804,536</u></u>	<u><u>21,142,355</u></u>
USE OF FUNDS					
Expenditures					
Collection Costs	210,544	474,000	474,000	474,000	623,676
Total Expenditures	<u>210,544</u>	<u>474,000</u>	<u>474,000</u>	<u>474,000</u>	<u>623,676</u>
Transfers					
Transfer to the San Jose-Santa Clara Treatment Plant Capital Fund	1,249,000	0	0	0	0
Total Transfers	<u>1,249,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance					
Treatment Plant Expansion Reserve (Use)	15,044,537	15,952,760	17,137,537	18,330,536	20,518,679
Total Ending Fund Balance	<u>15,044,537</u>	<u>15,952,760</u>	<u>17,137,537</u>	<u>18,330,536</u>	<u>20,518,679</u>
TOTAL USE OF FUNDS	<u><u>16,504,081</u></u>	<u><u>16,426,760</u></u>	<u><u>17,611,537</u></u>	<u><u>18,804,536</u></u>	<u><u>21,142,355</u></u>

* Actuals may not subtotal due to rounding.

Sewer Service And Use Charge Fund (541)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Program-Financing Reserve (Source)	38,500,000	50,000,000	50,000,000	50,000,000	56,500,000
Debt Service Reserve (Source)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Operations and Maintenance Reserve (Source)	5,676,000	5,305,000	5,305,000	5,305,000	5,721,876
Rate Stabilization Reserve (Source)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances (Source)	1,376,418	1,376,418	2,110,464	2,110,464	2,110,464
Retiree Healthcare Solutions Reserve (Source)	498,649	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	4,337,346	6,193,818	8,310,632	8,310,632	5,810,398
Workers' Compensation Claims Reserve (Source)	760,000	760,000	760,000	760,000	760,000
Total Beginning Fund Balance	59,148,413	71,635,236	74,486,096	74,486,096	78,902,738
Revenue from the Use of Money/Property					
Interest	1,562,023	1,540,000	1,540,000	400,000	1,600,000
Total Revenue from the Use of Money/Property	1,562,023	1,540,000	1,540,000	400,000	1,600,000
Fees, Rates, and Charges					
Commercial	25,281,726	25,475,987	25,475,987	25,000,000	25,008,000
Industrial	5,768,757	5,171,630	5,171,630	5,200,000	5,304,000
Residential	131,887,735	135,623,031	135,623,031	136,260,000	140,400,000
Sewer Installation	211,979	60,000	60,000	120,000	60,000
Total Fees, Rates, and Charges	163,150,197	166,330,648	166,330,648	166,580,000	170,772,000
Other Revenue					
Miscellaneous	33,454	0	0	0	0
Total Other Revenue	33,454	0	0	0	0
Transfers					
San José-Santa Clara Treatment Plant Income Fund (Source)	300,000	0	0	0	0
South Bay Water Recycling Operating Fund (Source)	0	2,266,575	2,266,575	1,766,575	1,116,344
Total Transfers	300,000	2,266,575	2,266,575	1,766,575	1,116,344
TOTAL SOURCE OF FUNDS	224,194,087	241,772,459	244,623,319	243,232,671	252,391,082
USE OF FUNDS					
Expenditures					
City Attorney Non-Personal/Equipment	0	200,000	200,000	198,000	0
City Attorney Personal Services	659,734	1,038,457	1,049,098	1,017,475	1,224,150
City Manager Non-Personal/Equipment	5,500	6,125	6,125	6,064	6,125
City Manager Personal Services	3,617	6,061	6,061	6,179	0
Clean Water Financing Authority Audit	24,695	30,750	30,750	29,000	32,272
Collection Costs	460,514	504,000	504,000	498,960	517,000
Customer Information System Transition	0	0	0	3,507	0
DOT Non-Personal/Equipment	5,131,935	6,280,711	6,662,111	6,205,000	6,294,044
DOT Personal Services	12,728,217	14,571,525	14,807,112	13,423,124	15,102,755
ESD Non-Personal/Equipment	242,691	379,053	379,053	375,300	344,329
ESD Personal Services	1,773,900	1,657,611	1,679,491	1,679,491	1,887,975
Facilities Capital Repairs and Maintenance	4,156	40,000	40,000	6,800	40,000
Finance Non-Personal/Equipment	10,858	16,750	16,750	4,188	16,750
Finance Personal Services	426,682	430,793	434,671	418,182	459,798

* Actuals may not subtotal due to rounding.

Sewer Service And Use Charge Fund (541)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
HR Personal Services	29,787	35,339	35,339	36,087	35,676
IDC Disposal Contract	101,265	150,000	150,000	148,500	150,000
ITD Non-Personal/Equipment	665	53,745	53,745	41,000	17,683
ITD Personal Services	142,236	130,243	130,243	104,605	126,153
Major Litigation Costs	64,573	1,500,000	1,500,000	1,485,000	1,500,000
Overhead	5,896,003	5,236,673	5,236,673	5,236,673	5,299,929
PBCE Personal Services	60,833	113,424	113,424	49,962	107,679
PW Non-Personal/Equipment	258,354	311,465	311,465	264,700	312,460
PW Personal Services	1,420,014	2,108,791	2,108,791	1,260,312	2,114,768
Sanitary Sewer Claims	3,485	175,000	175,000	173,300	175,000
Workers' Compensation Claims	190,678	204,000	204,000	202,000	204,000
Total Expenditures	29,640,390	35,180,516	35,833,902	32,873,409	35,968,546
Transfers					
Transfer to the City Hall Debt Service Fund	483,601	459,524	459,524	459,524	432,127
Transfer to the San Jose-Santa Clara Treatment Plant Capital Fund	34,184,000	34,997,000	34,997,000	34,997,000	38,297,000
Transfer to the San Jose-Santa Clara Treatment Plant Operating Fund	53,400,000	64,000,000	64,000,000	64,000,000	85,500,000
Transfer to the Sewer Service and Use Charge Capital Improvement Fund	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Total Transfers	120,067,601	131,456,524	131,456,524	131,456,524	156,229,127
Ending Fund Balance					
Capital Program/Financing Reserve (Use)	50,000,000	56,500,000	56,500,000	56,500,000	38,500,000
Debt Service Reserve (Use)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Operations and Maintenance Reserve (Use)	5,305,000	5,721,876	5,721,876	5,721,876	6,002,000
Rate Stabilization Reserve (Use)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances (Use)	2,110,464	1,376,418	2,110,464	2,110,464	2,110,464
Unrestricted Ending Fund Balance (Use)	8,310,632	2,777,125	4,240,553	5,810,398	4,820,945
Workers' Compensation Claim Reserve (Use)	760,000	760,000	760,000	760,000	760,000
Total Ending Fund Balance	74,486,096	75,135,419	77,332,893	78,902,738	60,193,409
TOTAL USE OF FUNDS	224,194,087	241,772,459	244,623,319	243,232,671	252,391,082

**The 2020-2021 Proposed Sewer Service and Use Charge Fund includes a four percent increase in order to offset base cost increases, proposed cost increases, and reserve contributions to support future financing of the Water Pollution Control Plant Capital Improvement Program. This funding increase equates to a four percent increase to residential customers and increases to commercial and industrial customers based upon their corresponding sewer flow characterization parameters.

* Actuals may not subtotal due to rounding.

South Bay Water Recycling Operating Fund (570)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	0	1,287,815	1,287,815	1,287,815	1,533,214
Reserve for Encumbrances (Source)	0	0	509,808	509,808	509,808
Unrestricted Beginning Fund Balance (Source)	0	785,996	259,533	259,534	431,859
Total Beginning Fund Balance	0	2,073,811	2,057,156	2,057,157	2,474,881
Revenue from the Use of Money/Property					
Interest	55,896	49,185	49,185	49,185	49,185
Total Revenue from the Use of Money/Property	55,896	49,185	49,185	49,185	49,185
Fees, Rates, and Charges					
Recycled Water Sales - Santa Clara	4,779,479	5,421,186	5,421,186	4,755,091	4,908,916
Recycled Water Sales - San Jose Water Company	2,672,036	3,009,911	3,009,911	2,851,305	3,071,363
Recycled Water Sales - Milpitas	1,329,239	1,642,706	1,642,706	1,347,352	1,347,163
Recycled Water Sales - San Jose Municipal Water System	5,056,109	5,091,615	5,091,615	4,790,891	4,859,064
Total Fees, Rates, and Charges	13,836,864	15,165,418	15,165,418	13,744,639	14,186,506
TOTAL SOURCE OF FUNDS	13,892,759	17,288,414	17,271,759	15,850,981	16,710,572
USE OF FUNDS					
Expenditures					
ESD Non-Personal/Equipment	3,726,065	3,355,958	3,855,958	3,778,839	2,972,607
ESD Personal Services	4,108,230	5,260,974	5,257,300	3,990,867	5,150,091
ITD Non-Personal/Equipment	0	11,579	11,579	11,579	521
Overhead	861,331	696,612	696,612	696,612	633,064
SCVWD - Advanced Water Treatment	3,139,977	1,000,000	1,000,000	3,083,238	1,000,000
Total Expenditures	11,835,603	10,325,123	10,821,449	11,561,135	9,756,283
Transfers					
Transfer to the City Hall Debt Service Fund	0	48,390	48,390	48,390	44,565
Transfer to the Sewer Service and Use Charge Fund	0	2,266,575	2,266,575	1,766,575	1,116,344
Total Transfers	0	2,314,965	2,314,965	1,814,965	1,160,909
Ending Fund Balance					
Operations and Maintenance Reserve (Use)	1,287,815	1,533,214	1,533,214	1,533,214	1,467,432
Reserve for Encumbrances (Use)	509,808	0	509,808	509,808	509,808
Unrestricted Ending Fund Balance (Use)	259,533	3,115,112	2,092,323	431,859	3,816,140
Total Ending Fund Balance	2,057,156	4,648,326	4,135,345	2,474,881	5,793,380
TOTAL USE OF FUNDS	13,892,759	17,288,414	17,271,759	15,850,981	16,710,572

* Actuals may not subtotal due to rounding.

