

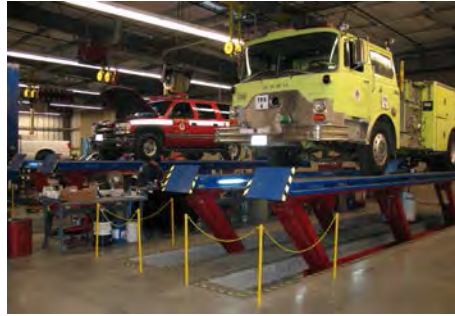
2014-2015

OPERATING BUDGET

STRATEGIC SUPPORT CSA

**STRATEGIC SUPPORT
CSA**

City Service Area Strategic Support



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

Primary Partners

Finance
Human Resources
Information
Technology
Public Works
Retirement Services

CSA OUTCOMES

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

City Service Area
Strategic Support
SERVICE DELIVERY FRAMEWORK

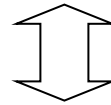
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Strategic Support CSA

Mission:

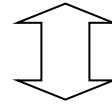
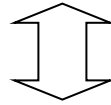
To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects.



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

Outcomes:

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



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

CORE SERVICES
 Primary deliverables of the organization

Finance Department

Core Services:

Disbursements

Financial Reporting

Purchasing and Risk Management

Revenue Management

Treasury Management

Human Resources Department

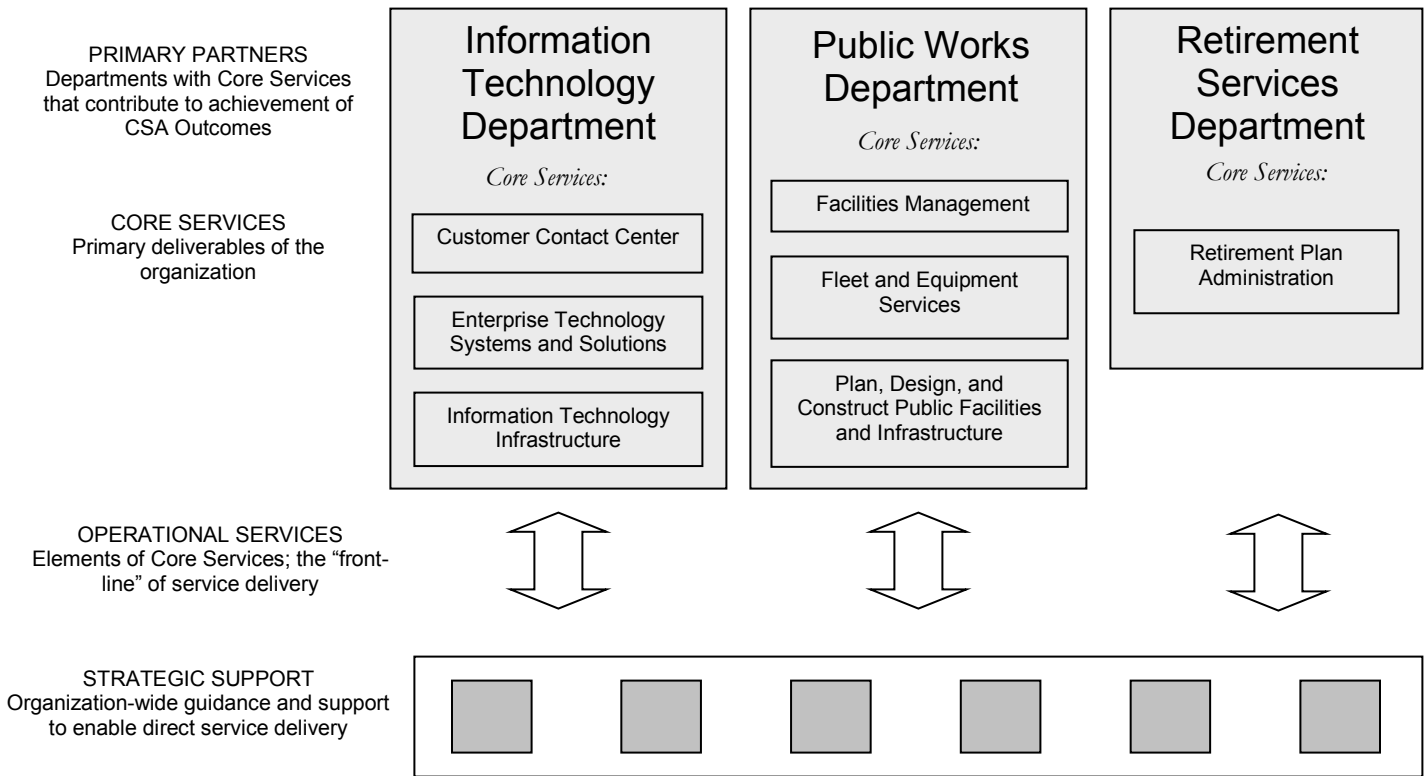
Core Services:

Employee Benefits

Employment Services

Health and Safety

SERVICE DELIVERY FRAMEWORK



Strategic Support

Expected 2014-2015 Service Delivery

- Oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customer and City staff needs.
- Maintain City facilities, equipment, and vehicles.
- Attract and retain qualified employees by continuing to facilitate recruitments and manage hiring processes in partnership with client departments.
- Maintain quality, affordable, and responsive benefit programs.
- Maintain a safe and healthy work environment in compliance with all applicable State and federal regulations related to employee health and safety and continue to minimize liability and loss to the City.
- Review medical services and wellness programs to ensure that current service levels are provided in the most efficient and cost-effective manner.
- Ensure the City's finance and technology resources are protected and available to address the short and long-term needs of the community.
- Manage space usage at City-owned facilities.



2014-2015 Key Budget Impacts

- The addition of a Development Services cashier, funded by the Development Fee Programs, will address the increase in cashiering activity levels of the Development Fee Programs.
- The transition of loan collections for outstanding accounts of the Small Business Loan Program from the Housing Department to the Finance Department will ensure consistency in collection practices and procedures for the outstanding loan portfolio.
- The elimination of six vacant Senior Office Specialists and a vacant Senior Supervisor of Administration will continue to prepare for the transition of garbage and recycling billing for all single family residential households to the Santa Clara property tax roll expected to occur in July 2015.
- Additional one-time funding of \$850,000 will augment existing funding for the replacement of the City's Business Tax System. The City's current Business Tax System is integrated into the City's Integrated Billing System (IBS) used for utility billing. The current billing system will no longer be supported after June 2015 as a result of transitioning the utility billing to the County of Santa Clara Property Tax Roll. Therefore, a new Business Tax

Strategic Support

2014-2015 Key Budget Impacts

System is needed to manage over 84,000 active annual Business tax accounts generating approximately \$11.0 million in revenue annually. The \$850,000 will be combined with the unspent \$1.8 million appropriated for the Business Tax System replacement, during the prior two fiscal years, to establish a Business Tax System Replacement Reserve.

- ❑ One-time funding for two years of necessary tax table updates for the City's Human Resources/Payroll System will ensure the viability of the current system until a replacement system is implemented.
- ❑ Additional one-time funding of \$1.0 million to augment existing funding for a new Human Resources/Payroll System for the City. The Human Resources/Payroll System Team (Finance, Human Resources, and Information Technology Departments) is undergoing an analysis of the replacement for the City's current HR/Payroll system, with an RFP released in April 2014. These funds will be combined with current project funding of \$2.47 million (\$1.82 million in the General Fund) to establish a Human Resources/Payroll System Reserve, which will be utilized to fund the new system once the RFP process is completed and a vendor is selected.
- ❑ The addition of funding for contractual services will enable the Human Resources Department to conduct interviews with Police Officers about what factors motivate them to stay with and succeed in the Police Department.
- ❑ The addition of an Analyst in the Human Resources Health and Safety Division, assigned to the Police Department, will serve as a dedicated resource and the single point of contact for employees in the Police Department. The position will address human resources-related questions and assist with disability retirement issues.
- ❑ A staffing realignment in the Human Resources Benefits Division, resulting in the net elimination of 0.25 positions, will enable the department to realize staffing efficiencies by merging the duties of two part-time positions currently assisting the Deferred Compensation Program and the Benefits Program into a single position.
- ❑ The addition of ongoing funding for the Employee Engagement Program Survey and Training will revamp the employee survey to be used on an annual basis, provide training to managers on the new survey, and enable access to a database of responses.
- ❑ The addition of a limit-dated Program Manager position through June 2015 will assist with city-wide technology procurements to help address the significant backlog of large, complex, and high-profile technology procurements.
- ❑ The addition of one-time funding of \$400,000 for critical technology infrastructure will allow for an expedited retirement of the end-of-life on-premise Storage Area Network (SAN) and the replacement of aging virtual servers. In addition, one time funding of \$100,000 will fund staff training to support new technologies.
- ❑ The addition of two Network Technicians in the Information Technology Department will modernize the desktop environment for the Public Works Department and the Development Services Partners.
- ❑ The addition of an Open Data Architect will provide a dedicated resource to the Open Data initiative, increase transparency, and emphasize accountability by enabling data-driven decisions that impact daily lives.
- ❑ The addition of an Information Technology Business Analyst will enable the analysis of business processes that will lead to accelerating solutions that have the greatest impact on the organization as a whole.

