

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jennifer A. Maguire

SUBJECT: 2014-2015 PROPOSED
BUDGET IN BRIEF

DATE: May 8, 2014

Approved

Date

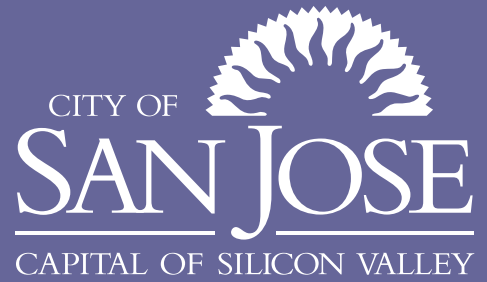
5/9/14

The Budget Office has prepared the 2014-2015 Proposed Budget in Brief that provides an overview of the 2014-2015 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/index.aspx?nid=4259>.

JENNIFER A. MAGUIRE
Deputy City Manager/Budget Director

2014-2015 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 2014-2015 Proposed Operating and Capital Budgets for the City of San José total \$2.7 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 final 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. The difficult budget balancing actions implemented in recent years played a critical role in bringing revenues and expenditures into close alignment. Over the next five years, very small variances of less than 1% between projected General Fund revenues and expenditures are expected.

Consistent with the 2014-2015 Mayor's March Budget Message, as approved by the City Council, and other City Council priorities, major actions recommended in the Proposed Operating Budget will address the highest priority needs:

- ✓ **Keeping Our Community Safe:** investments in services and programs as well as infrastructure that address broad public safety needs. These include police community service officers, crime prevention staffing, downtown police foot patrol program; a third police recruit academy, code enforcement staffing, illegal dumping rapid response pilot, pedestrian and traffic safety improvements, overnight security patrols in City parking facilities, as well as continued funding for gang prevention (San José BEST and Safe Summer Initiative Programs) and homeless services.
- ✓ **Investing in Our Future:** investments that support growth and development in the City, address the most urgent capital infrastructure and maintenance needs, and ensure continued fiscal stability. These include development fee program resources to meet service needs, Urban Village implementation staff, the move of the US Patent and Trademark Office to City Hall, the set aside of \$4.2 million to address the projected 2015-2016 General Fund shortfall, capital infrastructure investments and preventative maintenance, and efforts to expand the Airport market share.
- ✓ **Effectively Delivering Services:** investments that support innovation and more efficient service delivery as well as actions that generate cost savings and provide or generate additional revenue. These include the, repurposing of the South San José Police Substation, open data initiative, and major system replacements, as well as additional revenue from the close-out of inactive special assessment districts.

Community Budget Meetings

May 1 – May 29

Budget Decision Milestones

April 21

2014-2015 Proposed Capital Budget and 2015-2019 Capital Improvement Program Released

May 1

2014-2015 Proposed Operating Budget Released

May 2

2014-2015 Proposed Fees and Charges Released

May 7-15

City Council Study Sessions on 2014-2015 Proposed Budgets

May 13/June 9

Public Hearings on the 2014-2015 Proposed Budgets and Fees and Charges

May 30

2014-2015 Mayor's June Budget Message Released

June 10

City Council Review and Approval of the 2014-2015 Mayor's June Budget Message

June 17

Adoption of the 2014-2015 Capital and Operating Budgets, 2015-2019 Capital Improvement Program, and the 2014-2015 Fees and Charges

INSIDE

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- **Service Delivery Highlights**
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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	984,299
Registered Voters	410,596
Median Household Income	\$81,349
Miles of Streets	2,415
Miles of Alleys	2
Area of City (square miles)	180.2

Major Employers

Santa Clara County	15,766
Cisco Systems	15,520
City of San José	5,655
eBay/PayPal, Inc.	5,580
IBM Corporation	3,920
US Postal Service	3,900
San José State University	2,483
San José Unified School District	2,320
Kaiser Permanente	2,300

Airport*

Size	Approx. 1,050 Acres
Terminals	2
Runways	3
Hours of Operation	24
Number of Passengers	8.9 Million

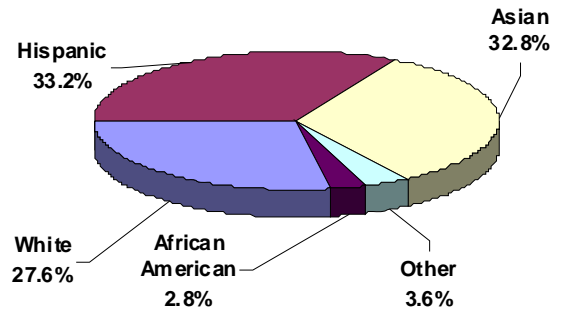
Environment and Utilities*

Miles of Municipal Sewer Mains	2,294
Tons of Recycled Materials	103,000
Tons of Yard Trimmings	129,000
Tons of Used Motor Oil	273

