

General Fund Recommended Budget Adjustments Summary

Annual Report 2010-2011

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
REQUIRED TECHNICAL/REBALANCING ACTIONS				
2009 Urban Areas Security Initiative (UASI) Grant - Fire (Thermal Imaging Cameras)	CITY-WIDE EXPENSES		(\$11,937)	
Decreases the 2009 Urban Areas Security Initiative (UASI) Grant - Fire city-wide appropriation to reimburse the Fire Apparatus Replacement capital improvement appropriation. In 2010-2011, the 2009 UASI Grant- Fire appropriation did not have enough funding to charge the purchase of thermal imaging cameras for the emergency fire apparatus; however, the UASI grant had funding appropriated in 2011-2012. The UASI eligible cameras were temporarily charged to the Fire Apparatus Replacement appropriation in 2010-2011; therefore, this action is recommended to reimburse the Fire Apparatus Replacement appropriation. A corresponding increase to the Fire Apparatus Replacement appropriation is recommended elsewhere in this report.				
2012-2013 Future Deficit Reserve	EARMARKED RESERVES		\$5,661,917	
Establishes a 2012-2013 Future Deficit Reserve totaling \$11.62 million. Per direction from the City Council-approved Mayor's June Budget Message for Fiscal Year 2011-2012, any additional funding resulting from a complete retirement contributions reconciliation and an unemployment contributions reconciliation based on final actions approved as part of the 2011-2012 Adopted Budget were to be used to establish a 2012-2013 Future Deficit Reserve. In addition, any ending fund balance that may be available after the close of the 2010-2011 fiscal year will be allocated entirely to the 2012-2013 Future Deficit Reserve. An increase of \$5.66 million is recommended to the 2012-2013 Future Deficit Reserve, as reflected in this section, to reflect the net remaining funds from the close out of the 2010-2011 fiscal year. An additional increase to the Future Deficit Reserve totaling \$5.96 million is also recommended from the savings associated with the retirement contributions (\$4.31 million) and unemployment insurance (\$1.65 million) reconciliations as described in further detail in the General Fund Clean-Up Actions section of this report.				
Business Taxes Revenue Adjustment	REVENUE ADJUSTMENTS			(\$200,000)
A decrease to the Business Taxes revenue estimate of \$200,000 (from \$38,795,000 to \$38,595,000) is recommended to reflect lower estimated Disposal Facility Tax revenues based on actual 2010-2011 performance and the downward collection trend in this category. With this adjustment, the Disposal Facility Tax revenue estimate will be reduced from \$10.9 million to \$10.7 million, allowing for a 3% decline from the actual 2010-2011 collection level.				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Code Enforcement Clean-Up</i>	PLANNING, BLDG, & CODE ENF		\$50,000	
<p>This action increases the Planning, Building and Code Enforcement Department's Non-Personal/Equipment appropriation to fund contractual services for the clean-ups on properties that are found to be unsafe, dangerous, hazardous, or a nuisance. Originally, funds received from liens placed on property owners to cover the clean-up costs were deposited and expended from an unbudgeted fund which will be closed out in 2011-2012. It has been determined that a more appropriate process is to have the Department spend from their Non-Personal/Equipment appropriation with the reimbursements to be deposited in the General Fund. Since the activity level is minimal and volatile, no revenues are being recommended to be recognized at this time. There will be no net impact to the General Fund because existing funds are currently in the unbudgeted fund and will be transferred to the General Fund to support these costs.</p>				
<i>Fire Apparatus Replacement (Thermal Imaging Cameras)</i>	CAPITAL PROJECTS		\$11,937	
<p>Increases the Fire Apparatus Replacement capital improvement appropriation with funding from the 2009 Urban Areas Security Initiative (UASI) Grant - Fire city-wide appropriation. In 2010-2011, the 2009 UASI Grant - Fire appropriation did not have enough funding to charge the purchase of thermal imaging cameras for the emergency fire apparatus; however, the UASI grant had funding appropriated in 2011-2012. The UASI eligible cameras were temporarily charged to the Fire Apparatus Replacement appropriation in 2010-2011; therefore, this action is recommended to reimburse the Fire Apparatus Replacement appropriation. A corresponding decrease to the 2009 UASI Grant - Fire appropriation is recommended elsewhere in this report.</p>				
