

General Fund Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
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URGENT FISCAL/PROGRAM NEEDS

***Police Department Non-Personal/Equipment -
South Bay Coalition to End Human Trafficking
Coordinator***

POLICE			\$50,000	
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This action increases the Police Department Non-Personal/Equipment appropriation by \$50,000 to support the efforts of the South Bay Coalition to End Human Trafficking organization as directed by City Council on September 12, 2013. This organization supports human trafficking prevention, intervention, prosecution, and victim services in our region. In addition to ongoing efforts, an immediate need is planning and coordination for the 2016 Super Bowl to be hosted in Santa Clara. Historically, regions that host large-scale sporting events, such as the upcoming 2016 Super Bowl, experience an increase in human trafficking and commercial sex exploitation. This action will provide funding to support a full-time coordinator position that supports the coalition through a policy-based collaborative approach that will complement the work of the San José Police Department. It should be noted that an increase to the Anti-Human Trafficking Task Force Program Grant 2012 appropriation, offset by grant revenue, is also recommended elsewhere in this report to assist with these efforts.

***Police Department Overtime Reserve (reallocation
from Police salary and benefits savings)***

EARMARKED RESERVES			\$4,000,000	
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This action establishes a \$4.0 million Police Department Overtime Earmarked Reserve for 2014-2015. As of January 16, 2014, authorized sworn staffing levels totaled 1,109, of which 970 were street ready (87.4% - this number includes sworn employees on disability leave), 76 were in training (6.9%), and 63 were vacant (5.7%). Although the Department is conducting regular police officer recruit academies to hire for the sworn vacancies, the Department is anticipated to begin 2014-2015 with approximately 70-80 sworn vacancies based on current attrition rates. It is anticipated that additional overtime funding will be needed in 2014-2015 to continue backfilling for vacant patrol positions and maintain targeted enforcement of high crime activity through suppression cars. The Department continues to review strategies to improve the rate of sworn hiring and training in an effort to increase street-ready sworn positions in the department to the extent possible. The funding will also be available to cover civilian staffing vacancies, as needed. This action is recommended to be funded by Police Department salary and benefit savings. A corresponding action to reduce the Police Department's Personal Services appropriation is also recommended in this report.

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URGENT FISCAL/PROGRAM NEEDS				
<i>Police Department Personal Services (reallocation to Police Department Overtime Reserve)</i>	POLICE		(\$4,000,000)	
<p>This action establishes a \$4.0 million Police Department Overtime Earmarked Reserve for 2014-2015. As of January 16, 2014, authorized sworn staffing levels totaled 1,109, of which 970 were street-ready (87.4% - this number includes sworn employees on disability leave), 76 were in training (6.9%), and 63 were vacant (5.7%). Although the Department is conducting regular police officer recruit academies to hire for the sworn vacancies, the Department is anticipated to begin in 2014-2015 with approximately 70-80 sworn vacancies based on current attrition rates. It is anticipated that additional overtime funding will be needed in 2014-2015 to continue backfilling for vacant patrol positions and maintain targeted enforcement of high crime activity through suppression cars. The Department continues to review strategies to improve the rate of sworn hiring and training in an effort to increase street-ready sworn positions in the department to the extent possible. The funding will also be available to cover civilian staffing vacancies, as needed. This action is recommended to be funded by Police Department salary and benefit savings. A corresponding action to reduce the Police Department Personal Services appropriation is also recommended.</p>				
<i>Police Department Personal Services - Downtown Foot Patrol Program</i>	POLICE			
<p>This action increases the Police Department's overtime funding by \$200,000, offset by departmental salaries and benefits savings, to support a Downtown Foot Patrol program which will enhance safety and security, support ongoing surveillance and apprehension projects, and allow specialized units such as the Downtown Services Unit and Metro to focus on high crime activity. This program will address growing concerns from businesses and the public regarding current safety levels downtown by deploying four Police Officers and one Police Sergeant on a 5 hours per day 5 days per week schedule. This program will be evaluated for continuation in 2014-2015 as part of the Proposed Budget process.</p>				
<i>Property Assessed Clean Energy Program</i>	CITY-WIDE EXPENSES		\$230,000	
<p>This action establishes a Property Assessed Clean Energy (PACE) Program appropriation to the Finance Department in the amount of \$230,000. Funding will assist in the development of a Request for Qualifications (RFQ) for a third-party administrator to form and administer a PACE District within the City's boundaries as directed by City Council on December 3, 2013. Resources will be used to fund outside counsel (\$130,000) for the City Attorney's Office to assist in the RFQ/exemplar agreement and the negotiation, execution, and monitoring of the third party administrator agreement, as well as for an outside financial advisor (\$100,000) to assist in the development of an RFQ and a technical review of responses.</p>				