St. James Park Management District Fund (345)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	68,033	68,033	56,764	56,764	56,764
Unrestricted Beginning Fund Balance (Source)	3,506,523	2,902,791	3,039,962	3,039,962	2,533,084
Total Beginning Fund Balance	3,574,556	2,970,824	3,096,726	3,096,726	2,589,848
Revenue from the Use of Money/Property					
Interest	66,522	20,809	20,809	46,000	20,809
Total Revenue from the Use of Money/Property	66,522	20,809	20,809	46,000	20,809
Developer Contributions					
St. James Area Park Fee Adjustment Program Donations	0	1,000,000	1,000,000	0	0
Total Developer Contributions	0	1,000,000	1,000,000	0	0
TOTAL SOURCE OF FUNDS	3,641,078	3,991,633	4,117,535	3,142,726	2,610,657
USE OF FUNDS					
Expenditures					
Overhead	93,978	60,718	60,718	60,718	97,197
PRNS Non-Personal/Equipment	263,007	239,000	239,000	239,000	445,000
PRNS Personal Services	183,025	270,547	270,547	245,000	301,750
Total Expenditures	540,010	570,265	570,265	544,718	843,947
Transfers					
Transfer to the City Hall Debt Service Fund	4,342	8,160	8,160	8,160	9,184
Total Transfers	4,342	8,160	8,160	8,160	9,184
Ending Fund Balance					
Reserve for Encumbrances (Use)	56,764	68,033	56,764	56,764	56,764
Unrestricted Ending Fund Balance (Use)	3,039,962	3,345,175	3,482,346	2,533,084	1,700,762
Total Ending Fund Balance	3,096,726	3,413,208	3,539,110	2,589,848	1,757,526
TOTAL USE OF FUNDS	3,641,078	3,991,633	4,117,535	3,142,726	2,610,657

* Actuals may not subtotal due to rounding.

State Drug Forfeiture Fund (417)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	257,428	257,428	0	0	0
Unrestricted Beginning Fund Balance (Source)	81,744	81,944	489,931	489,931	230,281
Total Beginning Fund Balance	339,172	339,372	489,931	489,931	230,281
Revenue from the Use of Money/Property					
Interest	584	0	0	350	0
Total Revenue from the Use of Money/Property	584	0	0	350	0
Revenue from State of California					
State Revenue	404,344	0	0	225,000	0
Total Revenue from State of California	404,344	0	0	225,000	0
Other Revenue					
Miscellaneous	3,260	0	0	0	0
Total Other Revenue	3,260	0	0	0	0
TOTAL SOURCE OF FUNDS	747,360	339,372	489,931	715,281	230,281
USE OF FUNDS					
Expenditures					
Police Helicopter Replacement	148,944	0	0	0	0
Police Non-Personal/Equipment	0	0	485,000	485,000	0
Silicon Valley Regional Communications System - Dispatch Consoles	108,484	0	0	0	0
Total Expenditures	257,428	0	485,000	485,000	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	257,428	0	0	0
Unrestricted Ending Fund Balance (Use)	489,931	81,944	4,931	230,281	230,281
Total Ending Fund Balance	489,931	339,372	4,931	230,281	230,281
TOTAL USE OF FUNDS	747,359	339,372	489,931	715,281	230,281

* Actuals may not subtotal due to rounding.

Storm Sewer Operating Fund (446)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
2018-2019 Blighted Street Medians, Gateways and Roadside Areas Reserve (Source)	300,000	300,000	300,000	300,000	0
Capital Program Reserve (Source)	1,100,000	2,200,000	2,200,000	2,200,000	9,000,000
Grant Match Reserve (Source)	500,000	500,000	500,000	500,000	500,000
Operations and Maintenance Reserve (Source)	4,051,000	4,279,000	4,279,000	4,279,000	4,155,000
Permit Implementation Reserve (Source)	500,000	500,000	500,000	500,000	500,000
Reserve for Encumbrances (Source)	692,360	692,360	776,060	776,060	776,060
Retiree Healthcare Solutions Reserve (Source)	435,748	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	5,126,744	13,620,872	15,533,056	15,533,056	3,807,076
Total Beginning Fund Balance	12,705,852	22,092,232	24,088,116	24,088,116	18,738,136
Fines, Forfeitures, and Penalties					
Penalties	439	9,000	9,000	9,000	9,000
Total Fines, Forfeitures, and Penalties	439	9,000	9,000	9,000	9,000
Revenue from the Use of Money/Property					
Interest	245,230	183,042	183,042	183,000	183,042
Total Revenue from the Use of Money/Property	245,230	183,042	183,042	183,000	183,042
Revenue from Federal Government					
2017 Flood FEMA Reimbursement	23,000	0	0	0	0
Total Revenue from Federal Government	23,000	0	0	0	0
Other Revenue					
Caltrans LTC Reimbursement	5,536,130	0	0	0	0
Miscellaneous Revenue	837	0	0	0	0
Other Revenues	0	0	0	100	0
Total Other Revenue	5,536,967	0	0	100	0
Special Assessments					
Assessments	33,524,819	33,358,000	33,358,000	33,800,000	33,969,000
Total Special Assessments	33,524,819	33,358,000	33,358,000	33,800,000	33,969,000
TOTAL SOURCE OF FUNDS	52,036,307	55,642,274	57,638,158	58,080,216	52,899,178
USE OF FUNDS					
Expenditures					
Collection Fees	97,014	100,000	100,000	100,000	100,000
Customer Information System Transition	0	0	0	2,500	0
DOT Non-Personal/Equipment	2,300,771	2,722,578	3,801,578	4,000,000	2,475,572
DOT Personal Services	5,445,246	5,753,683	5,886,880	5,656,077	5,992,042
ESD Non-Personal/Equipment	2,336,761	2,562,369	2,562,369	2,800,000	2,561,627
ESD Personal Services	5,947,320	7,185,698	7,158,486	6,431,382	7,312,451
Finance Personal Services	13,305	27,089	27,089	12,213	33,435
HR Personal Services	57,981	56,209	56,209	54,188	56,267
IDC Contract	91,111	150,960	150,960	150,000	153,979
ITD Non-Personal/Equipment	642	52,386	52,386	30,000	17,113
ITD Personal Services	123,855	118,613	118,613	96,529	120,258
Overhead	3,751,051	3,319,008	3,319,008	3,319,008	3,306,028
PBCE Personal Services	34,808	106,905	106,905	87,009	109,246

* Actuals may not subtotal due to rounding.

Storm Sewer Operating Fund (446)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
PW Non-Personal/Equipment	46,392	46,600	46,600	46,000	48,000
PW Personal Services	771,884	775,678	791,534	751,308	742,498
Workers' Compensation Claims	118,732	100,000	100,000	100,000	100,000
Yard Trimming Collection/Processing	2,139,871	2,212,993	2,212,993	2,214,792	2,301,513
Total Expenditures	23,276,745	25,290,769	26,491,610	25,851,006	25,430,029
Transfers					
Transfer to the City Hall Debt Service Fund	612,287	593,915	593,915	593,915	549,007
Transfer to the Community Facilities Dist No. 13 (Guadalupe Mines) Fund	10,121	10,121	10,121	10,121	10,121
Transfer to the Community Facilities Dist No. 15 (Berryessa - Sierra) Fund	26,920	26,920	26,920	26,920	26,920
Transfer to the Community Facilities District No. 16 (Raleigh - Coronado) Fund	0	28,000	28,000	28,000	28,000
Transfer to the Maintenance District No. 15 Fund	22,118	22,118	22,118	22,118	22,118
Transfer to the Storm Sewer Capital Fund	4,000,000	12,810,000	12,810,000	12,810,000	9,000,000
Total Transfers	4,671,446	13,491,074	13,491,074	13,491,074	9,636,166
Ending Fund Balance					
Blighted Street Medians, Gateways, and Roadside Areas Reserve (Use)	300,000	0	0	0	0
Capital Program Reserve (Use)	2,200,000	9,000,000	9,000,000	9,000,000	7,000,000
Grant Match Reserve (Use)	500,000	500,000	500,000	500,000	500,000
Operations and Maintenance Reserve (Use)	4,279,000	4,155,000	4,155,000	4,155,000	4,458,885
Permit Implementation Reserve (Use)	500,000	500,000	500,000	500,000	500,000
Reserve for Encumbrances (Use)	776,060	692,360	776,060	776,060	776,060
Unrestricted Ending Fund Balance (Use)	15,533,056	2,013,071	2,724,414	3,807,076	4,598,038
Total Ending Fund Balance	24,088,116	16,860,431	17,655,474	18,738,136	17,832,983
TOTAL USE OF FUNDS	52,036,307	55,642,274	57,638,158	58,080,216	52,899,178

**The 2020-2021 Proposed Storm Sewer Operating Fund's assessments revenue includes no change to the Storm Sewer Service Charge.

* Actuals may not subtotal due to rounding.

Supplemental Law Enforcement Services Fund (414)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	1,089,746	1,089,746	455,873	455,873	455,873
Unrestricted Beginning Fund Balance (Source)	1,156,815	51,281	1,663,058	1,663,058	2,062,453
Total Beginning Fund Balance	2,246,561	1,141,027	2,118,931	2,118,931	2,518,326
Revenue from the Use of Money/Property					
Interest	46,317	0	1,297	33,000	0
Total Revenue from the Use of Money/Property	46,317	0	1,297	33,000	0
Revenue from State of California					
State Revenue	2,378,010	2,299,016	3,518,924	3,518,924	0
Total Revenue from State of California	2,378,010	2,299,016	3,518,924	3,518,924	0
Other Revenue					
Miscellaneous Revenue	1,743	0	0	0	0
Total Other Revenue	1,743	0	0	0	0
TOTAL SOURCE OF FUNDS	4,672,631	3,440,043	5,639,152	5,670,855	2,518,326
USE OF FUNDS					
Expenditures					
SLES Grant 2015-2017	40,523	0	0	0	0
SLES Grant 2016-2018	675,892	52,711	56,640	56,640	0
SLES Grant 2017-2019	1,799,566	675,861	41,828	41,828	0
SLES Grant 2018-2020	37,719	1,570,444	2,457,788	2,457,788	0
SLES Grant 2019-2021	0	0	596,273	596,273	0
Total Expenditures	2,553,700	2,299,016	3,152,529	3,152,529	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	455,873	1,089,746	455,873	455,873	455,873
Unrestricted Ending Fund Balance (Use)	1,663,058	51,281	2,030,750	2,062,453	2,062,453
Total Ending Fund Balance	2,118,931	1,141,027	2,486,623	2,518,326	2,518,326
TOTAL USE OF FUNDS	4,672,631	3,440,043	5,639,152	5,670,855	2,518,326

* Actuals may not subtotal due to rounding.