<i>Franchise Fees Adjustment</i>	REVENUE ADJUSTMENTS			(\$400,000)
<p>A decrease to the Franchise Fees revenue estimate of \$400,000 (from \$43,025,000 to \$42,625,000) is recommended to reflect lower anticipated collections in the Commercial Solid Waste Franchise Fees category based on actual 2010-2011 performance and the downward collection trend in this category. This adjustment would reduce the 2011-2012 Commercial Solid Waste Franchise Fees revenue estimate from \$9.6 million to \$9.2 million, allowing for a 3.2% decline from the 2010-2011 actual collection level of \$9.5 million.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Landscape Accident Repair Program</i>	TRANSPORTATION		\$35,000	
<p>This action increases the Department of Transportation's Non-Personal/Equipment appropriation to provide funding for emergency repairs to median islands, median island landscaping, and the irrigation system as a result of traffic accident damages. Originally, funds received from insurance companies to cover the damages were deposited and expended from an unbudgeted fund which will be closed out in 2011-2012. It has been determined that a more appropriate process is to have the Department spend from their Non-Personal/Equipment appropriation with the reimbursements to be deposited in the General Fund. Since the activity level is minimal and volatile, no revenues are being recommended to be recognized at this time. There will be no net impact to the General Fund because existing funds are currently in the unbudgeted fund and will be transferred to the General Fund to support these costs.</p>				
<i>Leland Sports Field Repayment</i>	TRANSFERS		\$120,000	
<p>Establishes a Transfer to the Council District 10 Construction and Conveyance Tax Fund in the amount of \$120,000 toward the total repayment of \$350,000 that originally supported the addition of an enhanced concession/storage/bathroom facility at the Leland Sports Field. As approved by City Council on March 20, 2007, fees collected from use of this sports field will: support ongoing operational and maintenance costs; repay Council District #10 Construction and Conveyance Tax Fund the \$350,000 that was advanced to the project from the District; and establish a reserve for future replacement of the turf should there be a need to replace the turf prior to the expiration of the agreement. This allocation of \$120,000 reflects the balance of fees collected once the cost of operations and maintenance were paid in 2008-2009, 2009-2010 and 2010-2011. There is a corresponding transaction in the Council District #10 Construction and Conveyance Tax Fund.</p>				
<i>Living Wage Hourly Wage Increase</i>	PARKS, REC, & NEIGH SVCS		\$90,000	
<p>Increases the Personal Services appropriation in the Parks, Recreation and Neighborhood Services Department to provide for increased costs associated with several part-time unbenefitted positions (Assistant Swimming Pool Manager, Instructor Lifeguard, Open Water Lifeguard, and Regional Park Aide) where the hourly living wage (\$14.84) exceeds the budgeted hourly wage in 2011-2012. As included in the 2011 Living Wage Rates Information Memorandum distributed to City Council on May.20, 2011, per the Living Wage Policy, the living wage rates for direct service contracts solicited for and entered into after July 1, 2011 were increased to \$13.59 per hour with health insurance benefits and \$14.84 per hour without health insurance benefits.</p>				

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REQUIRED TECHNICAL/REBALANCING ACTIONS				
<i>Property Tax Adjustment</i>				
A decrease to the Property Tax revenue estimate of \$1,359,000 (from \$201,454,000 to \$200,095,000) is recommended to bring the revenue estimate in line with the 2011-2012 Property Tax information provided by the County of Santa Clara Controller-Treasurer Department in August 2011. This includes downward adjustments to the following Property Tax sub-categories: Secured Property Tax (down \$327,000); SB 813 Property Tax (down \$656,000); Unsecured Property Tax (down \$346,000); and Homeowner's Exemption Subvention (down \$30,000).	REVENUE ADJUSTMENTS			(\$1,359,000)
<i>Revenue from the State of California - Motor Vehicle In-Lieu Adjustment</i>				