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URGENT FISCAL/PROGRAM NEEDS				
<i>Public Works Unfunded Projects</i>	CITY-WIDE EXPENSES		\$200,000	
<p>This action increases the Public Works Unfunded Projects appropriation by \$200,000, from \$168,000 to \$368,000, to fund planning activities associated with the development of a lease agreement with the San José Patent and Trademark Office for the use of the City Hall Wing that is anticipated to be brought forward for City Council consideration this spring. These funds will also be used for programming, space planning, and procurement of a design-build contractor to reconstruct the office space on the first, second, and third floors of the Wing as well as the space at City Hall to accommodate displaced operations from the Wing to the Tower in anticipation of the approval of a lease agreement with the United States Patent and Trademark Office (USPTO). It should be noted that it is anticipated that there will be a cost sharing component for the costs of the project with the USPTO as part of the lease agreement. Staff is in the process of evaluating the amount of additional funding in 2014-2015 necessary for the design and construction of this project.</p>				
<i>Transportation Department Non-Personal/Equipment - Sidewalk Hardship Program</i>	TRANSPORTATION		\$250,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$250,000 to provide additional funding for the Tree Maintenance and Sidewalk Repair Financial Hardship Assistance Program, increasing the program funding from \$160,000 to \$410,000. Street tree maintenance and sidewalk repairs are the responsibility of adjacent property owners. This program provides financial assistance to eligible low-income property owners for tree maintenance activities that include pruning and removal, and sidewalk repairs that include sidewalk grinding, sidewalk replacement, curb/gutter replacement, and driveway approach replacement. The current funding of \$160,000 was exhausted by the end of October 2013, and this recommended action will provide funding for the remainder of the fiscal year and allow for the adjustment of the 2014-2015 Base Budget accordingly.</p>				
TOTAL URGENT FISCAL/PROGRAM NEEDS			\$730,000	\$0

REQUIRED TECHNICAL/REBALANCING ACTIONS

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<p><i>Arena Traffic Control (Secondary Employment Unit)</i></p> <p>This action increases the Arena Traffic Control appropriation by \$25,000, from \$227,000 to \$252,000. On July 1, 2013, the pay rate for special events coordinated through the Police Secondary Employment Unit (SEU) and performed by police sworn staff increased by 15%, from \$48.00 to \$55.00 per hour, by the authority of the Chief of Police. SEU includes traffic control services provided by sworn police officers during events held at the San José McEnery Convention Center and the SAP Center. This action ensures that there is sufficient funding to cover the rate increase and maintain the current level of service.</p>	TRANSPORTATION		\$25,000	
<p><i>Council District #8 (reallocation from Office of the Mayor)</i></p> <p>This action increases the Council District #8 appropriation by \$56,000 to correct an error. In 2012-2013, the cost of a new hire in the Office of the Mayor was inadvertently charged to the Council District #8 appropriation. A corresponding decrease to the Office of the Mayor appropriation is also recommended in this report.</p>	MAYOR & COUNCIL		\$56,000	
<p><i>FMC Operating Site Costs</i></p> <p>This action increases the FMC Operating Site Costs appropriation by \$20,000 to ensure that sufficient funding is available for the operating costs of the FMC property for the remainder of the year. These costs include utilities to operate the site.</p>	CITY-WIDE EXPENSES		\$20,000	
<p><i>Finance Department Non-Personal/Equipment - PeopleSoft Tax Update</i></p> <p>This action increases the Finance Department Non-Personal/Equipment appropriation by \$100,000 to ensure tax tables are current for payroll. As a result of the discontinuation of support for the current human resources/payroll system software in December 2012, annual payroll tax updates are necessary to ensure the viability of the current system. The Administration has funding appropriated for an upgrade to the human resources/payroll system and is planning on issuing a Request for Proposal (RFP) this spring.</p>	FINANCE		\$100,000	