Strategic Support

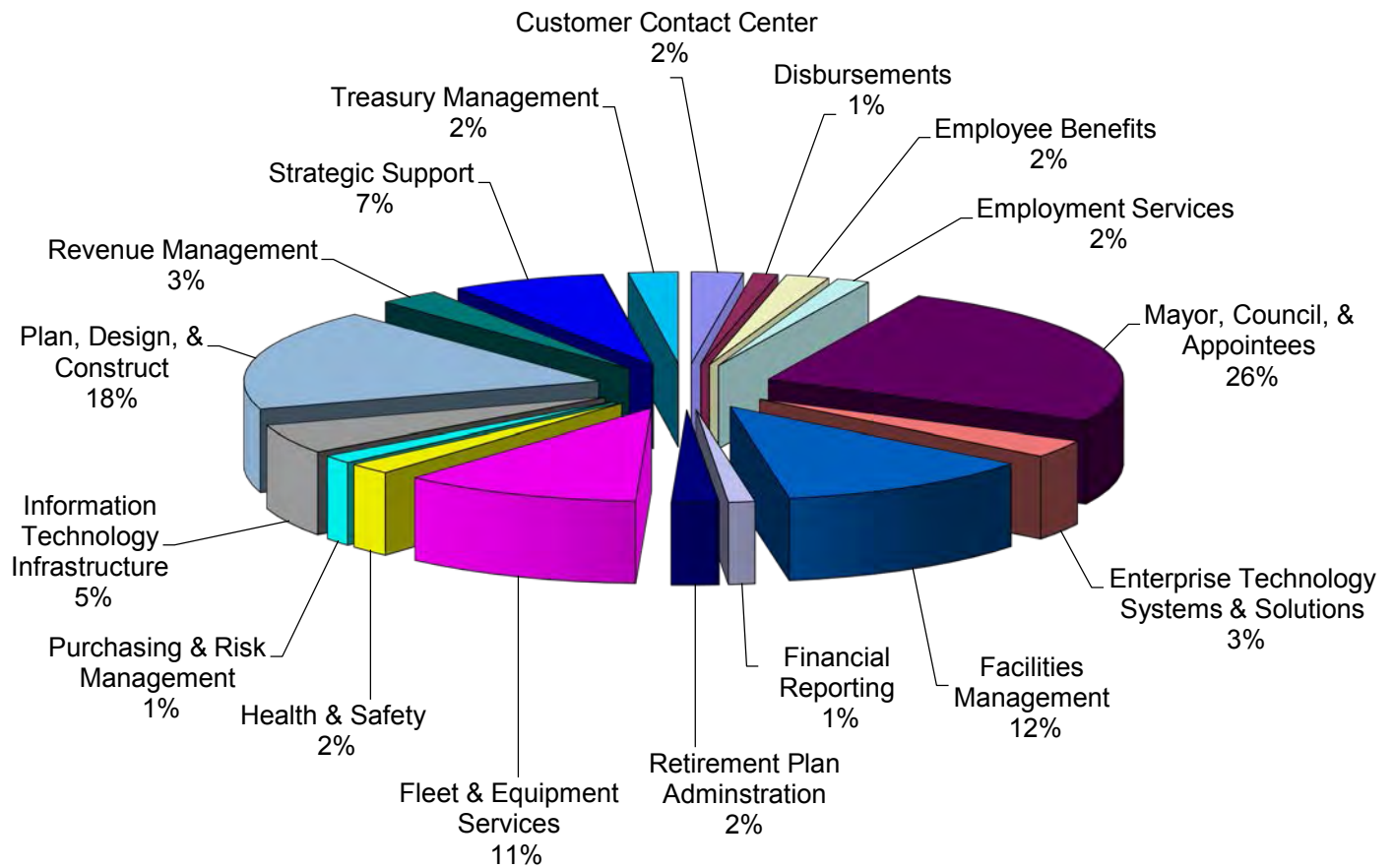
2014-2015 Key Budget Impacts

- ❑ Elimination of a vacant Communications Technician and the addition of an Analyst in Telecommunications Administration appropriately aligns resources with the duties required as a result of the hosted Voice over Internet Protocol (VoIP) system.
- ❑ The elimination of a part-time position in the Public Works Labor Compliance program will align resources needed to support the City's Minimum Wage Ordinance.
- ❑ Continued ongoing and one-time funding for the preventative maintenance program will result in safer, more reliable infrastructure and will ultimately lead to a longer service-life for essential facility infrastructure. Eighty percent, the industry standard, of preventative maintenance work orders will be completed in 2014-2015 with 60-65% ongoing.
- ❑ Additional one-time funding (\$1.6 million) will address some unmet deferred infrastructure needs at several City facilities including the Children's Discovery Museum and the Police Complex (Police Communications Center, Police Administration Building, and the Municipal Garage).
- ❑ Additional capital-funded staffing resources in the Department of Public Works will support increased activity in the Capital Improvement Program. The increased workload will primarily support the ongoing capital projects in the Sanitary and Storm Sewer programs, the Water Pollution Control Plant, BART, and increased capital maintenance.
- ❑ A reduction in facility and vehicle maintenance resources in the Public Works Department that support the South San José Police Substation is possible based on the planned repurpose of that facility in 2014-2015.
- ❑ Additional fleet management funding will renew a two-year lease on 27 electric plug-in vehicles in various departments to be used as a pool by staff to attend to City business activity.
- ❑ Staffing adjustments in Retirement Services will provide the necessary resources required to support the fiduciary and governance requirements of the Retirement Boards and Committees and increase technical support in preparation for the implementation of a new pension administration system.
- ❑ One-time funding of \$120,000 will fund resources necessary to manage the Request for Proposals (RFP) process for the Property Assessed Clean Energy (PACE) Program began in July 2014.

City Service Area
Strategic Support
BUDGET SUMMARY

2014-2015 Total Operations by Core Service

CSA Dollars by Core Service \$174,448,661
(Includes Mayor, City Council, and Appointees)



City Service Area
Strategic Support
BUDGET SUMMARY

City Service Area Budget Summary

Dollars by Core Service	2012-2013 Actual 1	2013-2014 Adopted 2	2014-2015 Forecast 3	2014-2015 Adopted 4	% Change (2 to 4)
<i>Finance</i>					
Disbursements	\$ 1,634,632	\$ 1,685,997	\$ 1,868,863	\$ 2,002,418	18.8%
Financial Reporting	1,623,859	1,859,211	2,005,170	2,130,916	14.6%
Purch. and Risk Management	1,793,456	2,252,693	2,408,074	2,563,255	13.8%
Revenue Management	4,738,081	4,746,783	4,852,283	4,948,877	4.3%
Treasury Management	3,431,979	3,882,312	3,710,446	4,005,684	3.2%
Strategic Support	1,164,093	1,227,088	1,318,287	1,353,727	10.3%
<i>Human Resources</i>					
Employee Benefits	2,199,443	2,258,295	2,366,017	2,401,771	6.4%
Employment Services	1,852,103	2,051,590	2,195,506	2,632,323	28.3%
Health and Safety	2,579,876	3,386,288	3,157,951	3,517,627	3.9%
Strategic Support	704,505	917,564	963,057	985,664	7.4%
<i>Information Technology</i>					
Customer Contact Center	2,873,549	4,582,832	4,565,821	4,168,212	(9.0%)
Enterprise Technology	4,367,513	4,912,126	5,114,056	5,467,087	11.3%
Systems & Solutions					
Info. Technology Infrastructure	7,029,891	8,355,653	7,398,600	8,980,072	7.5%
Strategic Support	730,860	890,640	1,034,447	1,056,072	18.6%
<i>Public Works</i>					
Facilities Management	17,551,340	19,595,260	18,638,367	19,714,043	0.6%
Fleet & Equipment Services	16,610,902	19,281,318	19,010,812	19,211,152	(0.4%)
Plan, Design & Construct Public Facilities & Infrastructure	28,200,809	28,940,203	30,491,456	31,518,217	8.9%
Strategic Support	5,431,235	6,221,543	6,542,662	6,821,593	9.6%
<i>Retirement Services</i>					
Retirement Plan Administration	2,352,736	3,009,342	3,562,239	3,793,931	26.1%
Strategic Support	1,444,650	2,009,683	2,031,022	2,181,969	8.6%
Dollars by Core Service Subtotal	\$ 108,315,512	\$ 122,066,421	\$ 123,235,136	\$ 129,454,610	6.1%
MAYOR, CITY COUNCIL, AND APPOINTEES	\$ 35,770,607	\$ 41,912,953	\$ 41,325,219	\$ 44,994,051	7.4%
<i>Other Programs</i>					
City-Wide Expenses	\$ 141,523,512	\$ 43,483,495	\$ 25,754,000	\$ 38,038,944	(12.5%)
Gen.Fd Cap, Trans & Reserves	25,464,734	146,849,414	73,466,448	140,994,428	(4.0%)
Other Programs Subtotal	\$ 166,988,246	\$ 190,332,909	\$ 99,220,448	\$ 179,033,372	(5.9%)
Total CSA	\$ 311,074,365	\$ 354,312,283	\$ 263,780,803	\$ 353,482,033	(0.2%)
Authorized Positions	853.77	878.95	873.15	894.10	1.7%

Service Delivery Accomplishments

- The City's current general credit rating is Aa1/AA+/AA+ by the three leading national rating agencies. Considering the City's fiscal challenges in recent years, the ratings by the three agencies together acknowledge the City's moderate debt levels, strong financial management, and proactive responsible leadership. The City of San José remains the highest rated large city (with a population over 250,000) in California and the third highest rated among the nation's ten largest cities.
- The Finance Department's focus on improving collection efforts and optimizing staff resources continues to produce an average of eight dollars return on revenue for every dollar spent on direct costs in the Revenue Management Division. Additionally, the Business Tax Amnesty Program successfully brought more businesses into voluntary compliance with the City's Business Tax Ordinance.
- As a result of having additional staffing resources solely dedicated to technology procurements, Finance estimates successful completion of approximately 15 technology procurements in 2013-2014. There are numerous technology procurements anticipated in 2014-2015. Finance anticipates that the need for a dedicated resource to focus on technology procurements will continue as new technology is available and systems require upgrades or replacements.
- Human Resources implemented a two-year Workers' Compensation Service Delivery pilot project in July 2013. This project moved approximately one half of the workers' compensation claims administration to Athens Inc., a third party administrator for bill review, utilization review, and medical management administrative services. Staff continues to evaluate this pilot program and, upon completion, will bring forward a recommendation to either go back to using 100% in-house staff, move completely to a third party administrator for claims administration, or continue the current hybrid model.
- In January 2014, the City implemented a Medical Provider Network (MPN) to treat work-related injuries.
- Technology enhancements implemented, through the City's general banking service provider, have allowed for many manual processes to be performed electronically, providing opportunities to streamline payment processing operations. These efficiencies have mitigated staff reductions; however, the ability to meet service level demands with existing resources continues to be a challenge.
- The Information Technology Department anticipates completing a city-wide email upgrade and migration, moving over 6,000 mailboxes to the cloud. This project modernizes the email platform by three full generations and increases the average mailbox size by 1,000 times.
- The Information Technology Department anticipates completing the city-wide roll-out of hosted Voice over Internet Protocol (VoIP) services in fall 2014. The implementation schedule is prioritized by replacing the most costly legacy systems first, with the remainder of the City's 80+ sites and approximately 6,000 telephone lines to follow.
- The Information Technology Department completed the first phase of migration including user data, shared drives, and documents to a shared cloud solution. This migration has significantly reduced the City's dependence on antiquated tape technology and traditional on-premise storage area networks.
- The capital program at the Airport is winding down with the completed construction of Taxiway W Phase 3 and Phase 4. Taxiway W Phase 5 was completed in summer 2014.
- One other capital improvement project of note is the Convention Center Renovation and Expansion, which was completed in September 2013.
- Continued installation of electric vehicle charging stations at various street side locations aligns with the City's dedication to promote the use of alternative-fuel vehicles.

City Service Area
Strategic Support
OVERVIEW

Service Delivery Accomplishments

- In 2013-2014, the Department of Retirement Services (DRS) implemented the new Tier 2 for Police members of the Police and Fire Department Retirement Plan, established by the City Council on June 18, 2013, to create a second tier of benefits applicable to police plan members hired, rehired, or reinstated on or after August 4, 2013. DRS also implemented the new Tier 2B for the Federated City Employees' Retirement System, established by the City Council on August 27, 2013, to create a new benefit tier, which eliminates retiree medical and dental benefits for employees hired on or after September 27, 2013.

Service Delivery Environment

- The Finance Department has continued to provide financial modeling and analysis as part of its core mandate to meet the increasingly complex needs of the City.
- The Integrated Billing System (IBS) provides City staff with management tools to oversee annual revenues of approximately \$300 million. On September 17, 2013, City Council approved a service delivery strategy to collect Recycle Plus payments for garbage and recycling services for all single family residential households through the Santa Clara County Secured Property Tax Bill effective July 1, 2015.
- The Business Tax Billing System (BTS) provides City staff with management tools to oversee annual revenues of approximately \$11.5 million from approximately 84,000 businesses. Staff issued a RFP in January 2014 to replace the current BTS and anticipates transitioning to a new system in 2014-2015.
- The City continues to face accelerating demands for information technology service delivery and increasing costs for information technology infrastructure maintenance and renewal. Despite one-time funding allocated for technology, the single most significant issue facing the Information Technology Department in its ability to address city-wide technology infrastructure and business needs is identifying sustainable sources of funding.



- As the cost of medical insurance has outpaced both revenues and the cost of living, the Human Resources Department continues to explore opportunities to minimize the impact on the City and its employees. Efforts will be focused on finding ways to minimize utilization that could be avoided through education and healthier lifestyles. One such effort is the Wellness Program; the Human Resources Department will continue to evaluate ongoing solutions and ensure that current service levels are provided in the most efficient and cost effective manner.
- Workers' compensation costs in 2013-2014 were lower than the prior year level of \$19.4 million. Although workers' compensation costs statewide were expected to increase due to medical inflation and increases in temporary and permanent disability benefit rates, the City of San José's costs are on a downward trend primarily due to the implementation of a two year comprehensive workers' compensation reform pilot program. With the transfer of approximately 50% of the City's departments' workers' compensation cases to a new third party claims administrator at the beginning of 2013-2014, the continued reduction in the number of claims, implementation of a Medical Provider Network on January 1, 2014, and other efficiency improvements and management of claims, mitigation of costs should continue.

Service Delivery Environment

- With the deployment of Office 365, the Information Technology Department has begun to establish a city-wide baseline computing environment. Fundamental infrastructure and technology such as networks, desktops, servers, security, and associated staffing may now be considered for centralization and the reduction of redundancies, allowing departments to focus on applications that enhance their service delivery.
- Leveraging the investments that the City has already made in the cloud, the Information Technology Department is able to partner with other City departments, including the Office of Economic Development, to offer programs such as the Downtown high-speed internet pilot. As approved by City Council on February 25, 2014, this pilot project enables the City to assist property owners of high-vacancy buildings in the Downtown area by providing high-speed internet to facilitate leasing of these buildings, and assess the impact of the internet service on accelerated leasing to tenants in efforts to improve economic growth.
- The City has begun receiving at market-rate bids for construction projects due to a less competitive bidding environment. This cost escalation trend is expected to continue.
- Currently, the City's Standard Specifications for construction are undergoing revision and, as green construction becomes mandatory, the City will incorporate specifications that take advantage of emerging sustainable technologies.
- The City's building inventory expanded through the decade of investment. Many of the newer facilities are reaching the five and ten year thresholds when the facilities typically experience an increase in maintenance needs. While funding to address minor repairs and preventative maintenance for new facilities is added as they open, limited funding was available for ongoing maintenance needs due to General Fund shortfalls. Funding for older buildings, which have greater maintenance and repair needs, has also been limited. This has resulted in an increased demand for preventative maintenance activities. Actions included in the 2014-2015 Budget will allow the Department of Public Works to continue the Preventative Maintenance Program at 80% for 2014-2015 and 60-65% thereafter.