A net decrease of \$700,000 to the Motor Vehicle In-Lieu revenue estimate is recommended to reflect the following: a decrease of \$2.8 million to reflect the elimination of the 2011-2012 Motor Vehicle In-Lieu revenue estimate based on the recent State approved bill (SB 89) which eliminated these payments beginning in 2011-2012; and the addition of \$2.1 million that was received from the State in July 2011 to recognize a true-up payment that accounted for underpayments in prior years (2006-2007 through 2009-2010).	REVENUE ADJUSTMENTS			(\$700,000)
<i>Sales Tax Adjustment</i>				
An increase to the General Sales Tax estimate of \$6.2 million (from \$136.8 million to \$143.0 million) is recommended to recognize additional Sales Tax revenue generated in the fourth quarter 2010-2011 (\$2.6 million) and higher estimated collections based on an adjusted starting point for 2011-2012 (\$3.6 million). This adjustment will allow for 2% economic growth in 2011-2012 sales tax collections over the actual level received in 2010-2011.	REVENUE ADJUSTMENTS			\$6,223,000
<i>Transfer to Police and Fire Retirement Fund (SB 90 Reimbursements)</i>				
Establishes a transfer to the Police and Fire Retirement Fund for reimbursements from the State of California for the City's Police and Fire Retirement Plan following state mandates. The Police and Fire Retirement Plan (Plan) is required to offer medical benefits to the surviving spouse and family of sworn officers that died in the line of duty. Annually, the Plan provides information regarding the amounts paid by the Plan and requests reimbursement from the State. The reimbursements have been posted to the General Fund in error since 2006-2007 for reimbursements that cover claims since 1996-1997; however, it has been recently discovered that the reimbursement should have been instead posted to the Police and Fire Retirement Fund.	TRANSFERS		\$275,368	
TOTAL REQUIRED TECHNICAL/REBALANCING ACTIONS			\$6,232,285	\$3,564,000

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GRANTS/REIMBURSEMENTS/FEES				
<i>2011 COPS Hiring Grant/Revenue from the Federal Government</i>	POLICE	2.55	\$181,257	\$181,257
<p>On September 28, 2011, the City was awarded the 2011 COPS grant in the amount of \$1,703,664 to reimburse the City for the costs related to three entry level Police Officer positions for three years. The City is responsible for the costs related to higher than entry-level salaries, non-reimbursable benefits, and non-personal/equipment associated with the three positions. As part of the grant award, the City must also retain the positions for an additional year after the three year grant reimbursement period has expired. This action adds the three Police Officer positions to the Police Department and recognizes and appropriates \$181,257 (2.55 positions) for the reimbursement from the federal government of their associated costs, effective February 1, 2012. A corresponding entry in the Federal Asset Forfeiture Fund for \$32,354 (0.45 positions) is also recommended in this report to provide for the cost differences for the three positions that are not grant reimbursement eligible. Year two of the grant will be included as part of the 2012-2013 Base Budget process.</p>				
<i>2011-2012 Anti Drug Abuse Grant/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$125,897	\$125,897
<p>Recognizes and appropriates grant funding to the Police Department from the State of California Governor's Office of Emergency Services to reimburse for equipment (\$97,810) and training (\$28,087) related to anti-drug abuse activities. The Police Department will purchase rifles, rifle sights, ammunition, ballistic shields, bulletproof vests, and stealth trackers. In addition, the funding will allow 16 officers to attend the California Narcotic Officers' Association (CNOA) Narcotics Conference and observe best practices in the field of narcotics interdiction programs and one officer to attend the California Narcotic Canine Association (CNCA) Narcotics Conference. A corresponding increase to the estimate for Revenue from the State of California is also recommended.</p>				
<i>2011-2012 Internet Crimes Against Children (ICAC) State Grant/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$125,000	\$125,000