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Fire Department Overtime</i>	FIRE			
<p>This action increases the Fire Department's overtime budget by \$750,000, from \$5.3 million to \$6.0 million, offset by departmental salary and benefit savings. This adjustment will bring the overtime budget in line with projected expenditures and ensure that sufficient funding is available to maintain current minimum staffing levels. Overtime has been used to backfill vacancies and absences in line duty positions (vacation, strike team deployments, modified duty, sick leave, disability, and other absences). One factor impacting overtime this year is the increase in disability hours, up 12% over the historically high level experienced last year. Strike Team deployments have also impacted overtime and a separate budget action is recommended to recognize reimbursement revenue and allocate those funds to Fire Department overtime to support those deployments.</p>				
<i>Office of Economic Development Building Development Fee Program - Personal Services</i>	ECONOMIC DEVELOPMENT		\$50,000	
<p>This action increases the Building Development Fee Program – Personal Services appropriation in the Office of Economic Development (OED) by \$50,000 to account for the projected staff costs that support the Development Fee Program. It is recommended that this increase be offset by savings in the Planning, Building and Code Enforcement Department's Building Development Fee Program – Personal Services appropriation as described elsewhere in this report.</p>				
<i>Office of Economic Development Non-Personal/Equipment (reallocation to Personal Services)</i>	ECONOMIC DEVELOPMENT		(\$150,000)	
<p>This action decreases the Office of Economic Development Non-Personal/Equipment appropriation by \$150,000, offset by an increase in the Personal Services appropriation, to address a portion of a projected personal services overage by year-end. The higher than estimated expenditures are primarily due to Real Estate staff allocating a higher percentage of their time to work supported by the General Fund rather than Capital Funds as was budgeted. The Office of Economic Development and the Budget Office will continue to closely monitor expenditures and may bring forward to the City Council more adjustments at year-end if needed. A corresponding decrease to the Office of Economic Development Non-Personal/Equipment appropriation is also recommended in this report.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Office of Economic Development Personal Services (reallocation from Non-Personal/Equipment)</i>	ECONOMIC DEVELOPMENT		\$150,000	
<p>This action increases the Office of Economic Development Personal Services appropriation by \$150,000, offset by a decrease in the Non-Personal/Equipment appropriation, to address a portion of a projected personal services overage by year-end. The higher than estimated expenditures are primarily due to Real Estate staff allocating a higher percentage of their time to work supported by the General Fund rather than Capital Funds as was budgeted. The Office of Economic Development and the Budget Office will continue to closely monitor expenditures and may bring forward to the City Council more adjustments at year-end if needed. A corresponding decrease to the Office of Economic Development Non-Personal/Equipment appropriation is also recommended in this report.</p>				
<i>Office of the Mayor (reallocation to Council District #8)</i>	MAYOR & COUNCIL		(\$56,000)	
<p>This action decreases the Office of the Mayor appropriation by \$56,000 to correct an error. In 2012-2013, the cost of a new hire in the Office of the Mayor was inadvertently charged to the Council District #8 appropriation. A corresponding increase to the Council District #8 appropriation is also recommended in this report.</p>				
<i>Parking Citations/Jail Courthouse Fees/Fines, Forfeitures, and Penalties</i>	CITY-WIDE EXPENSES		(\$425,000)	(\$1,000,000)
<p>This action decreases the revenue estimate for Fines, Forfeitures and Penalties by \$1,000,000 due to lower than expected Parking Fines and reduces the Parking Citations/Jail Courthouse Fees appropriation to reflect a reduction in activity. The reduction in Parking Fines revenue is the result of staff vacancies and a higher level of staff absences due to a combination of injuries and non-work related injuries/illness. The reduction in revenue is partially offset by a reduction to the Parking Citations/Jail Courthouse Fees appropriation (\$425,000) to reflect the lower activity level.</p>				
<i>Planning, Building and Code Enforcement Department - Building Development Fee Program - Personal Services</i>	PLANNING, BLDG, & CODE ENF		(\$50,000)	
<p>This action decreases the Building Development Fee Program - Personal Services appropriation by \$50,000 and reflects anticipated year-end savings due to vacancies. These savings are recommended to be reallocated to provide funding for higher than anticipated staffing costs in the Office of Economic Development (OED) that support the Building Development Fee Program. A corresponding increase to OED's Building Development Fee Program - Personal Services appropriation is also recommended in this report.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Police Department Overtime</i>	POLICE			
<p>This action increases the Police Department overtime budget by \$3.0 million, offset by anticipated departmental salary and benefit savings. Based on current expenditure trends, overtime expenditures are tracking to exceed the budget of \$18.1 million by approximately \$3.0 million. This increase is primarily due to the need to backfill for sworn positions that are vacant, not street ready, and/or not available to work, as well as to backfill for civilian vacancies. The Police Department's current overtime budget of \$18.1 million incorporates increases of \$6.2 million for 2013-2014 and is in close alignment with the 2012-2013 actual expenditures of \$18.6 million. This funding provides resources while the department works through filling vacant positions and training new employees. However, street-ready sworn positions are 2.6% (26 positions) lower than last year at this time, necessitating additional overtime resources to meet service demands. Also, dispatcher vacancies or positions in training continue to remain high (30%) which require backfilling to ensure adequate service levels. The additional \$3.0 million in overtime funding will ensure service levels to our community remain at a minimum of last year's levels. In addition, a separate action is recommended in this document to increase the Police Department overtime budget by \$200,000, offset by salary and benefit savings, to fund a Downtown Foot Patrol program. With these two actions, a total of \$3.2 million, from \$18.1 million to \$21.3 million, is recommended to be reallocated to the overtime budget.</p>				
<i>Property Tax Administration Fee</i>	CITY-WIDE EXPENSES		\$185,000	
<p>This action increases the Property Tax Administration Fee (PTAF) appropriation by \$185,000 (from \$1.6 million to \$1.8 million) to align the budget with preliminary projections provided by the County of Santa Clara which are above levels assumed in the development of the 2013-2014 Adopted Budget. The PTAF provides payment to the County of Santa Clara for the cost to administer property taxes.</p>				
<i>Revenue - Business Taxes (Disposal Facility Tax)</i>	REVENUE ADJUSTMENTS			\$500,000
<p>This action increases the Business Taxes revenue estimate by \$500,000 (from \$42.4 million to \$42.9 million) to reflect an increase in revenue from the Disposal Facility Tax (DFT). DFT are business taxes based on the tons of solid waste disposed at landfills within the City of San José. Revenue is driven by various factors that affect the amount of waste generated and how it is disposed, including economic activity, weather, diversion programs, and price sensitivity to disposal rates. This increase is primarily attributed to higher amounts of waste disposed at the landfills from the neighboring jurisdictions. DFT collections are projected to total \$10.5 million, up from the 2013-2014 revenue estimate of \$10.0 million, but slightly below the 2012-2013 collection level of \$10.7 million.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
Revenue - Sales Tax				\$2,000,000
REVENUE ADJUSTMENTS				
<p>This action increases the estimate for Sales Tax by \$2.0 million from \$170.1 million to \$172.1 million due to higher General Sales Tax receipts for the first quarter of 2013-2014. This action aligns the budgeted estimate for General Sales Tax with actual 1st quarter receipts, which reflected 8.5% growth compared to the budgeted estimate of 3.0%. However, it should be noted that on an economic basis, growth of 4.1% was actually realized that quarter. Please refer to the Status of the General Fund Revenues section of this document (Section I. B.) for more detailed information about Sales Tax performance.</p>				
Revenue - Transfers and Reimbursements				\$620,000
REVENUE ADJUSTMENTS				
<p>This action increases the Transfers and Reimbursements revenue estimate by \$620,000 from \$68.2 million to \$68.8 million. This increase reflects the net impact of higher collection levels in Gas Taxes (\$500,000) and interest transfers (\$120,000). Please refer to the Status of the General Fund Revenues section of this document (Section I. B.) for more detailed information.</p>				
Revenue – Other Revenue (Banking Services Reimbursement)				(\$1,150,000)
REVENUE ADJUSTMENTS				
<p>This action reduces the estimate for Other Revenue to reflect the elimination of the reimbursement from City funds for costs associated with Banking Services. The reimbursement cost for banking services was inadvertently double counted in the 2013-2014 Adopted Budget as it was being reimbursed directly by City funds and it was also included in the calculations of the 2013-2014 Cost Allocation Plan. This action corrects the error.</p>				
Revenue – Other Revenue (Payment Manager Implementation Delay)				(\$250,000)
REVENUE ADJUSTMENTS				
<p>This action decreases the estimate for Other Revenue by \$250,000 due to delays in the implementation of the Payment Manager program approved in the 2013-2014 Adopted Operating Budget. Under this program, a new vendor payment process would allow vendors to receive electronic payments in-lieu of manual checks. Vendors choosing to participate in receiving the City's payments in this faster and more efficient manner would incur a small fee assessed by the banking services provider. The banking services provider would then share a portion of this revenue with the City. As a result of vacancies in the Finance Department, the implementation of this program was delayed but is anticipated to begin in 2014. Since the revenue sharing agreement with the City's bank is based on a calendar year, revenues are paid annually in the subsequent year. Therefore, the delay in implementation results in anticipated revenues to be received approximately one year later, January 2015. This revised timeline will be incorporated into the development of the 2014-2015 budget process, as appropriate.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Transfer to the Neighborhood Security Bond Fund/Transfers and Reimbursements</i>	TRANSFERS		\$40,000	\$40,000
<p>These technical adjustments increase the revenue estimate for Transfers and Reimbursements and establishes a Transfer to the Neighborhood Security Bond Fund (Bond Fund) in the amount of \$40,000 in order to: 1) recognize the transfer of bond proceeds from the Bond Fund to reimburse the General Fund for costs associated with several Public Safety Capital projects; and 2) transfer General Fund funding to the Bond Fund to reimburse the Bond Fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds.</p>				
<i>Workers' Compensation Claims - Police Department (reallocation to Workers' Compensation Claims - Public Works Department)</i>	CITY-WIDE EXPENSES		(\$400,000)	
<p>This action decreases the Workers' Compensation Claims – Police Department appropriation by \$400,000, from \$8.6 million to \$8.2 million, offset by an increase in the Workers' Compensation Claims – Public Works Department appropriation. The Workers' Compensation Claims – Public Works Department appropriation is anticipated to exceed the budget as a result of four unanticipated high-value claims adjustments, which will be offset by projected savings in the Workers' Compensation Claims – Police Department appropriation. This reallocation of funds will address the projected overage. A corresponding increase to the Workers' Compensation Claims – Public Works Department appropriation is also recommended in this report.</p>				
<i>Workers' Compensation Claims - Public Works Department (reallocation from Workers' Compensation Claims - Police Department)</i>	CITY-WIDE EXPENSES		\$400,000	
<p>This action increases the Workers' Compensation Claims – Public Works Department appropriation by \$400,000, from \$320,000 to \$720,000, offset by a decrease in the Workers' Compensation Claims – Police Department appropriation. The Workers' Compensation Claims – Public Works Department appropriation is anticipated to exceed the budget as a result of four unanticipated high-value claims adjustments, which will be offset by projected savings in the Workers' Compensation Claims – Police Department appropriation. This reallocation of funds will address the projected overage. A corresponding decrease to the Workers' Compensation Claims – Police Department appropriation is also recommended in this report.</p>				
<i>Workers' Compensation State License</i>	CITY-WIDE EXPENSES		\$85,000	
<p>This action increases the Workers' Compensation State License appropriation by \$85,000, from \$916,000 to \$1.0 million, due to a higher than expected invoice from the State of California. The State has increased five of the six assessment factors that comprise the total fee and as a result the fee's actual increase was 14.7% over the previous year. The budget assumed a 5.0% increase over the previous year.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
TOTAL REQUIRED TECHNICAL/REBALANCING ACTIONS			\$30,000	\$760,000
GRANTS/REIMBURSEMENTS/FEES				
<i>1st Act Silicon Valley Digital Media Grant/Other Revenue</i>	CITY-WIDE EXPENSES		\$5,200	\$5,200
<p>This action increases the 1st Act Silicon Valley Digital Media Grant appropriation and the estimate for Other Revenue by \$5,200 to fund "The Studio", a space for youth at the Seven Trees Community Center to become more engaged and connect with each other through self-expression using digital outlets. Teens will participate in three 12-week sessions to create digital media, including documentaries, music videos, and public service announcements on issues that are important to them. The intent of this program is to spark the next generation of creative thinkers, artists and innovators.</p>				
<i>2013-2014 Northern California High Intensity Drug Trafficking Area/Revenue from Local Agencies</i>	POLICE		\$33,602	\$33,602
<p>This action increases the Police Department Personal Services appropriation and the estimate for Revenue from Local Agencies to recognize grant funding. The Northern California High Intensity Drug Trafficking Area (NC HIDTA) will reimburse the City for overtime related to one San José Officer assigned to the Task Force (\$8,602). NC HIDTA will also reimburse the City for overtime for one officer participating in the South Bay Metro Task Force operations (\$25,000) during the grant period of January 1, 2013 through December 31, 2014.</p>				
<i>After School Education and Safety Programs for 2013-2014 (Ocala Neighborhood After School Activities)/Revenue from Local Agencies</i>	CITY-WIDE EXPENSES		\$49,960	\$49,960
<p>This action increases the After School Education and Safety Programs for 2013-2014 appropriation and the estimate for Revenue from Local Agencies by \$49,960 to recognize a grant from the County Probation Department to fund safe after school activities in the Ocala Neighborhood. These funds will be used to engage middle school youth in social, recreational and academic support activities to keep them active and safe, while encouraging their academic achievements. The program will lead students through designed science and math projects that will enhance the student's critical thinking, solution-finding, and team work skills.</p>				