Parking*

Parking Meters	2,641
Parking Lots (1,308 total spaces)	9
Parking Garages (6,172 total spaces)	8

Demographics



Public Safety*

Police Stations	1
Emergency Police Calls	549,000
Non-Emergency Police Calls	368,000
Fire Stations	33
Fire Companies	40
Emergency Medical Calls	48,000
Fire Safety Code Inspections	13,000

Neighborhood Services*

Park Sites**	194
Park Amenities:	
Basketball Courts	95.5
Skate Parks	6
Softball/Baseball/T-Ball Fields	52
Swimming Pools	6
Tennis Courts	93
Soccer Fields	46
Park Acreage**	3,436
City Operated Community Centers	12
Partner Operated Re-Use Sites	42
Participation in Recreation Programs at Community Centers	555,000

Libraries*

Number of Outlets:	
Main Library	1
Branches**	22
Items Checked Out (Circulation)	10,700,000

* Current counts or 2013-2014 year-end estimates

** Data represents City services (excludes school data)

San José at a Glance

2014-2015 Proposed Budget

GENERAL FUND

Police	\$323,687,220
Fire	172,367,300
City-Wide Expenses	80,169,304
Parks, Recreation & Neighborhood Services	54,928,054
Planning, Building & Code Enforcement	41,283,477
Public Works	36,411,559
Transfers to Other Funds	35,917,380
Transportation	27,921,238
Library	27,120,696
City Management (Manager and City Council)	22,200,868
Finance and Human Resources	20,111,408
Information Technology	14,266,453
City Attorney	12,158,682
Capital Improvements	11,570,000
Other	10,062,828
Reserves	83,797,734
Total General Fund	\$973,974,201

SPECIAL FUNDS

Airport	\$529,264,186
Waste Water Treatment Plant & Sanitary Sewer	327,913,020
Waste Mgmt (Garbage Collection/Recycling)	142,369,102
Housing	72,327,130
Convention and Cultural Facilities	49,839,474
Storm Sewer Operations	49,385,156
Municipal Water	46,382,782
Parking	27,373,124
Transient Occupancy Tax	20,583,105
Library Parcel Tax	16,662,297
Community Development Block Grant	15,719,595
Workforce Investment Act	10,177,210
Other	226,225,484
Total Special Funds	\$1,534,221,665

CAPITAL IMPROVEMENT FUNDS

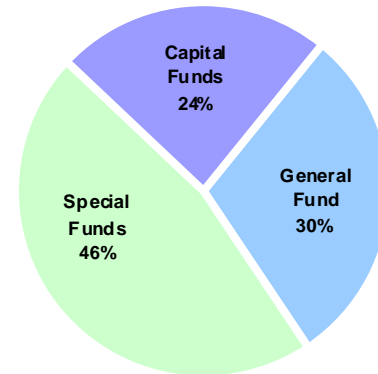
Traffic	\$168,356,432
Parks and Community Facilities	165,930,464
Water Pollution Control	142,289,697
Airport	120,273,354
Sanitary Sewer System	84,229,491
Library	29,788,040
Storm Sewer System	27,739,915
Public Safety	13,939,582
Other	37,562,551
Total Capital Funds	\$790,109,526

TOTAL ALL FUNDS \$3,298,305,392

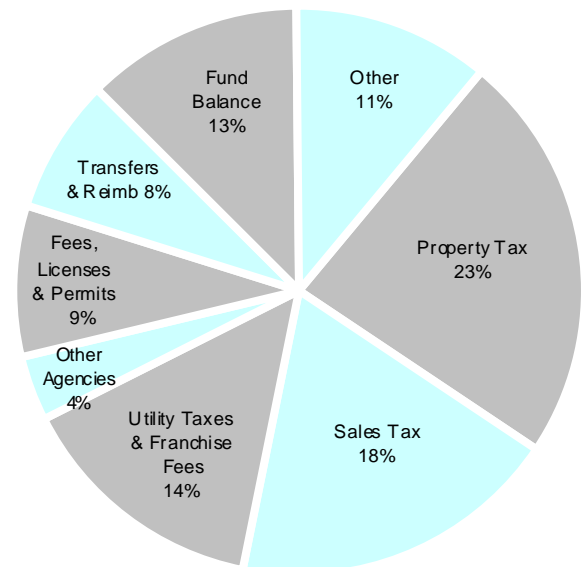
Less Transfers, Loans & Contributions (588,053,045)

NET CITY USE OF FUNDS \$2,710,252,347

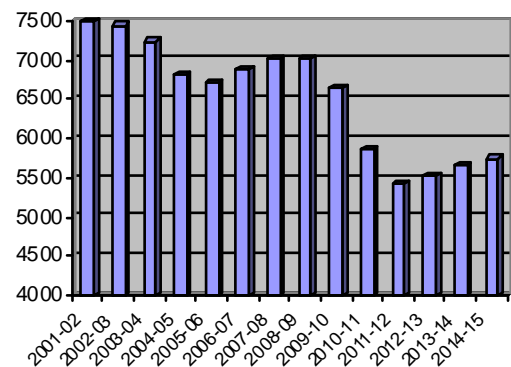
2014-2015 Proposed Budget



2014-2015 Sources of General Fund Revenues



Total City Positions



In the 2014-2015 Proposed Budget, the number of City positions totals 5,746, which is up 91 positions (1.6%) from the 2013-2014 Adopted Budget. While staffing levels have started to increase, the City's overall workforce remains well below the peak of almost 7,500 positions in 2001-2002.