Transient Occupancy Tax Fund (461)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	832,356	832,356	667,026	667,026	667,026
Retiree Healthcare Solutions Reserve (Source)	20,108	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	7,742,758	5,994,425	8,994,230	8,994,230	868,030
Total Beginning Fund Balance	8,595,222	6,826,781	9,661,256	9,661,256	1,535,056
Transient Occupancy Tax					
Transient Occupancy Tax Revenue	30,862,661	33,750,000	20,250,000	20,250,000	22,500,000
Total Transient Occupancy Tax	30,862,661	33,750,000	20,250,000	20,250,000	22,500,000
Licenses and Permits					
OCA Special Event Permits	28,245	30,000	30,000	29,000	30,000
Total Licenses and Permits	28,245	30,000	30,000	29,000	30,000
Revenue from the Use of Money/Property					
Interest	123,364	91,000	91,000	91,000	75,000
Total Revenue from the Use of Money/Property	123,364	91,000	91,000	91,000	75,000
Other Revenue					
Miscellaneous	58,405	0	0	0	0
Total Other Revenue	58,405	0	0	0	0
TOTAL SOURCE OF FUNDS	39,667,898	40,697,781	30,032,256	30,031,256	24,140,056
USE OF FUNDS					
Expenditures					
Cultural Grants	5,149,861	8,888,780	8,424,985	8,424,985	3,562,612
Cultural Grants Administration	2,424,040	2,329,606	2,329,606	2,300,000	2,251,774
San José Convention and Visitors Bureau	7,389,000	9,064,750	6,579,837	6,579,837	5,690,750
Total Expenditures	14,962,902	20,283,136	17,334,428	17,304,822	11,505,136
Transfers					
Transfer to the Convention and Cultural Affairs Fund	15,043,740	17,742,865	11,191,378	11,191,378	10,994,865
Total Transfers	15,043,740	17,742,865	11,191,378	11,191,378	10,994,865
Ending Fund Balance					
Reserve for Encumbrances (Use)	667,026	832,356	667,026	667,026	667,026
Unrestricted Ending Fund Balance (Use)	8,994,230	1,839,424	839,424	868,030	973,029
Total Ending Fund Balance	9,661,256	2,671,780	1,506,450	1,535,056	1,640,055
TOTAL USE OF FUNDS	39,667,898	40,697,781	30,032,256	30,031,256	24,140,056

* Actuals may not subtotal due to rounding.

Vehicle Maintenance And Operations Fund (552)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Fuel Usage Reserve (Source)	0	0	0	0	250,000
Reserve for Encumbrances (Source)	2,584,942	2,584,942	1,626,711	1,626,711	1,626,711
Retiree Healthcare Solutions Reserve (Source)	240,149	0	0	0	0
Salaries and Benefits Reserve (Source)	0	69,900	69,900	69,900	0
Unrestricted Beginning Fund Balance (Source)	961,227	1,875,665	1,225,255	1,225,255	1,084,597
Total Beginning Fund Balance	3,786,318	4,530,507	2,921,866	2,921,866	2,961,308
Revenue from the Use of Money/Property					
Interest	35,236	30,000	30,000	30,000	70,000
Total Revenue from the Use of Money/Property	35,236	30,000	30,000	30,000	70,000
Other Revenue					
Miscellaneous	104,997	40,000	40,000	40,000	40,000
Total Other Revenue	104,997	40,000	40,000	40,000	40,000
Transfers					
Departmental Charges (M&O)	18,005,202	19,838,000	19,993,194	19,700,000	19,907,690
Replacement Charges	4,756,569	5,404,960	6,604,960	6,500,000	5,272,880
Total Transfers	22,761,771	25,242,960	26,598,154	26,200,000	25,180,570
TOTAL SOURCE OF FUNDS	26,688,322	29,843,467	29,590,020	29,191,866	28,251,878
USE OF FUNDS					
Expenditures					
HR Personal Services (Vehicle M&O)	77,849	78,368	78,368	78,368	85,864
Inventory Purchases	7,510,761	8,149,000	8,149,000	8,149,000	7,562,690
ITD Non-Personal/Equipment	0	14,295	14,295	14,295	630
Overhead	562,548	603,052	603,052	603,052	717,947
PW Non-Personal/Equipment	2,066,262	1,837,143	1,837,143	2,337,143	2,259,143
PW Personal Services	8,297,059	8,688,199	8,840,264	8,250,000	8,805,468
Vehicle Replacements	5,075,850	6,604,960	6,604,960	6,500,000	5,272,880
Workers' Compensation Claims	48,007	175,000	175,000	175,000	125,000
Total Expenditures	23,638,336	26,150,017	26,302,082	26,106,858	24,829,622
Transfers					
Transfer to the City Hall Debt Service Fund	108,120	93,700	93,700	93,700	82,582
Transfer to the General Fund - Interest Income	20,000	30,000	30,000	30,000	70,000
Total Transfers	128,120	123,700	123,700	123,700	152,582
Ending Fund Balance					
Fuel Usage Reserve (Use)	0	250,000	250,000	250,000	300,000
Reserve for Encumbrances (Use)	1,626,711	2,584,942	1,626,711	1,626,711	1,626,711
Salaries and Benefits Reserve	69,900	0	0	0	0
Unrestricted Ending Fund Balance (Use)	1,225,255	734,808	1,287,527	1,084,597	1,342,963
Total Ending Fund Balance	2,921,866	3,569,750	3,164,238	2,961,308	3,269,674
TOTAL USE OF FUNDS	26,688,322	29,843,467	29,590,020	29,191,866	28,251,878

* Actuals may not subtotal due to rounding.

Water Utility Fund (515)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Rate Stabilization Reserve (Source)	600,000	1,500,000	1,500,000	1,500,000	1,500,000
Muni Water Recycled Water Expansion Reserve (Source)	700,000	700,000	700,000	700,000	700,000
Operations and Maintenance Reserve (Source)	10,595,000	7,675,000	7,675,000	7,675,000	7,675,000
Reserve for Encumbrances (Source)	250,072	250,072	1,245,660	1,245,660	1,245,660
Retiree Healthcare Solutions Reserve (Source)	149,494	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	2,464,207	2,562,028	5,949,794	5,949,794	6,223,865
Workers' Compensation Claims Reserve (Source)	50,000	50,000	50,000	50,000	50,000
Total Beginning Fund Balance	14,808,773	12,737,100	17,120,454	17,120,454	17,394,525
Revenue from the Use of Money/Property					
Interest	205,106	276,395	276,395	276,395	434,863
Total Revenue from the Use of Money/Property	205,106	276,395	276,395	276,395	434,863
Fees, Rates, and Charges					
Operating - Water Sales	50,132,852	51,085,034	51,085,034	51,788,755	51,946,455
Total Fees, Rates, and Charges	50,132,852	51,085,034	51,085,034	51,788,755	51,946,455
Other Revenue					
Late Fees	485,530	300,000	300,000	485,530	300,000
Operating - Miscellaneous	268,509	100,000	100,000	200,000	100,000
Total Other Revenue	754,038	400,000	400,000	685,530	400,000
TOTAL SOURCE OF FUNDS	65,900,769	64,498,529	68,881,883	69,871,134	70,175,843
USE OF FUNDS					
Expenditures					
Banking Services	0	180,000	180,000	180,000	180,000
City Attorney Personal Services	99,134	127,239	129,742	238,097	282,173
Customer Information System Transition	25,467	150,000	150,000	150,000	150,000
ESD Non-Personal/Equipment	34,232,141	37,341,901	37,341,901	37,308,662	37,063,165
ESD Personal Services	6,437,363	7,333,075	7,326,676	6,687,722	7,413,932
Finance Personal Services	78,691	127,165	129,582	101,121	211,822
HR Personal Services	16,925	15,337	15,337	14,611	15,387
ITD Non-Personal/Equipment	38,819	169,094	169,094	169,094	141,051
ITD Personal Services	534,431	580,275	580,275	556,432	573,258
Overhead	1,338,965	1,535,055	1,535,055	1,535,055	1,838,648
PW Non-Personal/Equipment	36,893	39,547	39,547	39,547	39,547
Workers' Compensation Claims	5,427	15,000	15,000	15,000	15,000
Total Expenditures	42,844,258	47,613,688	47,612,209	46,995,341	47,923,983
Transfers					
Transfer to the City Hall Debt Service Fund	234,287	195,738	195,738	195,738	181,204
Transfer to the General Fund - Late Fees	341,770	300,000	485,530	485,530	300,000
Transfer to the Water Utility Capital Fund	5,360,000	4,800,000	4,800,000	4,800,000	7,300,000
Total Transfers	5,936,057	5,295,738	5,481,268	5,481,268	7,781,204
Ending Fund Balance					
Muni Water Recycled Water Expansion Reserve (Use)	700,000	700,000	700,000	700,000	1,000,000

* Actuals may not subtotal due to rounding.

Water Utility Fund (515)**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Operations and Maintenance Reserve (Use)	7,675,000	7,675,000	7,675,000	7,675,000	8,395,492
Rate Stabilization Reserve (Use)	1,500,000	1,500,000	1,500,000	1,500,000	1,558,394
Reserve for Encumbrances (Use)	1,245,660	250,072	1,245,660	1,245,660	1,245,660
Unrestricted Ending Fund Balance (Use)	5,949,794	1,414,031	4,617,746	6,223,865	2,221,110
Workers' Compensation Claim Reserve (Use)	50,000	50,000	50,000	50,000	50,000
Total Ending Fund Balance	17,120,454	11,589,103	15,788,406	17,394,525	14,470,656
TOTAL USE OF FUNDS	65,900,769	64,498,529	68,881,883	69,871,134	70,175,843

**The 2020-2021 Proposed Water Utility Fund includes no rate increase to Water Sales revenues. While the Proposed revenue estimate for Water Sales has increased, this is not because of a rate increase associated with the sale of potable water.

* Actuals may not subtotal due to rounding.

