



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jennifer A. Maguire

SUBJECT: 2015-2016 PROPOSED
BUDGET IN BRIEF

DATE: May 6, 2015

Approved

Date

5/6/15

The Budget Office has prepared the 2015-2016 Proposed Budget in Brief that provides an overview of the 2015-2016 Proposed Budget. A total of 50 copies will be distributed to the Mayor and each City Council Office.

This document is available on-line on the Budget Office website:
<http://www.sanjoseca.gov/DocumentCenter/View/43221>

JENNIFER A. MAGUIRE
Interim Senior Deputy City Manager/
Budget Director

2015-2016 Proposed Budget in Brief



The mission of the City of San José is to provide quality public services, facilities, and opportunities that create, sustain, and enhance a safe, livable, and vibrant community for its diverse residents, businesses, and visitors.

The 2015-2016 Proposed Operating and Capital Budgets for the City of San José total \$2.9 billion and represent the City Manager's proposed financial plan for the upcoming year. The Mayor and City Council, who are responsible for approving the City's budget, will be holding a series of City Council Budget Study Sessions during May to thoroughly analyze the many proposals set forth in this budget. In June, the Mayor and City Council will adopt the final budget, incorporating any changes resulting from that review.

Overall, the City's budget is in fairly stable position. After many difficult budget years, revenues and expenditures are now in close alignment. Over the next five years, very small variances of less than 1% between projected General Fund revenues and expenditures are expected.

The Proposed Budget balances many competing community and organizational needs and maintains the City's strong commitment to budget stability. Consistent with the Mayor's March Budget Message for Fiscal Year 2015-2016, as approved by the City Council, as well as other City Council priorities, recent outreach and surveys, and other departmental and organizational priorities, major actions recommended in the Proposed Operating Budget will focus on the following priority themes:

- ✓ **Improving Safety Through Investments in Police and Fire Operations** (*investments that ensure our public safety services are safe, effective, and efficient*)
- ✓ **A Safer, Smarter San José** (*investments that address broader public safety needs*)
- ✓ **Restoring Basic City Services** (*investments that meet basic community and organizational needs*)
- ✓ **Broadening Opportunity and Prosperity/Boosting Vitality** (*investments that expand opportunities for our residents and enhance experiences of our residents/visitors*)
- ✓ **Engaging the Community** (*investments that support innovation and strategic partnerships as well as increase transparency and community input*)
- ✓ **Our Future** (*investments that better position the City moving forward*)

Community Budget Meetings

May 4 – May 26

Budget Decision Milestones

April 22

2015-2016 Proposed Capital Budget and 2016-2020 Capital Improvement Program Released

May 1

2015-2016 Proposed Operating Budget Released

2015-2016 Proposed Fees and Charges Released

May 6-14

City Council Study Sessions on 2015-2016 Proposed Budgets

May 12/June 8

Public Hearings on the 2015-2016 Proposed Budgets and Fees and Charges

May 29

2015-2016 Mayor's June Budget Message Released

June 9

City Council Review and Approval of the 2015-2016 Mayor's June Budget Message

June 23

Adoption of the 2015-2016 Capital and Operating Budgets, 2016-2020 Capital Improvement Program, and the 2015-2016 Fees and Charges

INSIDE

- **San José at a Glance**
- **Balancing the Budget**
- **Service Delivery Highlights**
- **Capital Budget Highlights**
- **Roster of City Officials**
- **Managing Our Finances**
- **Accessing the Budget**

San José at a Glance

Basic City Facts

FOUNDED: 1777; California's first civilian settlement
INCORPORATED: March 27, 1850; California's first incorporated City, and site of the first State capital

General Data

Population	1,000,536
Registered Voters	418,259
Median Household Income	\$81,829
Miles of Streets	2,410
Miles of Alleys	2
Area of City (square miles)	180.2

Major Employers

Santa Clara County	17,476
Cisco Systems	15,470
eBay/PayPal, Inc.	6,130
City of San José	5,928
San José State University	4,480
US Postal Service	3,900
Western Digital/Hitachi	2,660
IBM Corporation	2,360
San José Unified School District	2,320

Airport*

Size	Approx. 1,050 Acres
Terminals	2
Runways	3
Hours of Operation	24
Number of Passengers	9.49 Million

Environment and Utilities*

Miles of Municipal Sewer Mains	2,302
Tons of Recycled Materials	82,000
Tons of Yard Trimmings	125,000
Tons of Used Motor Oil	294

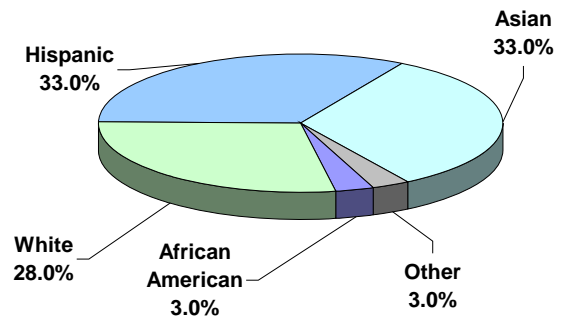
Parking*

Parking Meters	2,628
Parking Lots (1,308 total spaces)	6
Parking Garages (6,172 total spaces)	8

* Current counts or 2014-2015 year-end estimates

** Data represents City services (excludes school data)

Demographics



Public Safety*

Police Stations	1
Emergency Police Calls	578,000
Non-Emergency Police Calls	370,000
Fire Stations	33
Fire Companies/Squad Cars	40/5
Emergency Fire Department Calls	65,600
Non-Emergency Fire Department Calls	17,000
Emergency Medical Calls	51,000
Fires	2,000