<p>Recognizes and appropriates grant funding to the Police Department from the State of California Governor's Office of Emergency Services to reimburse for the travel and training of San José Police Department (SJPD) ICAC investigators and Silicon Valley ICAC (SVICAC) affiliate agency investigators. Trainings include ICAC Internet Technologies and Tracking, Undercover Chat, Cybertip Manager, First Responder, and two National White Collar Crime Center courses provided by SJPD for the SVICAC affiliates. A corresponding increase to the estimate for Revenue from the State of California is also recommended.</p>				

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GRANTS/REIMBURSEMENTS/FEEES				
<i>AFIS Phase II Upgrade/Revenue from Local Agencies</i>	POLICE		\$896,000	\$896,000
<p>Increases the Police Department's Non-Personal/Equipment appropriation to fund the Phase II upgrade to the Automated Fingerprint Identification System (AFIS). Phase I was funded in 2010-2011 and included upgrading software in 24 LiveScan stations to capture better fingerprint resolution as well as upgrades to support DNA sample collection. Funding from the CAL-ID Regional Access Network Board (SB720 funding) for Phase II will be used to implement an Advanced Data Services (ADS) server and database, Data Exchange/Data Processing (DES/DPS) servers, and an Administrative Workstation. The server and database upgrades will process and store new data records submitted to AFIS, as well as track and process updates of existing records. A corresponding increase to the estimate for Revenue from Local Agencies is also recommended.</p>				
<i>After School Education and Safety Programs for 2011-2012/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$607,861	\$607,861
<p>Recognizes State grant funding and establishes an appropriation to support after school education and safety programs in the Berryessa and Alum Rock Union School Districts for the 2011-2012 school year. The After School Education and Safety Program is a voter-approved initiative to support local after school education and enrichment programs by providing literacy, academic enrichment and constructive alternatives for students in kindergarten through the ninth grade.</p>				
<i>Fee Supported Reserve - Public Works</i>	EARMARKED RESERVES		(\$312,000)	
<p>Decreases the Fee Supported Reserve - Public Works to support increased costs for development fee activity. Due to increased activity in 2010-2011, capital-funded staff have been reallocated from capital projects to the Development Fee Program and the creation of a temporary Civil Engineer position to maintain customer service delivery was necessary. In particular, two significant projects in North San José, Sony, and Fairfield Northpointe have impacted Public Works' ability to achieve its agreed upon performance with developers of processing 85% of the plans within their processing cycle time. A corresponding increase to the Public Works Department's Personal Services appropriation is recommended elsewhere in this report.</p>				

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GRANTS/REIMBURSEMENTS/FEEES				
<i>Mobile Identification System Enhancement/Revenue from Local Agencies</i>	POLICE		\$481,052	\$481,052
Increases the Police Department's Non-Personal/Equipment appropriation for the purchase of equipment to upgrade the Mobile ID System in order to enhance the quality of criminal identification information maintained by the State. Funding from the CAL-ID Regional Access Network Board (SB720 funding) will be used to upgrade LiveScan equipment in police vehicles, Mobile ID devices carried by patrol officers, and the T-1 line and broadband connections for the Mobile ID network. A corresponding increase to the estimate for Revenue from Local Agencies is also recommended.				
<i>Public Works Development Fee Program</i>	PUBLIC WORKS		\$312,000	
Increases the Public Works Department's Personal Services Development Fee appropriation to support increased costs for development fee activity. Due to increased activity in 2010-2011, capital-funded staff have been reallocated from capital projects to the Development Fee Program and the creation of a temporary Civil Engineer position to maintain customer service delivery was necessary. In particular, two significant projects in North San José, Sony, and Fairfield Northpointe have impacted Public Works' ability to achieve its agreed upon performance with developers of processing 85% of the plans within their processing cycle time. A corresponding decrease to the Fee Supported Reserve - Public Works is recommended elsewhere in this report.				
