



2012-2013

OPERATING BUDGET

**ATTACHMENT B -
STATUS OF MAYOR
AND
CITY COUNCIL
REFERRALS**

Status of Mayor and City Council Referrals 2012-2013 Adopted Budget

Referral	Resolution
Submit a Proposed Budget for Fiscal Year 2012-2013 that is Balanced and Guided by the Policy Direction and Framework of Priorities Outlined in the Mayor's March Budget Message	The 2012-2013 Proposed Budget incorporated this direction.
Use \$10 Million Surplus and \$12.5 Million Future Deficit Reserves as One-Time Bridge Funding to Avoid Direct Service Cuts until Savings are Realized from the Pension Reform Ballot Measure and Other Fiscal Reforms	The 2012-2013 Adopted Budget allocates the revised \$9.0 million surplus in 2012-2013 along with one-time funds of \$13.5 million to establish a 2013-2014 Future Deficit Reserve of \$22.5 million.
Prioritize Remaining One-Time Funds on Restoration of Critical Infrastructure and Maintenance Needs and Pay Down Expired Debt	<p>The 2012-2013 Adopted Budget incorporates this direction with resources allocated to address the most immediate and critical of the City's unmet/deferred infrastructure needs, including: the replacement of the uninterrupted power supply (funding of \$2.5 million added to existing funding of \$1.3 million) at the Police Communication Center, critical capital repairs (\$300,000) at the Police Administration Building (PAB); critical maintenance (\$200,000) at the PAB and the Police Communication Center; back-up generators for the Police Communication Center and back-up location (\$500,000); preventative maintenance (\$1.8 million) at City facilities (HVAC, plumbing, lighting, energy management systems, roofing, generators, emergency fire alert systems).</p> <p>Funding is also allocated to address transportation-related needs, including the replacement of raised pavement markers and repainting of the most critical arterial road striping and markings (\$500,000), structural pruning of approximately 5,000 (or 50%) of the City-owned trees in median islands and roadside properties in need of pruning which have the potential for disease and limb failure (\$500,000), the replacement of damaged vehicle detection sensors and associated pavement repairs at</p>

Status of Mayor and City Council Referrals 2012-2013 Adopted Budget

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	<p>various traffic signals (\$250,000), the replacement of 20 fixed radar speed display signs in various school zones (\$250,000), and the installation of five new radar speed display signs in areas where motorists transition from higher to lower speeds.</p> <p>Investments in technology include: replacement of the Business Tax System (\$1.5 million one-time); Financial Management System (FMS) business process mapping (\$450,000 one-time); hosted Email (\$300,000 ongoing); server licensing (\$250,000 one-time); security compliancy to perform annual audits of payment card industry compliancy for credit card payments, personally identifiable information, and general data security exposure (\$175,000 ongoing); and centralized software deployment project to ensure all users receive software and licensing updates in a more efficient manner (\$150,000 one-time).</p> <p>In addition, the 2012-2013 Adopted Budget includes the repayment of the loan from the Sewage Treatment Connection Fee Fund to the General Fund that was used to fund a fiber optics conduit network. The loan balance of \$2.3 million is due by June 2013.</p>
Review Operational Needs that Pose Risk and Consider Funding Critical Needs from Savings Achieved Through Operational Efficiencies and Ongoing Reductions	The 2012-2013 Adopted Budget incorporates this direction with resources allocated to address operational needs in areas such as financial management, human resources, information technology, police, and legal services.
Use 2012-2013 Budget Balancing Strategy Guidelines to Balance the 2012-2013 Budget	The 2012-2013 Adopted Budget incorporates this direction.
Use Fiscal Reform Guiding Principles for Restoration of Services	The 2012-2013 Adopted Budget incorporates this direction.