Neighborhood Services*

Park Sites**	199
Park Amenities:	
Basketball Courts	98
Skate Parks	7
Softball/Baseball/T-Ball Fields	56
Swimming Pools	6
Tennis Courts	93
Soccer Fields	48
Park Acreage**	3,473
City Operated Community Centers	12
Partner Operated Re-Use Sites	42
Participation in Recreation Programs at Community Centers	591,000

Libraries*

Number of Outlets:	
Main Library	1
Branches (including Village Square)**	23
Items Checked Out (Circulation)	9,841,000

San José at a Glance

2015-2016 Proposed Budget

GENERAL FUND

Police	\$333,121,081
Fire	174,602,923
City-Wide Expenses	87,568,725
Parks, Recreation & Neighborhood Services	58,495,153
Planning, Building & Code Enforcement	44,118,675
Public Works	39,112,232
Library	28,764,351
Transportation	28,664,235
Transfers to Other Funds	27,074,606
City Management (Manager and City Council)	22,456,350
Finance and Human Resources	20,962,423
Information Technology	15,900,624
Capital Improvements	14,139,000
City Attorney	13,395,152
Other	11,433,470
Reserves	114,718,319

Total General Fund **\$1,034,527,319**

SPECIAL FUNDS

Airport	\$543,600,132
Waste Water Treatment Plant & Sanitary Sewer	318,406,515
Waste Mgmt (Garbage Collection/Recycling)	138,382,369
Housing	84,013,480
Convention and Cultural Facilities	58,450,422
Municipal Water	53,788,878
Storm Sewer Operations	48,183,404
Parking	33,823,085
Transient Occupancy Tax	27,555,769
Library Parcel Tax	18,095,226
Community Development Block Grant	17,206,025
Workforce Development	10,931,881
Other	231,817,351

Total Special Funds **\$1,584,254,537**

CAPITAL IMPROVEMENT FUNDS

Water Pollution Control	\$177,811,357
Parks and Community Facilities	162,177,588
Traffic	156,494,188
Airport	116,766,680
Sanitary Sewer System	83,691,268
Storm Sewer System	29,923,666
Library	28,974,314
Public Safety	12,842,812
Other	69,563,714

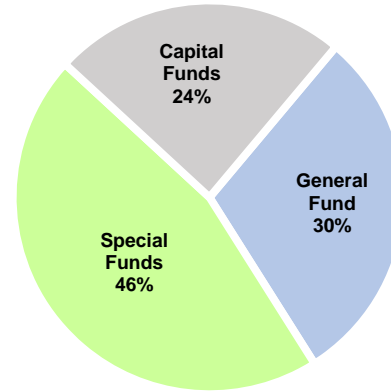
Total Capital Funds **\$838,245,587**

TOTAL ALL FUNDS **\$3,457,027,443**

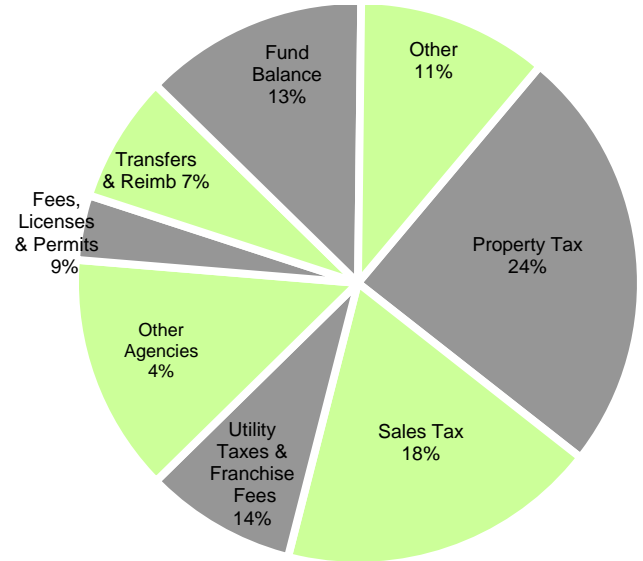
Less Transfers, Loans & Contributions **(576,035,445)**

NET CITY USE OF FUNDS **\$2,880,991,998**

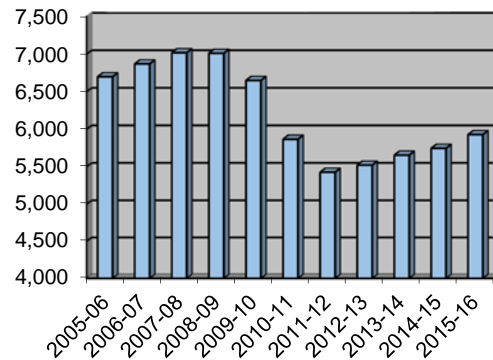
2015-2016 Proposed Budget



2015-2016 Sources of General Fund Revenues



Total City Positions



In the 2015-2016 Proposed Budget, the number of City positions totals 5,928, which is up 169 positions (2.9%) from the 2014-2015 Adopted Budget.

Balancing the Budget

The General Fund is used to provide many of the basic services provided by the City, including police, fire, libraries, parks, recreation and neighborhood services, planning, building and code enforcement. The Proposed General Fund Budget Balancing Plan includes recommendations that allocate a \$9.4 million surplus as well as \$40 million of additional funding, which primarily consists of current reserves that are being carried over to 2015-2016 to fund specific programs. The table below shows the matrix of balancing strategies and dollars associated with each action.