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, and transportation.

2014-2015 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's)		
	2014-2015	Ongoing
2014-2015 General Fund Surplus	\$ 1,058	\$ 1,058
Development Fee Program Impact	1,394	1,394
Revised Base Budget Forecast	\$ 2,452	\$ 2,452
Balancing Strategy		
Source of Funds		
Available Fund Balance:		
2014-2015 Future Deficit Reserve Elimination	\$ 18,112	\$ 0
Successor Agency City Legal Obligations Reserve	8,000	0
Development Fee Program Reserves	4,232	3,120
Police Department Overtime Reserve	4,000	0
Homeless Rapid Rehousing/Response Team Reserves	3,500	0
San José BEST/Safe Summer Initiative Reserve	1,500	0
Various Other Reserve Eliminations	1,458	0
Additional 2013-2014 Ending Fund Balance	5,500	0
Transfers and Reimbursements	1,884	1,288
Grants/Reimbursements/Fees	516	137
Other Revenue Changes	796	223
Subtotal Source of Funds	\$ 49,498	\$ 4,768
Use of Funds		
Service Level Enhancements	\$ 21,306	\$ 4,584
Earmarked Reserves (e.g., Homeless Services, Essential Services, San José BEST, Air Service Incentive, HR/Payroll, Business Tax, Contingency)	11,070	500
SERAF Former Redevelopment Agency/City Loans Repayment	10,200	0
Development Fee Programs	4,457	3,268
2015-2016 Future Deficit Reserve	4,200	0
Unmet/Deferred Infrastructure and Maintenance	2,620	0
2013-2014 One-Time Funded Services	1,989	1,039
Other Fee Programs/Grants	880	634
Cost Reductions/Service Delivery Efficiencies	(3,768)	(2,538)
Use of Reserves (Committed Additions/Deferred Infrastructure)	(1,004)	(267)
Subtotal Use of Funds	\$ 51,950	\$ 7,220
Total Balancing Strategy	\$ (2,542)	\$ (2,542)
Remaining Balance	\$ 0	\$ 0

Balancing the General Fund Budget

Based on forecasted General Fund revenues and expenditures, a slight surplus of \$2.5 million was projected for 2014-2015. In the 2014-2015 Proposed Budget, recommended budget actions will combine the General Fund surplus of \$2.5 million with \$49.5 million in additional funding sources to fund \$52 million in additional uses. Over 90% of this added funding is generated from 2014-2015 Beginning Fund Balance (\$46.3 million), with one-time reserves accounting for the majority of these funds. Many of these reserves were set aside to be used for a specific service or purpose, such as the Rapid Rehousing Program, Homeless Response Team, San José BEST and Safe Summer Initiative Programs, and Police Overtime. Budget actions are recommended to allocate these funds and address other priority needs as summarized in this Budget in Brief. In addition to preparing a balanced budget, a Sales Tax Ballot Measure Spending Priorities Plan was developed that outlines the following potential priorities for using additional resources if the City Council places a sales tax measure on the November 2014 ballot and it is approved by the voters: improve public safety (50%); repair and maintain streets (30%), and expand economic development and neighborhood services (20%).

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!

