

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure</u>	<u>Revenue</u>
				<u>Change</u>	<u>Change</u>
Required Technical- Rebalancing Actions	Children's Discovery Museum Capital Maintenance	City Manager - Office of Economic Development	-	\$76,424	-
	<p>This action establishes the Children's Discovery Museum Capital Maintenance City-Wide Expenses appropriation to the Office of Economic Development in the amount of \$76,424 to support cultural facilities capital maintenance as part of a cost sharing agreement with the Children's Discovery Museum. This allocation was previously appropriated to the Public Works Department, but is actively managed by the Office of Economic Development. A corresponding decrease to the Public Works Cultural Facilities Capital Maintenance appropriation is recommended elsewhere in this report to offset this action.</p>				
	Diridon Station Area Development Planning	City Manager - Office of Economic Development	-	\$29,000	-
<p>This action increases the Diridon Station Area Development Planning appropriation in the amount of \$29,000 to recognize higher than anticipated revenue received in 2019-2020. This was a payment from Urban Communities for Museum Place to fund a portion of the Project Manager that supports the Diridon Station Area Development Planning Project.</p>					
	Google Parking Lots Option Payment Reserve	City Manager - Office of Economic Development	-	\$1,100,000	-
<p>This action increases the Google Parking Lots Option Payment Reserve by \$1.1 million, from \$500,000 to \$1.6 million. On December 4, 2018, the City Council approved the sale of city-owned properties in the Diridon Station Area to Google for the development of the Diridon Station Area. On December 4, 2018, City Council also approved an Option Agreement with Google for the potential sale of SAP Center Lots A/B/C, located at 525 W. Santa Clara Street and 566 W. Julian Street, to Google should certain conditions be satisfied. The Option Agreement accounts for a potential of five Option payments; the first three are to be held and returned to Google should the sale not take place. If the sale does take place, the first three Option payments would be credited toward the purchase price. The \$1.1 million is the Option payment that was made by Google in 2018-2019, but was not properly recognized and allocated upon receipt. According to the agreement, the payments will be held in a reserve until Google, San Jose Arena Management, and the City come to an agreement on an alternative parking arrangement for the SAP Center and a Parking Agreement Amendment is executed.</p>					

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<p>Non-Personal/Equipment (HVAC Replacement)</p> <p>This action increases the Non-Personal/Equipment appropriation to the Office of Economic Development by \$18,000 to fund an HVAC system replacement at 3 Below Theaters and Lounge (formerly Camera 3). The HVAC system is out of date and incurs costly maintenance. It is recommended that the HVAC system at this City-owned property is replaced.</p>	<p>City Manager - Office of Economic Development</p>	-	\$18,000	-
<p>Tech Interactive Capital Maintenance</p> <p>This action establishes the Tech Interactive Capital Maintenance City-Wide Expenses appropriation to the Office of Economic Development in the amount of \$110,500 to support cultural facilities capital maintenance as part of a cost sharing agreement with the Tech Museum of Innovation. This allocation was previously appropriated to the Public Works Department, but is actively managed by the Office of Economic Development. A corresponding decrease to the Public Works Cultural Facilities Capital Maintenance appropriation is recommended elsewhere in this report to offset this action.</p>	<p>City Manager - Office of Economic Development</p>	-	\$110,500	-
<p>Transfers and Reimbursements (Water Utility Fund - Late Fees)</p> <p>This action increases the revenue estimate for Transfers and Reimbursements by \$36,220 to reflect additional Late Fee revenue received in 2019-2020 in the Water Utility Fund. Late fee revenues in the Water Utility Fund are an unrestricted source of income for the City and therefore are transferred each year to the General Fund. A corresponding increase to the Transfer to the General Fund - Late Fees appropriation in the Water Utility Fund is recommended elsewhere in this report.</p>	<p>Environmental Services Department</p>	-	-	\$36,220

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<p>Flood Emergency Response Plan</p> <p>This action establishes the Flood Emergency Response Plan City-Wide Expenses appropriation to the Finance Department in the amount of \$285,000 to draft and implement 20 Flood Emergency Response Plans (FERPs) at 20 City locations deemed to be in high and moderate hazard flood zones, per the recommendation of the City's property and casualty insurer. Four of the FERPs must be completed by October 1, 2020 for the City's insurer to provide a quote for flood insurance for the 2020-2021 insurance renewal period. In the absence of allocating one-time funding to complete these plans in 2020-2021, the City's ongoing annual insurance premiums would increase by an estimated \$160,000. The main components of the FERPs include site flood hazard, local facility and emergency contacts, flood mitigation plans, facility shutdown activities, and restoration of operation activities.</p>	Finance Department	-	\$285,000	-
<p>Insurance Premiums</p> <p>This action increases the Insurance Premiums City-Wide Expenses appropriation to the Finance Department by \$75,000, from \$1.20 million to \$1.27 million, to support additional costs for the City's insurance coverage and annual renewals. These additional costs are a result of coverage updates and premium increases for the City's overall insurance program, which includes property/casualty and flood excess insurance products and law enforcement professional liability insurance, for annual policy periods starting October 1, 2020.</p>	Finance Department	-	\$75,000	-
<p>Police Officers' Professional Liability Insurance</p> <p>This action increases the Police Officers' Professional Liability Insurance City-Wide Expenses appropriation to the Finance Department by \$500, from \$100,000 to \$100,500, to address higher than anticipated costs for the Law Enforcement Liability insurance policy in support of the Police Department's Secondary Employment Unit. The revised total costs are inclusive of all premiums, taxes and fees, and allocated broker fees.</p>	Finance Department	-	\$500	-

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<p>TRANs Debt Service</p> <p>This action increases the TRANs Debt Service City-Wide Expenses appropriation to the Finance Department by \$73,000, from \$131.42 million to \$131.49 million, for additional administrative costs associated with TRANs issuance, including for municipal advisory services, note counsel, and purchaser counsel. The potential for these additional costs was noted in the report to City Council on June 30, 2020, and this action aligns funding with actual requirements.</p>	Finance Department	-	\$73,000	-
<p>Fire Apparatus Replacement</p> <p>This action decreases the Fire Apparatus Replacement appropriation by \$1.65 million, from \$4.75 million to \$3.1 million, to reflect a realignment of funding between the General Fund, Construction Tax and Property Conveyance (C&amp;C) Tax Fund: Fire Protection Purposes, and Neighborhood Security Bond Fund. This realignment results from the sale of two properties - West Community Policing Center and the former Mt. Pleasant Fire Station – that the Housing Department is acquiring with federal housing funds for future affordable housing development. Sale proceeds of \$1.65 million need to be returned to the Neighborhood Security Bond Fund, which originally purchased the parcels, and will be used to partially assist with the construction of Fire Station 37, an eligible use of the funds. Corresponding actions in the C&amp;C Tax Fund: Fire Protection Purposes to decrease Fire Station 37 funding and increase funding for Fire Apparatus Replacement are recommended elsewhere in this report. The total funding for both Fire Apparatus Replacement and Fire Station 37 remains unchanged.</p>	Fire Department	-	(\$1,650,000)	-
<p>Fire Station 26</p> <p>This action establishes the Fire Station 26 City-Wide Expenses appropriation to the Fire Department in the amount of \$10,000. The Fire Department received a private donation of \$10,000 in 2019-2020 which was deposited in the General Fund. These will be used to support Fire Station 26 in accordance with the donor's request.</p>	Fire Department	-	\$10,000	-

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (2020 Assistance to Firefighter Grant Program – COVID-19 Supplemental (FEMA))	Fire Department	-	\$45,169	-

This action increases the Fire Department's Non-Personal/Equipment appropriation by \$45,169 to support the City's match requirement for the 2020 Assistance to Firefighter Grant Program - COVID-19 Supplemental (FEMA) grant that was awarded to the Fire Department to purchase COVID-19 personal protective equipment. Acceptance of the awarded grant in the amount of \$346,293 was previously approved by the City Council on August 25, 2020, with the Fire Department's Non-Personal/Equipment appropriation designated as the source for the City's match requirement.