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GRANTS/REIMBURSEMENTS/FEEES				
<i>After School Education and Safety Programs for 2013-2014/Revenue from Local Agencies</i>	CITY-WIDE EXPENSES		\$243,620	\$243,620
<p>This action increases the After School Education and Safety Programs for 2013-2014 appropriation and the estimate for Revenue from Local Agencies by \$243,620. These funds increase the number of schools in the Berryessa Union and Alum Rock School Districts that provide after school education and safety programs for the 2013-2014 school year. The After School Education and Safety Program is a voter-approved initiative to support local after school education and enrichment programs by providing literacy, academic enrichment, and constructive alternatives for students in kindergarten through the ninth grade.</p>				
<i>Anti-Drug Abuse Grant 2013-2014/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$98,182	\$98,182
<p>This action establishes an Anti-Drug Abuse Grant 2013-2014 appropriation to the Police Department and increases the estimate for Revenue from State of California to recognize Governor's Office of Emergency Services reimbursements for equipment and training related to anti-drug abuse activities. The Department will purchase night vision binocular kits and tactical vests. In addition, the funding will allow 11 officers to attend the California Narcotics Officers' Association (CNOA) Conference, three officers to attend the California Association of Tactical Officers Conference, and five officers to attend the California Homicide Investigators Association Conference to learn the best practices in these fields and relate the practices when narcotics are involved.</p>				
<i>Anti-Human Trafficking Task Force Program Grant 2012/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$67,463	\$67,463
<p>This action increases the Anti-Human Trafficking Task Force Program Grant 2012 appropriation and the estimate for Revenue from State of California to recognize the Governor's Office of Emergency Services reimbursements for overtime costs and equipment related to anti-human trafficking activities. The Department will purchase binoculars, night vision monoculars, and cameras to be used in undercover human trafficking operations. The Department was originally awarded \$200,000 for these efforts with a spending deadline of September 30, 2013. On November 26, 2013, the Department received notification that the existing grant was being augmented with additional funds totaling \$67,463 and a grant extension to June 14, 2014.</p>				