2015-2016 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's)		
	2015-2016	Ongoing
2015-2016 General Fund Surplus	\$ 9,389	\$ 9,389
Development Fee Program Impact	20	20
Revised Base Budget	\$ 9,409	\$ 9,409
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
Police Department Staffing/Operations Reserve	\$ 6,960	\$ 0
Police Department Overtime Reserve	5,000	0
Homeless Rapid Rehousing/Homeless Response Team Reserves	3,500	0
Police Sworn Hire Ahead Reserve	3,000	0
Development Fee Reserves	2,518	1,989
2015-2016 Future Deficit Reserve	2,400	0
San José BEST/Safe Summer Initiative Reserve	1,500	0
2014-2015 Paramedic Program Revenues	1,500	0
Cultural Facilities Capital Maintenance Reserve	1,110	0
Various Reserve Liquidations	1,158	0
Additional Excess Revenue/Expenditure Savings	793	0
Grants/Reimbursements/Fees:		
Transportation Fees & Charges (Parking Fines, Sidewalk)	1,213	1,213
Other Fee Programs/Reimbursements/Grants	709	1,460
Other Revenue Changes:		
USPTO – Tenant Improvements (Reimbursement from Federal Gov't)	3,434	0
Sales Tax (2014-2015 Triple Flip True-Up)	2,200	0
2015-2016 Paramedic Program (Annex B – Category A)	450	0
Miscellaneous Other Revenue	715	659
Overhead/Transfers from Other Funds	1,822	924
Subtotal Source of Funds	\$ 39,982	\$ 6,245
Use of Funds		
Service Level Enhancements	\$ 24,008	\$ 6,774
Earmarked Reserves (e.g., SAFER 2014, Essential Services, Silicon Valley Regional Comm. Sys., Salaries and Benefits, Long Range Planning)	12,760	0
2014-2015 One-Time Funded Services	7,730	7,202
Other Fee Programs/Grants/Reimbursements	4,437	780
Unmet/Deferred Tech., Infrastructure, and Maintenance	3,885	0
Development Fee Programs	2,043	1,704
Fund Shifts from Other Funds/Other	893	730
New Facilities Operations and Maintenance	537	1,424
Use of Reserves (Committed Additions/Police Dept. Staffing/Operations)	(6,902)	(2,960)
Subtotal Use of Funds	\$ 49,391	\$ 15,654
Total Balancing Strategy	\$ (9,409)	\$ (9,409)
Remaining Balance	\$ 0	\$ 0

Service Delivery Highlights

Public Safety



Key Public Safety Services

Crime Prevention
Emergency Medical Services
Emergency Preparedness
Fire Prevention
Fire Suppression
Independent Police Oversight
Police Investigations
Police Patrol
Public Education



Expected Service Delivery

Police Services

- Respond to high priority calls for service and emergencies in a timely and effective manner
- Investigate crimes effectively and seek successful prosecution of criminals
- Continue efforts to deter gang violence
- Prompt review of police complaints by the Independent Police Auditor

Fire Services

- Respond to fires, medical calls, and other emergencies in a timely and effective manner
- Provide regulatory enforcement of fire and hazardous materials codes through inspection activities
- Investigate fire causes effectively
- Continue regional all-hazard emergency management and San José Prepared!

2015-2016 Proposed Budget Actions

- **Police Field Patrol Community Service Officers:** adds 22.0 Community Service Officers (CSO) and 4.0 Senior Community Service Officers (bringing staffing level to 54) to respond to lower priority calls, thereby increasing capacity for existing Police Officers to respond to higher priority calls.
- **Police Overtime:** adds \$5 million in one-time overtime funds to continue backfilling for patrol vacancies, maintain targeted enforcement of high crime activity through suppression cars, and backfill for civilian vacancies.
- **Police Crime Prevention Staffing:** adds 4.0 Crime Prevention Specialists to expand community outreach and enable the Crime Prevention Unit to develop two new programs: Crime Free Multi-Housing Program (CFMHP) and a community notification system such as the NIXLE Law Enforcement Social Media System.
- **Downtown Foot Patrol Program:** continues one-time Police Department overtime funds of \$560,000 to continue the Downtown Foot Patrol program to enhance safety in the Downtown area.
- **Technology Investments:** adds funding of \$1.3 million to replace the Mobile Data Computers in the fleet of Police Field Patrol vehicles, to replace the Police Communications 9-1-1 phone system (partial funding – majority of system replaced with State funds) to allow digital information, and to purchase Computer Aided Dispatch Business Intelligence Software.
- **Police Protective Equipment:** adds \$530,000 for police protective resources, such as ballistic panels, plates, and vests.
- **Police Civilian Staff:** adds 4.0 civilian positions to assist in the following areas: Crime Analysis Unit, Bureau of Investigations – Video Evidence, Gang Investigations Unit, and Field Training Officer Program.
- **Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Reserve:** establishes a reserve of \$1.95 million to cover two years of the General Fund portion of the 2014 SAFER grant. If awarded, the grant will provide \$3.3 million to restore 14 firefighter positions. Award notification is expected in August 2015.
- **Fire Information Technology Staffing:** adds an Information Systems Analyst through June 2016 to implement the Electronic Patient Care Reporting (ePCR) system and assist with the San Jose Fire Department Response Time Work Plan, which continues efforts to monitor response time performance (dispatch, turnout, travel time) by station and type of incident.
- **Fire Fighter Recruit Academies/Fire Engineer Academy and Training:** adds one-time funding of \$115,000 to expand Fire Engineer training from one week to two weeks to meet National Fire Protection Association NFPA 1002 training mandates, and adds funding of \$70,000 (\$35,000 ongoing) to meet new mandated fire fighter recruit training criteria set by the California State Fire Marshal's Office.
- **Fire Non-Development Fee Program:** increases fees 2% to maintain cost recovery levels.