CSA Priorities/Key Services

- Provide compensation and payments to City employees and vendors in a timely manner
- Produce legally required, compliance, and regulatory information and financial reports
- Manage multi-billion dollar debt and investment portfolios
- Collect and deposit delinquent accounts receivables due to the City
- Bill and collect City utilities service fees for storm, sewer, water, Recycle Plus, and Business Tax
- Ensure a high degree of compliance through audits and reviews
- Explore further opportunities to maximize tax collections
- Procure goods and services pursuant to City Policies and Initiatives to support City operations in an open and competitive process
- Provide workers' compensation, safety and loss control, and return to work services
- Provide city-wide employment services
- Continue the consolidation of technology functions, focusing on the realignment of IT service delivery from an enterprise perspective, elimination of duplicative work efforts, and lower overall IT costs
- Provide secure and reliable network services
- Maintain enterprise systems such as the City's Financial Management System (FMS), the Integrated Billing System (IBS), and Human Resources/Payroll System and develop migration strategies for enterprise applications to flexible integrated solutions
- Mitigate the City's information security risks
- Provide the primary point of contact for residents, businesses, and employees through the Customer Contact Center
- Maintain City-owned facilities and equipment to ensure public and employee safety and maximize the functionality of the City's assets
- "Greening" the City facilities and the City fleet
- Manage the City's space needs and the use of City-owned properties
- Provide quality capital project delivery
- Ensure consistent and transparent construction procurement services
- Provide mail room services, recycling services, and records management services in support of City policies and city-wide operations
- Provide wage policy compliance
- Manage Retirement Plan assets in an efficient manner to achieve long-term net returns in excess of the actuarial investment return assumption while maintaining a reasonable level of investment risk
- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the appropriate rates, assumptions, and methodologies to de-risk the plans liabilities/contributions volatility, and reduce intergenerational shifting of liabilities
- Provide quality retirement planning and counseling

Budget Dollars at Work: Performance Goals

Strategic support functions are critical within any organization. Basic core services must be maintained at an effective level, with the adaptability to grow and improve in a timely manner as resources become available.

OUTCOME 1: A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS

Strategic Goals	CSA Performance Measures	2012-2013 Actual	2013-2014 Target	2013-2014 Estimate	2014-2015 Target	5-Year Goal
Align systems that develop and maintain a high-performing workforce	1. % of employees who agree or strongly agree they clearly understand the performance expectations of their job	N/A*	82%	N/A*	N/A*	82%
Develop and encourage supervisors and managers that support a high-performing workforce	1. % of employees who agree or strongly agree they receive timely, constructive feedback on performance and they are provided opportunities to make decisions regarding their job	N/A*	43% / 78%	N/A*	N/A*	43% / 78%
	2. % of employee performance appraisals completed on schedule	45%	60%	68%	75%	100%
Foster a shared vision with employees about the characteristics of a high-performing workforce	1. % of employees who agree or strongly agree they have the skills and knowledge they need to do jobs or there is a plan to obtain them	N/A*	84%	N/A*	N/A*	90%
	2. % of the public having contact with City employees who are satisfied or very satisfied with the:					
	- timeliness of City employees	74%	83%	N/A**	76%	83%
	- courtesy of City employees	86%	83%	N/A**	88%	83%
	- competency of City employees	76%	83%	N/A**	80%	83%
	3. % of employees who agree or strongly agree they understand the City's vision and how their work contributes to a core service	N/A*	84%	N/A*	N/A*	84%
4. % of employees who are satisfied or very satisfied with their job	N/A*	60%	N/A*	N/A*	70%	
5. % of employees who agree or strongly agree the City is a good employer	N/A*	60%	N/A*	N/A*	75%	
6. % of employees who rate their overall satisfaction with Human Resources as satisfied or very satisfied	N/A*	45%	N/A*	N/A*	45%	
Provide the necessary & required safety & health services that ensure employee health, safety & well-being	1. Number of Workers' compensation claims per 100 FTEs	16.1	17.0	14.0	14.0	14.0

Changes to Performance Measures from 2013-2014 Adopted Budget: Yes¹

* Data for these measures was previously collected through the biennial City-Wide Employee Survey. The survey, last issued in 2010-2011, has been temporarily suspended. The 2014-2015 Adopted Budget contains funding for a new employee engagement program survey and training effort as described elsewhere in this document. Possible new performance measures and targets will be developed as a result of this program and will be reported in the 2015-2016 Proposed Budget document as appropriate.

** Data for this measure is collected through the biennial City-Wide Community Survey. The survey was last issued in 2012-2013. The next scheduled survey will be conducted in 2014-2015.

¹ Changes to Performance Measures from 2013-2014 Adopted Budget:

↳ “% of the public having contact with the City employees who are satisfied or very satisfied with the customer service based on courtesy, timeliness, and competence” is now displayed as three separate measures to more appropriately reflect the independence of those factors and how the survey captures the responses.

City Service Area
Strategic Support
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS

- ✓ Over the next five years, 33% of the City workforce will be eligible for retirement. Strategies are being implemented to develop current employees and attract new talent so that the City’s workforce can continue to deliver top-quality services while meeting changing customer demands.
- ✓ The Human Resources Department will continue to provide services that enhance the organization’s ability to hire and retain a high-performing workforce. Objectives in this area include greater focus on posting recruitments quicker by utilizing technology. Also, classification activities to ensure that duties and skill sets reflect the needs of the workplace and maintaining a streamlined process for conducting executive recruitments remain a high priority for the department. The Human Resources Department will work to ensure recruitment pools have the most qualified candidates available for selection by departments.

OUTCOME 2: SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES AND EQUIPMENT

Strategic Goals	CSA Performance Measures	2012-2013 Actual	2013-2014 Target	2013-2014 Estimate	2014-2015 Target	5-Year Goal
Provide well-maintained facilities that meet customer needs	1. % of facilities with a condition assessment rating of good or better (3 or better on a 5-point scale)	94%	80%	82%	84%	85%
	2. % of customers who rate facility services as good or excellent based on timeliness of response and quality of work	88%	87%	75%	80%	90%
	3. % of facility health & safety concerns mitigated within 24 hours	100%	100%	100%	100%	100%
Provide and maintain equipment that meets customer needs	1. % of equipment that is available for use when needed:					
	• Emergency Vehicles	100%	100%	100%	100%	100%
	• General Fleet	95%	95%	87%	88%	95%
	2. % of fleet in compliance with replacement cycle:					
• Emergency Vehicles	100%	100%	100%	100%	100%	
• General Fleet	90%	85%	87%	88%	90%	

Changes to Performance Measures from 2013-2014 Adopted Budget: No

- ✓ The Public Works Department will continue to provide well-constructed facilities and infrastructure that meet the needs of San José residents and City staff. This goal will continue to be achieved through the plan, design, and construction of capital projects that are aligned with City Council priorities, the City’s Master Plans, and comply with the established engineering standards.
- ✓ Past economic challenges have limited the Department of Public Works’ ability to perform preventative maintenance for City facilities and fleet, leaving assets at significant risk. Improvements have been made to the preventative maintenance work completed in City of San José facilities from 38% in 2011-2012 to 80% in 2012-2013 and 2013-2014. The 2014-2015 Adopted Budget continues funding for facilities that will aid in retaining the preventative maintenance performance level achieved in 2013-2014, with the expectation that this funding will help to prolong the life cycle of facility investments, and to some extent, reduce corrective work. The Department will continue to address health and safety related corrective work as first priority with other concerns receiving lower staffing levels commensurate with funding levels.

Budget Dollars at Work: Performance Goals

OUTCOME 2: SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES AND EQUIPMENT

- ✓ Public Works continues to examine service delivery options, taking advantage of insourcing and outsourcing opportunities to most efficiently deliver services.
- ✓ The Public Works Department will continue to develop mid- and long-range plans for management of City facilities and fleet assets.
- ✓ Efforts will continue to support the development of capital improvement projects that can reduce maintenance and operations costs, extend the service life of City assets, and reduce the deferred maintenance infrastructure backlog.

OUTCOME 3: EFFECTIVE USE OF TECHNOLOGY

Strategic Goals	CSA Performance Measures	2012-2013 Actual	2013-2014 Target	2013-2014 Estimate	2014-2015 Target	5-Year Goal
Deploy technology resources effectively	1. % of network services available 24/7:					
	-Converged City Network	99.97%	99.90%	99.50%	99.50%	99.95%
	-Telephones	99.94%	99.90%	99.90%	99.50%	99.95%
	-Enterprise Servers	98.76%	99.90%	99.40%	99.50%	99.95%
	2. % of time system is available during normal business hours:					
	-E-mail	99.61%	99.50%	99.80%	99.90%	99.50%
	-Financial Management System	99.60%	99.50%	99.70%	99.50%	99.50%
	-Human Resources/Payroll System	100.00%	99.50%	99.80%	99.50%	99.50%
	-Combined Availability	99.55%	99.50%	99.76%	99.63%	99.65%

Changes to Performance Measures from 2013-2014 Adopted Budget: No

- ✓ With City Council approval to remove the in-house option for replacement of the Integrated Billing System (IBS), the Information Technology Department will focus on the “next generation” Contact Center and deployment of newer and more agile technologies. The future Contact Center will reflect both traditional and modern communication styles such as social media (e.g. Facebook, Twitter, etc.) and web-based chat abilities.
- ✓ Develop a city-wide baseline computing environment to provide modern, consistent tools to enable employee productivity.
- ✓ Deployment of Microsoft Office 365 software (Word, Excel, PowerPoint, etc.), document management, and collaboration features will be enabled for all employees. This will provide enhanced features, such as automated workflows and videoconferencing, with continuous access to the most current versions of office productivity software.

City Service Area
Strategic Support
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

Strategic Goals	CSA Performance Measures	2012-2013 Actual	2013-2014 Target	2013-2014 Estimate	2014-2015 Target	5-Year Goal
Maintain City's bond ratings	1. City's bond ratings: (General Obligation Bond Rating) • Moody's • Standard & Poor's • Fitch	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+
Improve and protect the financial management system and have it available to address short- and long-term needs	1. % of customers rating financial reporting services as good or better, based on accuracy, timeliness and customer focused processes	N/A*	N/A*	N/A*	N/A*	N/A*
Customers have the financial information they need to make informed decisions	1. % of customers who say they have the financial information they need to make informed decisions	N/A*	N/A*	N/A*	N/A*	N/A*

Changes to Performance Measures from 2013-2014 Adopted Budget: No

* Data for these measures was previously collected through the biennial City-Wide Employee Survey. The survey, last issued in 2010-2011, has been temporarily suspended. The 2014-2015 Adopted Budget contains funding for a new employee engagement program survey and training effort as described elsewhere in this document. Possible new performance measures and targets will be developed as a result of this program and will be reported in the 2015-2016 Proposed Budget document as appropriate.

- ✓ The Finance Department will continue to ensure that the City's financial resources are protected and available to address the short- and long-term needs of the community. This goal is accomplished by proactively billing and collecting revenues due to the City; exploring opportunities through coordination with other governmental agencies; leveraging a third-party collection agency to maximize tax collections; facilitating timely and accurate disbursements; investing City funds in accordance with the Investment Policy; managing a multi-billion dollar debt portfolio within federal regulatory requirements; providing accurate and timely financial reports; effectively and efficiently procuring goods and services; and maximizing revenue from the sale of surplus property.
- ✓ The Finance Department will continue to respond to the financial modeling and analysis needs of the City.
- ✓ The City's general credit rating is rated Aa1/AA+/AA+ by all three leading national rating agencies (the highest for a large California city with a population over 250,000). The Finance Department will continue efforts to maintain favorable bond ratings.
- ✓ Retirement Services will continue to seek solutions to increase returns, reduce volatility, and reduce costs while improving risk management and analytics. Retirement Services will work with the Plans' actuaries to ensure the boards have adopted and implemented the appropriate discount rates, assumptions, and methodologies to de-risk the plans liabilities/contributions volatility and reduce intergenerational shifting of liabilities; and provide quality customer service to members. Retirement Services will continue to work with its investment consultants to adopt the appropriate asset allocation and select money managers to meet the assumed actuarial rate of return.