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GRANTS/REIMBURSEMENTS/FEES				
<i>Avoid the 13 Grant 2013-2014/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$3,200	\$3,200
This action establishes an Avoid the 13 Grant 2013-2014 appropriation to the Police Department and increases the estimate for Revenue from State of California to recognize Office of Traffic Safety grant funding. The funding award of \$3,200 reimburses the Department for work done as part of the Santa Clara County Avoid the 13 Program. San José Police Officers in the Traffic Enforcement Unit are reimbursed for overtime worked to conduct four DUI saturation patrols within the grant period of October 1, 2013 through September 30, 2014.				
<i>Building Development Fee Program Reserve/Licenses and Permits</i>	EARMARKED RESERVES		\$8,000,000	\$8,000,000
This action increases the revenue estimate for Building Permits in the Licenses and Permits revenue category by \$8.0 million, from \$21.0 million to \$29.0 million, based on current collection trends. Revenues are projected to exceed budgeted levels due to higher than anticipated development activity in both residential and non-residential areas. Major projects include: Samsung Semiconductor, San Jose Earthquakes, housing development in North San José, and development at the "Hitachi site." A corresponding increase to the Building Development Fee Program Earmarked Reserve will ensure this funding is preserved for program work-in-progress.				
<i>Cirque du Soleil/Other Revenue</i>	CITY-WIDE EXPENSES		\$130,000	\$130,000
This action increases the Cirque du Soleil appropriation and the estimate for Other Revenue by \$130,000 to recognize anticipated parking revenue from attendees of the Cirque du Soleil show being held January 22, 2014 through March 2, 2014. This projected revenue will be used to offset Cirque du Soleil production expenses, including project management costs, site preparation costs, parking operator costs, traffic control costs, and parking space rental costs paid to the County of Santa Clara.				
<i>Council District #2 Special Event Sponsorship/Other Revenue</i>	MAYOR & COUNCIL		\$3,500	\$3,500
This action increases the Council District #2 appropriation to reflect sponsorship funding received for the Future Roots Festival (\$2,500) and the Indian Independence Flag Raising ceremony (\$1,000).				
<i>Council District #4 Special Event Sponsorship/Other Revenue</i>	MAYOR & COUNCIL		\$600	\$600
This action increases the Council District #4 appropriation to reflect sponsorship funding received for the Breakfast with Santa Event.				
<i>Council District #7 Special Event Sponsorship/Other Revenue</i>	MAYOR & COUNCIL		\$1,000	\$1,000
This action increases the Council District #7 appropriation to reflect sponsorship funding received for the Mid Autumn Festival Event.				