Service Delivery Highlights

Neighborhood Services



Key Neighborhood Services

After School Programs
Anti-Graffiti and Anti-Litter
Code Enforcement
Libraries
Senior Services

Animal Care Services
At-Risk Youth Services
Community Centers
Park Facilities



Expected Service Delivery

Parks and Community Services

- 12 City-operated community centers
- 42 re-use community centers
- Recreation programs and classes
- Summer Aquatics program
- Parks and trails
- Senior Nutrition and Wellness Program
- Anti-gang activities
- Anti-graffiti efforts

Code Enforcement

- Code Enforcement field inspection services for emergency and priority complaints within 24 – 72 hours
- Proactive enforcement of vacant buildings

Library Services

- Branch Libraries:**
 - 6 days/47 hours per week
 - Open Village Square Branch Library in spring 2016 (final bond-funded project)
- Dr. Martin Luther King, Jr. Library:**
 - 7 days/77 hours per week during academic year
 - 7 days/63 hours per week when the University is not in session

Animal Care and Services

- Animal Care and Services to focus on health and safety related calls

2015-2016 Proposed Budget Actions

- **Branch Library Hours:** adds 27.93 positions to support the expansion of branch library hours from 4 days/33-34 hours per week to 6 days/47 hours per week at all 23 branch libraries, including the new Village Square Branch Library.
- **New Village Square Branch Library:** adds 8.90 positions to open the final General Obligation Bond-funded branch library project, the Village Square Branch Library – in spring 2016.
- **San José BEST Program and Safe Summer Initiative:** adds ongoing funding of \$1.5 million to the San José BEST and Safe Summer Initiative Programs (BEST) for a total of \$4.6 million. BEST supports the Mayor's Gang Prevention Task Force by funding a variety of programs and various community-based organizations that provide direct gang intervention services. An additional \$1.0 million has been set aside in an ongoing reserve, which may be brought forward to fund additional programs depending on the efficacy of programs added in 2014-2015 (the Administration will provide data on these programs through the Manager's Budget Addendum process). With this reserve, the ongoing funding for BEST programs would total \$5.6 million.
- **San José Learns:** adds one-time funding of \$2.0 million to invest in the after school program infrastructure to academically focus after school programs for children in grades K-3 with the most needs. This funding will be expended over a two-year period and will support recommendations from the Mayor's San José Learns Working Group.
- **Happy Hollow Park and Zoo:** reallocates existing funding and adds new funding to support Happy Hollow Park and Zoo (HHPZ) operations, such as rides and ride safety, animal welfare, veterinary care, food and beverage services, and business analysis. Costs are partially offset by HHPZ revenue.
- **Alum Rock Park:** adds 1.0 Senior Recreation Leader, offset by fee revenue and the deletion of 0.60 Account Clerk II PT, to revitalize the Visitor Center and develop and implement outdoor recreation and leisure classes and programs at Alum Rock Park.
- **St. James Park Activation:** adds ongoing funding for the St. James Park Activation effort, a successful program piloted in summer 2014. This action adds 1.0 Events Coordinator position to organize events and activities, such as Zumba in the summer and fall, holiday-themed activities in the winter, and Bike Life Festival in the spring.
- **Community Center Rentals:** adds 1.5 positions to facilitate community center rentals, offset by community center rental fees.
- **Lake Cunningham Bike Park and Skate Park Operations:** adds 5.50 positions to support the new Lake Cunningham Bike Park. Anticipated to break ground in 2015-2016, this five-acre adventure sports park will offer trails, tracks, skills challenge courses, dual slalom, free ride area, and pump tracks for a variety of bike disciplines, such as mountain biking, free-style, and cycle-cross. To ensure staff is ready when the facility opens in July 2016, hiring will occur in the latter half of 2015-2016.
- **Animal Care and Services:** adds staff to provide ongoing care to animals, increases custodial services, and addresses infrastructure needs (waterproofing the facility, fire alarm system improvements).

Service Delivery Highlights

Community & Economic Development



Key Community & Economic Development Services

Building Permits
Development Services
Economic Development
Housing Services
Land Use and Planning
Local & Small Business Technical Services
Public Art and Cultural Events
Real Estate Services
Workforce Investment Network



Expected Service Delivery

Economic Development

- Attract and retain companies, with focus on clean technology and emerging technology companies
- Provide a range of workforce programs and services for displaced workers
- Manage the City's real property assets

Planning and Building Services

- Provide excellent development review process customer service
- Provide expedited plan review services

Housing Services/Community Development Block Grant (CDBG)

- Continue efforts to end chronic homelessness
- Continue to use available funds to increase the affordable housing supply
- Continue to employ a place-based, neighborhood-focused strategy