2014-2015 Proposed Budget Actions

- **Police Field Patrol Community Service Officers:** adds 7.0 Community Service Officers (bringing staffing level to 28) to respond to lower priority calls, thereby increasing capacity for existing Police Officers to respond to higher priority calls.
- **Police Overtime:** adds \$4 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.
- **Third Police Recruit Academy:** adds ongoing funding to support a third Police Recruit Academy.
- **South San José Police Substation Repurpose:** a temporary repurpose will allow the relocation of the Training Unit from leased space, provide a facility for a third Police Recruit Academy, house the Community Service Officer Program, serve as the alternate Public Safety Answering Point, and facilitate Police Department fleet needs.
- **Anti-Human Trafficking Task Force:** adds one-time funding of \$150,000 to allow the Police Department to continue to combat human trafficking and assist victims while both State and federal funds are pursued over the coming months.
- **Police Recruitment and Background Services:** continues \$385,000 for backgrounding services for hiring and \$325,000 for recruiting and hiring efforts.
- **Police Crime Prevention Staffing:** adds 1.0 Crime Prevention Specialist and 1.0 Analyst II to increase community outreach, disseminate crime prevention information, and respond to residents' concerns about crime.
- **Downtown Foot Patrol Program:** continues one-time Police Department overtime funds of \$525,000 to allow the Department to continue the recently implemented Downtown Foot Patrol program to enhance safety in the Downtown area.
- **School Safety and Education Unit:** adds funding for 1.0 School Safety and Education Unit Supervisor to increase oversight of the City's 114 intersections where the Adult Crossing Guard Program is provided.
- **Central ID Unit Staffing Extension:** extends 2.0 Latent Fingerprint Examiner positions to allow the Central Identification Unit to continue to address the backlog in latent fingerprint cases.
- **Fire Department Information Technology Staffing:** adds 1.0 Senior Geographic Systems Specialist to assist with Fire Department data analytic needs and to help with the implementation of Computer-Aided Dispatch (CAD) system software.
- **Fire Non-Development Fee Program:** eliminates 1.0 vacant Hazardous Materials Inspector position, adds \$40,000 to conduct a fee study, and increases fees 3% 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

- Operate 12 community centers
- Continue anti-gang activities
- Continue anti-graffiti efforts
- Offer Family Camp Program
- Keep parks and trails open
- Deliver Senior Nutrition and Wellness Program

Code Enforcement

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

Library Services

- Branch Hours:**
 - Open 4 days per week (33-34 hours per week)
 - Evergreen Branch open 5 days per week
- Dr. Martin Luther King, Jr. Library:**
 - Open 77 hours/week during the academic year
 - Open 63 hours/week when the University is not in session

Animal Care and Services

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

2014-2015 Proposed Budget Actions

- **San José BEST Program and Safe Summer Initiative:** allocates \$1.5 million from an Earmarked Reserve in 2014-2015 and sets aside an additional reserve of \$1.5 million for 2015-2016 to continue gang prevention and suppression efforts (San José BEST and Safe Summer Initiative Programs). In 2014-2015 and 2015-2016, a total of \$4.6 million will be available for these efforts.
- **Homeless Response Team Park Rangers:** continues funding for 4.0 Park Ranger positions for the Homeless Response Team to continue efforts to address watershed protection and public safety in parks and trails.
- **Park Rangers:** adds 3.0 Park Rangers and 1.0 Senior Park Ranger to patrol the Downtown core parks, the Los Gatos Creek Trail as well of other trails, and neighborhood park hot spots. The Senior Park Ranger will help manage the Program.
- **Senior Transportation Services:** continues ongoing funding for gas cards for seniors and adds funding to meet the demand for other transportation options, including gas cards, bus passes and van service, for seniors to the 14 senior nutrition sites.
- **PRNS Neighborhood Programs:** continues funding for neighborhood support initiatives, including Spartan Keyes Neighborhood Action Center and Franklin McKinley Children's Initiative Summer Programming.
- **Overfelt Summer Swim Program:** continues funding for a recreational summer swim program for the Evergreen Community.
- **Fit Camp:** expands this summer camp to all ten community center hubs to help youth build habits for a healthier lifestyle.
- **Reservable Picnic Sites:** adds six reservable picnic sites at Emma Prusch Farm Park (1) and Frank Bramhall Park (5).
- **Evergreen Branch Library:** extends Saturday hours at the Evergreen Branch Library through June 30, 2015, and sets aside funding for these Saturday hours through March 31, 2016, at which time the new Southeast Branch is anticipated to open.
- **Dr. Martin Luther King, Jr. Library's Teen Center:** reallocates staff to increase safety and positive programming at the Dr. Martin Luther King, Jr. Library's Teen Center and Children's Room.
- **General Code Enforcement:** adds 3.0 Code Enforcement Inspectors to address all routine complaints city-wide, which should reduce the time to open a case from 21 days to 14 days and the average days to close a case from 90 days to 30 days.
- **Multiple Housing Occupancy Permits Tier Program:** implements a tier program for Multiple Housing Occupancy Permits, a risk-based and self-certification program that will allow Code Enforcement to focus on more problematic properties.
- **Illegal Dumping Rapid Response Pilot:** adds one-time funding to address illegal dumping by providing for an external consultant to help identify best practices and provide recommendations to address illegal dumping; installation of deterrent infrastructure in "hot spots;" educational outreach; and additional rapid response pick-ups and removals in neighborhoods.
- **Animal Care and Services (ACS):** adds 1.0 Volunteer Coordinator to manage the ACS volunteer program and adds funding for technology upgrades and equipment replacement needs at the ACS Center.