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GRANTS/REIMBURSEMENTS/FEES				
<i>Council District #8 Special Event Sponsorship/Other Revenue</i>	MAYOR & COUNCIL		\$15,900	\$15,900
This action increases the Council District #8 appropriation to reflect sponsorship funding received for the Day in the Park Event.				
<i>Council District #9 Special Event Sponsorship/Other Revenue</i>	MAYOR & COUNCIL		\$1,100	\$1,100
This action increases the Council District #9 appropriation to reflect sponsorship funding received for the 8th Annual Cambrian Festival Event.				
<i>Fire Development Fee Program Reserve/Licenses and Permits</i>	EARMARKED RESERVES		\$800,000	\$800,000
This action increases the revenue estimate for Fire Permits in the Licenses and Permits revenue category by \$800,000, from \$6.3 million to \$7.1 million, based on current collection trends. Revenues are projected to exceed budgeted levels due to higher than anticipated development activity, primarily in residential areas. Major projects include: Samsung Semiconductor, San Jose Earthquakes, housing development in North San José, and development at the "Hitachi site." A corresponding increase to the Fire Development Fee Program Earmarked Reserve will ensure this funding is preserved for program work-in-progress.				
<i>Internet Crimes Against Children State Grant 2013-2014/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$100,000	\$100,000
This action establishes an Internet Crimes Against Children State Grant 2013-2014 appropriation and increases the estimate for Revenue from State of California to recognize the Governor's Office of Emergency Services grant funding. The grant will reimburse for the travel and training of San José Police Department (SJPD) Internet Crimes Against Children (ICAC) investigators and Silicon Valley ICAC (SVICAC) affiliate agency investigators, overtime, and equipment to support the program within the grant period of July 1, 2013 through June 30, 2014.				
<i>Library Grants/Revenue from Federal Government</i>	LIBRARY		\$54,800	\$54,800
This action increases the Library Grants appropriation and the estimate for Revenue from Federal Government to recognize the Access to Learning: Online Training for Adult Literacy Tutors grant award in the amount of \$54,800 received from the federal Library Services and Technology Act (LSTA) funds. This grant will enable the collaboration between the San José Public Library and the Santa Clara City Library to develop professionally produced online training for volunteer adult literacy tutors.				