Non-Personal/Equipment (Class B Firefighting Foam)	Fire Department	-	\$57,600	-
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This action increases the Fire Department's Non-Personal/Equipment appropriation by \$57,600 for the replacement of Class B Firefighting Foam. The United States Fire Administration has advised all fire departments that Class B foam manufactured prior 2015 contains perfluoro octane acid (PFOA) and perfluoro octane sulfonic acid (PFOS) compounds. These compounds are considered hazardous waste and will need to be disposed of accordingly and replaced. The Fire Department currently has 2,000 gallons of foam manufactured prior to 2015 that must be removed and replaced. This funding will allow for the foam to be removed and replaced with a fluorine free foam.

Non-Personal/Equipment (State Fire Training Fee)	Fire Department	-	\$83,850	-
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This action increases the Fire Department's Non-Personal/Equipment appropriation by \$83,850 to address unanticipated fee increases for State Fire Training. In July 2020, the State Board of Fire Services and Statewide Training and Education Advisory Committee approved the State Fire Training Fee Report for fee increases with an anticipated effective date of October 1, 2020. The Fire Department currently has 16 types of certificates, courses and accreditations that must be completed for sworn fire personnel annually to maintain compliance with State of California standards.

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfer to the Fire Development Fee Program Fund (Program Reconciliation)	Fire Department	-	\$2,153,826	-

This action increases the Transfer to the Fire Development Fee Program Fund by \$2.2 million, to reflect a 2019-2020 reconciliation of the Fire Development Fee Program and transfers the remaining fee-supported funds to the Fire Development Fee Program Fund. The Development Fee Programs – consisting of Building, Planning, Citywide Planning, Fire, and Public Works – were previously budgeted in the General Fund as a full cost recovery program; however, in 2020-2021, these fee programs have been reallocated into individual special funds to improve transparency and financial and budgetary administration.

Business Taxes	General Fund Revenue	-	-	(\$7,000,000)
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This action decreases the Business Taxes revenue estimate by a net of \$7.0 million, from \$70.9 million to \$63.9 million, to reflect lower anticipated Cardroom Business Tax collections (-\$8.5 million), partially offset by an increased Disposal Facility Tax (DFT) estimate (\$1.5 million). Due to the shelter-in-place mandate, cardrooms have basically been shuttered, but are working with the County to open with limited operations. Operations are anticipated to be impacted for the remainder of the fiscal year, which will result in lower revenue collections. This action decreases the Cardroom Business Tax estimate by \$8.5 million, from \$17.1 million to \$8.6 million. Partially offsetting this decline, however, is increased DFT revenue. DFT receipts ended 2019-2020 with collections totaling \$12.5 million, and receipts are anticipated to remain flat in 2020-2021. Therefore, this action recommends increasing the 2020-2021 budgeted estimate by \$1.5 million (from \$11.1 million to \$12.6 million) to reflect the higher anticipated collection level.

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Other Revenue (Sale of Surplus Properties)	General Fund Revenue	-	-	(\$3,731,000)

This action decreases the estimate for Sale of Surplus Properties in the Other Revenue category by \$3,731,000 to reflect the anticipated decrease in sale proceeds. As part of the General Fund budget balancing strategy that was included in the 2020-2021 Adopted Operating Budget, \$11.1 million of sale proceeds was assumed from the purchase of surplus City-owned properties by the Housing Department, using Low and Moderate Income Housing Asset Funds, for future sites for affordable housing development. However, since the adoption of the budget, it was discovered that one of the properties is not eligible for the intended use (\$2.0 million) and two of the other properties were purchased with Capital Funds that must be returned to the Subdivision Park Trust Fund (\$86,000) and the Neighborhood Security Bond Fund (\$1.65 million). This action reflects the decreased revenues associated with one of the properties no longer moving forward and the portion of the sale proceeds that will be deposited in the respective Capital Funds. Actions to partially offset the reduced revenue by \$1.65 million to the General Fund are included elsewhere in the General Fund, Construction Tax and Property Conveyance (C&C) Tax Fund: Fire Protection Purposes, and Neighborhood Security Bond Fund.

Transfers and Reimbursements (From the Emergency Reserve Fund)	General Fund Revenue	-	-	\$4,585,000
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This action increases the revenue estimate for Transfers and Reimbursements by \$4.6 million, from \$178.5 million to \$183.1 million, to reflect a reimbursement from the Emergency Reserve Fund to the General Fund for advances made during 2019-2020 to support the City's response to the COVID-19 public health emergency. The planned \$10.0 million reimbursement could not be completed in 2019-2020 due to the timing of reimbursements from the Federal Emergency Management Agency and outlays for personal protective equipment, janitorial goods and services. As these reimbursements are expected to be received in 2020-2021, the majority of previously transferred funds is recommended to be returned to the General Fund. A corresponding action to transfer funds from the Emergency Reserve Fund is recommended elsewhere in this report.

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Interest Reallocation)	General Fund Revenue	-	-	\$534,630
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$534,630 to reflect the redistribution of interest earned in 2019-2020 on cash balances across all City funds and properly allocate proceeds to the Coronavirus Relief Fund (\$700,000). This action, coupled with the Beginning Fund Balance reconciliation, adjusts funding levels within the General Fund consistent with the overall interest redistribution. Additional actions to transfer funds from the impacted special and capital funds will be brought forward in the 2020-2021 Mid-Year Budget Review.</p>				
City Health Plan Incentive	Human Resources Department	-	\$100,000	-
<p>This action establishes the City Health Plan Incentive City-Wide Expenses appropriation to the Human Resources Department in the amount of \$100,000 to support the diversification of enrollment populations across both available healthcare plans. This funding will support financial incentives to encourage employees to enroll in the City-offered health plan with the lowest enrollment. A corresponding action is recommended elsewhere in this report to liquidate the City Health Plan Restructuring Reserve previously established for this purpose.</p>				
City Health Plan Restructuring Reserve	Human Resources Department	-	(\$100,000)	-
<p>This action liquidates the City Health Plan Restructuring Reserve in the amount of \$100,000 to allocate funds for financial incentives to employees who opt into the health plan with the lowest enrollment level. A corresponding action to establish the Health Care Incentive appropriation is recommended elsewhere in this report.</p>				