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 to work with Destination: Home, a public-private partnership with the goal of ending chronic homelessness
- Continue to employ a place-based, neighborhood-focused strategy

Arts and Cultural Events

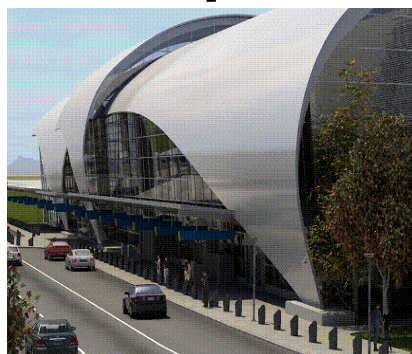
- Through arts and cultural development programs, maintain a culturally vibrant community

2014-2015 Proposed Budget Actions

- **Development Fee Programs:**
 - Adds resources, including approximately 29 positions, to support the development fee programs (Building, Planning, Public Works, Fire) with no general fee increases necessary to meet service delivery demands.
 - Targeted fee decreases, primarily for small residential alterations, are recommended in the Building and Public Works Development Fee Programs.
 - Shared support services funded by Development Services partners include: funding for the implementation and ongoing support of the Geographic Information System data migration project, workspace improvements, communications coordination, modernization of the desktop environment, cashiering support, and customer service training.
- **Urban Villages Implementation:** adds 5.5 positions to the following Departments to support the implementation of Urban Village Master Plans as identified in the Envision San José 2040 General Plan: Planning, Building and Code Enforcement (2.5 positions); Public Works (1.0 position); Parks, Recreation, and Neighborhood Services (1.0 position); and Transportation (1.0 position).
- **Rapid Rehousing Program/Homeless Response Team:** extends one-time staffing and contractual funding for a second year in 2014-2015 as well as adds 2.0 positions (one funded by Homeless Response Team allocation and one funded by Housing Trust Fund) to address concerns about homeless encampments and provide supportive services and rental subsidies to assist homeless individuals in their transition from homelessness to permanent housing. Also establishes a \$2.0 million Homeless Rapid Rehousing Reserve and a \$1.5 million Homeless Response Team Reserve for 2015-2016, which would continue these programs for a third year.
- **Housing Asset Management Program:** adds 1.0 position to the Housing Department to support the compliance management of the City's \$800 million affordable housing loan portfolio and its multi-family housing finance program.
- **Move Your Jobs to San José Communications:** adds one-time funding of \$100,000 for a communications campaign targeted at Silicon Valley driving industry companies seeking location and/or expansion space with a target launch of July 1, 2014.
- **Business Development and Economic Strategy Staffing:** adds 1.0 position to the Business Development Division of the Office of Economic Development to support the Business Cooperation Program.
- **Enterprise Zone Program Elimination:** eliminates 1.0 position and contractual services funding for the Enterprise Zone Program, offset by a corresponding reduction in fee revenue, to reflect the elimination of this program by the State in December 2013.

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

2014-2015 Proposed Budget Actions

- **Airport Passenger Marketing:** continues funding of \$500,000 and adds funding of \$175,000 for passenger advertising and marketing focused on retaining and increasing passenger levels. (Special Funds)
- **Air Service Development Consultant and Airports Council International's World Airport Service Quality Program:** adds ongoing funding of \$175,000 for an air service development consultant to enhance business development efforts, and adds \$18,000 for annual membership to the Airport Service Quality program to support customer service. (Special Funds)
- **Airport Web Content Management System (CMS) and Asset Management System SQL Conversion:** adds \$60,000 for a web CMS and adds \$35,000 to convert the asset system from Oracle to Structured Query Language Server. (Special Funds)
- **Maintenance Assessment Districts and Community Facilities Districts Renovation Projects:** adds one-time funding of \$1.3 million for renovation projects in several special assessment districts. (Special Funds)
- **Transportation Local Projects and Transportation Planning and Sustainability Group:** adds resources to assist in the acquisition of new transportation grants and coordinate the delivery of CIP grants, support "Green Vision" initiatives and partnerships, and provide multimodal transportation support for Envision 2040. (Special Funds)
- **Traffic Signal and Lighting Maintenance and Signal Operations/System Management Staffing:** adds resources to provide traffic related electrical maintenance services for the expanding infrastructure needs and for increased local traffic signal project work by providing proactive traffic management and regional project support. (Special Funds)
- **Pedestrian and Traffic Safety:** significant grant and local funding in the Proposed Capital Budget is targeted towards a variety of safety-related projects, including pedestrian safety improvements. (Capital Funds)
- **Walk n' Roll Program:** adds resources to support a Valley Transportation Authority (VTA) grant encouraging families to bike or walk children to school. (Special Funds)
- **Employee Commute Program Subsidy:** adds \$245,000 for an Employee Commute Program for City employees, including EcoPass VTA transit passes and potentially the ability to subsidize public transportation costs using pre-tax dollars. This program is subject to meet and confer with the City's bargaining units. (Special Funds)
- **Sidewalk Program Expansion:** adds resources to support an expanded Sidewalk Program by assessing landscape conditions and ensuring that any repair work completed is up to industry and City specifications.
- **Overnight Security Patrol:** provides ongoing contractual funding of \$58,000 to address property crime and homeless issues in the City-owned and operated parking facilities within the Downtown core. (Special Funds)