<i>Recovery Act - Anti Drug Abuse Enforcement/Revenue from the State - Recovery Act</i>	CITY-WIDE EXPENSES		\$6,000	\$6,000
Increases the Recovery Act- Anti Drug Abuse Enforcement grant to fund anti-drug abuse activities in 2011-2012 and recognize the full amount of the grant award. The total grant amount of \$116,801 was awarded from the Governor's Office of Emergency Services to fund Police Department overtime to conduct covert anti-drug operations during the term of the grant (March 1, 2010 through February 28, 2012). In accordance with the spending plan, \$60,066 was appropriated and expended in 2010-2011. The remaining balance of \$56,735 was to be appropriated in 2011-2012 as part of the Manager's Budget Addendum #47; however, only \$50,735 was appropriated. This action recognizes and appropriates the remaining \$6,000 in grant funding to be used for anti-drug abuse operations by the February 28, 2012 spending deadline. A corresponding increase to the estimate for Revenue from the State of California - Recovery Act is also recommended.				

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GRANTS/REIMBURSEMENTS/FEES				
<i>Senior Nutrition Program/Revenue from Local Agencies and Departmental Charges</i>	PARKS, REC, & NEIGH SVCS		\$414,220	\$414,220
<p>Recognizes revenue from the County (\$357,220) and from retained donations from participants (\$57,000) and appropriates Personal Services funding (Kitchen Aides, Cooks, Food Service Coordinators) (\$214,280) and Non-Personal/Equipment funding for food and non-food expenses (\$199,940) for the Senior Nutrition Program through the end of October. Beginning in November, this program will be delivered by an alternative service provider, with some reduced support continuing to be provided by the City. In the 2010-2011 Adopted Budget, the City Council approved the elimination of the Senior Nutrition Program, effective July 2011. In an effort to mitigate this reduction, a task force of various local agencies was convened to identify a lower-cost alternative to meeting the nutrition needs of the San José senior community, and it was recommended that a joint effort between the City, County and non-profits continue to offer this program at up to 13 City Community Center sites. Funding of \$550,000, which included funding for 1.0 Recreation Supervisor and 0.5 part-time Analyst, was added to the Department's budget in 2011-2012 for this purpose. City staff is currently reviewing alternative providers for delivering this program at this lower cost level and will return to the Neighborhood Services and Education Committee in November 2011 with those recommendations.</p>				
<i>Sheppard Middle School Sports Field Operations and Maintenance/Revenue from Local Agencies</i>	PARKS, REC, & NEIGH SVCS		\$33,000	\$33,000
<p>Increases the estimate for Earned Revenue and the Parks, Recreation and Neighborhood Services Department's Personal Services (\$9,500) and Non-Personal/Equipment (\$23,500) appropriations to fund operations and maintenance costs at the Sheppard Middle School Sports Field, scheduled to open in March 2012. This funding will cover the costs associated with making and monitoring field reservations and maintaining the field turf. These costs will be offset by revenue generated from reservations at the sports field received from the Alum Rock Union School District.</p>				
<i>Silicon Valley Interoperability Project/Revenue From Local Agencies</i>	CITY-WIDE EXPENSES		\$75,000	\$75,000
<p>Recognizes Revenue from Local Agencies and establishes an appropriation for the Silicon Valley Regional Interoperability Project (SVRIP) for continued staffing resources associated with the program through November 2011. The SVRIP was formed to enhance interagency coordination and communication between public safety agencies and to exchange critical information and resources in real time during an emergency. The SVRIP operates under the general direction of the Santa Clara County/Cities Managers Association; the City provides funding up front for expenditures and is reimbursed by the SVRIP Fiscal Agent, County of Santa Clara.</p>				

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GRANTS/REIMBURSEMENTS/FEEES				
<i>South Bay Metro Task Force/Revenue from State of California</i>	POLICE		\$67,203	\$67,203
Increases the Police Department's Personal Services appropriation for operations associated with the South Bay Metro Task Force, which focuses on narcotics related investigations. Funding includes overtime for one officer primarily assigned to the Task Force and overtime for other Covert Response Unit (CRU) officers participating in Task Force operations. The total grant amount is \$100,804 and the term is from July 1, 2011 through December 31, 2012. \$67,203 will be appropriated in 2011-2012 and the remaining \$33,601 will be appropriated in 2012-2013 as part of the budget process. A corresponding increase to the estimate for Revenue from the State of California is also recommended.				