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<p>Non-Personal/Equipment (Training and Development)</p> <p>This action decreases the Human Resources Department's Non-Personal/Equipment appropriation by \$272,000 to reallocate funds to the Human Resources Department's Personal Services appropriation to support temporary staffing in the Training and Development Program to assist with the development of training plans, secure and manage vendors, ensure effective delivery, and evaluate training documents and processes for potential improvement. A corresponding increase to the Human Resources Department's Personal Services appropriation is recommended elsewhere in this report to offset this action.</p>	Human Resources Department	-	(\$272,000)	-
<p>Personal Services (Training and Development)</p> <p>This action increases the Human Resources Department's Personal Services appropriation by \$272,000 for temporary staffing in the Training and Development Program to assist with the development of training plans, secure and manage vendors, ensure effective delivery, and evaluate training documents and processes for potential improvement. A corresponding decrease to the Human Resources Department's Non- Personal/ Equipment appropriation is recommended elsewhere in this report to offset this action.</p>	Human Resources Department	-	\$272,000	-
<p>Development Fee Program - Shared Resources Non-Personal/Equipment (PC Upgrade Project)</p> <p>This action liquidates the Development Fee Program - Shared Resources Non-Personal/Equipment appropriation to the Information Technology Department by \$116,913 as these funds were inadvertently budgeted in the General Fund and should have been budgeted in the respective individual Development Fee Program Funds (Building, Fire, Planning, and Public Works). These funds will support the Windows 10 Enterprise and PC Upgrade Project by replacing or upgrading obsolete computers that are unable to support a modern operating system, as well as upgrade end-of-life Windows licenses across the City to a modern and secure version. Corresponding increases to the Development Fee Program – Shared Resources Non-Personal/Equipment appropriation in each of the respective Development Fee Program Funds are recommended elsewhere in this report.</p>	Information Technology Department	-	(\$116,913)	-

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Virtual Security Operations Center)	Information Technology Department	-	\$220,000	-

This action increases the Information Technology Department's Non-Personal/Equipment appropriation by \$220,000 to fully fund the Virtual Security Operations Center. The Virtual Security Operations Center (VSOC) is a vital function of Cybersecurity that continuously monitors infrastructure and applications, thereby maximizing the City's ability to reduce the harm of malicious activity. In the event of an attack that manages to bypass the City's primary defenses, the VSOC immediately conducts incident response activities to identify, contain, eradicate, and return to normal operations. If the incident is significant, the VSOC communicates with others based on severity and triggers the more formal Incident Response Plan if/when necessary. Initial funding of the VSOC was previously allocated with the establishment of the Cybersecurity Office within the Information Technology Department, but additional funding is needed to meet the City's requirements. Ongoing funding for the increased VSOC costs, including potential cost reduction offsets elsewhere, will be incorporated in the 2021-2022 Base Budget.

Office of the Mayor (SJPL Foundation/Encore.org)	Mayor & City Council	-	\$32,500	-
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This action increases the Office of the Mayor appropriation by \$32,500 to appropriate grants that were received in 2019-2020 from the San Jose Public Library Foundation (\$30,000) and Encore.org (\$2,500) to support fellowship programs.

City Attorney's Office Outside Litigation Reserve	Office of the City Attorney	-	\$500,000	-
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This action increases the City Attorney's Office Outside Litigation Reserve by \$500,000, from \$500,000 to \$1.0 million, to set aside additional funding to support costs incurred for contracted outside litigation services, as needed by the City Attorney's Office for representation in active cases. Outside legal representation is secured in response to claims and lawsuits against the City, and when workload fluctuation and liability exposure warrants assistance.

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Cadillac Winchester Neighborhood</p> <p>This action establishes the Cadillac Winchester Neighborhood City-Wide Expenses appropriation to the Office of the City Clerk in the amount of \$10,000 from Vice Mayor Jones' excess campaign funds that were previously received in the General Fund, as directed in the Mayor's June Budget Message for Fiscal Year 2020-2021, as approved by the City Council, to support West Valley Community Services for low income families in the Cadillac Winchester Neighborhood in West San Jose.</p>	Office of the City Clerk	-	\$10,000	-
<p>Elections and Ballot Measures</p> <p>This action increases the Elections and Ballot Measures City-Wide Expenses appropriation to the Office of the City Clerk by \$150,000, from \$2,732,000 to \$2,882,000, to provide adequate funding based on estimated costs for the November 2020 Election.</p>	Office of the City Clerk	-	\$150,000	-
<p>My Brother's Keeper</p> <p>This action establishes the My Brother's Keeper City-Wide Expenses appropriation to the Office of the City Clerk in the amount of \$10,000 from Vice Mayor Jones' excess campaign funds that were previously received in the General Fund, as directed in the Mayor's June Budget Message for Fiscal Year 2020-2021, as approved by the City Council, to support the My Brother's Keeper initiative through the African American Community Services Agency.</p>	Office of the City Clerk	-	\$10,000	-

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Non-Personal/Equipment (City Council Meeting Verbal Interpretation Services)	Office of the City Clerk	-	\$50,000	-

This action increases the Office of the City Clerk's Non-Personal/Equipment appropriation by \$50,000 to support verbal interpretation services for City Council meetings. Beginning on July 28th, live verbal translation of City Council meetings has been provided in Spanish and Vietnamese. While having City Council meetings accessible to our community is important, the utilization of these services is very low and the cost is relatively high. Through the September 22nd meeting, the cost for interpreting eight meetings in Spanish and Vietnamese totals \$44,000. If the same level of service is provided through the end of the fiscal year, the total cost is estimated at \$180,000. As an alternative, the Office of the City Clerk recommends continuing to provide interpretation services for agenda items that generate significant community interest, and by request of City Councilmembers and City staff, but not for the entire City Council meeting. The \$44,000 cost incurred through September 22nd can be absorbed with existing resources. Additional funding of \$50,000 provides capacity to continue live interpretation services for important community items through the end of the fiscal year. The Office of the City Clerk will provide an update on the status of interpretation services to the Rules and Open Government Committee on October 7, 2020.

Budget Stabilization Reserve	Office of the City Manager	-	\$14,000,000	-
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This action increases the Budget Stabilization Reserve by \$14.0 million, from \$21.0 million to \$35.0 million, in accordance with City Council Policy 1-18 to maintain an adequate reserve level to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budgeted resources in any given year. The Budget Stabilization Reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. This action, along with existing budgeted funds for the Contingency Reserve (\$40.0 million) and Workers Compensation / General Liability Catastrophic Reserve (\$15.0 million), brings the total General Purpose Reserve level to 6.8% of General Fund operating expenditures.