Workforce Development Fund (290)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	119,335	119,335	144,288	144,288	144,288
Unrestricted Beginning Fund Balance (Source)	540,412	526,347	533,684	508,731	278,253
work2future Board Mandated Reserve (Source)	531,118	533,183	533,183	533,183	754,801
Total Beginning Fund Balance	1,190,865	1,178,865	1,211,155	1,186,202	1,177,342
Revenue from Local Agencies					
Grants	275,834	704,552	669,722	175,368	923,962
Total Revenue from Local Agencies	275,834	704,552	669,722	175,368	923,962
Revenue from State of California					
Grants	85,198	0	0	0	0
Total Revenue from State of California	85,198	0	0	0	0
Revenue from Federal Government					
Grants	7,330,834	9,289,410	8,777,860	6,516,973	8,618,498
Total Revenue from Federal Government	7,330,834	9,289,410	8,777,860	6,516,973	8,618,498
Other Revenue					
Grants	801	0	20,000	0	0
Total Other Revenue	801	0	20,000	0	0
TOTAL SOURCE OF FUNDS	8,883,532	11,172,827	10,678,737	7,878,543	10,719,802
USE OF FUNDS					
Expenditures					
Administration	502,791	504,657	474,714	474,714	363,776
Adult Workers	2,173,579	2,380,514	2,426,275	1,825,455	2,380,514
BusinessOwnerSpace.com Network	8,073	10,196	14,123	6,625	7,498
CA Workforce Association	0	5,000	5,000	2,235	2,765
CalJOBS VOS Enhancement: Touch Screen Technology Project	3,564	0	0	0	0
Career Pathway Trust	99,273	0	0	0	0
Cities for Financial Empowerment	0	0	20,000	10,000	45,000
City Attorney Administrative Costs	141,110	227,753	112,025	96,135	110,031
Dislocated Workers	1,521,581	3,126,900	2,917,156	1,800,000	2,917,156
National Dislocated Worker Grant - Storm Event	375,722	0	0	0	0
Prison to Employment Implementation Grant	0	696,614	661,784	167,430	502,292
Prison to Employment Initiative Planning Grant	16,625	7,938	7,938	7,938	0
Proposition 39 Pre-Apprenticeship Grant Project	82,536	0	0	0	0
Rapid Response Grant	534,019	497,823	590,483	550,000	590,483
Ready to Work Partnership Initiative Grant Project	44,266	0	0	0	0
Regional Funds	0	0	0	0	15,000
Regional Plan Development Project	113,975	0	0	0	0
Regional Plan Implementation Project	115,670	0	0	0	0
Regional Training Coordinator Funds	0	15,000	15,000	8,000	7,000
SJ Works (Bank of America)	0	0	0	0	67,000
SJ Works (EDP Renewable)	0	0	0	0	91,670
SJ Works (ESUHSD)	0	0	0	0	160,000
SJ Works (PRNS)	0	0	0	0	53,000
Sling Shot 2.0 Regional Plan Implementation	0	11,653	11,653	2,669	8,984

* Actuals may not subtotal due to rounding.

Workforce Development Fund (290)

STATEMENT OF SOURCE AND USE OF FUNDS

	2018-2019 Actuals *	2019-2020 Adopted	2019-2020 Modified	2019-2020 Estimate	2020-2021 Proposed
Youth Workers	1,964,546	2,525,110	2,230,554	1,750,000	2,230,554
Total Expenditures	7,697,330	10,009,158	9,486,705	6,701,201	9,552,723
Ending Fund Balance					
Reserve for Encumbrances (Use)	144,288	119,335	144,288	144,288	144,288
Unrestricted Ending Fund Balance (Use)	508,731	289,533	292,943	278,253	267,990
work2future Board Mandated Reserve (Use)	533,183	754,801	754,801	754,801	754,801
Total Ending Fund Balance	1,186,202	1,163,669	1,192,032	1,177,342	1,167,079
TOTAL USE OF FUNDS	8,883,532	11,172,827	10,678,737	7,878,543	10,719,802

* Actuals may not subtotal due to rounding.

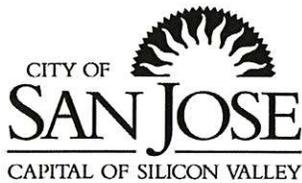
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2020-2021

OPERATING BUDGET

**MAYOR'S MARCH
BUDGET MESSAGE**



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

**SUBJECT: MARCH BUDGET MESSAGE
FOR FISCAL YEAR 2020-2021**

DATE: March 6, 2020

Approved:

Date:

3-6-20

RECOMMENDATION

Direct the City Manager to submit a balanced budget for Fiscal Year 2020-2021, 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 2020-2021 March Budget Message for consideration by the City Council, and the residents of San José. With Council approval, this initial framework provides the City Manager with direction to prepare proposals for the Council's budget deliberations in May, and to formulate the Fiscal Year 2020-2021 Proposed Budget.

OVERVIEW

The Novel Corona Virus Epidemic and the City Budget

The report of the third COVID-19-infected person in Santa Clara County on Friday, February 28, our shifted the trajectory of our community dramatically. The fact that the patient had contracted the virus locally made concrete the "not if, but when" warnings of the U.S. Centers for Disease Control. Another score of confirmed cases in the County have emerged since then, and the County's Public Health team's diligent efforts to trace contacts of the infected patients will likely yield several dozen—if not hundreds—more in the days ahead. More troublingly, the CDC's restrictive, inadequate testing protocols cannot possibly identify all of the clusters of infection, and a more proactive, rigorous testing regimen would dramatically enlarge that grim tally—perhaps at a rate more exponential than linear. Given the high estimates of both infection and mortality rates, we now live in a world requiring dramatic changes to our daily hygiene, work patterns, travel, and social engagement.

This new reality compels us to pivot. In evaluating our budgetary decisions, we should expect heavy headwinds in several key economic sectors—such as air travel—that will have direct

impacts on City revenues. The Organization of Economic Cooperation and Development (OECD) predicted Monday that the virus's spread has already jolted global economic growth by a half-percent downward, and it may stall GDP growth rates to 2009 levels. Recent shockwaves in financial markets have forced many economists to retract previously sanguine macroeconomic projections. It seems increasingly likely that we will see a recession this year, particularly as US consumers and employers feel reluctant to travel, to convene in public spaces, or spend their money.

These global phenomena have very local impacts. For example, public health concerns forced Facebook, Nvidia, and several other major conferences to cancel their San Jose McEnery Convention Center and hotel bookings, and more will likely follow. These cancellations, and similar responses to the epidemic, will sink City revenues in several categories, including sales and transient occupancy taxes (TOT), the latter of which had already been underperforming over the past six months.

Similarly, a continued deterioration of the stock market—which suffered its biggest weekly loss since the 2008 financial crisis—will undermine our retirement funds' ability to meet their expected rates of return. This will exacerbate the City's \$4 billion in unfunded liabilities in those accounts, forcing higher contribution rates in the years ahead. Although our Retirement Services Stakeholder Working Group has been underway for several months exploring strategies to mitigate the harm and risk from the seemingly chronic underperformance of our pension assets, we should not expect any short-term solutions to emerge to address the fiscal harm of recent market drops.

Budgeting in Turbulent Uncertainty: Three Tiers of Authorization

As we navigate this turbulence, we must make spending decisions mindful of the dramatic changes that our lives and economy may endure in the weeks ahead. Accordingly, I propose the following three-tiered framework for any spending authorized by Council in this budget message:

- **Tier I:** Fiscal Resilience
- **Tier II:** Affordable Housing and Homelessness Solutions Funded by Measure E
- **Tier III:** Contingent Expenditures

The first tier will consist of allocations that boost fiscal resilience. Saving, building reserves, paying down debt, and other mechanisms that reduce stress on the General Fund will best position us for any future downturn. They will also soften the landing in ways that will enable us to more quickly recover, and to restore fiscal health and City services in subsequent years.

Second, with the passage of Measure E, the Council has already allocated 100% of the measure's revenues to build affordable housing and address our homelessness crisis. To keep trust with our voters, and to address a housing crisis that will outlive the COVID-19, we must focus every dollar of Measure E revenue toward those objectives.

Every other expenditure authorized by this Budget Message should be contingently allocated, and ultimately approved in June only (a) if news substantially improves in the weeks ahead, or (b) if

there is a non-General Fund source for the expenditure. A more substantial outbreak—which seems very likely at this point—will force us to retrench, tighten our belts, and focus dollars on helping our community recover. By the time that I submit my June Budget Message, we will know much more that will enable us to either pull back these contingent expenditures, or to move forward.

Building Budgetary Resilience for the Next Half-Decade

In recent years, we have increasingly put dollars into reserves to prepare for a looming downturn, and we have paid down existing debts to reduce future strain to the General Fund. We have begun to see the benefits from this strategy, as evidenced by this year’s small surplus, and by a sustained balanced budget projected over the next half-decade.

That is, the City’s most recent base five-year General Fund forecast (See Table 1) shows, for the first time in two decades, a small net surplus over the next half-decade. Deficits and surpluses for individual years range from a negative \$11.1 million to a positive \$14 million balance:

Table 1 – 2021-2025 General Fund Forecast Incremental General Fund Surplus / (Shortfall) \$ in Millions

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Base Case	\$0.5 M	(\$11.1 M)	\$14.0 M	(\$2.2 M)	\$1.0 M
Optimistic	\$13.4 M	\$7.4 M	\$30.1 M	\$11.3 M	\$16.7 M
Pessimistic	(\$13.1 M)	(\$19.8 M)	\$4.2 M	(\$12.1 M)	(\$6.6 M)
Recession	(\$38.3 M)	(\$53.7 M)	(\$19.4 M)	(\$33.7 M)	(\$32.9 M)

Source: 2021-2025 Five-Year Forecast and Revenue Projections for the General Fund

Critically, this forecast does not incorporate any assumptions reflecting the COVID-19 pandemic that is already underway. The base forecast depends upon assumptions that—knowing what we know today—seem plainly unrealistic, such as 4% growth in transient occupancy tax, and 3.64% growth in sales tax next year. Budget staff keenly included a more pessimistic scenario, yielding an aggregate five-year deficit of almost \$50 million, and a recessionary scenario that projects a deficit of more than \$170 million over the five years.

A slowdown seemed likely anyway. Well before recent news of the local spread of COVID-19, a UCLA Anderson Forecast from December of 2019 already predicted a slowing California economy¹. Of the economists surveyed by the National Association for Business Economics, about 74% predicted that a recession would occur in the next 21 months.²

¹ “December 2019 Economic Outlook”, UCLA Anderson School of Management, December 2019.