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, 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
- ❑ Lead implementation on four Green Vision goals (Goal 2: Reduce per capita energy use by 50%; Goal 3: Receive 100% of our electrical power from clean renewable sources; Goal 5: Divert 100% of the waste from our landfill; and Goal 6: Recycle or reuse 100% of our wastewater)

2014-2015 Proposed Budget Actions

- **Single Family Dwelling Waste Materials Processing – Phase I:** adds a net \$1.5 million for the sorting and processing of all waste materials collected from single-family residences prior to being sent to the landfill, with the goal of increasing the amount of materials recycled, and diverting waste sent to the landfill. (Special Funds)
- **Multi-Family Dwelling Bulky Goods Collections:** adds funding to enhance the bulky item collections at multi-family dwellings by offering two separate bulky item collection requests (1-3 items per request) each year. (Special Funds)
- **Vehicles to Support the Sanitary and Storm Sewer Programs, Water Pollution Control Plant, and the Municipal Water System:** adds \$1.2 million to replace outdated vehicles that support the sanitary sewer and storm sewer programs; adds \$550,000 to purchase an additional Caterpillar 980 Front Loader for the Water Pollution Control Plant; and adds \$150,000 to replace three vehicles to support the Municipal Water System. (Special Funds)
- **Water Pollution Control Plant (WPCP) – Capital Improvement Program Staffing:** adds 1.0 Wastewater Operations Superintendent, 1.0 Principal Engineer, 1.0 Associate Engineering Technician, and 1.0 Geographic System Specialist II positions at the Plant for various capital improvement programs. The City Council-approved Plant Master Plan identifies nearly \$1.0 billion in Plant capital improvements over the next 10-15 years. (Special Funds)
- **Water Pollution Control Plant (WPCP) – Plant Attendant Staffing:** adds 9.0 Plant Attendant positions to create additional points of entry into the WPCP Mechanic classification series and help obtain a qualified candidate pool for existing Wastewater positions. (Special Funds)
- **Municipal Water Staffing:** adds 1.0 Senior Engineer position to manage the water supply master planning, new infrastructure development, alternative water supplies; and conservation and drought response. (Special Funds)
- **Street Sweeping Signage:** adds 1.0 Parking and Traffic Control Officer and 0.25 Associate Construction Inspector and provides funding to install up to 40 curb miles of prohibitive parking signs on residential streets that experience high parking impacts, which would result in reducing the City’s trash load and produce cleaner streets. (General Fund, Special Funds)
- **Sanitary Sewer and Storm Sewer Pump Crew Maintenance:** adds 2.0 Maintenance Worker positions to maintain service levels at the City’s pump stations and better position the City to address future expansion. Three additional pump stations are expected to come on-line in 2015. (Special Funds)
- **Rate Changes:** no rate increases are proposed for the Sewer Service and Use Charge Fee and the Storm Sewer Service Fee. Recycle Plus rates are estimated to increase by 3% for single-family dwelling units and 5% for multi-family dwelling units. Municipal Water System rates are estimated to increase by 11% due primarily to the higher cost for wholesale water and increased operating costs. (Special Funds)

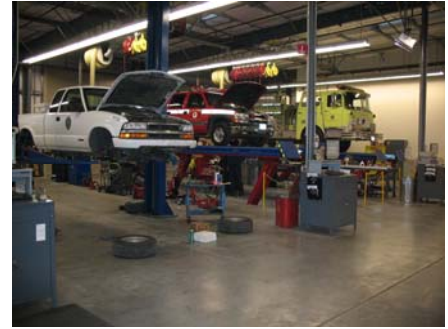
Service Delivery Highlights

Strategic Support



Key Strategic Support Services

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



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 that meet both customer and City staff needs
- 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