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<p>FirstNet Emergency Communications Network Reserve</p> <p>This action establishes a reserve in the amount of \$750,000 to complete the implementation of the FirstNet Emergency Communications Network. Funding is anticipated to be needed for higher than expected costs for data plans and the associated taxes, fees, and surcharges; increased costs for FirstNet devices; reassessment of the number of devices and accessories necessary; and to offset savings that may not be realized such as buyback and activation credits. As the implementation continues and as the detailed cost spread among departments is finalized, the Administration will recommend allocating all or a portion of this reserve into an expenditure appropriation as part of a future budget process.</p>	Office of the City Manager	-	\$750,000	-
<p>Personal Services (Office of Racial Equity Staffing)</p> <p>In alignment with the Mayor's June Budget Message for Fiscal Year 2020-2021, as approved by the City Council, this action adds 1.0 Director of City Manager's Office, 1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, and 1.0 Staff Specialist positions in the City Manager's Office to staff the Office of Racial Equity. Approval of the Mayor's June Budget Message established the Office of Racial Equity with one-time funding in 2020-2021 of \$1.0 million, of which \$750,000 was allocated for personal services and \$250,000 for non-personal/equipment uses. The Administration is in the process of hiring the Director prior to filling the other positions. Though the annual cost for all four positions is approximately \$950,000, vacancy savings resulting from recruitment processes will ensure that additional funding is not needed in 2020-2021. It is the Administration's intent to identify the ongoing funding necessary to make these positions permanent as part of the City Manager's 2021-2022 Proposed Operating Budget.</p>	Office of the City Manager	4.0	-	-

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Police Reforms Work Plan	Office of the City Manager	-	\$800,000	-

This action repurposes Police Department expenditure savings from 2019-2020 to establish the Police Reforms Work Plan City-Wide appropriation to the City Manager's Office in the amount of \$800,000. Funding will be used to focus on such efforts as: enhancing community engagement processes; providing less-than-lethal use of force options; developing various databases for police officer history and actions; and body-worn camera footage audits. Funding will also be provided for participation by the Police Department in the GARE Process/Racial Equity training and enable independent investigations of police misconduct. This preliminary budget will assist the Administration and Independent Police Auditor to move forward with additional police reforms outside of the funds previously allocated and will be refined as needed.

Transfer to the City Hall Debt Service Fund (City Hall Debt Refunding)	Office of the City Manager	-	(\$2,821,048)	-
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This action decreases the Transfer to the City Hall Debt Service Fund by \$2.8 million, from \$18.2 million to \$15.4 million, which represents a decreased contribution from the General Fund to the City Hall Debt Service Fund attributable to recent debt refunding activities. At its meeting on August 25, 2020, the City Council and the City of San José Financing Authority approved the issuance of taxable lease revenue bonds, Series 2020A, that refunded all of the outstanding debt related to the original construction of City Hall and financing the full build-out of existing space within the 4th and San Fernando Garage for office space that will be occupied by the Community Energy Department. This action was anticipated in the 2020-2021 Adopted Budget with a total debt service savings for City Hall estimated at approximately \$1.2 million, of which \$800,000 would be attributable to the General Fund. However, due to the continued decline of interest rates for municipal debt, the actual debt service savings increased by another \$4.1 million, of which \$2.8 million is attributable to the General Fund. Corresponding actions are recommended in the City Hall Debt Service Fund elsewhere in this report.

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<p>Guadalupe River Park Ranger Station Rehabilitation</p> <p>This action establishes a Guadalupe River Park Ranger Station Rehabilitation appropriation to the Parks, Recreation and Department Neighborhood Services Department in the amount of \$250,000 to fund the rehabilitation of the Park Ranger Station at the Arena Green that sustained significant fire damage due to vandalism that occurred in June 2020. Additional actions are recommended in this report to allocate \$100,000 from the Park Trust Fund for additional security enhancements to prevent vandalism, for a total project budget of \$350,000. The City will coordinate with the Guadalupe River Park Conservancy, which operates the station and is pursuing philanthropic grants for future activation of the site, and other stakeholders as work proceeds on the design of the rehabilitation work. The project scope includes repair/replacement of the roof and ceiling, flooring, windows, lighting, and air conditioning, as well as the installation of security cameras, roll-up door and fencing. Construction activities are anticipated to begin in the spring.</p>	Parks, Recreation and Neighborhood Services Department	-	\$250,000	-
<p>Code Enforcement Permit System Reserve</p> <p>This action increases the Code Enforcement Permit System Reserve appropriation by \$1 million, from \$908,000 to \$1.9 million, to set aside unspent fee revenue related to the Multiple Housing Code Enforcement Program from 2019-2020 for a future software upgrade of the City's Code Enforcement Permit System for the Multiple Housing Code Enforcement Program.</p>	Planning, Building and Code Enforcement Department	-	\$1,000,000	-
<p>Non-Personal/Equipment (Multiple Housing Code Enforcement Program - Vehicle Replacements and Computers and Tablets)</p> <p>This action increases the Planning, Building, and Code Enforcement Department's Non-Personal/Equipment appropriation by \$152,000 for the replacement of vehicles that have reached the end of their useful lives and purchase of new laptops and tablets to facilitate remote work and mobile inspections for the Multiple Housing Code Enforcement Program. The resources for this equipment purchase is provided by fees that fund the Multiple Housing Code Enforcement Program.</p>	Planning, Building and Code Enforcement Department	-	\$152,000	-

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<p>Non-Personal/Equipment (Solid Waste Code Enforcement Program - Vehicles and Tablets)</p> <p>This action increases the Planning, Building, and Code Enforcement Department's Non-Personal/Equipment by \$213,000 for the replacement of old vehicles that have reached the end of their useful lives and purchase of new laptops and tablets to facilitate remote work and mobile inspections for the Solid Waste Code Enforcement Program. The resources for this equipment purchase are provided by fees that fund the Solid Waste Code Enforcement Program.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$213,000	-
<p>Solid Waste Code Enforcement Program Reserve</p> <p>This action establishes the Solid Waste Code Enforcement Program Reserve in the amount of \$600,000. The Solid Waste Code Enforcement Program is a full cost recovery program funded through fees, and the program ended 2019-2020 with unspent fee revenue resulting from higher than anticipated collections and expenditure savings totaling \$600,000 after rebudgets and necessary clean-up actions. This funding will be set aside for future use by the Solid Waste Code Enforcement Program.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$600,000	-
<p>Transfer to the Building Development Fee Program Fund (Program Reconciliation)</p> <p>This action increases the Transfer to the Building Development Fee Program Fund appropriation by \$9.3 million. The Development Fee Programs - consisting of Building, Planning, Citywide Planning, Fire, and Public Works - were previously budgeted in the General Fund as full cost recovery programs; however, in 2020-2021, these fee programs have been reallocated into individual special funds to improve transparency and financial and budgetary administration. A reconciliation of the Building Development Fee Program in the General Fund was completed, and this action reflects the transfer of the remaining funds from the General Fund to its individual special fund. The reconciliation includes additional revenues collected and expenditure savings in 2019-2020 (\$9.5 million), a reimbursement for waived building permit and inspection fees to assist homeowners with repairs related to the 2017 Coyote Creek flood (\$462), and a reduction of funds to correct for a previous transfer in the 2020-2021 Adopted Operating Budget for prior year encumbrances that were transferred from the General Fund to the Building Development Fee Program Fund (\$135,954).</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$9,330,412	-



## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Transfer to the Citywide Planning Fee Program Fund (Program Reconciliation)</p> <p>This action increases the Transfer to the Citywide Planning Fee Program Fund appropriation by \$1.5 million. The Development Fee Programs - consisting of Building, Planning, Citywide Planning, Fire, and Public Works - were previously budgeted in the General Fund as full cost recovery programs; however, in 2020-2021, these fee programs have been reallocated into individual special funds to improve transparency and financial and budgetary administration. A reconciliation of the Citywide Planning Fee Program in the General Fund was completed, and this action reflects the transfer of the remaining funds from the General Fund to its individual special fund. The reconciliation includes additional revenues collected and expenditure savings in 2019-2020 (\$1.5 million).</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$1,509,637	-
<p>Transfer to the Planning Development Fee Program Fund (Program Reconciliation)</p> <p>This action increases the Transfer to the Planning Development Fee Program Fund appropriation by \$993,289. The Development Fee Programs - consisting of Building, Planning, Citywide Planning, Fire, and Public Works - were previously budgeted in the General Fund as full cost recovery programs; however, in 2020-2021, these fee programs have been reallocated into individual special funds to improve transparency and financial and budgetary administration. A reconciliation of the Planning Development Fee Program in the General Fund was completed, and this action reflects the transfer of the remaining funds from the General Fund to its individual special fund. The reconciliation includes additional revenues collected and expenditure savings in 2019-2020 (\$993,289).</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$993,289	-

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Bulletproof Vest Partnership/Revenue from Federal Government	Police Department	-	\$42,000	\$21,000

This action increases the Bulletproof Vest Partnership City-Wide Expenses appropriation to the Police Department by \$42,000 and the estimate for Revenue from Federal Government by \$21,000 to maximize available Bulletproof Vest Partnership Grant funding for equipment acquisition. Grant awards are utilized to procure National Institute of Justice (NIJ) compliant armored vests for police officers, and the grant term ends on November 30, 2020. A corresponding reallocation of funding from the Police Department's Non-Personal/Equipment appropriation is recommended elsewhere in this report to leverage this grant funding.

Local Sales Tax - Mobile Data Computer Replacements (Non-Personal/Equipment) (Reallocation to City-Wide Expenses)	Police Department	-	(\$197,000)	-
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This action eliminates the Police Department's Local Sales Tax – Mobile Data Computer Replacements (Non-Personal/Equipment) appropriation in the amount of \$197,000 to reallocate funds to a new Local Sales Tax - Mobile Data Computer Replacements City-Wide Expenses appropriation for the acquisition and installation of upgraded mobile data computers in Police vehicles, since installation will be coordinated by the Public Works Fleet Division. Corresponding actions to reallocate an additional \$4.26 million from the Police Department's Non- Personal/Equipment appropriation, for combined project funding of \$4.46 million, are recommended elsewhere in this report.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Local Sales Tax - Mobile Data Computer Replacements (Reallocation from Local Sales Tax - Mobile Data Computer Replacements (Non-Personal/Equipment))	Police Department	-	\$197,000	-

This action establishes the Local Sales Tax - Mobile Data Computer Replacements City-Wide Expenses appropriation to the Police Department in the amount of \$197,000 to reallocate funds from the Police Department's Local Sales Tax – Mobile Data Computer Replacements (Non-Personal/Equipment) appropriation for the acquisition and installation of upgraded mobile data computers in Police vehicles, since installation will be coordinated by the Public Works Fleet Division. Corresponding actions to reallocate an additional \$4.26 million from the Police Department's Non-Personal/Equipment appropriation, for combined project funding of \$4.46 million, are recommended elsewhere in this report.

Mobile Data Computer Replacements (Reallocation from Police Department Non-Personal/Equipment)		-	\$4,263,000	-
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This action establishes the Mobile Data Computer Replacements City-Wide Expenses appropriation to the Police Department in the amount of \$4.26 million to reallocate funds from the Police Department's Non-Personal/Equipment appropriation for the acquisition and installation of upgraded mobile data computers in Police vehicles, since installation will be coordinated by the Public Works Fleet Division. Corresponding actions to reallocate an additional \$197,000 from the Local Sales Tax – Mobile Data Computer Replacements (Non-Personal/Equipment), for combined project funding of \$4.46 million, are recommended elsewhere in this report.

Non-Personal/Equipment (Bulletproof Vest Partnership) Police Department		-	(\$42,000)	-
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This action decreases the Police Department's Non-Personal/Equipment appropriation by \$42,000 to reallocate funds to the Bulletproof Vest Partnership City-Wide Expenses appropriation to maximize Bulletproof Vest Partnership Grant funding for equipment acquisition. Grant awards are utilized to procure National Institute of Justice (NIJ) compliant armored vests for police officers, and the grant term ends on November 30, 2020. A corresponding increase to the Bulletproof Vest Partnership appropriation is recommended elsewhere in this report to leverage this grant funding.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Mobile Data Computer Replacements) (Reallocation to City-Wide Expenses)	Police Department	-	(\$4,263,000)	-

This action decreases funding in the Police Department's Non-Personal/Equipment appropriation by \$4.26 million to reallocate funds to a new Mobile Data Computer Replacements appropriation for the acquisition and installation of upgraded mobile data computers in police vehicles, since installation will be coordinated by the Public Works Fleet Division. Corresponding actions to reallocate an additional \$197,000 from the Local Sales Tax – Mobile Data Computer Replacements (Non-Personal/Equipment) appropriation, for combined project funding of \$4.46 million, are recommended elsewhere in this report.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Recruiting Services)	Police Department	-	\$75,000	-

This action repurposes Police Department expenditure savings in 2019-2020 to increase the Police Department's Non- Personal/Equipment appropriation by \$75,000 to support recruiting activities, including targeted radio, print, and social media marketing, to reach candidates for the upcoming Police Officer Recruit Academies, as well as civilian candidates for critical civilian classifications, such as Public Safety Communication Specialists and Public Safety Dispatchers in the 9-1-1 Emergency Communications Center. The 2019-2020 Adopted Operating Budget allocated one-time funding of \$825,000 for backgrounding (\$625,000) and recruiting (\$200,000) to ensure that academies and civilian positions were filled with qualified candidates. Due to budgetary constraints, one-time funding in the 2020-2021 Adopted Budget only included \$300,000 for backgrounding and no additional funding for recruiting. The recommended actions to repurpose 2019-2020 Police Department expenditures savings in this report to increase recruiting (\$75,000) and a complementary action elsewhere to increase backgrounding resources (\$325,000) will enable the Police Department to continue to aggressively recruit and hire the highest level candidates for sworn positions through three planned Police Officer Recruit Academies, and to target 9-1-1 Emergency Communications Center and other vital civilian vacancies within the Department. In total, the actions recommended in this report repurpose \$400,000 of 2019-2020 Police Department savings for backgrounding and recruiting purposes, increasing the one-time funding in 2020-2021 to \$700,000.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Sexual Assaults Training and Supportive Services)	Police Department	-	\$175,000	-

This action repurposes Police Department expenditure savings in 2019-2020 to increase the Police Department's Non-Personal/Equipment appropriation by \$175,000 to provide funding for Sexual Assaults Law Enforcement Training and Supportive Services, including resources for the Special Victims Unit (SVU) to provide Trauma-Informed Care training, equipment and materials to the Department, and educational outreach through the South Bay Human Trafficking Coalition. This action restores total funding of \$690,000 for Sexual Assaults Law Enforcement Training and Supportive Services, since \$175,000 was reallocated to partially address anticipated General Fund revenue shortfalls for 2019-2020. This action aligns with the direction provided by Councilmember Arenas' memorandum – approved by the City Council along with Item 3.3, Approval of Various Budget Actions for Fiscal Year 2019-2020, on June 23, 2020 – to prioritize any remaining General Fund balance identified in the 2019- 2020 Annual Report to restore the previously allocated funding. This allocation is consistent with the original intent of the Police Department's Sexual Assaults Workplan, as approved by City Council on April 28, 2020.