General Fund Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
GRANTS/REIMBURSEMENTS/FEES				
<i>Library Grants/Revenue from State of California</i>	LIBRARY		\$47,016	\$47,016
<p>This action increases the Library Grants appropriation and the estimate for Revenue from State of California to recognize the California Library Literacy Services (CLLS) grant award to support the Adult Literacy and Families for Literacy programs. These programs help adults increase their basic literacy skills and learn how to support the emerging literacy needs of their young children.</p>				
<i>National Forum Capacity - Building Grant OJJDP 2012-2015/Revenue from Federal Government</i>	CITY-WIDE EXPENSES		\$45,000	\$45,000
<p>This action increases the National Forum Capacity-Building Grant OJJDP 2012-2015 appropriation to the Parks, Recreation and Neighborhood Services Department and estimate for Revenue from the Federal Government by \$45,000. The Office of Juvenile Justice and Delinquency Prevention (OJJDP) originally awarded a grant of \$125,000 in 2012-2013, whose term extends through 2013-2014. The original agreement supported efforts by the Mayor's Gang Prevention Task Force (MGPTF) to address youth and gang violence through partnerships, sharing common challenges, data-driven strategies, and comprehensive planning efforts. This supplemental agreement for \$170,000 - of which \$45,000 will be allocated in 2013-2014 and \$125,000 in 2014-2015 - extends the efforts well underway by the MGPTF, with a focus on services for gang-impacted female youth. These additional funds are intended to enhance service effectiveness, reduce high-risk behaviors, and establish the San José BEST Learning Community to support continuous program enhancements and improvements.</p>				
<i>Organized Crime Drug Enforcement Task Force Program/Revenue from Federal Government</i>	POLICE		\$10,714	\$10,714
<p>This action increases the Police Department Personal Services appropriation and the estimate for Revenue from Federal Government to recognize grant funding to support overtime staffing while working on the Organized Drug Enforcement Task Force (OCDETF). The award of \$10,714 reimburses the Department for work done on two separate OCDETF operations, Operation Knight's Castle (\$714), and Operation Devil's Harvest (\$10,000). San José Police Officers worked overtime to assist the task force with narcotics related investigations, operations, and prosecutions.</p>				
<i>Parks, Recreation and Neighborhood Services Department Fee Activities/Departmental Charges</i>	PARKS, REC, & NEIGH SVCS		\$180,000	\$180,000
<p>This action increases the Parks, Recreation and Neighborhood Services Department (PRNS) Fee Activities appropriation and the PRNS Departmental Charges revenue estimate by \$180,000. Through the first six months of the year, PRNS Fee Activities are tracking to exceed the budgeted revenue estimate by \$180,000 due to increased participation levels in recreation classes offered. The increase in the Fee Activities appropriation will provide for additional staff and vendor hours needed to support the increased class participation levels.</p>				