Status of Mayor and City Council Referrals 2012-2013 Adopted Budget

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Small Business Development Services Project Manager/Expediter – Fund Position that Serves as a Single Point of Contact for Small Business Projects Going through the Development Process	The 2012-2013 Adopted Budget includes the addition of 1.0 Senior Executive Analyst position for the Small Business Advocate Program. This position will act as the point of contact for small businesses to help them move efficiently through the permitting process.
Downtown Association – Allocate One-Time Funds of \$260,000 from the Parking Fund to San José Downtown Association	The General Purpose Parking Fund includes funding of \$260,000 for the Downtown Association. With the funding from the Parking Fund and the opportunity to compete for additional grant funds, the San José Downtown Association will receive the same level of financial support in 2012-2013 as was received in 2011-2012 when the former San Jose Redevelopment Agency provided a portion of the funding.
Arts and Cultural Institutions – Provide Nonprofit Operators of City-Owned Cultural Facilities with Operating Funds Equal to Last Year's Allocation	With the exception of the Mexican Heritage Plaza, the 2012-2013 Adopted Budget maintains funding allocations for City-owned cultural facilities (San Jose Museum of Art, Children's Discovery Museum, San Jose Repertory Theatre, Mexican Heritage Plaza, and Tech Museum of Innovation) at the 2011-2012 levels. For the Mexican Heritage Plaza, funding was reduced by \$50,000, from \$600,000 to \$550,000, per the contract with the Interim Incubator Operator. In 2012-2013, an optional cultural facilities maintenance cost sharing program was implemented as described in Manager's Budget Addendum #12. Under this program, 5% of the operating and maintenance subsidies for participating facilities would be redirected into this allocation, with the City match of 5% funded from the Convention and Cultural Affairs Fund. Two cultural organizations agreed to participate in this program, including The Tech Museum of Innovation and the Children's Discovery Museum. With the City contribution of \$69,500 and the use of \$69,500 of the subsidies to the two organizations, \$139,000 will be set aside for needs at these two facilities in 2012-2013.

Status of Mayor and City Council Referrals 2012-2013 Adopted Budget

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Library and Community Center Openings – Open Closed Community Facilities and, If Possible, Redirect Existing Resources to Open Bascom Community Center Prior to July 1 to Allow for as much Summer Programming Opportunities as Possible	The 2012-2013 Adopted Budget includes funding to support the staggered opening of the four branch libraries (Seven Trees, Bascom, Educational Park, and Calabazas) and the operation of the Bascom Community Center in 2012-2013. The Bascom Community Center opened in mid-May 2012 to maximize registration for the summer programming. To fund the early opening, the Administration brought forward a City Council memorandum that added funding to support operations through the end of 2011-2012.
Gang Prevention Funding and Safe Schools Campus Initiative – Allocate \$2 Million to Gang Prevention Programs, BEST Funding, and the Safe Schools Campus Initiative by Delaying Opening of the Police Substation; Allocate Remaining Funds from Delaying Opening of the Sub-Station to Support One-Time Funded Public Safety Items Expiring in June	<p>The 2012-2013 Adopted Budget incorporates this direction. The opening of the Police Substation is delayed an additional year and the net savings of \$2.2 million, along with other funds identified in the Adopted Budget, are allocated to the San José BEST Program, the Safe Schools Campus Initiative (SSCI), and the continuation of public safety services funded on a one-time basis in 2011-2012.</p> <p>An increase to the San José BEST allocation of \$2.0 million (from \$2.6 million to \$4.6 million) that will be spread over two years (\$1.5 million in 2012-2013 and \$500,000 in an Earmarked Reserve for 2013-2014) is included to continue the strong support of gang prevention, intervention, and suppression programs for youth through the efforts of the Mayor’s Gang Prevention Task Force. These funds will continue to support SSCI, the Clean Slate Program, and community-based organizations that provide direct gang-intervention services.</p> <p>In the 2012-2013 Adopted Budget, funding is also included to restore 4.0 Youth Outreach Worker positions to support the Safe Schools Campus Initiative at middle schools and 3.0 Police Officer positions in Field Patrol that were scheduled for elimination in the 2011-2012</p>