Northern California Regional Intelligence Center - Police 2019 (Reallocation to Northern California Regional Intelligence Center Staffing)	Police Department	-	(\$151,000)	-
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This action decreases the Northern California Regional Intelligence Center - Police 2019 City-Wide Expenses appropriation to the Police Department by \$151,000, from \$301,743 to \$150,743, to reallocate funds to a new Northern California Regional Intelligence Center Staffing appropriation to separately account for a portion of the costs of a temporary Police Lieutenant position assigned to the Northern California Regional Intelligence Center (NCRIC). NCRIC grants partially support the total position cost, leaving a gap of \$151,000. A corresponding action to establish the Northern California Regional Intelligence Center Staffing appropriation is recommended elsewhere in this report.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Northern California Regional Intelligence Center Staffing (Reallocation from Northern California Regional Intelligence Center - Police 2019)	Police Department	-	\$151,000	-

This action establishes the Northern California Regional Intelligence Center Staffing City-Wide Expenses appropriation to the Police Department in the amount of \$151,000 to separately account for a portion of the costs of a temporary Police Lieutenant position assigned to the Northern California Regional Intelligence Center (NCRIC) that is not grant-supported. NCRIC grants partially support the total position cost, leaving a gap of \$151,000. A corresponding action to decrease the Northern California Regional Intelligence Center – Police 2019 appropriation is recommended elsewhere in this report.

Personal Services (Backgrounding Services)	Police Department	-	\$325,000	-
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This action repurposes Police Department expenditure savings in 2019-2020 to increase the Police Department's Personal Services appropriation by \$325,000 to augment the 5.0 current Background Investigator positions included in the Department's 2020-2021 Operating Budget and expedite backgrounding services for potential hires. The 2019-2020 Adopted Operating Budget allocated one-time funding of \$825,000 for backgrounding (\$625,000) and recruiting (\$200,000) to ensure that academies and civilian positions were filled with qualified candidates. Due to budgetary constraints, one-time funding in the 2020-2021 Adopted Budget only included \$300,000 for backgrounding and no additional funding for recruiting. The recommended actions to repurpose 2019-2020 Police Department expenditures savings in this report to increase recruiting (\$75,000) and a complementary action elsewhere to increase backgrounding resources (\$325,000) will enable the Police Department to continue to aggressively recruit and hire the highest level candidates for sworn positions through three planned Police Officer Recruit Academies, and to target 9-1-1 Emergency Communications Center and other vital civilian vacancies within the Department. In total, the actions recommended in this report repurposes \$400,000 of 2019-2020 Police Department savings for backgrounding and recruiting purposes, increasing the one-time funding in 2020-2021 to \$700,000.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Cultural Facilities Capital Maintenance</p> <p>This action eliminates the Cultural Facilities Capital Maintenance appropriation and reallocates the funding to establish new separate sinking funds for the Tech Interactive and Children's Discovery Museum. Agreements with the Tech Interactive and Children's Discovery Museum stipulate funding should be maintained separately. This action reallocates remaining funding into two separate appropriations for the two cultural facilities for ease of tracking and management. Corresponding actions to establish the Tech Interactive Capital Maintenance (\$110,500) and Children's Discovery Museum Capital Maintenance (\$76,424) appropriations are recommended elsewhere in this report.</p>	Public Works Department	-	(\$186,924)	-
<p>Transfer to the Public Works Development Fee Program Fund (Program Reconciliation)</p> <p>This action increases the Transfer to the Public Works Development Fee Program Fund by \$3.6 million. The Development Fee Programs – consisting of Building, Planning, Citywide Planning, Fire, and Public Works – were previously budgeted in the General Fund as a full cost recovery program; however, in 2020-2021, these fee programs have been reallocated into individual special funds to improve transparency and financial and budgetary administration. A reconciliation of the Public Works Development Fee Program in the General Fund was completed and this action reflects the transfer of the remaining funds from the General Fund to its individual special fund. The reconciliation includes additional revenues collected and expenditure savings in 2019-2020 (\$3.6 million).</p>	Public Works Department	-	\$3,632,355	-



## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Transfer from Small Cell Permitting Fee Program Fund)	Public Works Department	-	-	\$1,173,732

This action increases the revenue estimate for Transfers and Reimbursements by \$1,173,732 to recognize repayment of funding received in 2019-2020 from the Small Cell Permitting Fee Program Fund. Before the Small Cell Permitting Fee Program Fund was established in 2020-2021, the program was funded in the General Fund. In 2019-2020, the program ended the fiscal year with a \$1.0 million revenue shortfall due to timing of reimbursements and an expenditure overage of \$176,000, for a total shortfall of \$1.2 million. This shortfall was temporarily covered by the General Fund. This action recognizes repayment of the funding from the Small Cell Permitting Fee Program Fund to the General Fund. A corresponding action to establish a transfer in the Small Cell Permitting Fee Program Fund is recommended elsewhere in this report.

Fines, Forfeitures, and Penalties (Parking Citations)	Transportation Department	-	-	(\$6,000,000)
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This action decreases the revenue estimate for Fines, Forfeitures, and Penalties by \$6.0 million for a reduction in parking citation revenue (from \$12.6 million to \$6.6 million) due to the current COVID-19 operating environment. The Transportation Department ceased issuing parking citations on March 17, 2020 and did not resume issuing parking citations until the middle of August 2020. Parking Compliance activities have been phased in thoughtfully, addressing and prioritizing potential health and safety concerns while remaining sensitive to the community's economic concerns, as well as, public health order protocols. The majority of pre-COVID-19 citation issuance was related to violations pertaining to street sweeps, meters, and Residential Permit Parking areas. At this time, citations are only being issued for meter violations in the downtown core and safety-related violations citywide. Citations are not being issued for meter violations in the Japantown, Old Civic Center, or East Santa Clara area where meters are not active, and enforcement of other types of violations and activities are suspended to accommodate changes in the Parking Compliance Program staff that have been made in response to the COVID-19 pandemic. This activity will continue to be closely monitored and evaluated throughout the year.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Tow Operator Contract)	Transportation Department	-	\$250,000	-