General Fund Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
GRANTS/REIMBURSEMENTS/FEES				
<i>Planning Development Fee Program/Departmental Charges</i>	EARMARKED RESERVES		\$1,000,000	\$1,000,000
<p>This action increases the revenue estimate for Planning Fees in the Departmental Charges revenue category by \$1.0 million, from \$3.0 million to \$4.0 million, based on current collection trends. Revenues are projected to exceed budgeted levels due to higher than anticipated development activity in residential and non-residential areas. Major projects include: Samsung Semiconductor, San Jose Earthquakes, housing development in North San José, and development at the "Hitachi site." A corresponding increase to the Planning Development Fee Program Earmarked Reserve will ensure this funding is preserved for program work-in-progress.</p>				
<i>Police Department Non-Personal/Equipment (Cardroom Backgrounding)/Licenses and Permits</i>	POLICE		\$190,000	\$190,000
<p>This action increases the Police Department's Non-Personal/Equipment appropriation and estimate for Licenses and Permits by \$190,000 to fund contractual background investigation services related to cardrooms. This includes investigations of the Third Party Provider of Proposition Player Services business (Funding Source) used by the cardrooms. The Department will be reimbursed for expenses incurred as part of cardroom license application fee deposit.</p>				
<i>Public Works Department Non- Personal/Equipment - American Society for the Prevention of Cruelty to Animals (ASPCA)/Other Revenue</i>	PUBLIC WORKS		\$35,000	\$35,000
<p>This action increases the Public Works Department Non-Personal/Equipment appropriation and the estimate for Other Revenue to recognize a grant from the American Society for the Prevention of Cruelty to Animals (ASPCA). This funding will be used for a consultant study of the Animal Care and Services Division's cat program in order to reduce the number of cat intake and euthanasia occurrences experienced at the Animal Care Center.</p>				
<i>Public Works Development Fee Program - Personal Services/Departmental Charges</i>	PUBLIC WORKS		\$550,000	\$550,000
<p>This action increases the Public Works Development Fee Program - Personal Services appropriation in the amount of \$550,000 to fund four temporary positions that were recently approved and additional overtime to address the increased workload as a result of higher than anticipated development activity. This action would be supported by fee revenue and a corresponding increase to the estimate for Departmental Charges is also recommended.</p>				

General Fund Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
GRANTS/REIMBURSEMENTS/FEES				
<i>Public Works Development Fee Program Reserve/Departmental Charges</i>	EARMARKED RESERVES		\$1,000,000	\$1,000,000
<p>This action increases the revenue estimate for Public Works Fees in the Departmental Charges revenue category by \$1.0 million, from \$5.6 million to \$6.6 million, based on current collection trends. Revenues are projected to exceed budgeted levels due to higher than anticipated development activity in residential and non-residential areas. Major projects include: Samsung Semiconductor, San Jose Earthquakes, housing development in North San José, and development at the "Hitachi site." A corresponding increase to the Public Works Development Fee Program Earmarked Reserve will ensure this funding is preserved for program work-in-progress.</p>				
<i>San José BEST and Safe Summer Initiatives Programs (Parent Project)/Other Revenue</i>	CITY-WIDE EXPENSES		\$8,524	\$8,524
<p>This action increases the San José BEST and Safe Summer Initiatives Programs (BEST Program) appropriation to the Parks, Recreation and Neighborhood Services Department and the estimate for Other Revenue by \$8,524 for Parent Project. Parents who attend anti-gang seminars reimburse the BEST Program for the cost of the training materials received. These funds offset the cost of producing these materials.</p>				
<i>Special Operations Training/Revenue from State of California</i>	FIRE		\$14,015	\$14,015
<p>This action increases the Fire Department's Personal Services appropriation and estimate for Revenue from State of California to support various Urban Search and Rescue (USAR) specialized training activities. The award of \$14,015 from a State Homeland Security grant reimburses the Department for training activities including rescue systems, confined space, trench rescue, river flood, and urban shield.</p>				
<i>Strike Team Reimbursements/Revenue from Federal Government</i>	FIRE		\$158,046	\$158,046
<p>This action increases the Fire Department's Personal (\$132,021) and Non-Personal/Equipment (\$26,025) appropriations to reimburse for a Strike Team that was deployed to assist with the Rim fire in the central Sierra Nevada region in August 2013. Strike Team reimbursements include costs associated with the backfill need of the department while teams are deployed, as well as the associated apparatus costs. A corresponding increase to the estimate for Revenue from Federal Government is also recommended.</p>				

General Fund Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
GRANTS/REIMBURSEMENTS/FEES				
<i>Task Force 3 and Urban Shield Training/Revenue from Federal Government</i>	FIRE		\$15,231	\$15,231
<p>This increases the Fire Department Personal Services appropriation and the estimate for Revenue from Federal Government to recognize grant funding to support California Task Force 3 (National Urban Search and Rescue Team) training. The award of \$15,231 reimburses the Department for training exercises that took place July 2013 through November 2013. In addition, a Fire Captain participated in a one-day Urban Shield exercise, conducted in Oakland, California.</p>				
<i>Walmart Foundation Grant/Other Revenue</i>	PARKS, REC, & NEIGH SVCS		\$1,000	\$1,000
<p>This action increases the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation and estimate for Other Revenue by \$1,000 to recognize a grant from The Walmart Foundation. These funds will provide nutrition and wellness activities for teens at the Seven Trees Community Center.</p>				
TOTAL GRANTS/REIMBURSEMENTS/FEES			\$12,862,673	\$12,862,673

General Fund Recommended Budget Adjustments Totals

<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
	\$13,622,673	\$13,622,673