² Greene, Megan, Jankowski, Patrick, Simonson, Ken, “Most NABE Economists Expect Recession by the End of 2021; Express Overwhelming Support for Federal Reserve Independence”, August 2019.

Given the very uncertain extent of COVID-19 infection, we should prepare for the worst. The troubled state of financial markets and declining macroeconomic indicators compel us to double-down on our budgetary resilience strategy, by building reserves and reducing our long-term debt obligations. Accordingly, through this Budget Message, I again seek my colleagues' support for our adopted principles of budgetary resilience:

1. **LONG-TERM SAVING:** prepare for economic volatility by building reserves and paying down debt to free ongoing resources;
2. **AVOID ONGOING GENERAL FUND OBLIGATIONS:** when a downturn appears likely, limit General Fund spending to one-time expenditures not requiring ongoing commitments, or else find ongoing, stable sources outside of the General Fund;
3. **FOCUS ON HIGHEST PRIORITIES:** invest in our residents' priorities that have the greatest impacts on the quality of life in our community; and
4. **LEVERAGE OTHER RESOURCES:** focus on ways to maximize the use external resources, including private-public partnerships, philanthropy, and volunteer energy.

Restoring City Services

Following a difficult decade punctuated by the Great Recession, we have made substantial strides in restoring core City services every year since my first Budget Message, with a particular emphasis on public safety, road repair, and library services.

In our first Budget Message in Fiscal Year 2015-2016, we added firefighters, restored library hours to six days a week, enhanced gang prevention, accelerated homeless rehousing, and expanded illegal dumping response. We then prepared and secured voter support for two 2016 ballot measures — a one-quarter cent sales tax (Measure B) in June and a modernization of the City's business tax (Measure G) in November—that together boosted revenues approximately \$60 million annually. Since that 2016 Measure B primarily emphasized public safety in its ballot argument and campaign literature, we focused those dollars on critical police and fire needs. That year, we added 41 authorized sworn police officers, restored all "browned out" fire stations, added two-person "squad" cars to boost emergency medical response, invested in emergency vehicle signal preemption technology, doubled our community service officer team, improved property crime response, expanded crime analysis capability at SJPd, and allocated \$4 million to provide "rapid response" housing for homeless residents.

We've also made significant progress in improving our infrastructure. Contrary to the claims of a few poorly-informed critics, the Council committed \$17.7 million in revenues from 2016 Measure B for street repaving. Since that time, the City's Measure T, VTA's Measure B, and the legislative approval of SB1 have provided a steady funding source for street repaving. Accordingly, we have shifted the City's 2016 Measure B funding to public safety. Nonetheless, the City repaved nearly 290 miles of streets in 2019—the most in a quarter-century.

Other infrastructure projects have also seen overdue investment. The voters' approval of Measure T has enabled us to build new fire stations, with Station 37 in final design, Station 20 in planning, and site identification underway for stations in Districts 3 and 7. We're well along with a \$1.4 billion upgrade of the wastewater plant, we've just completed a vital flood pump in Alviso, we've expanded our airport by 6 gates (with more likely to follow), and we hope to soon be underway on a new police training facility.

For their dedication to providing the best, most professional service to our residents, I have deep gratitude to our hardworking City workforce, who have weathered many years of growing workloads without commensurate growth in staffing or technology investment. I am also grateful to my City Council colleagues for their continued budgetary discipline, and for their focus on restoring our residents' most valued services.

DIRECTION

Accordingly, the City Manager is directed to present a Proposed Budget that allocates funding in a manner that aligns with the following recommendations:

Tier I: Fiscal Resilience

Eliminating Debts: We have made considerable progress in reducing citywide debt obligations in recent years. These efforts provide multiple benefits: reducing future annual debt service obligations, freeing ongoing dollars to restore services, bolstering the City's solid credit rating, reducing bond financing costs, and liberating City-owned parcels from cumbersome restrictions imposed by financing covenants. Last year, for example, we began to pay off our golf course debt, resulting in \$700,000 dollars in ongoing annual savings.

This year, we have the benefit of nearly \$25 million in one-time funds from the Finance team's excellent work on refunding of City Hall debt. The City Manager is directed to use the bulk of this one-time funding—approximately \$19 million—to pay the remaining debt balances on both the Los Lagos Golf Course and the LED streetlight conversion contract (aka, ESCO Master Lease Agreement). Combined, these actions will inure to the benefit of City taxpayers about \$4 million annually, which will surely improve critical services in the years ahead.

Reserves: Reserves soften the blow of our Valley's inevitable economic downturns. In my prior March Budget Message, I directed the City Manager to establish reserve strategies that protect recently restored services, and we have much work to do to reach those targets. Although existing City Council policy calls for a general purpose reserve of 10%, we know that it would require an extraordinary cuts of existing services to reach that level, so we have established an intermediate baseline amount of 6.5%. I propose that we provide additional buffers against our imminent headwinds with the following allocations:

- **Future Deficit Reserve:** The City Manager's General Fund Forecast (released this week) indicates a deficit of \$11.1 million in 2021-2022, and nearly \$40 million in a recessionary scenario next fiscal year. The City Manager is directed to allocate \$11.1 million to address the projected shortfall in 2021-2022 on a one-time basis. The City Manager is further

directed to return to Council with a Manager's Budget Addendum identifying proactive strategies that will address an anticipated larger gap, including consideration of cost saving efficiencies and reduction strategies.

- **Budget Stabilization Reserve:** To provide budgetary resilience amid large fluctuations in revenues or expenditures, the City Manager is directed to review the current balance of this reserve and make contributions as necessary to maintain a protective level of funds. Specifically, to address what is almost certainly going to be a substantial shortfall, the City Manager is further directed to deposit into this fund all of the anticipated one-time revenues from the Revenue Capture Agreement between the City and eBay. The uncertain nature of these dollars—given their potential of being subject to dispute by other marketplace facilitators—make them a poor source for us to depend upon for provision of services at this early juncture.
- **Essential Services Reserve:** The City Manager is directed to set aside \$3 million in one-time funds that may be used to support services that are of essential importance to our residents. Services deemed essential by the City Council may be funded with the use of these one-time funds. I invite budget documents from my colleagues, but with one proviso: requests for cost estimates to the City Manager's Budget Office have dramatically increased in recent years, exceeding 80 last year. I request that my Council colleagues be strategic with their cost requests, mindful of their impact on the workload of an overstretched City Budget Office staff.
- **Sinking Funds:** The City's historic failure to budget sinking funds for capital assets has resulted in chronic deferred maintenance backlogs, even after the passage of Measure T. The City Manager is directed to review the City's capital programs to ensure "sinking fund" policies exist to address future capital replacement and maintenance needs. The City Manager is further directed to consider how new funding sources for parks and recreation capital improvements—such as a parks bond or community financing district—can provide a set-aside for capital replacement and (if legally feasible) maintenance. The City Manager is further directed to review and augment our sinking fund to address our IT "tech debt," including last year's contribution of \$2 million, while considering future critical replacement and repair needs for our aging IT.

Tier II: Affordable Housing and Homelessness Solutions Funded by Measure E

Regardless of the outcome of this public health crisis, our community will continue to endure a homelessness and housing crisis. In our community survey, the paucity of quality, affordable housing remains the very lowest-rated characteristic of our City, with 82% of residents rating the availability as "poor." At last count, 6,097 San Jose residents are experiencing homelessness, and of these, 5,117 (84%) remain unsheltered.

Fortunately, in our March elections, the San Jose community showed its heart, approving Measure E to accelerate our efforts to build affordable housing and address our homelessness crisis. We thank the many community partners, led by SiliconValley@Home, who supported that effort. Measure E's passage enables us to finally secure an ongoing source of funding to build affordable

housing that will supplant the nearly \$40 million of annual affordable housing funding that San Jose lost through the demise of its Redevelopment Agency in 2012.

On December 10, 2019, the San Jose City Council adopted a spending plan (net of administrative costs not to exceed 5%) that prioritizes the revenues raised by the measure with the following allocation formula:

- 45% for rental housing construction and solutions for Extremely Low-Income households
- 35% for affordable rental housing and assistance for Low Income households
- 10% for below-market-rate for-sale housing and rental housing for Moderate Income households. These funds could provide forgivable loans for rent-restricted backyard homes, down-payment assistance, and other first-time homeownership opportunities.
- 10% for homelessness prevention and rental assistance solutions

The City Manager is directed to allocate Measure E revenues according to the Council-approved formulation, with the additional specific direction:

Bridge Housing Communities (BHC)/ “Tiny Homes”/“Cabins”: Last week’s successful grand opening of the City’s first BHC compelled Governor Gavin Newsom to remark, “this shouldn’t be merely a ‘pilot project’—this should be in every city.” Each of the forty tiny homes and cabins cost less than \$9,000 to build, not including site preparation and infrastructure, due to the work of Habitat for Humanity and other partners. This solution can work: our first resident, who moved in only weeks ago, has since found permanent housing with help from on-site supportive staff. The City Manager is directed to report to Council in May with an update about (a) the lease-up of the Mabury BHC, (b) the status and well-being of its residents, and (c) the development of the second BHC site. The City Manager is further directed to return to Council in September with the identification of two additional BHC sites, and to obtain Council approval to begin construction that will at least double our transitional housing capacity.

Homelessness Prevention: Two weeks ago, we announced the impressive progress we made in partnership with the County, Destination:Home, Sacred Heart Community Services, and a dozen other community-based organizations in preventing homelessness among 1,338 families facing imminent eviction in the prior two years. Relying upon an average grant of \$4,100 per household, we found that we could keep 92% of those families housed a year later. The program’s impact remains limited, however, by resources; it could serve only one-third of the residents seeking help. The City Manager is directed to triple the City’s current commitment of \$3 million to \$9 million. This funding will be particularly critical to address the disruptive impacts of economic shutdowns prompted by the spread of the coronavirus. In partnership with a consortium of non-profits led by Destination:Home, I recommend that the Council and City Manager work together to encourage other public and private organizations to match the City’s enhanced contribution dollar-for-dollar.