City Service Area
Strategic Support
ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
FINANCE DEPARTMENT			
• Finance Department Salary Program		313,239	254,258
• City-Wide Purchasing Support: Information Technology Procurements	1.00	116,327	116,327
• Human Resources/Payroll System Annual Tax Updates		100,000	100,000
• City-Wide Cost Allocation Plan Staffing	1.00	85,641	85,641
• Development Services Cashiering Staffing	1.00	71,547	71,547
• Small Business Loan Program Collections Funding Reallocation	0.00	0	(27,131)
• Rebudget: Cashiering System Integration		105,000	105,000
• Rebudget: Cost Allocation Plan Software		50,000	50,000
<i>Subtotal</i>	3.00	841,754	755,642
HUMAN RESOURCES DEPARTMENT			
• Human Resources Salary Program		146,716	109,470
• Human Resources Retention Interviews (Public Safety)		100,000	100,000
• Human Resources Police Department Liaison	1.00	84,964	84,964
• Benefits Division Staffing Realignment	(0.25)	3,174	(11,979)
• Rebudget: Employment Services Temporary Staffing		170,000	170,000
• Rebudget: Workers' Compensation Audit		100,000	100,000
• Rebudget: Workers' Compensation Backlog Temporary Staffing		100,000	100,000
• Rebudget: Recruitment Advertising and Job Fairs		75,000	75,000
• Rebudget: Hiring Process Review		50,000	50,000
• Rebudget: Technology/Health and Safety Equipment		25,000	25,000
<i>Subtotal</i>	0.75	854,854	802,455
INFORMATION TECHNOLOGY DEPARTMENT			
• Critical Applications Infrastructure Upgrade		400,000	400,000
• Information Technology Department Salary Program		226,778	160,942
• Open Data Initiative	1.00	160,205	160,205
• Departmental Desktop Modernization Staffing	2.00	154,630	77,315
• Information Technology Technical Business Analyst	1.00	110,205	110,205
• Information Technology Technical Staff Training		100,000	100,000
• Customer Contact Center Staffing	(7.00)	(493,216)	(64,736)
• Telecommunications Administration Staffing Realignment	0.00	(75,083)	(75,083)
• Rebudget: Microsoft Office Upgrade		550,000	550,000
• Rebudget: Network Equipment Upgrades		250,000	250,000
• Rebudget: Security Upgrades		175,000	175,000
<i>Subtotal</i>	(3.00)	1,558,519	1,843,848

Strategic Support

ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
PUBLIC WORKS DEPARTMENT			
• Preventative Maintenance Program	3.00	1,300,000	1,300,000
• Public Works Department Salary Program		790,802	164,195
• Public Works Capital Improvement Program Right-Sizing	7.50	632,443	0
• Energy Team Staffing	1.00	112,910	56,029
• Animal Care and Services Volunteer Outreach Program	0.70	109,744	8,154
• Electric Vehicle Lease Renewal		21,597	9,717
• South San José Police Substation	(2.00)	(628,095)	(463,624)
• Minimum Wage Labor Compliance	(0.50)	(33,943)	(33,943)
• Rebudget: South San José Police Substation		176,250	0
• Rebudget: Sewage Geographic Information System		100,000	0
<i>Subtotal</i>	9.70	2,581,708	1,040,528
RETIREMENT SERVICES DEPARTMENT			
• Retirement Services Accounting and Investment Divisions Staffing	2.00	228,648	0
• Retirement Services Department Salary Program		117,771	0
• Retirement Services Information Technology Staffing	0.25	36,220	0
<i>Subtotal</i>	2.25	382,639	0
<i>Subtotal Departments</i>	12.70	6,219,474	4,442,473
CITY-WIDE EXPENSES			
• 2-1-1 Call Center		75,000	75,000
• Ballot Measure Polling		50,000	50,000
• Banking Services		250,000	250,000
• Employee Engagement Program Survey and Training		120,000	120,000
• Google Fiber Project		100,000	100,000
• Information Technology Desktop Modernization		500,000	500,000
• Property Assessed Clean Energy (PACE) Program		120,000	120,000
• Successor Agency City Subsidy		(700,000)	(700,000)
• TRANs Debt Service		(400,000)	(400,000)
• Miscellaneous Rebudgets		12,169,944	12,169,944
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Children's Discovery Museum Chiller Replacements		700,000	700,000
• Capital Contributions: Children's Discovery Museum Portico Reroof		250,000	250,000
• Capital Contributions: City Hall Security Improvements		50,000	50,000
• Capital Contributions: Downtown Ice Rink Improvements		100,000	100,000
• Capital Contributions: Municipal Garage Repainting		120,000	120,000
• Capital Contributions: Police Administration Building Visitors Parking Lot and Campus Asphalt Repairs		150,000	150,000

City Service Area
Strategic Support
ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Police Communications Center Parking Deck and Ramp Restoration		350,000	350,000
• Capital Contributions: Unanticipated/Emergency Maintenance		150,000	150,000
• Capital Contributions: United States Patent and Trademark Office - City Staff Relocation		4,450,000	4,450,000
• Capital Contributions: Rebudgets		12,975,000	12,975,000
• Transfers to Other Funds: Community Facilities Revenue Fund/Hayes Mansion		(900,000)	(900,000)
• Earmarked Reserves: 2015-2016 Future Deficit Reserve		2,400,000	2,400,000
• Earmarked Reserves: Business Tax System Replacement Reserve		850,000	850,000
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)	(800,000)
• Earmarked Reserves: Fiscal Reform Plan Implementation Reserve		500,000	500,000
• Earmarked Reserves: Human Resources/Payroll System Reserve		1,000,000	1,000,000
• Earmarked Reserves: Salary Program - Employee Compensation Planning Reserve		(5,497,000)	(5,497,000)
• Earmarked Reserves: Rebudgets		49,179,980	49,179,980
• Contingency Reserve Increase		1,500,000	1,500,000
<i>Subtotal Other Changes</i>	0.00	79,812,924	79,812,924
Total Adopted Budget Changes	12.70	86,032,398	84,255,397

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2014-2015

OPERATING BUDGET

**STRATEGIC SUPPORT
CSA**

**MAYOR,
CITY COUNCIL
AND
APPOINTEES**

Mayor, City Council and Appointees



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services. Council Appointees support and advance the collective work of the City organization through leadership, communication, and coordination*

Mayor and City Council

- Office of the Mayor
- City Council

Office of the City Attorney

- Legal Representation
- Legal Transactions

Office of the City Auditor

- Audit Services

Office of the City Clerk

- Facilitate the City's Legislative Process

Office of the City Manager

- Analyze, Develop, and Recommend Public Policy
- Lead and Advance the Organization
- Manage and Coordinate City-Wide Service Delivery

Office of the Independent Police Auditor

- Core Service aligned to the Public Safety CSA

Mayor, City Council and Appointees

Expected 2014-2015 Service Delivery

- ❑ The Office of the Mayor provides leadership and guidance to the City Council. Through community-based budgeting and gathering public input, the Mayor's Office will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives of the City, including economic development, green vision, public safety, transportation, and housing.
- ❑ The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- ❑ The City Manager's Office will continue to support the City Council's setting of priorities among ordinances and other initiatives, as well as monitor and report progress on the development and implementation of these priorities, including fiscal sustainability and other potential ballot measures or initiatives.
- ❑ The City Manager will continue to engage the workforce through ongoing structured communication and the coordination and implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain employees.
- ❑ The City Manager's Office will continue to effectively forecast and monitor both revenues and expenditures in over 110 different funds in 2014-2015 and will develop the 2015-2016 Proposed Budget for City Council consideration. The focus will be on maintaining budget stability and strategically investing the City's limited resources to keep our community safe, invest for our future, and maximize efficiency and effectiveness.
- ❑ The City Manager's Office will continue to cultivate partnerships between the private sector and the public sector to effectively leverage resources and further benefit both the community and the City.
- ❑ The City Attorney's Office will represent the City, its Council, boards and commissions, and employees in all actions; will advocate, defend, and prosecute legal matters on behalf of the City; and will provide advice to the same parties in all matters pertaining to their powers and duties.
- ❑ The City Attorney's Office will continue to provide legal services to wind down the business affairs of the former Redevelopment Agency, including the disposition of assets and enforceable obligations.
- ❑ The City Auditor's Office will conduct program performance audits; identify ways to increase the economy, efficiency, effectiveness, and accountability of City government; and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
- ❑ The City Auditor's Office will continue to issue the Service Efforts and Accomplishments (SEA) Report annually, detailing the cost, workload, and performance data for City services to improve government transparency and accountability.
- ❑ The City Clerk's Office will maintain compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- ❑ The City Clerk's Office will conduct elections for the Mayor, City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with the City Charter and the State of California elections code.
- ❑ The City Clerk's Office and City Manager's Office will create and distribute agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; prepare and distribute minutes for all other Council Committees.

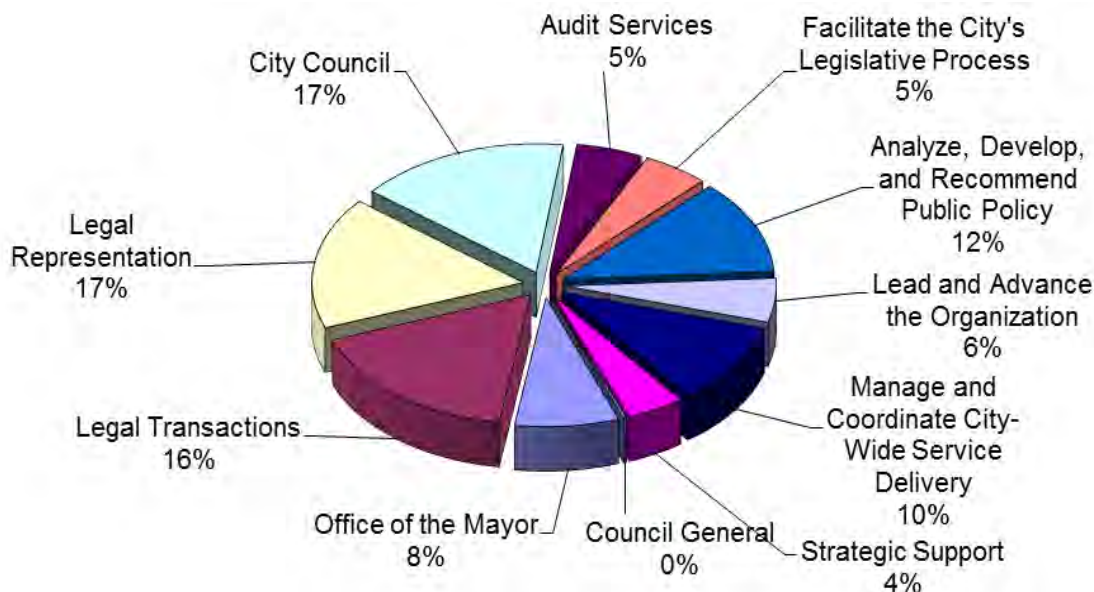
Mayor, City Council and Appointees

2014-2015 Key Budget Actions

- ❑ Continues funding for 1.0 Senior Deputy City Attorney and 1.0 Legal Analyst II through June 30, 2019 in the City Attorney’s Office to provide legal support for the Water Pollution Control and Sanitary Sewer Capital Improvement Programs.
- ❑ As directed in the Mayor’s June Budget Message for Fiscal Year 2014-2015, as approved by City Council, adds funding for 1.0 Deputy City Attorney through June 30, 2015 for Medical Marijuana Enforcement, and 1.0 Legal Analyst II to increase capacity to deal with complex litigation issues.
- ❑ Reallocates funding from non-personal/equipment in the City Attorney’s Office to add a permanent part-time Messenger Clerk to file and serve critical court documents for the Workers’ Compensation Unit.
- ❑ As directed in the Mayor’s June Budget Message for Fiscal Year 2014-2015, as approved by City Council, adds funding for 1.0 Senior Executive Analyst and 1.0 Analyst to conduct data-driven analysis throughout the City and establish best practices for the use of data analytics to be used throughout the City.
- ❑ As directed in the Mayor’s March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, adds 1.0 Senior Executive Analyst in the City Manager’s Office to develop and cultivate partnerships between the private sector and the public sector to benefit both the community and the City.
- ❑ Realigns staffing commensurate with the needs of the City Manager’s Office by eliminating 1.0 Deputy Director and 0.5 Staff Technician PT and adding 1.0 Assistant to the City Manager and 1.0 Staff Technician.
- ❑ Realigns communications staffing in the City Manager’s Office by eliminating 0.75 Secretary PT, adding 1.0 Secretary, and adjusting funding sources for this staffing to appropriately align resources with the required work.