This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$250,000 to partially fund the Fourth Amendment to the City-Generated Tow Services Agreements, as approved by the City Council on June 30, 2020 to tow qualified vehicles that are deemed junk/low-value vehicles. Because of the City's response to the COVID-19 pandemic, the Parking Compliance Unit and Vehicle Abatement Programs were suspended, which resulted in a reduced volume of tow service requests that impacted the tow operators' finances, operations, and ability to provide service. In response to the impact to the tow operators due to the decreased level of activity, maximum compensation of \$150,000 was approved to provide payment to tow operators for towed junk vehicles from June 1, 2020 through September 30, 2020, with an option to extend the terms month-to-month through March 31, 2021. The General Fund will fund half of this compensation agreement (\$75,000), while the General Purpose Parking Fund will fund the remaining half within the Department's existing budget (\$75,000). In addition, this action will provide initial funding for the upcoming RFP and award of a technology/software platform and/or contract administration of the City's Tow Program (\$175,000) – which is critical to the continued performance of the program – while the Administration determines an alternative service delivery model for the Tow Program.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfer to the Building and Structure Construction Tax Fund (North San José BCP)	Transportation Department	-	\$84,625	-
<p>This action transfers \$84,625 from the General Fund to the Building and Structure Construction Tax Fund. The Mayor's June Budget Message for Fiscal Year 2014-2015, as approved by the City Council (Manager's Budget Addendum #8), dedicated sales tax collections from North San José construction activity as part of the Business Cooperation Program (BCP) toward unfunded transportation needs in North San José. For 2019-2020, one company in the North San José Policy Area participated in the BCP for a new construction project, resulting in the City receiving \$84,625 of sales tax revenue to be dedicated according to this policy direction. The amount represents the BCP tax revenue generated from July 2019 through March 2020. Tax revenue for the April through June 2020 has not been determined yet, and any amount generated during that period will be recommended to be set aside during a future budget process. An increase to the North San José New Development (BCP) Reserve in the Building and Structure Construction Tax Fund, which maintains similar reserves in accordance with Manager's Budget Addendum #8, is recommended to offset this action.</p>				

### Required Technical-Rebalancing Actions

4.0 \$34,455,802 (\$10,380,418)

<b>Grants- Reimbursements -Fees</b>	Adobe Sponsored Artist Support/Other Revenue The action establishes the Adobe Sponsored Artist Support City-Wide Expenses appropriation to the Office of the Economic Development and increases the corresponding estimate for Other Revenue in the amount of \$30,000 to recognize a sponsorship from Adobe. This funding will be used to provide grants to local San Jose artists in response to the COVID-19 pandemic.	City Manager - Office of Economic Development	-	\$30,000	\$30,000
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## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Diridon Station Area Development Planning - Electric Microgrid/Other Revenue</p> <p>This action establishes the Diridon Station Area Development Planning – Electric Microgrid City-Wide Expenses appropriation to the Office of the Economic Development and increases the corresponding estimate for Other Revenue by \$540,000 to recognize reimbursements from Google in accordance with the agreement previously approved by the City Council regarding the development of the Diridon Station Area on June 17, 2019. This funding supports work underway that analyzes the possibility of establishing a City-owned and operated electric distribution system to serve Google's Downtown West Mixed-Use Project (Google Project). This funding will be used primarily by the Community Energy Department to negotiate and execute electric system study agreements with PG&amp;E, which are required to assess the capacity and needs of PG&amp;E's electric infrastructure to serve the Google Project; analyze the results of the PG&amp;E studies and prepare a comprehensive analysis for City Council consideration as to what the City's ownership and operation of the electric system may mean; and define the framework for future agreements between the City and Google for the provision of electric service.</p>	<p>City Manager - Office of Economic Development</p>	-	\$540,000	\$540,000
<p>GARE Arts Program Grant/Revenue from Local Agencies</p> <p>This action establishes the GARE Arts Program Grant City-Wide Expenses appropriation to the Office of the Economic Development and increases the corresponding estimate for Revenue from Local Agencies in the amount of \$20,000 to recognize funding received from Race Forward, which is an organization that brings systemic analysis and an innovative approach to complex race issues to help people take effective action toward racial equity. This funding supports resources for local government to seed art projects that are focused on eliminating structural racism.</p>	<p>City Manager - Office of Economic Development</p>	-	\$20,000	\$20,000

**General Fund Recommended Budget Adjustments Summary  
2019-2020 Annual Report**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Property Leases/Revenue from the Use of Money/Property</p> <p>This action increases the Property Leases appropriation by \$12,907 and the estimate for Revenue from the Use of Money/Property by \$15,000 to recognize reimbursements received for move in and building improvement expenses to the space that the Office of the Independent Police Auditor currently leases. The remaining reimbursement of \$2,093 is recommended to increase the Office of the Independent Police Auditor's Non-Personal/Equipment appropriation elsewhere in this report.</p>	<p>City Manager - Office of Economic Development</p>	-	\$12,907	\$15,000
<p>Climate Protection Grant/Revenue from Local Agencies (Bay Area Air Quality Maintenance District)</p> <p>This action increases the Climate Protection Grant allocation to the Environmental Services Department by \$12,000 (from \$198,000 to \$210,000) and the estimate for Revenue from Local Agencies by \$12,000. This action allocates funding for the third and final year of the Climate Protection Grant, a grant from the Bay Area Air Quality Maintenance District approved by City Council on October 2, 2018. This funding will be used to continue efforts to support both immediate and long-term energy savings, electrification, and zero net carbon (ZNC) building goals as identified in the Climate Smart San José mission.</p>	<p>Environmental Services Department</p>	-	\$12,000	\$12,000
<p>Non-Personal/Equipment (Moving and Building Improvement Expenses Reimbursement)</p> <p>This action increases the Independent Police Auditor's Non-Personal/Equipment appropriation by \$2,093 to recognize reimbursements received for move in and building improvement expenses for the space that the Office of the Independent Police Auditor currently leases.</p>	<p>Independent Police Auditor's Office</p>	-	\$2,093	-

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants/Revenue from State of California (California Library Literacy Services (CLLS))	Library Department	-	\$88,690	\$88,690

This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$88,690 to recognize the receipt of a California Library Literacy Services grant. This funding will allow the purchase of books, materials, and software, as well as support the Adult Literacy and Families for Literacy programming. Families for Literacy helps adult parents and caregivers enrolled in the program to increase their basic literacy skills via one-to-one or small group learning sessions with trained volunteer tutors. Through these sessions, adults can also better address the literacy needs of their children with the goal of interrupting the cycle of generational low literacy.

Library Grants/Revenue from State of California (CLLS - Library Family Literacy Services)	Library Department	-	\$72,500	\$72,500
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This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$72,500 to recognize the receipt of a California Library Literacy Services grant for expanded Family Literacy Services. This grant funding builds program capacity to reach adults with children in high-need areas of the community. For adults not enrolled in the Family Literacy program and for those who are enrolled, all are assisted in family literacy through the distribution of books and materials and through workshops to support parents in helping their children in lifelong learning. The goal is to engage with more adult parents in improving basic literacy skills through tutor-supported learning sessions with the goal of interrupting the cycle of generational low literacy.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants/Revenue from State of California (First 5 Santa Clara County- Bridge Library Services)	Library Department	-	\$72,990	\$72,990

This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$72,990 to recognize the First Five Santa Clara County grant. This funding will support the Bridge Library Services to increase community access to library materials. The Bridge Library Services provides children, families, and educators with access to high-quality materials, early education resources, family events, and early learning environments. This service will also establish the San Jose Public Library Bridge Collection, which will allow families to borrow library materials with no late fee/lost charges and provide access to a large selection of materials.

Library Grants/Revenue from State of California (San Jose Quality Standards in Early Education Programming)	Library Department	-	\$137,850	\$137,850
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This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$137,850 to recognize the receipt of a California State Library grant. This grant funding will support the San Jose Quality Standards in Early Education Programming grant for the Shared Vision/Bringing the Library to You project. Funding will support an Early Education Specialist to provide expertise on training, material development, and evaluating early education programs, which will contribute towards the learning and development of children and their caregivers. The San Jose Quality Standards will be established and assessed through direct observation and community input and provide insight into how Library staff and the community are connecting with a new Storytime Curriculum.