Arts and Cultural Events

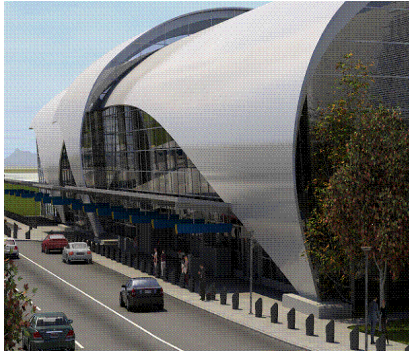
- Through arts and cultural development programs, maintain a culturally vibrant community

2015-2016 Proposed Budget Actions

- **Development Fee Programs:** adds resources, including approximately 13 positions, to support the development fee programs (Building, Planning, Public Works, Fire) with no general fee increases necessary to meet service delivery demands. Resources will be added to address inspection and plan review workload and peak staffing needs; improve development program webpages and education materials, document processing, and permit center staffing; and provide necessary equipment and technology, such as vehicles for inspectors and tablets for mobile inspections.
- **Planning:** adds resources to support the goals in the Envision San José 2040 General Plan, including 3.0 Planner I/II/III for land use planning, one-time consultant services funding to perform a four-year major review of the General Plan, and one-time contractual services funding to update the North San José Area Development Policy and potential changes to the Traffic Impact Fee. A Planner position is added to provide general planning support and serve as a direct point of contact for customers calling with questions related to development and planning.
- **Homeless Response Team/Rapid Rehousing Program:** adds ongoing funding for both the Homeless Response Team (\$1.5 million) and the Rapid Rehousing (\$2.0 million) programs along with two associated positions to provide for encampment abatement, prevention, enforcement, and housing placement and support for individuals and families living in San José encampments. Adds two limit-dated positions to provide enhanced community outreach and response to community concerns regarding homelessness and to advance several large homeless housing projects.
- **Business and Jobs Support:** adds one-time funds of \$1.02 million for SJ Works, a youth jobs initiative. Adds one-time funds of \$200,000 support business outreach, small business support, and core economic development services. Additionally, adds one-time funding of \$250,000 to provide small business retention and assistance, which includes the continuation of the SJ Storefronts Initiative to support small business and facilitating pop-up retail locations on public and private properties to further encourage street activation. Adds one-time funding of \$200,000 to launch the Manufacturing Jobs Initiative as an incentive to retrofit older, vacant industrial buildings by covering most of the cost of permit approvals.
- **Arts and Culture:** adds 2.0 positions through June 30, 2016 to the Office of Cultural Affairs to assist with advancing the City Council-approved Cultural Connection: San José's Cultural Plan for 2011-2020 and various cultural development projects. Also adds funding to continue the Independence Day celebrations Downtown and at Lake Almaden and to help initiate San José Creates and Connects, a community-wide effort towards creative place-making and reinvigorating neighborhoods through the arts.

Service Delivery Highlights

Transportation & Aviation Services



Key Transportation & Aviation Services

Airport Operations
Landscape & Tree Maintenance
Parking Services
Street Pavement Maintenance
Traffic Capital Improvements
Traffic Maintenance
Traffic Safety Education
Transportation Planning and Project Delivery



Expected Service Delivery

Airport Operations

- ❑ Operate the Norman Y. Mineta San José International Airport (SJC) in a safe and efficient manner
- ❑ Deliver positive, reliable and efficient air traveler services and amenities; compete for community air service destinations and frequencies
- ❑ Preserve Airport assets and facilities through cost effective maintenance and operations
- ❑ Provide mandatory security, safety, and regulatory compliance for air service operations

Transportation Operations

- ❑ Provide safe and viable transportation choices consistent with the Envision San José 2040 General Plan
- ❑ Focus street infrastructure maintenance efforts on facilities with the highest use and economic significance
- ❑ Improve regional travel on major arterials, freeways, and transit corridors to address ongoing concerns with traffic congestion

2015-2016 Proposed Budget Actions

- **Super Bowl Event Preparation:** adds one-time funding of \$111,000 for a multi-faceted marketing campaign to promote SJC as the preferred airport for the upcoming Super Bowl 50 at Levi's Stadium in February 2016.
- **2015 Airport Roundtable Conference:** adds one-time funding of \$10,000 for logistics costs related to hosting of the 16th Airport Roundtable Conference in December 2015.
- **Airport Information Technology Staffing Realignment:** shifts resources from the Airport Department to the Information Technology Department to improve organizational and operational efficiency.
- **Maintenance Assessment Districts and Community Facilities Districts Renovation Projects:** adds funding of \$2.1 million for staffing and equipment for major renovation projects in several special assessment districts, including replacing aging landscapes with drought-tolerant plants.
- **Sidewalk Inspection Program:** adds resources and equipment to support the Sidewalk Inspection and Repair Program to address the backlog of sidewalk repairs; costs reimbursed by property owners.
- **Neighborhood Traffic Calming Staffing:** continues a temporary position to effectively deliver pedestrian safety improvements and neighborhood traffic calming programs budgeted in the Proposed Capital Budget.
- **City Tree Maintenance:** adds ongoing funding of \$100,000 for maintenance of City-owned street trees.
- **Transportation Safety Education Staffing:** adds one position to support the Traffic Safety Education program and implement the grant-funded Walk n' Roll School Safety program budgeted in the Proposed Capital Budget.
- **Intelligent Transportation Systems Maintenance and Operations Project Delivery Staffing:** adds one position to support enhanced traffic management and operations at signalized intersections. This project upgrades 35 signalized intersections with adaptive signal control to help reduce congestion along the Saratoga Avenue and Tully Road corridors.
- **Traffic Flow Management and Signal Retiming Staffing:** adds one position to proactively monitor and adjust signal operations in key hot-spot areas of the City. This position will help maximize use of the Traffic Management Center.