Homeless Students: In San Jose, the 2019 Homeless Youth Risk and Resiliency Survey found that 22% of the homeless respondents aged 18-25 are currently enrolled in college. The California Student Aid Commission reports that nearly one in three college students in California experience food and housing insecurity. In January, I joined Bill Wilson Center, San Jose State University,

and Airbnb to announce a first-of-its-kind pilot program to provide temporary housing to college students experiencing homelessness and housing insecurity, with Airbnb waiving all fees. To manage this process, Bill Wilson Center must create a Housing Expeditor Fellowship role responsible to coordinate and communicate with Airbnb, and to help identify housing opportunities for young homeless or at-risk adults. The City Manager is directed to provide Bill Wilson Center up to \$55,000 in 2020-2021, and matching funds of up to \$60,000 over the following two years in support of this effort, from the tranche of funds allocated to Extremely Low Income residents.

SJ Bridge Employment: We created SJ Bridge to employ homeless residents to clean litter and trash in dozens of citywide “hot spots,” under the management and case support of two local nonprofits. In December of 2019, the program employed 19 homeless individuals and opened applications for 20 more. Previously, 20 more people had already transitioned to full-time employment. The City Manager is directed to report to Council during the Budget Process on both the efficacy of the cleaning crews in combatting blight, and in the efficacy of the program in enabling clients to reclaim a path to self-sufficiency. The City Manager is directed to continue the program for another year and expand the program to ensure sufficient transitional jobs and work crews to routinely clean Guadalupe River Park and St. James Park, in addition to their current routes. The City Manager is directed to explore non-General Fund potential future sources of funding, with support from the Mayor’s Office.

Backyard Homes: We have succeeded in dramatically boosting our community’s adoption of backyard homes (aka, accessory dwelling units, or ADU’s). Our combination of fee waivers, streamlining, one-stop permitting, and liberalization of size constraints enabled approvals of 415 backyard home permits last year, a number greater than the prior five years’ *combined*. The quantity of this housing should not be overlooked—for a single year, the number of San Jose’s ADU permits roughly equaled the housing production—of *all kinds*— for the entire city of Palo Alto over the *four-year period* from 2014 to 2018³. It also exceeded the aggregate four-year production of all housing in both Cupertino and Los Gatos—*combined*⁴. The great obstacle to scaling this production of naturally affordable housing for many homeowners appears to be financing, particularly for homeowners without sufficient equity in their homes.

Council has expressed interest in exploring the provision of forgivable loans for homeowners willing to agree to rent restrictions on their backyard homes. The City Manager is directed to return to Council by June with a proposal that will allocate the first \$5 million generated within the 10% moderate-income tranche of Measure E revenues for this program, with the requirement that rent restrictions remain on the units for an extended period of time—of not less than 5 years— or until the homeowner pays off the City loan.

Navigation Center: Last year’s Budget Message calls for the siting, development, and construction of a Navigation Center, to provide our unsheltered homeless residents connection to shelter and services and the path forward to coming in from the cold of living on the streets. The City Manager is directed to inform the Council, verbally at Council or through information memorandum, by May of the status of efforts to identify a site, and with specific options for the City move this important work forward.

³ SV@Home, <https://siliconvalleyathome.org/resources/#palo-alto>, March 2020.

⁴ SV@Home, <https://siliconvalleyathome.org/resources/#los-gatos>, March 2020.

Tier III: Contingent Expenditures

Should the spread of COVID-19 subside, and our economy stabilizes, then we can refocus on restoring key City services, as outlined below. The City Manager is directed to prepare the 2020-2021 Proposed Budget mindful that the funding priorities and programs described below may not be funded should the economy significantly contract. Those items funded by sources other than the General Fund are generally less susceptible to economic swings and can be incorporated into the budget as the relevant funding source allows.

A. PUBLIC SAFETY

Our first priority, and that of our residents, is public safety. In last year's annual community survey, the "overall feeling of safety" ranked highest among resident priorities, as "essential" or "very important" by more than 90% of residents. Through our budget, we have consistently prioritized public safety, allocating more than 60% of the departmental General Fund expenditures to Police and Fire. Nonetheless, pressing needs remain unmet.

Police Staffing: As of late January, the Police Department had 1,149 filled sworn officers, with 1,151 officers authorized for the year. Due to our two-year investment in the Hire-Ahead Program last year, three Police Recruit Academies were conducted in 2019-2020 yielding 145 recruits. Due to our tremendous turnaround in recruiting, hiring, and retaining officers in recent years—adding more than 200 officers net of retirements since the passage of Measure F in 2016—SJPD will soon reach its 1,151 budget cap, and still remain the most thinly-staffed major-city police department in the nation.

The City Manager is directed to add 20 sworn officers to the current budget authorization of 1,151, with an emphasis on expanding in such units as Street Crimes, sexual assaults (SEIU) and domestic violence (DV) investigations, and the traffic enforcement unit (TEU). The Five-Year Forecast should be adjusted to reflect this investment. To help support the hiring of the sworn staff, I recommend that the City Manager apply for a federal COPS Hiring Program grant. If awarded, this grant will help provide substantial one-time funding, and mitigate the General Fund impact over multiple years.

Improving Deployment Efficiency: SJPD has not revised its geographic district boundaries—essential for efficient and effective allocation of patrol officers—in nearly two decades, during a period in which the City has grown by more than 200,000 residents. The City Manager is directed to allocate one-time funding of \$350,000 to the Police Department to support the redistricting effort.

Downtown Foot Patrol: Growing concern over the safety of residents, workers, and visitors in our Downtown compels the need for walking patrol. Since I first urged this expenditure several years ago, Council has repeatedly approved the funding for a walking beat downtown, but the Department has had difficulties in persuading officers to volunteer to fill those overtime slots. As recruits transition from the Academy to field training to patrol this year, the Chief will have additional capacity to deploy walking patrols downtown. The City Manager is directed to fund the \$600,000 Downtown Foot Patrol Program with ongoing dollars, but only upon the addition of this

beat as a routinely-assigned, non-voluntary shift in the next fiscal year. The City Manager is further directed to engage with discussions with the County Sheriff, under contract with the VTA, to offer a visible presence for the benefit of transit riders along the light rail and Santa Clara Street bus corridors, and to further report to the PSFSS Committee outcomes of prior years' spending on Downtown Foot Patrol, and to discuss plans to get officers on walking beats Downtown.

Fire Station 37: Staffing for Adequate Fire and Emergency Response (SAFER) grants provide funding directly to local fire departments to boost the numbers of trained firefighters in their communities. We have used SAFER grants in the past to rebuild our Fire Department from the days of browned-out stations during the Great Recession. With the addition of new stations, we should again commit a City "match" to ensure we can secure these grants to offset early years of funding. The City Manager is directed to do so, with the addition of any ongoing expenditures in the Five-Year projection to account for the future staffing of Fire Station 37.

Fire Station 20/ARFF: By committing \$4.6 million of its own funding, the City has the opportunity to leverage much greater FAA investment in expanding the reconstruction of the Airport Rescue and Firefighting Facility (ARFF), aka Fire Station 20, to include off-airport operations that will improve emergency response capability. We could accomplish this improvement without additional ongoing operational costs by shifting an existing squad medical response unit from Fire Station 5, which would improve coverage and response. The City Manager can evaluate the addition of an engine company in the future, but in the meantime, the City Manager is directed to identify additional funding in Measure T or other capital sources to move forward with this expansion of Fire Station 20. Due to the FAA's March 31st deadline for the City's commitment to the project, the City Manager is directed to comply with that schedule and allow full funding to allow off airport operations. He is further directed to reimburse the Measure T program as part of future budget cycles from the Fire Construction and Conveyance Tax Fund, the General Fund, or other eligible sources.

Gun Violence: Ordinance Completion and Support of Recovery of Public Subsidy for Guns: In 2018, Council directed the City Attorney to draft an ordinance to reduce "straw purchases" of guns—such as the one used to kill the son of San Jose resident Sara Huff-Bacarato in 2019—through regulations that would require greater accountability of stores and clearer identification of buyers. Due to workload challenges in the City Attorney's Office, that ordinance has not yet been completed. Additionally, the Mayor's Office has secured approximately a half-million dollars in grants and in-kind assistance for research and analysis from various foundations, a legal center, and the County of Santa Clara to determine how taxpayers can recover the public costs resulting from gun violence and harm, such as the \$2 million annually incurred in County emergency response costs. The City Manager is directed to allocate one-time funding over the next two years—to support research, implementation, and legal analysis to evaluate and—with Council approval—implement these measures.

Traffic Safety and Automated Speed Warnings: Sixty people lost their lives on our streets in traffic collisions in 2019, a figure that has grown nearly 60% over the past ten years. Speed makes all the difference: a pedestrian has a 90 percent chance of dying in a collision with a vehicle moving at 40 mph, but a 90 percent chance of surviving at a collision speed of 20 mph. More than 40 percent of the City's fatalities and 33 percent of our severe injuries occur on only 3 percent of the

City's roads, comprising 17 Priority Safety Corridors (PSCs). Finding a way to reduce speeds on these corridors will dramatically improve safety.

The City has unsuccessfully sought legislation to authorize enforcement speed limits through automated speed detectors. We have not explored, however, the implementation of automated speed warnings. Behavioral research suggests that the mere awareness of official monitoring of driver behavior and warnings related to noncompliance⁵—even without explicit enforcement—can “nudge” subjects into greater compliance. For example, one National Highway Traffic Safety Administration study in Maryland utilized warnings that provided “encouraging” results in “producing statistically significant” reductions in speeding⁶. Similarly, in the UK, the West Midlands police department effectively reduced speeding by utilizing warning letters that explained the importance of speed limits with positive effect⁷.

California law prohibits automated speed enforcement, but it does not explicitly prohibit a city from using automated means to monitor speeds and warn motorists. I recommend that the City Manager explore a program that sends warning letters to registered owners of speeding vehicles that identify the date and time of the violation, and provide messaging targeted to alter behavior (eg., “we are increasing speed enforcement on that road due to increasing complaints by your neighbors,” or “we are aware of your failure to comply with the posted speed limit on that street, which has a high rate of injury accidents, including one that has left a neighbor of yours in the hospital.”). The cost of administration of the program may be recoverable, resulting in no ongoing impacts to the General Fund. I recommend that the City Manager and City Attorney assess the cost and legal feasibility of this approach, and, if legally feasible, present (in this budget year) for Council approval the capital cost of installing automated speed detectors along at least five pilot PSC corridors.