Council District #10/Other Revenue	Mayor & City Council	-	\$500	\$500
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This action increases the Council District #10 appropriation and the corresponding estimate for Other Revenue by \$500 to allocate revenue received from Kaiser Permanente to support the co-sponsored 2020 Senior Health Walk event.

## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Office of the Mayor/Other Revenue (Chatbot and Fellowships)	Mayor & City Council	-	\$83,000	\$83,000
<p>This action increases the Office of the Mayor appropriation and the corresponding estimate for Other Revenue by \$83,000 to recognize revenue received from grants. Grants were received from: Harvard University (\$50,000) to partially support the cost of an Innovation Policy Advisor position; Encore.org (\$12,500) for placement of four fellows working on the Mayor's initiatives; and the Knight Foundation (\$20,500) for the implementation of Resident Chatbot.</p>				
2019 EMPG Grant - OEM/Revenue from Local Agencies	Office of the City Manager	-	\$75,000	\$75,000
<p>This action establishes the 2019 Emergency Management Performance Grant appropriation to the Office of Emergency Management and increases the estimate for Revenue to Local Agencies by \$75,000. The funds will be used by the Office of Emergency Management to purchase computers and other technology to create a more efficient and effective Emergency Operations Center.</p>				
After School Education and Safety Programs for 2020-2021/Revenue from Local Agencies	Parks, Recreation and Neighborhood Services Department	-	\$450,938	\$450,938
<p>This action establishes an After School Education and Safety Programs for 2020-2021 appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Revenue from Local Agencies in the amount of \$450,938. This grant funding will support after school education and safety programs by providing supplies and materials for the after school programming and staff time at the Berryessa Union School District (\$106,257), Alum Rock Union Elementary School District (\$123,045), ACE Charter School Empower Academy (\$100,402), and ACE Charter School Franklin McKinley (\$121,234). After School Education and Safety Program supports local after school education and enrichment programs by providing literacy, academic enrichment, and constructive alternatives for students in kindergarten through ninth grade.</p>				



## General Fund Recommended Budget Adjustments Summary 2019-2020 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>CalOES Innovative Response Grant 2020/Revenue from State of California</p> <p>This action increases the CalOES Innovative Response Grant 2020 appropriation to the Parks, Recreation and Neighborhood Service Department and the corresponding increase for Revenue from the State of California in the amount of \$31,417, from \$131,395 to \$162,812. The 2020-2021 allocation of this grant will continue the Trauma to Triumph program, a partnership with Santa Clara Valley Medical Center that provides hospital-based violence intervention services to at-risk youth. Because non-patients and non-medical staff have been barred from entering hospitals as a result of the COVID-19 outbreak, work on this grant program has been temporarily suspended and will resume sometime in 2020-2021 once Santa Clara County public health restrictions are lifted. The term of the grant is January 1, 2020 through December 31, 2020.</p>	Parks, Recreation and Neighborhood Services Department	-	\$31,417	\$31,417
<p>Non-Personal/Equipment/Other Revenue (Digital Literacy)</p> <p>This action increases the Non-Personal/Equipment appropriation for the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue by \$25,000 to reflect grant funding from the California Emerging Technology Fund. The term of this grant is from April 1, 2020 through June 30, 2021. This program will contribute to the PRNS Digital Literacy Strategy by improving the digital literacy of participants, raising awareness amongst residents about internet access and low-cost devices, and assisting 100 or more unconnected households to sign up for affordable home broadband service.</p>	Parks, Recreation and Neighborhood Services Department	-	\$25,000	\$25,000
<p>PG&amp;E Summer Cooling Shelter Program Grant/Other Revenue</p> <p>This action increases the PG&amp;E Summer Cooling Shelter Department Program City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue by \$7,000 to reflect funding from Pacific Gas &amp; Electric (PG&amp;E) for the Summer Cooling Shelter Program. This program raises awareness of heat safety measures and provides support for sheltering residents to mitigate health risks on extremely hot days.</p>	Parks, Recreation and Neighborhood Services Department	-	\$7,000	\$7,000

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<p>Summer Youth Nutrition Program/Revenue from Federal Government</p> <p>This action increases the Summer Youth Nutrition Program City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from the Federal Government by \$17,372 to reflect grant funding from the Summer Food Service Program. This program, administered by the California Department of Education Nutrition Services Division, provides lunches and snacks to qualifying youth during the summer at Bascom, Mayfair, Roosevelt, and Seven Trees Community Centers.</p>	Parks, Recreation and Neighborhood Services Department	-	\$17,372	\$17,372
<p>Parent Project/Revenue from Local Agencies</p> <p>This action establishes the Parent Project City-Wide Expenses appropriation to the Police Department and increases the estimate for Revenue from Local Agencies by \$141,777 to reflect grant funding from the Office of the District Attorney. The Parent Project program assists parents of children with high risk behavior with the development of parenting skills, including the use of love and affection when disciplining children. The Parent Project has requested assistance from Police Department staff to accomplish the objectives of their program during the term of the grant.</p>	Police Department	-	\$141,777	\$141,777
<p>Selective Traffic Enforcement Program 2020-2021/Revenue from Federal Government</p> <p>This action establishes the Selective Traffic Enforcement Program 2020-2021 City-Wide Expenses appropriation to the Police Department and increases the estimate for Revenue from State of California to recognize grant funding from the State of California Office of Traffic Safety in the amount of \$262,600. This grant primarily funds Police Officer overtime to conduct targeted driving under the influence (DUI) checkpoints and patrols, as well as to conduct distracted driving, motorcycle safety, click it or ticket, and pedestrian/bicycle enforcement operations over the term of the grant (October 1, 2020 to September 30, 2021).</p>	Police Department	-	\$262,600	\$262,600

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
State Homeland Security Grant Program/Revenue from Federal Government	Police Department	-	\$138,780	\$138,780

This action increases State Homeland Security Grant Program (SHSGP) City-Wide Expenses appropriation to the Police Department and the estimate for Revenue from the Federal Government in the amount of \$138,780 to recognize additional grant funding from the Department of Homeland Security via the California Office of Emergency Services (CalOES) and the Santa Clara County Office of Emergency Services (County OES) appointed operational area for SHSGP funds. These funds are used for the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs for acts of terrorism and other catastrophic events during the term of the grant (September 1, 2020 to May 31, 2023).

Urban Areas Security Initiative Grant - Police 2019/Revenue from Federal Government	Police Department	-	\$1,982	\$1,982
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This action increases the Urban Areas Security Initiative Grant – Police 2019 City-Wide Expenses appropriation to the Police Department and the estimate for Revenue from the Federal Government in the amount of \$1,982 to recognize additional grant funding from the Department of Homeland Security to provide funding to strengthen communication capabilities, which includes personal services costs for an Interoperability Manager and dispatch consoles, as well as the enhancement of bomb robots during the term of the grant (November 1, 2019 through April 30, 2021).

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### Grants-Reimbursements-Fees

\$2,224,396 \$2,224,396