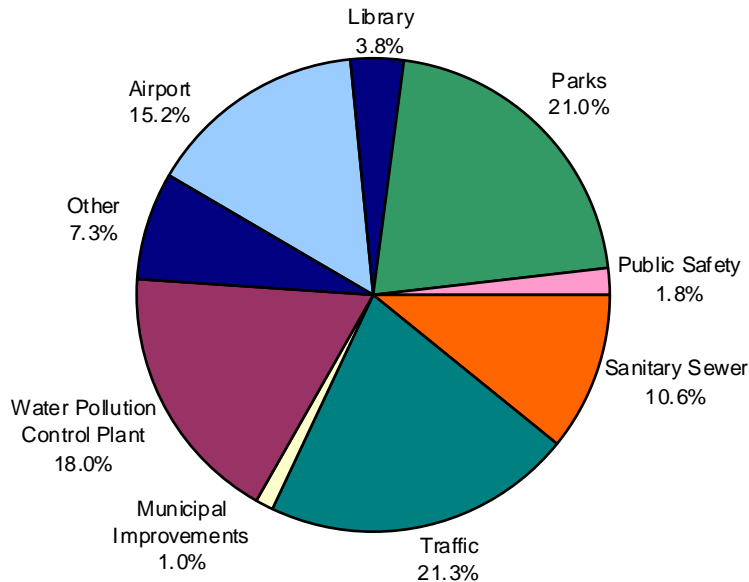
2014-2015 Proposed Budget Actions

- **United States Patent and Trademark Office at City Hall:** adds one-time funding of \$4.5 million to relocate City offices to make space for the US Patent and Trademark Office (USPTO) to move into the City Hall Wing by mid-2015. These costs will be recovered through USPTO lease payments over the next five years.
- **Deferred Infrastructure and Maintenance Needs:** adds one-time funding (\$1.6 million) to address a limited amount of unmet/deferred infrastructure needs at several City-owned facilities, including the Children's Discovery Museum, City Hall, Police Communications Center, Police Administration Building, and the Municipal Garage.
- **Preventative Maintenance at City Facilities:** continues \$1.3 million (\$800,000 ongoing) to maintain preventive 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 additional funding to replace the City's Human Resources/Payroll System (\$1.0 million) and the Business Tax System (\$850,000), modernize desktop infrastructure across the city (\$500,000), replace servers (\$250,000), provide an incremental replacement to the Storage Area Network (SAN) (\$150,000), and provide staff training to support the newest technology (\$100,000).
- **Open Data Initiative:** adds 1.0 Open Data Architect and funding for an open data tool set to the Information Technology Department to link the City's current open data platform to legacy databases. This initiative increases transparency and emphasizes accountability by providing the public access to the same data sets used by the Administration to make decisions.
- **Technical Business Analyst:** adds 1.0 Technology Business Analyst to analyze business processes and recommend solutions that will enhance productivity and efficiency by leveraging investments the City has already made.
- **Civic Innovation Staffing:** adds 1.0 position to manage skills-based volunteers through the Silicon Valley Talent Partnership.
- **Police Department Human Resources Staffing:** adds 1.0 position to address the human resources-related questions and assist with disability retirement issues in the Police Department.
- **Capital Project Staffing:** adds a net 7.5 capital-funded staff in the Public Works Department to support the delivery of the City's 2014-2015 Capital Program.
- **Retirement Services:** adds 1.0 Senior Auditor to address operational audits and 1.0 Staff Technician to support the Investments Division.
- **City Attorney's Office:** continues 2.0 positions in the City Attorney's Office to provide legal support for the Water Pollution Control and Sanitary Sewer Capital Programs.

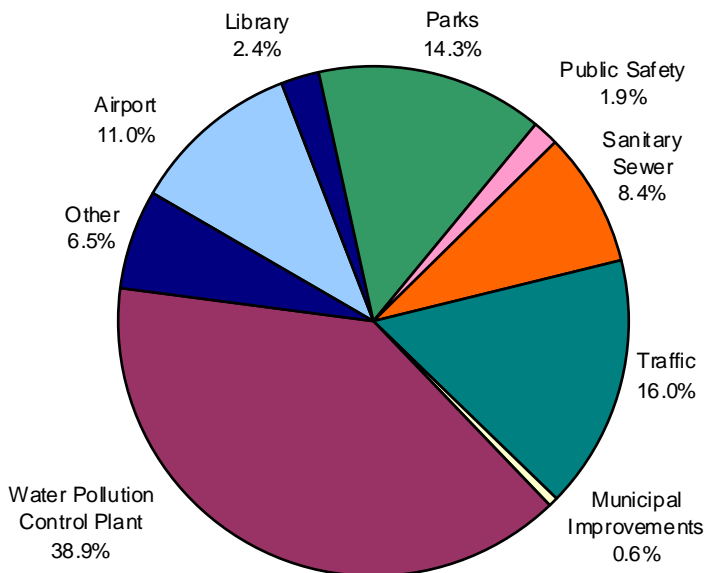
Capital Budget Highlights

The CIP is composed of 14 capital programs. The following pie charts depict the funding uses by capital programs and percentage of funding for the 2014-2015 Capital Budget and the 2015-2019 Capital Improvement Program. Major projects to be completed over the next five years are highlighted in the sidebar.