Status of Mayor and City Council Referrals 2012-2013 Adopted Budget

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	Proposed Budget and funded on a one-time basis in the 2011-2012 Adopted Budget.
Crossing Guards – Maintain Funding for Elementary and Middle School Crossing Guard Programs	The 2012-2013 Adopted Budget restores funding for 33 Crossing Guard positions (5.90 full-time equivalents) in order to restore the School Safety Program to higher service levels experienced prior to 2011-2012. This action will maintain staffing and service levels to cover 112 intersections with 181 Crossing Guards. The 112 intersections meet a safety index score of 52, which maintains a higher coverage level than the minimum safety index score of 120.
Children’s Health Initiative – Maintain Funding for Children’s Health Initiative	The 2012-2013 Adopted Budget includes funding of \$2.1 million to support the Children’s Health Initiative.
Senior Services and Wellness/HNVF – Continue to Support Senior Nutrition Services in Collaboration with the Senior Nutrition Task Force, Evaluate Program for Improvements, Allocate \$400,000 Ongoing Fund from the HNVF Competitive Fund, and Allocate One-Time Funds of \$200,000 to Meet Funding Target	The 2012-2013 Adopted Budget includes the continuation of 2.0 Recreation Program Specialist positions that were added on a one-time basis in 2011-2012 to ensure support at the Alma and Gardener Community Centers that provide a Senior Nutrition program, adds 1.0 Recreation Program Specialist through June 30, 2013 and corresponding non-personal/equipment funding to support transportation services to senior centers, and adds one-time funding of \$200,000 for dedicated senior services. The Adopted Budget also permanently reallocates Healthy Neighborhood Venture Fund funding of \$400,000 to the Senior Services and Wellness Program that was approved on a one-time basis in 2011-2012. These resources and the supported program will continue to be evaluated to determine the most impactful and effective way to continue to support senior wellness services that promote a healthy and balanced lifestyle.
Community Action and Pride (CAP) Grant Program – Reallocate \$110,000 Funding to Continue Program	As directed, remaining funds of \$110,000 from the Community Action and Pride Grant Program will be reallocated to continue this program in

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	<p>2012-2013. These funds represent the forfeited amounts from various prior grantees due to non-compliance with grant terms. Forfeited funds remain with the fiscal agent; therefore, the Administration initiated the necessary application processes with this funding for a 2012-2013 Community Action and Pride Grant Program on May 24, 2012 with final funding allocation recommendations made by June 2012. Applicants were notified of the outcome of their application in July 2012.</p>
<p>Counseling Services in the Police Department – Allocate \$20,000 for Counseling Services to Police Department and Community</p>	<p>The 2012-2013 Adopted Budget includes ongoing funding of \$20,000 to continue counseling services provided by the Chaplaincy Program that was approved on a one-time basis in 2011-2012. This program is administered by more than 20 volunteer chaplains and citizens who provide crisis counseling and support services for graduations, trainings, and funerals to sworn police personnel, their families, and civilians.</p>
<p>Community Development Block Grant (CDBG)/Housing and Urban Development (HUD) 108 Loan – Use CDBG Funds to Fulfill the HUD Section 108 Debt Service Requirement if the Successor Agency to the Redevelopment Agency Cannot Make the Payment</p>	<p>In the 2012-2013 Adopted Budget, the CDBG Fund includes the debt service payment of \$1.9 million and a reserve of \$2.0 million for the 2013-2014 debt service payment for the HUD Section Loan, as the Successor Agency to the Redevelopment Agency currently does not have sufficient resources to cover this obligation.</p>
<p>Medical Marijuana Dispensaries – Review and Report Last Year’s Funding Efforts and Bring Forward A One-time Proposal that Meets the Needs of Marijuana Enforcement Program at the Lowest Possible Cost</p>	<p>In accordance with this direction, the Administration has analyzed the resources necessary to support the Medical Marijuana Program based on prior year levels and anticipated work efforts. Based on this review, the 2012-2013 Adopted Budget includes the addition of \$1.2 million in one-time resources to support the multi-department enforcement effort. This funding will support positions in the Police Department (1.0 Police Sergeant), the Planning Building and Code Enforcement Department (1.0 Code Enforcement Inspector),</p>