2014-2015 Total Operations by Core Service

CSA Dollars by Core Service \$44,994,051



Strategic Support
Mayor, City Council and Appointees
BUDGET SUMMARY

Mayor, City Council and Appointees Budget Summary

	2012-2013 Actual 1	2013-2014 Adopted 2	2014-2015 Forecast 3	2014-2015 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
<i>Mayor and City Council*</i>					
Office of the Mayor	\$ 1,094,270	\$ 1,938,317	\$ 1,489,674	\$ 3,573,019	84.3%
City Council	2,754,908	3,072,330	2,715,377	7,607,513	147.6%
Council General	4,501,365	6,094,253	6,143,948	100,000	(98.4%)
<i>Office of the City Attorney</i>					
Legal Representation	6,082,579	6,332,209	6,717,420	7,450,209	17.7%
Legal Transactions	6,451,071	7,406,038	6,477,024	7,288,858	(1.6%)
Strategic Support	1,183,208	1,205,922	1,195,541	1,233,338	2.3%
<i>Office of the City Auditor</i>					
Audit Services	1,942,883	2,093,302	2,213,907	2,273,822	8.6%
Strategic Support	6,003	127,606	135,166	138,794	8.8%
<i>Office of the City Clerk</i>					
Facilitate the City's Legislative Process	1,565,854	2,165,902	1,937,013	2,291,667	5.8%
Strategic Support	229,329	90,309	214,989	220,463	144.1%
<i>Office of the City Manager</i>					
Analyze, Develop, and Recommend Public Policy	4,708,760	4,938,503	5,057,315	5,319,169	7.7%
Lead and Advance the Organization	1,692,297	2,117,549	2,210,589	2,469,022	16.6%
Manage and Coordinate City-Wide Service Delivery	3,338,859	3,940,461	4,423,923	4,628,590	17.5%
Strategic Support	219,221	390,252	393,333	399,587	2.4%
<i>Office of the Independent Police Auditor **</i>					
Total	\$ 35,770,607	\$ 41,912,953	\$ 41,325,219	\$ 44,994,051	7.4%
Authorized Positions ***	187.50	190.75	188.75	197.00	3.3%

* As directed by the Mayor's March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, the ongoing Council General allocation is now allocated to the budgets of the Mayor's Office and City Council Districts to increase transparency. A one-time rebudget approved in the Mayor's June Budget Message for Fiscal Year 2014-2015, as approved by the City Council, is included in this transition year. Furthermore, while combined in the presentation above, the City Council budget is divided into ten equal allocations of \$701,634 per Council District, plus appropriate salary and rebudget adjustments per Council District in 2014-2015. Please refer to the Mayor and City Council budget summary section in this document for more details.

** The Office of the Independent Police Auditor Core Service is aligned to the Public Safety CSA. Please refer to that section of this document for budget summary information.

*** Authorized Positions do not include unclassified staff for Office of the Mayor and the City Council Districts.

Strategic Support
Mayor, City Council and Appointees
ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
MAYOR AND CITY COUNCIL			
• Office of the Mayor/City Council Salary Program		42,723	42,723
• Rebudget: City Council 2013-2014 Expenditure Savings		564,110	564,110
• Rebudget: Office of the Mayor 2013-2014 Expenditure Savings		224,700	224,700
• Rebudget: Council General 2013-2014 Expenditure Savings		100,000	100,000
<i>Subtotal</i>	0.00	931,533	931,533
OFFICE OF THE CITY ATTORNEY			
• Office of the City Attorney Staffing	1.00	400,000	400,000
• Office of the City Attorney Salary Program		384,418	310,892
• Environmental Services and Public Works Capital Projects Legal Staffing	2.00	373,002	0
• Medical Marijuana Enforcement	1.00	125,000	125,000
• Litigation Support Staffing	0.50	0	0
• Rebudget: Outside Council and Litigation Training		300,000	300,000
<i>Subtotal</i>	4.50	1,582,420	1,135,892
OFFICE OF THE CITY AUDITOR			
• City Auditor's Office Salary Program		63,543	60,319
<i>Subtotal</i>	0.00	63,543	60,319
OFFICE OF THE CITY CLERK			
• Office of the City Clerk Salary Program		52,128	52,128
• Rebudget: Electronic Document Management System		308,000	308,000
<i>Subtotal</i>	0.00	360,128	360,128
OFFICE OF THE CITY MANAGER			
• City Manager's Office Salary Program		242,257	234,879
• Data Analytics Team	2.00	195,000	195,000
• Civic Innovation Staffing	1.00	93,951	93,951
• City Manager's Office Special Projects Staffing Realignment	0.50	0	0
• City Manager's Office Communications Staffing Realignment	0.25	0	0
• Rebudget: Strategic Planning Efforts		200,000	200,000
<i>Subtotal</i>	3.75	731,208	723,830
OFFICE OF THE INDEPENDENT POLICE AUDITOR*			
Total Adopted Budget Changes	8.25	3,668,832	3,211,702

* The Office of the Independent Police Auditor core service is aligned to the Public Safety CSA. Please refer to that section of the document for budget summary information.

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Strategic Support **Mayor and City Council**



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

BUDGET PROGRAMS

- Office of the Mayor
- City Council

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Strategic Support
Office of the City Attorney



***Mission:** The Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, to the City, with the goal of protecting and advancing its interests in serving the people of San José*

Primary Partners

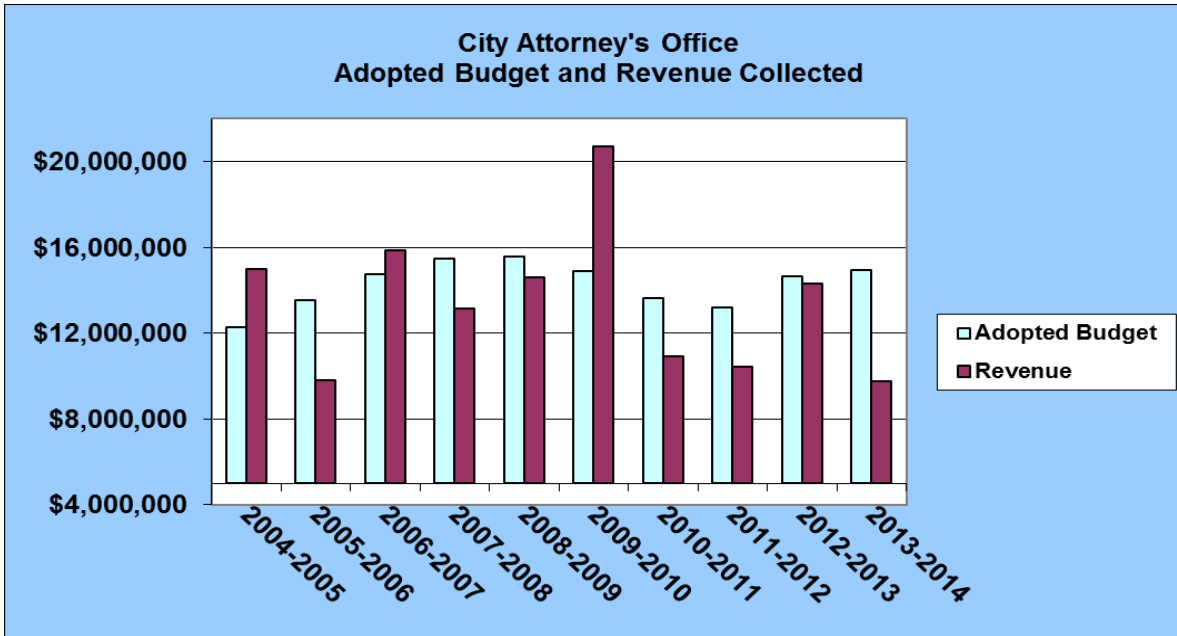
Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent
Police Auditor

CSA OUTCOMES

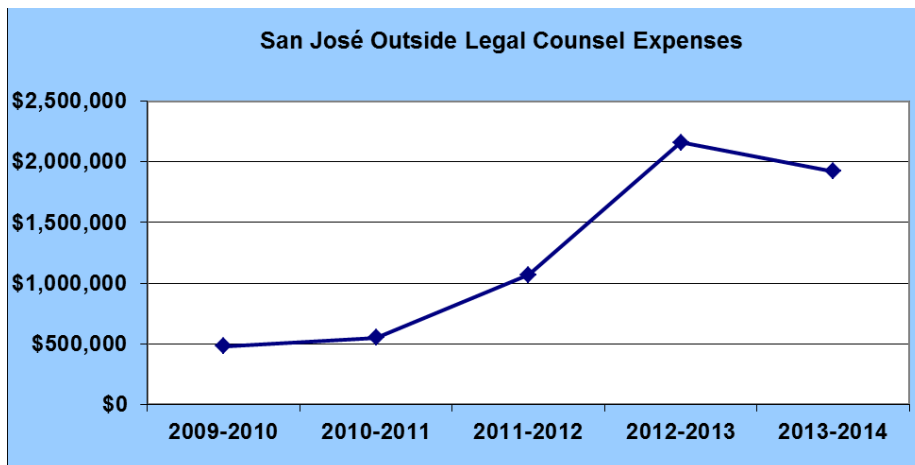
- City Business is Conducted Lawfully
- City's Interests are Protected and Advanced

Service Delivery Accomplishments

- The 2014 client survey results indicate that 92.5% of the respondents were satisfied with the overall legal services provided by the City Attorney’s Office.
- Annual revenue collections have averaged \$14.5 million over the past ten years, and plaintiff cases handled by the Office in 2013-2014 generated \$9.8 million. Reduced staffing has limited the Office’s ability to proactively pursue all collection matters.

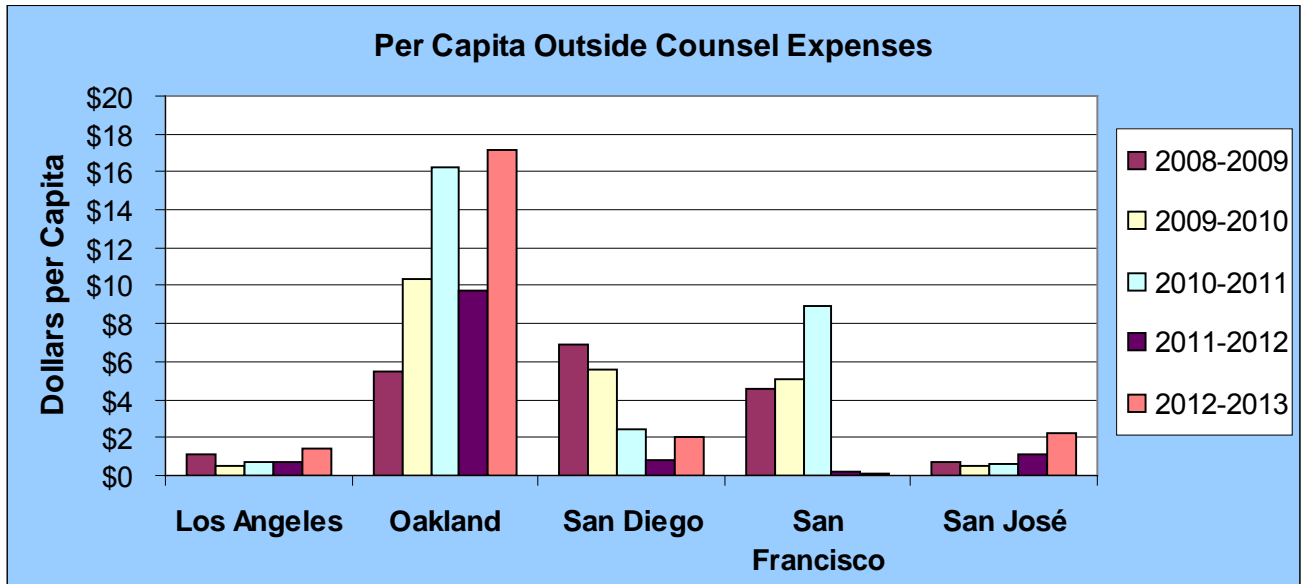


- Legal services are primarily provided by in-house lawyers. Limiting the use of costly outside legal counsel has historically resulted in significant budgetary savings to the City. However, the need for outside counsel services has risen as a result of decreased staffing, increased volume of employment and labor related matters, and conflicts of interest. The Office spent over \$2.16 million for outside counsel services in 2012-2013, a 102% increase from the prior year, and \$1.92 million in 2013-2014, a decrease of 11% from 2012-2013. This overall rise in expenditures in recent years, as outlined in the table below, are primarily a result of legal services related to labor and fiscal reform implementation efforts.