**2014-2015 Proposed Capital Budget
Use of Funds (\$790.1 million)**



**2015-2019 Capital Improvement Program
Use of Funds (\$2.3 billion)**



Major Projects to be Completed Over the Next Five Years

2014-2015 Projects

Autumn Street Extension
 Bollinger Road – Blaney Avenue Sanitary Sewer Improvements
 Del Monte Park
 ITS: Transportation Incident Management Center
 Martin Park Expansion
 Montague Expressway Improvements Phase 2
 North San José Improvement – 880/Charcot Pavement Maintenance – Federal (OBAG)
 Police Communications Center Parking Deck and Ramp Restoration
 Rincon Avenue – Virginia Avenue Sanitary Sewer Improvement
 Terminal A Ground Transportation Island Modification
 TRAIL: Penitencia Creek Reach 1B (Noble Avenue to Dorel Drive)
 West Evergreen Park
 Willow Glen – Guadalupe, Phase III

2015-2016 Projects

Fire Station 21 – Relocation (White Road)
 Fowler Creek Park Improvements
 Lake Cunningham Bike Park
 Large Trash Capture Devices
 North San José Improvement – 101/Zanker
 TRAIL: Coyote Creek (Story Road to Selma Olinder Park)
 Safe Routes to School Program (OBAG)
 Southeast Branch Library
 Southeast Ramp Reconstruction, Phase I
 Trimble Road and Capewood Lane Sanitary Sewer Improvements
 United States Patent and Trademark Office – City Staff Relocation

2016-2017 Projects

60" Brick Interceptor, Phase VIA and VIB
 BART Design and Construction
 Cadwallader Reservoir Rehabilitation
 Edenvale Reservoir Rehabilitation
 Plant Electrical Reliability
 Security Exit Doors (Airport)
 Southeast Ramp Reconstruction, Phase II
 The Alameda "Beautiful Way" Phase 2 (OBAG)

2017-2018 Projects

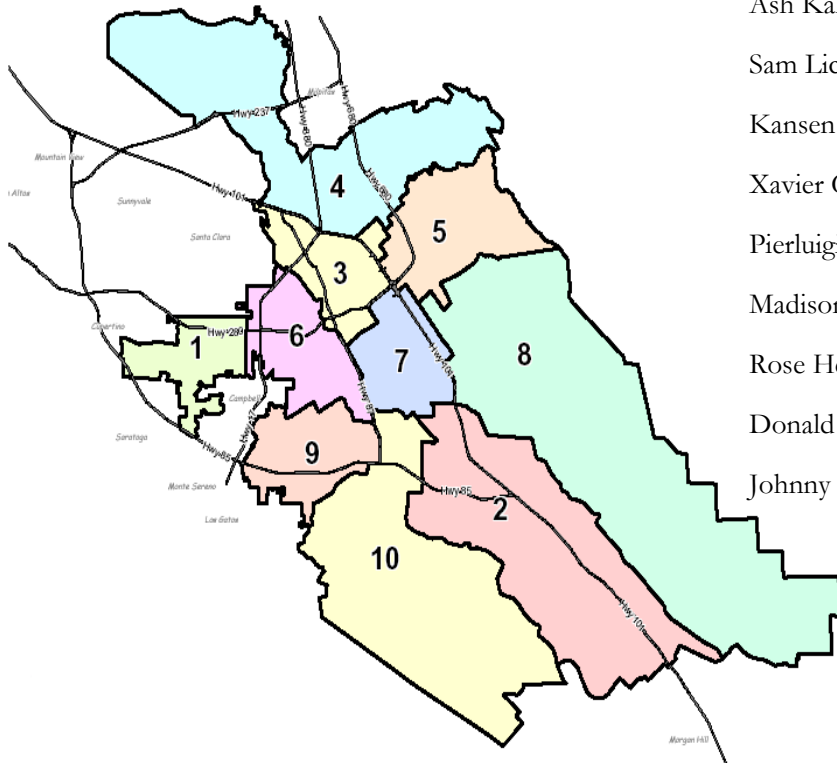
Energy Generation Improvements (Plant)
 Taxiway H and K Extension

2018-2019 Projects

Airport Rescue and Fire Fighting Facility
 Digested Sludge Dewatering Facility (Plant)
 Route 101/Blossom Hill Road Interchange
 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

CITY COUNCIL	DISTRICT	TELEPHONE/ E-MAIL
Chuck Reed	Mayor	535-4800 mayoremail@sanjoseca.gov
Pete Constant	1	535-4901 District1@sanjoseca.gov
Ash Kalra	2	535-4902 District2@sanjoseca.gov
Sam Liccardo	3	535-4903 District3@sanjoseca.gov
Kansen Chu	4	535-4904 District4@sanjoseca.gov
Xavier Campos	5	535-4905 District5@sanjoseca.gov
Pierluigi Oliverio	6	535-4906 pierluigi.oliverio@sanjoseca.gov
Madison P. 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

Edward K. Shikada
 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 2014-2015 Proposed Operating and Capital budgets are posted on the City's website under the Budget Office at <http://www.sanjoseca.gov/index.aspx?nid=4259>.

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.