Traffic Safety and Street Improvements: In my last June Budget Message, I directed the City Manager to allocate \$300,000 for street safety projects in ten locations citywide. Nine months into the current fiscal year, I have just learned that the Department has not expended these funds, which is unacceptable. The City Manager is directed to designate these funds and an additional \$1.7 million in traffic capital funding (\$2.0 million total) for traffic calming, traffic mitigation, and safety-enhancing improvement projects in targeted neighborhoods and/or major roads. The City Manager should communicate to Council verbally or through an Information Memorandum to identify the funded projects, utilizing on a data-driven approach that focuses on investments that can most substantially reduce the risk of harm to pedestrians and cyclists.

B. ACCELERATING AFFORDABLE HOUSING PRODUCTION

Development Services Action Team: The current alignment of City departments responsible for various decisions relating to development services (Planning and Building, Fire, Public Works, and occasionally, Environmental Services, Parks, Transportation, and Housing) leaves project-

⁵ “Taming Traffic Tension with Behavioral Science”, Association of Psychological Science, March 2020.

⁶ De Leonardis, D., Huey, R., and Robinson, E., “Investigation of the Use and Feasibility of Speed Warning Systems”, National Highway Traffic Safety Administration: Office of Behavioral Safety Research, May 2014.

⁷ The Behavioural Insights Team, “Making Our Roads Safer - The 2017 Nudge Awards: Nudge for Good”, Behave!, June 2017.

critical decisions subject to several different department heads. Coordination and oversight of all of those departments' decisions remains a challenge, in part because no single person has the sole responsibility for timely delivery of EIR's, planning approvals, building permits, fire inspections, and certificates of occupancy. Effective change management and consistent trouble-shooting requires having one person who wakes up each morning focused on development services, and having the responsibility and authority to direct changes that will improve organizational performance and customer service. More than a decade ago, the City of Sacramento addressed these challenges by assigning oversight over all of development services to a single person at the Deputy City Manager level. The City has some experience and success standing up cross-departmental development teams with the Capital Improvement Program Action Team of a decade ago. The City Manager is directed to create a Development Services Action Team to drive the transformation of the development process and delivery of priority projects, led by a newly-created Deputy City Manager position. That Deputy's portfolio must consist solely of the work of change management, trouble-shooting, and meeting clear outcome-focused metrics across all of the development services departments. To the extent recommended by the City Attorney, the City Manager should use development services fees to fund this position for two years.

Attorney Affordable Housing: Projects associated with the City's \$100 million affordable housing development through the NOFA grant process has stressed the capacity of the City Attorney's Office to keep up. The City Manager is directed to use one-time housing funds to add an Affordable Housing Attorney for a two-year period for legal research and review, help with housing grants, homelessness issues, and consultant contracts that will enable City staff to scale up expertise and protocols for greater affordable development activity in the years ahead.

Backyard Homes—ADU Allies: As the demand for backyard homes grows, a continued deployment of an ADU Ally Team will ensure success of the program. This successful effort was funded with one-time dollars, however, and requires our continued commitment. The City Manager is directed to allocate \$150,000 in one-time funding for an ADU Ally to continue outreach, homeowner workshops, and customer service. The City Manager is also directed to allocate sufficient resources from the appropriate Development Services Fee Program dedicated to the ADU program's need for engineering, building inspection, and permitting services.

Facilitating the Siting of Transitional and Permanent Housing Solutions: The siting of housing solutions for homeless residents has met with predictable resistance in our neighborhoods, often due to unresolved preexisting issues such as trash and illegal dumping, parking violations, and encampments. In response, the City Manager's Office piloted the implementation of enhanced services in areas adjacent to Overnight Warming Locations (OWLs) over the past year. These enhanced services have made neighborhoods more receptive of these interim uses. To scale this approach, I recommend the City Manager allocate funding to develop and deploy this program at future interim and permanent supportive housing sites within the City, after providing the Council with a report of the outcomes of our pilot efforts and with opportunity for input. The City Manager and City Attorney are further directed to return to Council this Spring with a set of recommendations about how and whether the City can provide a geographically-defined local preference for the housing of homeless individuals or low-income family in any new housing site.

C. EQUITY, DISPLACEMENT & ECONOMIC OPPORTUNITY

Equity Framework: The two recent Equity-related study sessions have explored—and demonstrated the importance of—the work underway within the City workforce in collaboration with the Government Alliance for Race and Equity (GARE). I recommend the City Manager allocate one-time funding for two years to develop a workplan that 1) integrates an equity framework into decision-making, and operationalizes this practice in our daily work, 2) creates a coordinated community engagement approaches that builds effective partnerships, 3) creates infrastructure to ensure the City has a data-driven approach, 4) sets aside resources for external consultants or facilitators to assist the City, where necessary, and 5) substantially expands language access capacity. I further recommend that the City Manager change the title of the Office of Immigrant Affairs to better reflect the expanded scope of its work on racial equity.

Equity and Budgeting: I recommend the City Manager issue a Manager’s Budget Addendum that outlines this year’s progress on implementing an equity screen to guide the distribution of resources for neighborhood services, as directed by Council through my June 2019-20 Budget Message, including specific description of the criteria used for resource allocation. I also recommend inclusion of a summary description of work undertaken by departments to incorporate an equity review and analysis in the City Manager’s current budget proposals.

Anti-Displacement Initiatives for Small Local Businesses:

- **Storefront Activation Program:** Dramatic changes in our national retail environment have persuaded national credit retailers to constrict their leasing activity. This dynamic provides some opportunity for locally-owned small business owners to find more affordable, visible locations, but they often need small business assistance programs to get started. The Storefront Activation Grant Program helps eliminate start-up barriers that will enable more small businesses to transform empty spaces to vibrant shops and restaurants. The City Manager is directed to allocate one-time funding of \$250,000 to continue this program, and to proactively communicate the availability of the program to less traditional storefront tenants, such as community-based non-profits, arts organizations, and day-care centers.
- **Neighborhood Business District (NBD) Grants:** As the City implements Urban Village plans and builds its anti-displacement strategy, many of the existing neighborhood business districts will require ongoing support to remain sustainable, long-term civic institutions. I recommend that the City Manager consolidate its NBD grants and allocate an additional \$10,000 in ongoing funding to increase the current grant program to \$60,000, with priority given to business districts providing services addressing small business and non-profit anti-displacement strategies.
- **Affordable Housing and Commercial Space:** Builders have expressed concerns about the City’s requirements in some business districts to build ground-floor commercial space within affordable housing projects. We appreciate their challenges in financing space that may not be eligible for tax credit or grant funding. However, effectively halting mixed-use development undermines many goals to which we have committed ourselves. At a time of tremendous displacement of our small local businesses and non-profits, we critically need

more commercial space for affordability and access. We also need more child care, employment opportunities, and neighborhood-serving services within walking distance for our low-income residents living in high-density buildings. We seek to create more walkable, mixed-use corridors to promote alternatives to the automobile, improve public health, add the “eyes on the street” for public safety, and reduce greenhouse-gas emissions. We also want better urban design, more vibrant streetscapes, and more engaging pedestrian-level activity in our development. All of these goals support a continued commitment to mixed-use development along our key transit corridors, neighborhood business districts, and in the Downtown. I recommend that we convene key partners in the Departments of Housing, Planning, and Economic Development, the County, Housing Authority, housing builders, and financing partners to explore and identify alternative sources of funding and new approaches to financing that would enable inclusion of ground-floor active uses for retail, restaurants, and neighborhood services such as child care, laundry, and gyms.

Education and Digital Literacy: On February 11, our City Council unanimously approved the San José Education Policy to articulate and institutionalize the City's approach to education. San José's future prosperity depends enormously on the educational success of our youth. Driven by the values of equity, opportunity, quality, and accountability, the Policy guides the City investment and focuses our efforts on improving outcomes for our children. As our Library Department assumes primary leadership and support responsibilities with PRNS and other departments, the City Manager should work to identify citywide resources that can be used to continue this work.

SJ Learns: Now in its fourth cycle, SJ Learns has provided more than 3,500 young students with extended-day learning in 16 high-need neighborhoods. This program leverages the expertise of our school districts and the resources of our business community; for example, last year's commitment from Alaska Airlines dramatically expanded the program into the summer to counter summer learning loss. In the year ahead, we will identify opportunities to expand the program, and to work with our school district partners to identify innovations that will better serve our highest need youth. To support these efforts to improve outcomes for the youngest members of community, I recommend the City Manager allocate another \$300,000 in one-time funds to SJ Learns.

D. BLIGHT & NEIGHBORHOOD QUALITY OF LIFE

BeautifySJ: BeautifySJ provides San Jose residents a much-needed respite from trash, graffiti, and blight, while boosting community pride by rallying residents to reclaim their public spaces with their neighbors. I propose the following changes to BeautifySJ:

- **Inter-Departmental Coordination:** BeautifySJ requires coordination across seven different departments and offices, involving at least 12 different beautification and quality-of-life-related initiatives. We routinely hear residents praise our hard-working City staff, but grouse about how services are delivered. A resident may use the MySanJose app to report graffiti and illegal dumping next to and in a park, but operating procedures result in different programs and different departments responding to the same geographic location. This ambiguity in ownership of service delivery frustrates our community and undermines our success. The City Manager is directed to explore consolidating the effort under a single

manager focused on ridding our City of blight. The City Manager is further directed to evaluate both one-time and ongoing beautification investments that allow for more effective blight-reduction strategies.