Status of Mayor and City Council Referrals 2012-2013 Adopted Budget

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	<p>the City Attorney's Office (1.0 Senior Deputy City Attorney, 0.5 Deputy City Attorney, 1.0 Legal Analyst, and 0.5 Legal Administrative Assistant), the Finance Department (1.0 Accountant and 1.0 Investigator/Collector), and the City Manager's Office (0.45 Assistant to the City Manager).</p>
<p>La Raza Study – Allocate \$50,000 to this Effort</p>	<p>The 2012-2013 Adopted Budget includes \$50,000 to continue matching funding with Santa Clara County for facilitation of the Harvard Study Consensus Process convened by La Raza Roundtable to create transformative, multi-system change aimed at eliminating disproportionate Latino representation in the Criminal Justice, Juvenile Justice, and Child Welfare Systems serving San José.</p>
<p>Christmas in the Park – Allocate One-Time Transition Grant from Transient Occupancy Tax Revenues Recognized in 2011-2012 at Mid-Year</p>	<p>The 2012-2013 Adopted Budget includes a \$75,000 transition grant from the Transient Occupancy Tax Cultural Development allocation to support the Christmas in the Park transition. Other City funding to support this effort includes an Office of Cultural Affairs Festivals, Parades, and Celebrations grant of \$24,000 and a \$30,000 marketing sponsorship from the Environmental Services Department, resulting in total City funding of \$129,000 committed to this event. In addition, the Adopted Budget continues funding for a limit-dated part-time Exhibit/Designer Builder position through June 30, 2014 to continue transition of Christmas in the Park from a City-supported event to a program that is run by the Christmas in the Park Foundation. This foundation will raise funds, produce the event and eventually hire their own staff to fully support the event. For the next two years, the part-time Exhibit/Designer Builder position, which is fully reimbursed by the Foundation, will help ensure that this transition is successful.</p>

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<p>Fair Swim Center – Allocate \$30,600 One-Time Bridge Funding to Continue Operations in Summer 2012</p>	<p>The 2012-2013 Adopted Budget includes one-time funding of \$39,000, partially offset by estimated fee revenue of \$9,000, to provide a recreational summer swim program this summer at the Fair Swim Center, as the current vendor is no longer able to offer this seasonal aquatics program. Recreational swim programs and activities will be offered up to six days a week beginning June 2012 and ending August 2012 through the addition of 1.51 part-time positions (1.24 part-time Lifeguard, 0.14 part-time Assistant Swimming Pool Manager and 0.13 part-time Swimming Pool Manager). Programs offered at Fair Swim Center ensure that residents have a safe and affordable access to drop-in recreational swim activities during the summer months.</p> <p>To fund the early opening of this facility, the Administration brought forward a City Council memorandum to add funding to support operations through the end of 2011-2012.</p>
<p>Street Maintenance and Repair – Prioritize Funding from Capital and General Sources to Fund Priority Network, Evaluate Whether Other Funds Can Be Allocated to Cover the Remaining 400 Miles of the Major Street Network, and Work With the Mayor’s Office to Explore Feasibility of Using General Obligation Bonds to Rehabilitate Poor Condition Streets and Report to the City Council in June 2012</p>	<p>The Adopted 2012-2013 Traffic Capital Budget and 2013-2017 Traffic Capital Improvement Program provides funding to fully address maintenance of the priority street network (400 miles) within the City’s major streets (which carry 87% of the traffic). Funds are not allocated for the maintenance of the remaining 400 miles of major streets or the maintenance of 1,600 miles of neighborhood streets. Neighborhood street maintenance will be deferred indefinitely; however corrective maintenance, such as potholes, will still be addressed.</p> <p>Staff has identified approximately 457 miles of street repairs which meet the criteria to be funded from a general obligation bond measure, with 52 of the 457 miles falling within the major streets category and the remaining 405 miles categorized as local/neighborhood streets. A report detailing this and other potential uses of a general</p>