Service Delivery Highlights

Environmental & Utility Services



Key Environmental & Utility Services

Energy Conservation Efforts
Garbage Collection & Recycling
“Green” Building Program
Municipal Water System
Neighborhood Cleanups
Sanitary Sewer Maintenance
Storm Sewer Maintenance
Water Pollution Control Plant
Water Recycling



Expected Service Delivery

- ❑ Build, operate, and maintain the City’s wastewater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety
- ❑ Collect, process, recycle, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment
- ❑ Promote the health of the environment and South Bay Watershed through collection, treatment, and management of wastewater and stormwater runoff
- ❑ Support sustainable infrastructure, equipment, and behaviors throughout the community through education, public-private partnerships, and leadership of the City’s Green Vision
- ❑ Lead implementation on four Green Vision goals: Goal 2: Reduce per capita energy use by 50 percent; Goal 3: Receive 100 percent of our electrical power from clean renewable sources; Goal 5: Divert 100 percent of the waste from our landfill; and Goal 6: Recycle or reuse 100 percent of our wastewater

2015-2016 Proposed Budget Actions

- **Single Family Dwelling Waste Materials Processing – Phase II:** adds a net \$1.5 million to sort and process all waste materials collected from an additional 20% of single-family residences (in the north and east portions of San José) prior to being sent to the landfill, with the goal of increasing the amount of materials recycled and diverting waste sent to the landfill.
- **Water Pollution Control Plant (Plant) Capital Improvement Program Staffing:** adds 23 positions at the Plant for various capital improvement projects. The Plant Master Plan identifies over \$1.0 billion in improvements over the next 10-15 years.
- **Single Family Garbage Billing Program Model Change:** with the shift of the Single Family Dwelling (SFD) Recycle Plus billing to the Santa Clara County’s property tax rolls, budget actions eliminate staff that supported the existing billing system and also eliminate or shift funding for programs and services that were previously supported by unrestricted late fees, including the shift of funding for City facilities solid waste collection and illegal dumping response to the General Fund.
- **Integrated Waste Management Garbage Rate Assistance Programs Elimination:** eliminates the Low Income Rate Assistance and Medical Exemption Rate Reduction programs. Collecting SFD bills through the County will make it administratively difficult to continue to manage these programs and no other utility system in the City offers this program.
- **Infrastructure Improvements at the Plant:** adds funding to replace outdated equipment with current technology will help improve operational efficiency at the Plant and help mitigate greater repair costs in the future.
- **Water Conservation:** adds \$350,000 for conservation efforts for customers of the Municipal Water System and adds resources to support city-wide conservation efforts.
- **Sanitary Sewer Maintenance Staffing:** adds one position in the Transportation Department to manage the root control, easement, and siphon cleaning programs to help reduce the number of sanitary sewer overflows.
- **Maintenance and Operations Regulatory Compliance Staffing:** adds one position to manage the environmental and hazardous materials compliance issues at the Transportation Department service yards.
- **Rate Changes:** Overall, Sewer Service and Use Charge rates will increase up to 5.5% with varying rates for residential customers based on the Sanitary Sewer Flow Study Update. Recycle Plus rates are estimated to increase by 3.0% for single-family dwelling units and 5.0% for multi-family dwelling units. Municipal Water System rates are estimated to increase by up to 29.0%, due primarily to the higher cost for wholesale water and water conservation program enhancements. The Storm Sewer Service Charge rate will not change in 2015-2016.

Service Delivery Highlights

Strategic Support



Key Strategic Support Services

*Facility Maintenance
Financial Management
Fleet Maintenance
Human Resources
Information Technology
Mayor, City Council and Appointees
Public Works*



Expected Service Delivery

- Attract and retain qualified employees
- Ensure that the City's finance and technology resources are protected and available to address the short and long-term needs of the community
- Maintain a safe and healthy work environment
- Oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities
- Manage space usage at City-owned facilities
- Maintain City facilities, equipment, and vehicles
- Provide legal representation and legal transactions
- Provide audit services
- Facilitate the City's legislative process
- Provide strategic leadership and manage city-wide service delivery
- Provide quality retirement services and maintain financially sound pension plans