- **Interagency Coordination:** Similarly, a MySanJose app request for response to illegal dumping will require CalTrans to address dumping near a freeway off-ramp, the City to respond on a city street a few yards away, the Water District near a creek further away, Union Pacific along a railroad, and the VTA near a transit station. The MySanJose app will only provide satisfactory remedy for one of those five requests. Recent efforts to negotiate an MOU with Union Pacific may soon bear fruit, and the negotiation may provide a model for other interagency relationships. I recommend that the City Manager negotiate with other entities to facilitate City response to a blight complaint on another agency's land, but with compensation from that landowning agency.
- **BeautifySJ Sponsorships:** Several potential donors have expressed interest in sponsoring a portion of a program or event, but procurement rules prohibit sponsorship of large aspects of programs. Corporate contributions to the BeautifySJ program—whether to sponsor the Great American Litter Pick-Up or to fund BeautifySJ litter pick-up bags—should be easily (and happily) facilitated. I recommend that the City Manager authorize department directors to accept sponsorships and donations for BeautifySJ programming of departments operating within enterprise funds, and to do so without having to return to Council for approval.
- **BeautifySJ Grants Program:** More than 110 unduplicated neighborhood groups have received BeautifySJ grants since its inception—leveraging the power of volunteer energy and community pride. In the last seven months, the program has leveraged close to \$300,000 in in-kind/cash matches and about 14,000 volunteer hours at an estimated value of \$345,000. Over the past three years, residents have provided 34,000 hours of volunteer time. Neighborhoods continue to use grants to connect with their community members for neighborhood cleanups, tree plantings, mural-painting, and other ways that they can beautify their corner of San Jose. I direct the City Manager to allocate \$200,000 in one-time funding to the BeautifySJ Grant program to continue this momentum.
- **BeautifySJ Capital Needs:** The City Manager is further directed to allocate no more than \$400,000 to replace the leaf truck that is used by anti-litter staff for volunteer events and picking up illegal dumping, and to purchase two front-loading mini-tractors to utilize during clean-ups of dumping along creek trails and other tight spaces where traditional equipment cannot access.

Cash for Trash: We have recently launched an innovative program to pay unhoused residents for the trash they collect along creeks, roadways, and other areas near homeless encampments. A first-in-the-nation partnership with MasterCard has simplified payment processing, and other partnerships are planned. The City Manager is directed to monitor and measure the impact of the program in reducing visual blight and trash moving into waterways and storm drains. The City Manager is directed to use one-time funds of \$55,000 to continue this program into the next fiscal year, and to explore other sources of potential funding, including the City's sources and philanthropic contributions, to sustain the program.

E. COMMUNITY BUILDING, CULTURE, AND THE ARTS

City-Owned Cultural Facilities: As cultural facilities age, the list of deferred maintenance projects grows. In 2014, the City Council approved "capping" the revenue from the 4% of the Transient and Occupancy Tax (TOT) dedicated to the General Fund, with increment generated above that amount flowing to a new reserve needed for underfunded capital and maintenance of the City's cultural facilities. This set aside ended in 2017-18, and the City began an annual allocation of \$450,000 supplemented with additional one-time funds. In 2019-2020, the annual contribution increased from \$450,000 to \$850,000 and an additional one-time contribution of nearly \$6 million from the General Fund. However, this level of investment still leaves an average annual deficit of more than \$1 million over the next five years. The City Manager is directed to identify appropriate one-time sources of funds to increase the contribution in 2020-21 and evaluate a 5-year capital improvement program to identify and program funding to satisfy the current and future need. The City Manager should also explore re-instituting the previous increment funding approach, and further evaluate whether Team San Jose-operated City venues, such as the Center for Performing Arts, California Theater, and Montgomery Theater should be included within the fund, with supplemental annual contributions. The City Manager should report back to the Council through the budget process.

History San Jose: History San José operates several City-owned facilities, and preserves and enriches the cultural heritage of San Jose and the Santa Clara Valley through research, collections, partnerships, educational programs and events. The City Manager is directed to allocate \$300,000 in funds from the Cultural Facilities Capital Reserve to address high-priority capital improvements such as paving its dirt employee parking lot or replacing its perimeter fence.

St. James Park/Levitt Pavilion: The Levitt Foundation partners with cities and local organizations to transform public parks into vibrant destinations where free, live music brings people together and invigorates community life. The Friends of Levitt San Jose seeks to bring over 50 free, family-friendly concerts and performances each year to historic Saint James Park. Cost estimates of a Levitt Pavilion in the park have reached—*gasp*—\$21.6 million, including landscape, site work, reinforced lawns, green room, roof, glazing, and stage. Although Councilmember Raul Peralez has expressed a willingness to commit \$7.9 million of eligible District Three Parkland Dedication Ordinance/Park Impact Ordinance funding, and future developer fees may yield another \$5.5 million, the remaining gap for fundraising and funding exceeds \$8 million. The City Manager is directed to work with Chuck Toeniskoetter, the former CEO of TBI—who has volunteered his time to collaborate with the Friends of Levitt and convene a group of private sector experts to review the development and construction of the project, and to propose changes. Because this Pavilion will comprise the largest outdoor music venue in San Jose, and will serve the entire community, the City Manager is further directed to explore and propose the expenditure of citywide sources, such as the Construction and Conveyance Tax City-Wide Fund, for the construction of the Pavilion.

Armory Renovation: Rising rents threaten to displace our artists and cultural organizations, just as they have displaced our residents. SVCcreates supports a portfolio of more than 100 multicultural arts organizations and 150 artists in Santa Clara County, and has launched an effort to create a distributed network of space solutions for the arts. To date, they have invested \$3 million in shared space models for the arts that address the issue of dislocation of our creative community,

such as at the site on the corner of South 1st and San Carlos. The historic Armory building has recently been purchased by developer Urban Community, which has offered the building to SVCCreates as a potential space for artists and arts groups. CULTURESPACE will provide space for rehearsals, programming, classrooms, and offices for a consortium of multi-cultural arts groups, and will provide a music venue and event space for groups displaced by the sale of the Trianon Theater. These uses will require a renovation of the facility, which SVCCreates will fund through capital contributions. The City Manager is directed to identify capital funds up to \$250,000 for planning of this space to support the artist community. Given that traffic mitigation funds originally designed for this project appear to be no longer needed, the City Manager should consider this as a source, if appropriate.

Children's Musical Theater San Jose (CMT): After 22 years at the corner of Parkmoor and Meridian in District 6, a new school will displace CMT. Rather than folding up and moving to a new city, CMT leadership and its Board of Directors set out on to find space in San Jose, and will move down the street in September. At that site, CMT will bring rehearsal studios, administrative offices, and a set shop under one roof. CMT wants to continue serving the community; while enabling kids with financial barriers participate through its Community Access program, CMT will also help provide space for other arts organizations in its facility through subleases. CMT will provide up to ten (10) hours per week for weekday, daytime use of its 2,500 square foot “Studio A” space from February to May, and from August to November. CMT will work with the Director of the Office of Cultural Affairs to identify beneficial partners. The City Manager is directed to provide \$250,000 in one-time funds to CMT in the form of a Development Agreement to support its new space for calendar year 2020.

Vietnamese American Cultural Center: The City of San Jose has the largest Vietnamese population of any city outside of Vietnam, making up more than 10% of our population. Years ago, the City made efforts to establish a Vietnamese American Culture Center, but efforts languished during the economic downturn and with the loss of Redevelopment funding. In 2016, the Council established an interim Vietnamese American Community Center at the Shirakawa Center. Since opening, the community has embraced the Center, with larger events garnering over 1,000 attendees. The City Manager is directed to include funding to continue operations, and to bring forward a recommendation on the feasibility to make this funding ongoing.

Rotary and Fireworks: Members of San Jose’s Downtown Rotary Club—such as Marianne and Carl Salas, and Jim Gardner— have generously and doggedly sustained the Independence Day Fireworks show in Downtown San Jose, enjoyed by many tens of thousands residents each year. As a sign of the times, the Downtown Rotary will have to purchase “active shooter” insurance to move forward with a fireworks show this year. I recommend that the City Manager identify this modest one-time funding necessary to defray the entire cost of insurance, and to work with Rotary and our Office of Cultural Affairs to identify ongoing funding for the purpose.

F. INNOVATION

Innovation Imperative: In recognition of San Jose’s chronic staffing shortfalls, in March 2016, the Council unanimously approved a plan to transform San José into the most innovative city in America by relaying on technology and data as a “force multiplier” for staff’s good work. We worked to secure several one-time grants to fill positions. The City Manager’s Office of Civic

Innovation and Digital Strategy is charged with improving the efficiency and effectiveness of City services, leading such efforts as the MySanJose App, business process automation, and data projects. The City Manager is directed to identify grant funding that can stabilize CiDS staffing for the coming fiscal year, and allocate sufficient ongoing resources to sustain at least three positions addressing high priority areas such as the digital inclusion program, privacy policy, small wonders, data analytics and digital transformation.

CONCLUSION

Prior One-Time Funded Items: The City Manager is directed to evaluate programs funded on a one-time basis in Fiscal Year 2019-2020 for continuation in Fiscal Year 2020-2021.

Budget Balancing Strategy Guidelines: In addition to the five principles I've articulated in this Budget Message, the City Manager is directed to use the familiar FY 2020-2021 Budget Balancing Strategy Guidelines as detailed in Appendix A to develop a balanced budget for the fiscal year ahead.

I respectfully request the support of my colleagues for this March Budget Message. This memorandum has been coordinated with the City Manager and City Attorney.

For more information on this memorandum, please contact Nicholas Almeida, Budget Director, at 408-535-4811.

ATTACHMENTS

Appendix A – FY 2020-2021 Budget Balancing Strategy Guidelines

APPENDIX A

2020-2021 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. Consider current needs in the context of long-term service delivery priorities.
2. Balance ongoing expenditures 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.
3. 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.
4. Evaluate program-level budgets and determine if there are opportunities to shift resources or reconfigure operations to close service delivery gaps, generate new revenues, address truly significant community or organizational risks, fund programs added on a one-time basis in 2019-2020, and/or respond to City Council direction and organizational risks. Review existing vacancies for opportunities to reorganize work groups to realize cost savings or to achieve current service level demands through alternative means. Factor in performance measure data in the development of proposals.
5. 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).
6. 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.
7. Identify City policy changes that would enable/facilitate service delivery improvements or other budget balancing strategies to ensure equity and inclusion for how services are delivered.
8. 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.
9. Explore expanding existing revenue sources and/or adding new revenue sources.
10. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers whereby a cost recovery structure may be lower in certain circumstances, and explore opportunities to establish new fees and charges for services, where appropriate.
11. Focus any available one-time resources on investments that 1) address the City's unmet or deferred infrastructure needs; 2) leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions; 3) continue high-priority programs funded on a one-time basis in 2019-2020 for which ongoing funding is not available; 4) accelerate the pay down of existing debt obligations; 5) increase budget stabilization reserves to address future budget uncertainty; and/or 6) funding needs for non-bond eligible furniture, fixtures, and equipment associated with the continued implementation of Measure T.
12. Engage employees in department and/or city-wide budget proposal idea development.
13. 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.
14. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

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