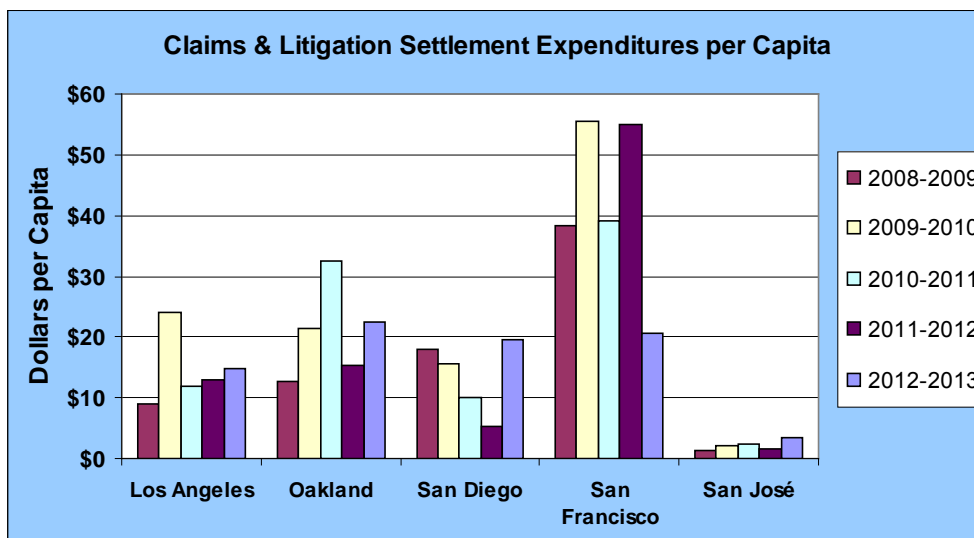


Service Delivery Accomplishments

- Despite the rising costs during 2012-2013, the City of San José paid significantly less for outside counsel than the cities of Los Angeles (\$5.33 million) and Oakland (\$6.86 million). However, at \$2.16 million, the City of San José was comparable to the City of San Diego (\$2.76 million) and was much higher than the City and County of San Francisco (\$84,000). Below is a chart comparing Outside Counsel Expenses per Capita of four large California cities to City of San José.



- The City of San José pays considerably less for Claims and Litigation settlements than other large cities in California. Over the last five years, San José paid on average \$2.2 million in annual settlement costs. The next lowest average annual payout was \$8.3 million by the City of Oakland. Over the same period, payouts were higher for the cities of Los Angeles (\$55.8 million), San Francisco (\$34.1 million), and San Diego (\$18.2 million). The below chart compares Claims and Litigation Expenditures per Capita of four other large cities to City of San José.



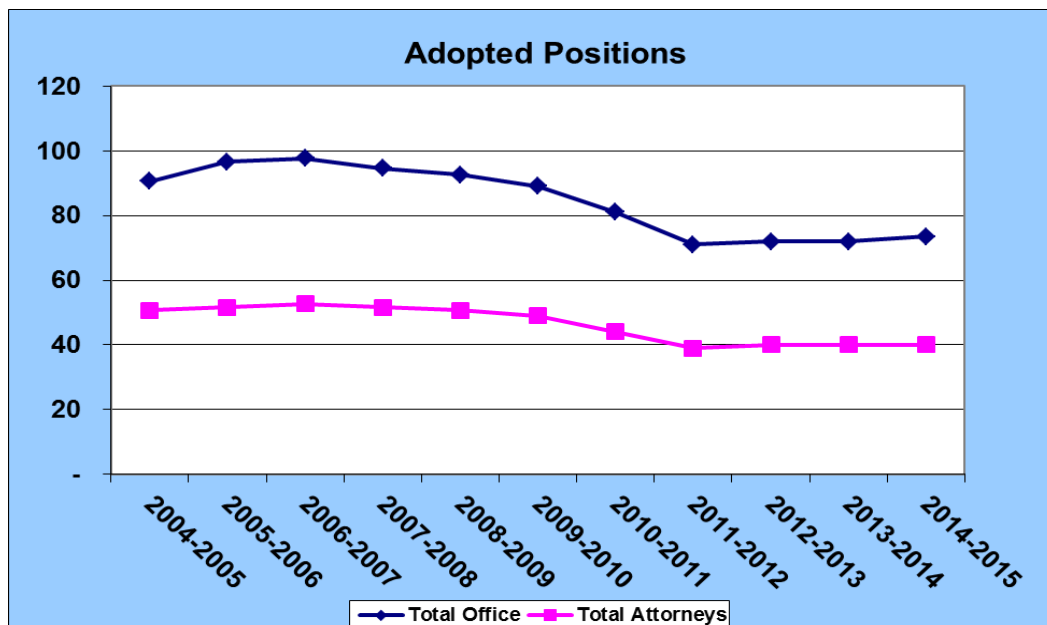
Strategic Support
Office of the City Attorney
OVERVIEW

Service Delivery Accomplishments

- The Office continues to administer an unpaid internship program for law students and attorneys newly admitted to the California State Bar. The interns and attorney volunteers are given an opportunity to gain practical experience while providing the Office with needed support in handling the high volume of work.
- Although the former San Jose Redevelopment Agency was dissolved in 2011-2012, the Office continues to provide legal services to support the Successor Agency to the Redevelopment Agency of the City of San José and to the Oversight Board in its ongoing dissolution activities.
- The Office continues to take a more pro-active role in assisting the City Manager’s Office and other City Departments in responding to Public Records Act requests.

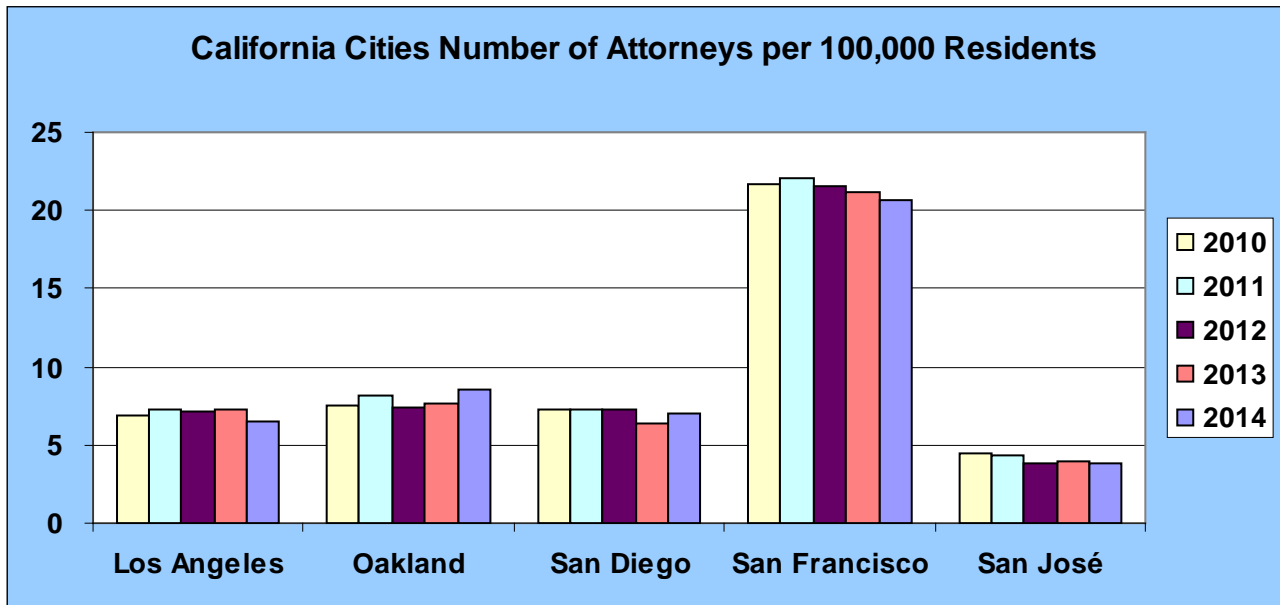
Service Delivery Environment

- The City Charter establishes the duties of the City Attorney’s Office to represent the City, its Council, boards and commissions, and employees in all actions, and to provide advice to the same parties in all matters pertaining to their powers and duties. These are the Office’s core services and fulfilling these legal obligations to the clients requires a level of staffing higher than the existing model.
- General Fund budget reduction actions implemented from 2006 through 2013 decreased Office resources to bare minimum levels. Though staffing levels stopped decreasing in 2012, demand for legal services has remained constant, with increases in demand for some practice areas. With the stabilization of staffing levels and incremental increases in the past two years, the Office is positioned to better meet demand for services.



Service Delivery Environment

- High claims and litigation costs and settlement payments continue to occur. The Office continues to have insufficient staff to proactively defend all lawsuits, which may affect the City’s settlement positions. The lack of staff may also affect the City’s ability to strategically prepare for trial and pretrial motions, and necessitates using outside resources at a higher cost to the City to assist in litigation matters.
- Comparing staffing levels of city attorney offices in other large California cities, the attorney per capita ratio for the San José City Attorney’s Office continues to be the lowest among the cities of Los Angeles, Oakland, and San Diego. San Francisco, as a city and a county, has many more attorneys than other California cities.

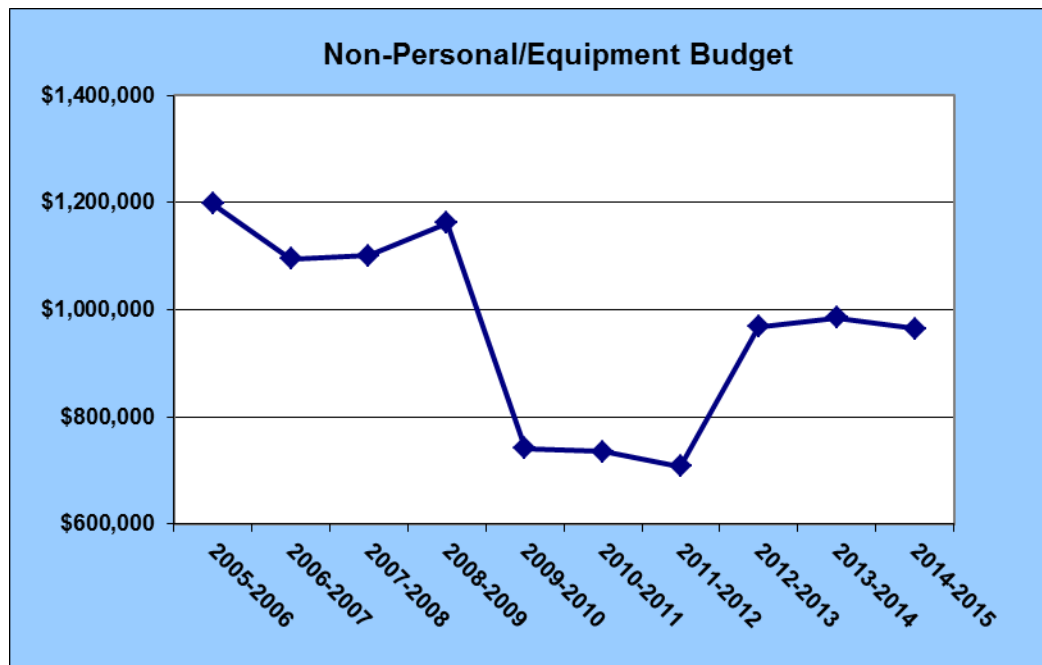


- For the 2014-2015 Adopted Budget, the Office will have 41 attorneys, which is 10.6 fewer attorneys than in 2007-2008. This 20 percent decrease has presented significant challenges for the Office in meeting the legal services demand.

Strategic Support
Office of the City Attorney
OVERVIEW

Service Delivery Environment

- In 2013-2014, the cost of a Chief Deputy City Attorney (\$283,000) was added to decrease the Office’s reliance on outside legal counsel, offset by a reduction to Non-Personal/Equipment. For the 2014-2015 Budget, the total allocation for the Non-Personal/Equipment appropriation will be \$964,381. A rebudget of \$300,000 was approved as part of the 2014-2015 Adopted Budget to provide funding for litigation costs. The Office will continue to use outside expertise as efficiently as possible in order to manage costs.



- The Office will continue to seek opportunities to streamline processes and work with the Mayor, City Council, and other Council Appointees to identify areas where legal services can be modified so that the Office can control the legal workload, taking into consideration the reduced staffing level.

Budget Dollars at Work: Performance Goals

OUTCOME 1: CITY BUSINESS IS CONDUCTED LAWFULLY

- ✓ Provide legal counsel at all City Council and Council Committee meetings, and certain meetings of major boards and commissions as necessary. The Office continues to provide staffing at all Planning Commission, Civil Service Commission, and Appeals Hearing Board Commission meetings.
- ✓ Perform legal research as necessary.
- ✓ Prepare and review certain legal documents including ordinances, resolutions, permits, contracts, and other legal documents.
- ✓ Perform legislative analyses.

Budget Dollars at Work: Performance Goals

OUTCOME 1: CITY BUSINESS IS CONDUCTED LAWFULLY

- ✓ Provide oral and written legal advice and opinions.
- ✓ Provide legal services to assist staff in addressing the fiscal challenges faced by the City, including analysis and implementation of revenue sources (e.g. taxes, assessments, and fees).
- ✓ Continued efforts at collaboration with third party partners for the provision of City services and operation of City facilities will require extensive legal work in negotiating and drafting agreements.
- ✓ Continue to provide significant planning and construction related legal services for the adoption and implementation of the Water Pollution Control Capital Program and the Sanitary Sewer System Capital Program.
- ✓ Continue to monitor and coordinate with State and federal entities to prepare for actions that will allow implementation of future medical marijuana regulations.
- ✓ Respond, review, and coordinate complex Public Records Act requests.