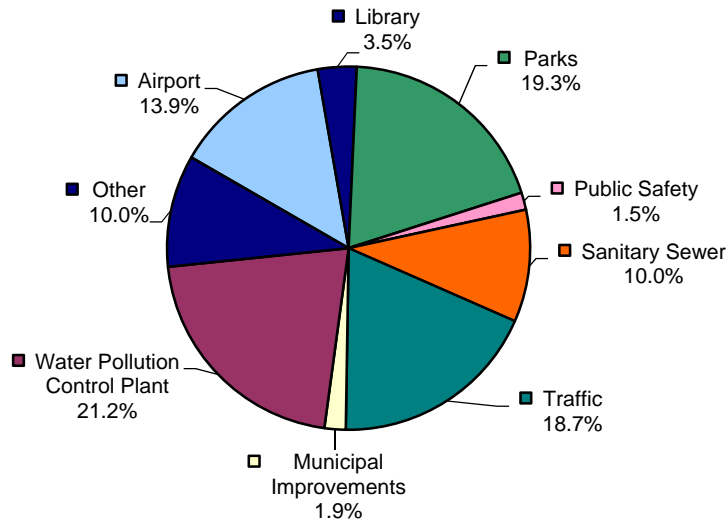
2015-2016 Proposed Budget Actions

- **Single Family Garbage Billing Program Model Change:** eliminates 12 positions in the Finance and Information Technology Departments to continue the transition of garbage and recycling billing for all single family residential households to the Santa Clara property tax roll. In addition, ongoing database licensing (\$292,000) is also being eliminated.
- **Deferred Infrastructure and Maintenance Needs:** adds one-time funding (\$5.2 million) from the General Fund to address a limited amount of unmet/deferred infrastructure needs at several City-owned facilities, including the Animal Care Shelter, City Hall, the Police Administration Building, and various Cultural Facilities.
- **Preventative Maintenance at City Facilities:** continues an additional \$500,000 in ongoing funding, bringing the total ongoing amount to \$1.8 million, to maintain preventative maintenance of City facilities at the industry standard of 80% for HVAC, plumbing, lighting, energy management systems, roofing, generators, and emergency fire alert systems.
- **Technology Investments:** adds 1.0 Assistant Director to manage internal departmental operations ; 1.0 Enterprise Technology Manager to coordinate City department technology projects; 1.0 Information Systems Analyst to ensure timely and consistent City-wide responses to Public Records Act and e-discovery email requests; additional ongoing funding for upgraded Microsoft Office 365 licensing to increase employee productivity and satisfaction (\$350,000); ongoing funding for community network upgrades (\$160,000) and one-time funding for public safety connectivity (\$100,000) to improve service delivery of new technologies at community facilities and ensure timely access to information for public safety field personnel; and funding for a City-wide customer relationship and service request management application to enable easier engagement between the City and the public (\$100,000 one-time, \$25,000 ongoing).
- **Public Works Capital Project Staffing:** adds a net 12.15 capital-funded staff to support the 2015-2016 Capital Program.
- **Finance Investments:** makes permanent 1.0 Department Information Technology Manager to address complex technology-based procurements and 1.0 Senior Analyst to support Planning, Building, and Code Enforcement Department procurement and contracting needs; adds 1.0 Investigator Collector to facilitate more timely collection of delinquent accounts; and adds one-time funding of \$125,000 for software systems to track Treasury functions.
- **Human Resources:** continues 1.0 Analyst II and 1.0 Senior Office Specialist through June 30, 2016 to assist in various phases of the recruitment process, \$100,000 for consulting services related to Employment Services, \$125,000 for third party administration of half of the workers' compensation claims, and \$90,000 for temporary staffing resources to address the backlog of workers' compensation claims administered by the City.
- **City Attorney's Office:** adds 1.0 Senior Deputy Attorney to address real estate and economic development matters, 1.0 Legal Administrative Assistant to provide legal administrative support, \$100,000 for continued critical transition support for attorney services, and \$50,000 for consultant services related to e-discovery and Public Records Act request compliance.

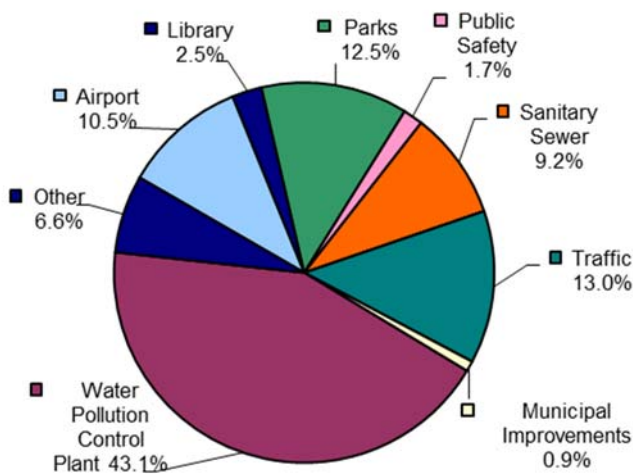
Capital Budget Highlights

The CIP consists of 14 capital programs. The following pie charts depict the funding uses by capital programs and percentage of funding for the 2015-2016 Capital Budget and the 2016-2020 Capital Improvement Program. Major projects to be completed over the next five years are highlighted in the sidebar.

**2015-2016 Proposed Capital Budget
Use of Funds (\$838.2 million)**



**2016-2020 Capital Improvement Program
Use of Funds (\$2.4 billion)**



Major Projects to be Completed Over the Next Five Years

2015-2016 Projects

Alviso Storm Pump Station
 Animal Care and Services Waterproofing
 Autumn Street Extension
 Branham and Snell Street Improvements
 Coleman Soccer Complex
 Fire Station 21 – Relocation (White Road)
 Martin Park Expansion
 Water Meter Replacements
 Monterey – Riverside Relief Sanitary Sewer Improvements
 Perimeter Fence Line Upgrades (Airport)
 San José Civic Auditorium HVAC Replacement
 TRAIL: Coyote Creek (Flea Market)
 TRAIL: Guadalupe River Trail (Tasman Drive Under-crossing)
 United States Patent and Trademark Office – Tenant Improvements Project
 Village Square Branch Library

2016-2017 Projects

Almaden/Vine Downtown Couplet (OBAG)
 Bollinger Road – Blaney Avenue Sanitary Sewer Improvements
 Cadwallader Reservoir Rehabilitation
 LED Garage Lighting Upgrade
 Large Trash Capture Devices
 Park Avenue Multimodal Improvements
 Terminal A Baggage Claim Escalators
 The Alameda “Beautiful Way” Phase 2 (OBAG)
 TRAIL: Penitencia Creek Reach 1B (Noble Avenue to Dorel Drive)