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	<p>obligation bond measure was approved by the City Council on April 24, 2012 (http://www.sanjoseca.gov/clerk/Agenda/20120424/20120424_0403sup.pdf), and polling was conducted in May 2012 and July 2012 to assess resident support for such a measure. Of likely voters, 68% indicated support for a \$195 million bond measure in May, which was slightly higher than the two-thirds threshold necessary for passage of a general obligation bond but not outside the +/- 4 percent margin of error. In July, 56% of likely voters would support a \$195 million bond, below the two-thirds threshold.</p>
<p>Keeping San José Streets Safe for Pedestrians, Bicyclists, and Motorists – Identify Traffic Capital Funds and Programs for Safety Devices, Visible Signage, and Cost Effective Education Efforts</p>	<p>The Adopted 2012-2013 Traffic Capital Budget and 2013-2017 Traffic Capital Improvement Program provides additional funding for safety devices, visible signage, and education efforts. Several new projects have been funded, and the annual allocations for safety-related programs have been increased due to increased tax collections.</p>
<p>4th Street Garage Debt Service/Parking Fund – Allocate Funds in General Purpose Parking Fund for 4th Street Garage Debt Service Payment in the event the Successor Agency to the Redevelopment Agency Has Insufficient Revenues to Make the Payment</p>	<p>Based on an analysis of anticipated revenue streams and obligations for the Successor Agency to the Redevelopment Agency, it is currently anticipated that the Successor Agency will not have sufficient resources to pay the 4th Street Garage debt service payment in 2012-2013. In the 2012-2013 Adopted Budget, this debt service payment of \$3.4 million is budgeted in the General Purpose Parking Fund.</p>
<p>Autumn Parkway Project – Identify Project Money in Capital CIP and Seek Alternative Funding for the Autumn Parkway Project</p>	<p>Funding is included in the Adopted 2012-2013 Capital Budget and 2013-2017 Capital Improvement Project for the Autumn Street extension. This project, which is estimated to cost \$22.0 million for all phases of construction, has \$9.0 million allocated in the CIP. This funding will be used to extend and construct improvements on Autumn Street including curb, gutter, and lighting between Coleman and Julian</p>

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	Streets, and begin design and right-of-way acquisition for Phase II of this project. Grant sources are currently being pursued for the unfunded portion of this project.
Essential Services Reserve – Set Aside \$1 Million of One-Time Funds for Essential Support Services for Residents	The 2012-2013 Proposed Budget included a one-time \$1.5 million Essential Services Reserve to fund services that are of importance to the community. These funds were allocated by the City Council as part of the 2012-2013 Budget process.
City Council Appointees – The Mayor’s Budget Office will Work with the City Council Appointees to Bring Forward a Budget to Maintain Strategic Leadership and Stabilized Service Delivery	The 2012-2013 Adopted Budget incorporates this direction and includes the budget actions recommended by the Mayor’s Budget Office for Council Appointees.
Data Analytics Programs – Work with the Mayor’s Office to Review Opportunities to Use Data Analytics Programs in San José Starting with the Police Department	The Administration will work with the Mayor’s Office to identify potential uses of data analytics programs in San José, starting with the Police Department, and will report on the outcome of that analysis during 2012-2013.
Outside Legal Assistance – Work with the Mayor’s Budget Office and the City Attorney on Level of Funding to Provide Outside Legal Counsel for Labor Negotiations, Representation at Retirement Boards, and Public Records Act Requests	The 2012-2013 Adopted Budget incorporates that direction and includes an ongoing allocation of \$200,000 for outside legal counsel.
Review of One-Time Funded Services from 2011-2012 – Review One-Time Funded Services from 2011-2012 Adopted Budget and Determine Reallocating Resources to Continue Services on an Ongoing Basis, Where Appropriate	In the development of the 2012-2013 Budget, the Administration reviewed all of the services that were funded on a one-time basis in 2011-2012. The continuation of a number of the services was incorporated into the 2012-2013 Adopted Budget.