OUTCOME 2: CITY'S INTERESTS ARE PROJECTED AND ADVANCED

- ✓ Initiate and defend lawsuits and other legal actions involving the City. Some high exposure and complex cases, as well as conflicts of interest cases, may need to be outsourced to outside counsel.
- ✓ Seek monetary damages on behalf of the City for matters where the debt is over \$100,000.
- ✓ Provide legal representation at administrative hearings as staffing allows.
- ✓ Prosecute select municipal code violations to address serious health and safety concerns.
- ✓ Investigate and respond to claims filed against the City.
- ✓ Conduct and coordinate confidential internal City investigations.
- ✓ Considerable resources are dedicated to responding to increasingly complex discovery and public records requests involving electronic data.
- ✓ Significant legal resources will be necessary to implement the City's economic development strategy.

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Strategic Support
Office of the City Auditor



***Mission:** To independently assess and report on
City operations and services*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police
Auditor

CSA OUTCOMES

- ❑ Identify Ways to Increase the Economy, Efficiency, Effectiveness, and Accountability of City Government
- ❑ Provide Independent, Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders

Strategic Support
Office of the City Auditor
OVERVIEW

Service Delivery Accomplishments

- Since the City Auditor's Office began conducting program performance audits in May 1985, the Office has identified program efficiencies, revenue enhancements, and cost savings. In 2013-2014, the City Auditor's Office identified approximately \$4.0 million in cost savings and revenue enhancements, achieving a ratio of about \$1.80 in monetary benefits to every \$1 of audit costs (Target: \$4 to \$1).

During 2013-2014, the Office issued 15 audit reports, or approximately 1.5 audits per auditor (Target: 1.5 audits per auditor). Reports issued by the City Auditor's Office during 2013-2014 included:

- 2012-2013 Annual Performance Audit of Team San Jose's Management of the City's Convention and Cultural Facilities;
- Audit of Employee Travel Expenditures;
- Children's Health Initiative;
- Code Enforcement Division;
- Department of Housing's Loan Portfolio;
- Indirect Cost Allocation;
- Library's Hours and Staffing;
- Santa Clara County Cities Association Expenditure Review;
- Senior Membership Fee Revenue; and
- Service Efforts and Accomplishments Report 2012-2013.
- The Office issued monthly audit status reports and semi-annual follow-up reports on outstanding audit recommendations to the Public Safety, Finance, and Strategic Support Committee.
- The Office provided oversight of external auditors regarding:
 - Audits of Parks and Recreation bonds, Library bonds, Public Safety bonds, and Parcel Tax funds;
 - City of San José 2013 Annual Financial Audit, Single Audit, and related financial audits; and
 - Semi-Annual Reviews for compliance with the City's Investment Policy.
- In November 2013, the Office received a certificate of compliance with Government Auditing Standards for the period July 1, 2011 through June 30, 2013.

Service Delivery Environment

- As the City continues to look for efficiencies in service delivery, the City Auditor's Office will continue its focus on searching for revenues and cost-savings opportunities, and will work with the City Manager's Office to target areas for audit that are likely to yield the most benefit.

Budget Dollars at Work: Performance Goals

OUTCOME 1: IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT

- ✓ Conduct performance audits, special audits, and reviews that identify ways to increase the economy, efficiency, and effectiveness of City government. The Office's 2014-2015 Audit Workplan will target City Council and other City Appointee concerns and areas identified in the City Auditor's City-Wide Risk Assessment model. The City Auditor will continue to focus on ways to reduce costs or increase revenues city-wide.

OUTCOME 2: PROVIDE INDEPENDENT, RELIABLE, ACCURATE, AND TIMELY INFORMATION TO THE CITY COUNCIL AND OTHER STAKEHOLDERS

- ✓ Prepare audit reports and memoranda that provide independent, reliable, accurate, and timely information to the City Council. The 2013-2014 Audit Workplan was approved by the City Council in August 2013. The 2014-2015 Proposed Audit Workplan was approved by the City Council in September 2014.
- ✓ Provide performance report. In December 2013, the Office published the City's sixth annual *Service Efforts and Accomplishments Report: 2012-13 Annual Report on City Government Performance*. The Office will continue this project in 2014-2015 and will continue to work with City staff on audit projects designed to improve the City's performance management and reporting systems as outlined in the 2009 *Performance Management and Reporting in San Jose: A Proposal for Improvement* report.
- ✓ Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30 and December 31 each year. Through December 2013, approximately 61% of the 710 recommendations made in the last ten years have been implemented.
- ✓ Continue to improve the website. The Office's website includes copies of audit reports issued by the Office since 1985 and links to the City Council Committee archive video of the hearings where available. The Office will continue to ensure that information on the site is current and relevant.

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Strategic Support **Office of the City Clerk**



***Mission:** Provide strategic support services and leadership to maximize public access to municipal government*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

CSA OUTCOME

- The Municipal Legislative Process is Accessible and Open to the Community

Strategic Support
Office of the City Clerk
OVERVIEW

Service Delivery Accomplishments

The Office of the City Clerk continued to ensure that mandated services were provided in the most cost effective manner. In 2013-2014, the Office:

- Conducted an election for the Mayor, City Councilmembers and ballot measures; worked with proponents of initiatives in accordance with the City Charter and the State Elections Code; and maintained compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Prepared and distributed Agenda packets, synopses, and action minutes of City Council, Rules and Open Government Committee meetings, and posted them on the City's website. Prepared and distributed minutes for other City Council Committees, and other entities, such as the Successor Agency to the Redevelopment Agency (SARA), the Oversight Board, and the Financing Authority. All City Council and City Council Committee meetings were web-cast live, indexed, and archived for on-demand replay.
- Provided access to the City's legislative records and documents. Fulfilled requests for the City's legislative records and related public documents under provisions of the California Public Records Act. Updated and posted the Municipal Code, City Charter, and Council Policy Manual on the City's website. Indexed all documents presented to the City Council for storage and retrieval, and made available to the public.
- Provided fiscal, grant, budget, human resources, payroll, administrative, and technical support services for the Mayor's Office, City Council Offices, and for the City's Boards, Commissions, and Committees.
- Reviewed and executed all City contracts for administrative compliance, and made them available for review.
- Provided transparent legislative services in accordance with Sunshine/Open Government Reforms, transitioning from more traditional labor and paper-intensive processes to online systems.
- Conducted employee elections to nominate employee representatives for appointment by the City Council to the Retirement Boards. Conducted recruitment efforts and supported the City Council's selection of additional public members for the Retirement Boards, thus assisting in the implementation of governance reforms.
- Provided support for City Council appointments to Boards, Commissions, and Committees, including orientation and training to new Commissions and Commissioners. Provided direct support to the Council Appointment Advisory, and the Civil Service and Ethics Commissions.

Service Delivery Environment

The Office of the City Clerk continues to see heavy workload in all areas of Office operations. As the Office of the City Clerk plans for the next five years, the overarching issue remains enhancing the use of technology to improve and expedite services. Specific examples of trends, issues, and opportunities include:

- Continued work on new Open Government policies and procedures based on initiatives such as the "Reed Reforms" and recommendations from the Sunshine Reform Task Force, including disclosure requirements (calendars, outside income, and fundraising) for the Mayor and City Councilmembers.
- The Office's need for an improved, less labor intensive process for creating and disseminating City Council meeting agendas and memoranda, as well as the need for improved technology to enhance the public's access to the City's legislative process and records.
- The increased demand for access to a wide variety of public records, including a rising community expectation for online access to candidate and committee campaign disclosure statements and lobbyist activity reports.

Service Delivery Environment

- In addition to providing administrative services for the Mayor and City Council, the Office also posts agendas and minutes, addresses records management and other support services for the Successor Agency to the Redevelopment Agency and the Oversight Board.

Budget Dollars at Work: Performance Goals

OUTCOME: THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY

The Office of the City Clerk has three strategic goals and objectives:

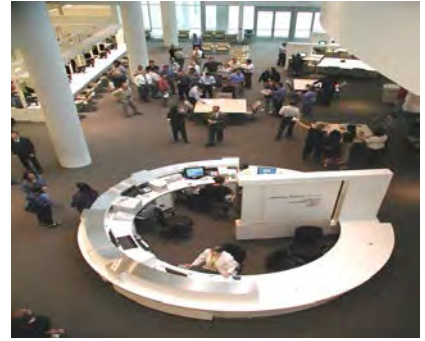
- ✓ Deploy technology resources effectively;
- ✓ Increase efficiency of service delivery; and
- ✓ Maintain high levels of customer service.

The Office of the City Clerk will provide services directly related to its outcome:

- ✓ Successfully conducting municipal elections for the Mayor, City Councilmembers, and ballot measures;
- ✓ Creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; preparing and distributing minutes for all other Council Committees;
- ✓ Posting all changes to the San José Municipal Code and the City Council Policy Manual on the web; publishing and distributing hard-copy supplements;
- ✓ Creating and maintaining a legislative history of City Council, Successor Agency, the Oversight Board, and related entities' actions; and indexing and filing all public records such that the records can be retrieved in a timely manner and the history is readily available;
- ✓ Conducting the recruitment, application, and selection processes for boards and commissions through the Council Appointment Advisory Commission; directing City Council interview and appointment; and facilitating the City Council's appointment of public members to the Retirement Boards and the Civil Service Commission;
- ✓ Conducting employee and retiree elections for the employee and retiree members, as applicable, of both Retirement Boards and the Civil Service Commission;
- ✓ Providing administrative support services to the Elections Commission, Civil Service Commission, Council Salary Setting Commission, and the Council Appointment Advisory Commission;
- ✓ Researching City Council actions and records from the adoption of the City Charter to the present;
- ✓ Providing administrative support for fiscal management, human resources administration, budgeting, grant administration, and procurements for the Mayor and City Council Offices; and
- ✓ Accepting and making available all Statements of Economic Interests campaign finance disclosure forms, lobbyist registration and reporting forms, and all disclosures required of the Mayor and City Council members (calendars, fundraising solicitations, and outside income disclosure).

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Strategic Support **Office of the City Manager**



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

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police
Auditor

CSA OUTCOMES

- ❑ The Community Receives Customer-Focused, Results-Driven Services
- ❑ The Mayor and Council are Effectively Supported in Making Public Policy Decisions
- ❑ Employees Understand, are Committed to, and Accountable for the City's Vision, and Have the Capacity to Achieve It

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Accomplishments

A key focus over the past year for the Office of the City Manager was to continue providing the leadership necessary to stabilize the organization and ensuring that ongoing services are being delivered with the highest standards of quality and customer service. After a decade of General Fund shortfalls, the budget started to stabilize in 2012-2013. Over the next five years, projected General Fund shortfalls/surpluses are within less than 1% of the total budget in each year as presented in the most recent Five-Year Forecast. Leveraging the increasing stability of the City's budget, the City Manager's Office continues to provide focused leadership in change management, building and developing our workforce, and developing the long term strategies in order to invest in our future. The City Manager's Office is also consistently called upon to lead and/or manage unanticipated issues and projects of significant complexity. Following are highlights of the recent service delivery accomplishments:

- Development of the 2014-2015 Adopted Budget, strategically investing in the most critical service needs while ensuring fiscal stability. As directed in the Mayor's March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, the 2014-2015 Adopted Budget again incorporates a two-year approach to balancing the budget with one-time funds reserved in 2014-2015 to address the projected shortfall in 2015-2016. The three main themes that were central to the development of the 2014-2015 Adopted Budget include: (1) maintaining budget/service level stability; (2) acknowledging that there remains a service level deficiency, as existing resources are not sufficient to address the significant service and infrastructure needs; and (3) strategically investing the City's limited resources to keep our communities safe, invest for our future, enhance our development fee programs, and maximize efficiency and effectiveness in service delivery. The longer term goal continues to be to build capacity to address the City's significant services delivery and infrastructure needs while ensuring the General Fund revenues and expenditures remain in alignment.
- In May 2011, the City Council approved a Fiscal Reform Plan that provided direction to achieve cost savings and pursue revenues in order to restore City services to January 1, 2011 levels. Once the plan was approved by the City Council, the City Administration immediately embarked on the implementation of the plan, much of which required negotiations with the City's 11 bargaining units.

On June 5, 2012, Measure B was passed by San José voters. On June 12, 2012, the City Council approved the implementation of a second tier (Tier 2A) retirement benefit plan for new employees in the Federated City Employees' Retirement System and approved a new low cost healthcare plan. Measure B included the elimination of the Supplemental Retiree Benefit Reserve (SRBR) which was approved by the City Council and by the Retirement Boards in the valuations for Fiscal Year 2013-2014. This resulted in approximately \$20 million in savings when combined with the changes to the low cost healthcare plan.