2017-2018 Projects

60” Brick Interceptor, Phase VIA and VIB
 Southeast Ramp Reconstruction, Phase I
 Security Exit Doors (Airport)
 Tamien Park
 TRAIL: Lower Silver Creek (Alum Rock Avenue to Highway 680)

2018-2019 Projects

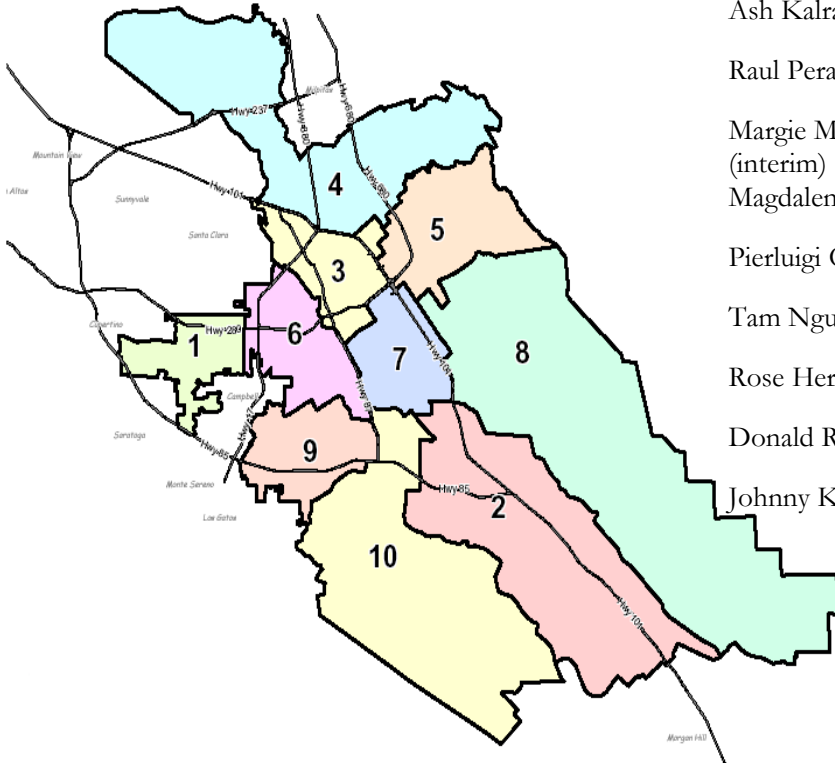
Airport Geometric Implementation
 Almaden Supplement Sewer Rehabilitation (North)
 Gumdrops Drive Main Replacement
 Rincon Avenue – Virginia Avenue Sanitary Sewer Improvements
 Southeast Ramp Reconstruction, Phase II

2019-2020 Projects

Airport Rescue and Fire Fighting Facility
 Elkins Way Main Replacement
 Fourth Major Interceptor, Phase VIIA
 Orinda Drive Main Replacement
 Route 101/Mabury Road Project Development
 Westmont Avenue and Harriet Avenue Sanitary Sewer Improvement

Roster of City Officials

City Council Districts



Roster of Elected Officials

<i>CITY COUNCIL</i>	<i>DISTRICT</i>	<i>TELEPHONE/ E-MAIL</i>
Sam Liccardo	Mayor	535-4800 mayoremail@sanjoseca.gov
Chappie Jones	1	535-4901 District1@sanjoseca.gov
Ash Kalra	2	535-4902 District2@sanjoseca.gov
Raul Peralez	3	535-4903 District3@sanjoseca.gov
Margie Matthews (interim)	4	535-4904 District4@sanjoseca.gov
Magdalena Carrasco	5	535-4905 District5@sanjoseca.gov
Pierluigi Oliverio	6	535-4906 pierluigi.oliverio@sanjoseca.gov
Tam Nguyen	7	535-4907 District7@sanjoseca.gov
Rose Herrera	8	535-4908 rose.herrera@sanjoseca.gov
Donald Rocha	9	535-4909 District9@sanjoseca.gov
Johnny Khamis	10	535-4910 District10@sanjoseca.gov

City Manager

Norberto Dueñas
 Phone: (408) 535-8100
Webmaster.manager@sanjoseca.gov

Managing Our Finances

The City's current general credit is rated Aa1/AA+/AA+ from Moody's, Standards and Poor's, and Fitch, respectively. Considering the City's fiscal challenges in recent years, the ratings by the three rating agencies together acknowledge the City's moderate debt levels, strong financial management, and proactive responsible leadership. The City of San José remains one of the highest rated large cities in California and the country. The City's strong credit ratings have saved taxpayers money due to lower financing costs for debt issuance including the three general obligation bond measures passed for park, library, and public safety improvements and other debt obligations. The City's Operating and Capital Budgets and the Comprehensive Annual Financial Report (CAFR) have received awards from the Government Finance Officers Association and the California Society of Municipal Finance Officers.

Accessing the Budget

On-line versions of the City of San José's 2015-2016 Proposed Operating and Capital budgets are posted on the City's website under the Budget Office at <http://sanjoseca.gov/index.aspx?nid=4641>.

These documents are also available at your public library. For more information about the City of San José Budget, please contact the City Manager's Budget Office at budgetoffice@sanjoseca.gov or at (408) 535-8144.