In addition, the second tier retirement benefit plan and the elimination of the sick leave payout upon retirement benefit were put in place for non-sworn employees hired on or after September 30, 2012. A third tier retirement benefit plan (Tier 3), which is a defined contribution plan, was put into place for unrepresented employees in Unit 99 (hired on or after February 2013), and an additional retirement benefit plan (Tier 2B) was implemented for employees hired on or after September 27, 2013, which does not include retiree healthcare benefits. Furthermore, a second tier retirement plan for sworn employees in the San José Police Department was implemented on August 4, 2013.

Service Delivery Accomplishments

- The Administration initiated a WorkForce Support and Development Strategy to help improve employee engagement, address the City's large numbers of retirements, retain existing employees, and assist in finding talented new employees. Teams of staff from throughout the organization have identified key opportunities to be accomplished in calendar year 2014 in order to build momentum. Many ideas have already been implemented, including a modification to the degree requirements for soon-to-graduate students, a relaunch of the City-wide mentoring programs, and an intranet website rollout. The remaining ideas are well into design and development including several pilots and contests to encourage employee participation. A new employee survey focused on supporting supervisors will be rolled out in fall 2014, and the vision for Phase II of the Strategy will be prepared for presentation to Council in early 2015. The City Manager's Office continued engaging the City's senior, executive, and mid-level managers to ensure open dialogue and expectation-setting, provide support for managers, and encourage ongoing engagement with employees. Engagement included weekly meetings with all Department heads, senior staff planning retreats, and interactive learning sessions with the Department senior leadership teams (140+ people) and with all managers and supervisors (400+ people).
- Although the organization has experienced significant contraction and turnover, the City Manager's Office continues to offer opportunities for employee development through programs like *Employee Mentoring*, which had 58 participants in fall 2012 and 46 participants in spring 2013. A revamp of the *Supervision Academy* was completed which had approximately 43 participants in fall 2012 and occurred again in June 2014 with more than 50 participants. Additionally, the City Manager's Office has continued participation in collaborative regional efforts like the *Santa Clara County Leadership Academy*, a cooperative of ten local agencies to offer a Leadership Academy for emerging leaders.

Furthermore, the City Manager's Office, in coordination with the Human Resources Department, provides *New Employee Orientation* to all new and returning City employees bi-weekly (approximately 64 trainings during 2013-2014). Employees in supervisor or lead classifications also receive training in *Non-Discrimination and Anti-Harassment* as required by California state law upon being newly hired or promoted and every two years thereafter. These trainings are offered quarterly and in 2013-2014 approximately 14 in-person trainings were held in addition to an online course (approximately 2,900 employees received this training in 2013-2014). The City Manager's Office also continues to provide trainings for Departments related to the *Performance Appraisal Process*, *Discipline Process*, *Return-to-Work Process*, *Workplace Violence*, and *Budget Process*, as well as other trainings as requested or required.

- Given the reality of turnover in key leadership positions, the City Manager's Office ensured that transitions were handled strategically and with minimum disruption. In 2013-2014, the Office filled director positions in the following departments: Planning, Building and Code Enforcement, Police, and Airport as well as the Assistant City Manager and Deputy City Manager in the City Manager's Office. Significant efforts were recently completed to fill top positions in the Human Resources Department and are currently underway to address a number of vacancies in key areas throughout the City, such as the Fire Department, and the City's ongoing efforts to recruit additional police officers.
- The City Administration continues to spearhead a workload prioritization effort to address the significant backlog of pending ordinances and policies created due to a high number of position eliminations. Working in collaboration with the City Attorney's Office, the City Administration was able to facilitate Council consideration and prioritization of the pending ordinances and policies in September 2013. The prioritization effort has helped staff focus on the priorities and successfully advance them within the constraints of limited available resources.

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Accomplishments

- The City Manager's Office continues its ongoing focus on ensuring current, accurate, and complete access to online information through the Open Data initiative. To help ensure staff has effective and current tools, the migration to Microsoft Office 365 is underway and will be completed in phases through 2015. The initial move to web-based email is complete and the migration of documents is anticipated to be completed by early 2015. The Administration is also expanding the use of various social media platforms to share information and promote community engagement where appropriate and within staffing resource constraints.
- Six Urban Village plans have been completed to date: Little Portugal, Five Wounds, 24th and William Streets, Roosevelt Park, the Diridon Station Area, and the rezoning of Alum Rock Avenue. Staff continues to develop Village Plans for the following: West San Carlos Street, South Bascom Avenue, and The Alameda with anticipated completion dates in the fall of 2014; Stevens Creek Boulevard, Santana Row/Valley Fair, and Winchester with an anticipated completion date of winter of 2016; and East Santa Clara Street, between City Hall and Coyote Creek, anticipated to be completed in the fall of 2015. Finally, Planning staff is heading a multi-departmental City effort to develop an Implementation and Financing Strategy for the Urban Village Plans to fund proposed infrastructure and other improvements. This effort included conversations with over 25 representatives of the development community.
- On March 18, 2014, the City Council approved the 2013 Annual Green Vision Report and the 2014 Work Plan priorities and implementation framework. Progress on the Green Vision to date includes: 11,888 clean tech jobs in San José; nearly \$2.4 billion in venture capital invested in clean tech; completion of 71 municipal energy efficiency projects saving the City \$486,000 annually in energy costs; installation of 4,100 solar PV systems that collectively generate approximately 94 MW of renewable energy; opening of the world's largest dry fermentation anaerobic digestion (AD) facility to convert commercial organic waste into 1.6MW of renewable energy and 32,000 tons of compost in partnership with Zero Waste Energy Development Company (ZWED); adoption of the Foam Food Container Phase-Out Ordinance to reduce litter in waterways and minimize harm to fish and wildlife; conversion of nearly 1,400 streetlights to smart Light Emitting Diode (LED) streetlights with approximately 3,900 LED streetlights installed in San José to date, saving over 1.16 million kWh of electricity; and completion of 221 miles of on-street bikeways and 55.3 miles of off-street trails to date.
- Intergovernmental Relations provided city-wide training and, in a timely manner, the necessary information to assist City officials and Departments in evaluating policy issues to allow decision makers the maximum opportunity to be informed, involved, and influential regarding the outcome and development of policy prior to policy adoption. Examples included the ongoing dissolution of the former San Jose Redevelopment Agency, North San Pedro Housing Project, grant funding, Agnews Development Center enabling legislation, and the funding for the new Santa Clara Family Justice Center. The City Council adopted the 2014 Legislative Guiding Principles and Legislative Priorities which provides the City's lobbyists with direction in Sacramento and in Washington, D.C. The City also participated in a range of State level hearings to provide insight into policy issues affecting the City of San José's priorities.

Service Delivery Environment

- Public-Private Partnerships are instrumental in sustaining and improving service delivery for San José residents and businesses. The City Manager's Office has taken a leading role in developing partnerships with corporations and various private sector partners to pursue city-wide undertakings related to entrepreneurship and small business, youth programs, veteran services, workforce development, and neighborhood enhancement. Recently forged key partnerships include those related to the development of the on-line small business permitting tool and support for the Silicon Valley Talent Partnership initiative. In addition, the City's Workforce Support and Development initiative is benefiting from key alliances in the private sector which will assist the City to recruit, retain, and effectively engage top talent. Finally, the City Manager's Office continues to provide oversight and guidance for the Non-Profit Strategic Engagement Platform relating to a large portfolio of financial assistance provided to community-based organizations.
- On September 17, 2013, the City Council approved moving to a new service delivery model for Recycle Plus Billing and Customer Service. Staff has implemented the necessary steps to place residential solid waste billing for single-family residential units on the Santa Clara County property tax roll beginning in 2015.
- The Budget Office will continue to effectively forecast and monitor both revenues and expenditures in over 110 different funds in 2014-2015 to ensure the continued fiscal health of the City. The focus will be on maintaining budget stability and strategically investing the City's limited resources to keep our communities safe, invest for our future, enhance the development fee programs, and maximize efficiency and effectiveness in service delivery.
- The Office of Employee Relations will be engaged in a variety of labor relations with the City's 11 bargaining units as needed in 2014-2015.
- Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved pursuant to AB X1 26. The City Council decided to serve as the Successor Agency to the former Redevelopment Agency and the City Manager to serve as the Executive Director, charged with winding down operations and overseeing the multi-year dissolution process. In this capacity, the City Manager's Office continues to provide leadership and direction by managing the multi-departmental transition team and navigating through the complexities of dissolving an Agency. This transition team provides policy direction and recommendations managing the relationships with the State Department of Finance and the County of Santa Clara, ensuring the Successor Agency and City remain in compliance with the legislation, and balancing the implications to the City as the Successor Agency.

Budget Dollars at Work: Performance Goals

This section organizes the key goals and objectives of the City Manager's Office based on three outcomes. These priorities guide the efforts of City Service Areas (CSAs) and departments in providing services.

OUTCOME 1: THE COMMUNITY RECEIVES CUSTOMER-FOCUSED, RESULTS-DRIVEN SERVICES

- ✓ Continue to focus on providing leadership necessary for organizational initiatives that continue to position the City as a more focused, more efficient, and more sustainable organization for the future.
- ✓ Continue to implement an aggressive communication plan for community outreach.

Strategic Support
Office of the City Manager
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: THE COMMUNITY RECEIVES CUSTOMER-FOCUSED, RESULTS-DRIVEN SERVICES

- ✓ Continue organizational improvement efforts to change the way we do business, streamline processes, increase employee empowerment, and achieve results in an environment of constant change, increasing complexity, and constrained financial resources.
- ✓ Continue to work closely with the community, community-based agencies, faith-based organizations, law enforcement agencies, the County, State, and federal agencies, and youth on public safety issues.
- ✓ Continue to work with regional governance partners on Bay Area interagency issues.
- ✓ Continue to pursue public-private partnerships both directly with community and corporate partners as well as convene City departments and offices to develop more effective workforce support and development practices.

OUTCOME 2: THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

- ✓ Bring forward a balanced budget for the General Fund and all other City funds that reflect City Council and community goals and help ensure fiscal stability.
- ✓ Continue to provide support to the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- ✓ Continue early budget engagement efforts in future budget cycles.
- ✓ Continue to support the City Council on Sunshine Reform implementation.
- ✓ Continue to strengthen the City-County partnership by meeting regularly with the County Executive, supporting meetings between key City and County elected officials, and focusing attention on issues of shared services between the organizations.
- ✓ Aggressively implement the Economic Strategy, including priority strategic goals and workplan actions identified by the City Council.
- ✓ Continue to engage the City Council in prioritizing Policies and Ordinances.
- ✓ Implement streamlined approaches for agenda management, including paperless distribution and use of technology and online agenda management services, as well as timely City Council Referral reports that support the ability to monitor and pace organization workload, reevaluate priorities periodically, and focus resources strategically.
- ✓ Continue investment in intergovernmental relations with the key focus on advocacy for the City's needs at the regional, State, and federal levels and training and coordinating departments to make San José's voice heard.

Budget Dollars at Work: Performance Goals

OUTCOME 3: EMPLOYEES UNDERSTAND, ARE COMMITTED TO, AND ACCOUNTABLE FOR, THE CITY'S VISION, AND HAVE THE CAPACITY TO ACHIEVE IT

- ✓ Despite extremely limited resources, continue to engage the workforce through ongoing structured communication and implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain top talent.
- ✓ Continue to engage the City Council on Green Vision implementation, including policy, advocacy and funding priorities. Recognizing the opportunity to seize a global market opportunity and ensuring San José's position as a model 21st century city, the City Council, in October 2007, adopted San José's Green Vision, a bold roadmap that is intended to model how innovation and environmental responsibility can strengthen economic opportunity and can, in fact, be a vital catalyst for spurring prosperity. Thus, success of the Green Vision will be measured by a triple bottom line: how it strengthens the regional economy, how it creates a more sustainable community, and how it enhances the quality of life for residents.
- ✓ Continue to make pursuing grants and partnerships a top priority given the significantly limited funding available for infrastructure and Green Vision initiatives.
- ✓ Continuing to pace the organization has become more important in day-to-day operations as the City Manager provides strategic leadership for the organization, supports the City Council, and motivates the workforce to deliver high quality services in an environment of increasing demands and limited resources. During 2014-2015, the City Manager will continue to provide the leadership and strategically target efforts to challenge the organization to continue developing innovative ways to deliver services and streamline operations to be more efficient.
- ✓ Continue to foster constructive and professional working relationships with the City's employee labor unions.
- ✓ Continue to work with employees to develop the organization's capacity in civic engagement and make a difference in the civic life of our community.
- ✓ Build ongoing communication between the City Manager and employees.

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