<i>State Homeland Security Grant/Revenue from State of California</i>	FIRE		\$52,651	\$52,651
Increases the Fire Department's Personal Services appropriation for Strike Team Leader training and All Risk Division Supervisor training. A total of 24 Fire Department personnel attended these trainings in July 2011 that were administered by the Santa Clara County Office of Emergency Services. A corresponding increase to the estimate for Revenue from the State of California is also recommended.				
<i>State Waste Tire Amnesty Grant/Revenue from State of California</i>	PLANNING, BLDG, & CODE ENF		\$29,990	\$29,990
This action increases the Planning, Building and Code Enforcement Department's Personal Services (\$11,988) and Non-Personal/Equipment (\$18,002) appropriations and recognizes a grant from the State of California for the Waste Tire Amnesty Program. The funding will provide for the monitoring of waste tire bins at neighborhood clean-ups (estimated 25 clean-ups in 2011-2012), a hauler to dispose the waste tires, and marketing/public outreach to residents regarding the neighborhood clean-ups.				
<i>State Waste Tire Enforcement Grant/Revenue from State of California</i>	PLANNING, BLDG, & CODE ENF		\$37,006	\$37,006
This action increases the Planning, Building and Code Enforcement Department's Personal Services (\$22,506) and Non-Personal/Equipment (\$14,500) appropriations and recognizes grant funding from the State of California for Waste Tire Enforcement to align funding with the grant award. An estimated grant award was recognized and appropriated as part of the 2011-2012 Adopted Budget, and this action will align funding with the final grant award which was received after the development of the 2011-2012 Adopted Budget. This grant funds an Environmental Inspector position and associated non-personal expenditures which provides waste tire enforcement activities (such as investigate illegal tire disposal, perform waste tire inspections, and ensure compliance with all applicable laws and regulations).				

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GRANTS/REIMBURSEMENTS/FEES				
<i>Summer Youth Nutrition Program/Revenue from State of California</i>	CITY-WIDE EXPENSES		\$60,724	\$60,724
<p>Recognizes and appropriates reimbursed grant revenue from the California Department of Education Nutrition Services Division and corresponding expenditure budget in support of the 2011 Summer Youth Nutrition program. Lunches and snacks were provided to youth at the Roosevelt and Mayfair Community Centers, Alviso Youth Center, and Ramblewood Elementary School for the period June 2011 through mid-August 2011.</p>				
TOTAL GRANTS/REIMBURSEMENTS/FEES			2.55	\$3,192,861
URGENT FISCAL/PROGRAM NEEDS				
<i>Comprehensive General Plan Update</i>	CITY-WIDE EXPENSES		\$120,000	
<p>Increases the Comprehensive General Plan Update appropriation to provide personal services funding (\$15,000) for staff to attend community meetings and public hearings, and associated non-personal/equipment funding (\$85,000) for marketing and public outreach (e.g. printing of publications, postage for mass mailing, and translation services). In addition, this action will provide funding for the Department of Transportation (\$20,000) to develop and analyze land use scenarios; develop, compile, and validate dynamic traffic assignments; and review, coordinate, and respond to Environmental Impact Reports (EIR). These costs related to the General Plan Update were inadvertently left out during the development of the 2011-2012 Adopted Operating Budget. A recommendation to decrease the General Plan Update Reserve is also included elsewhere in this report to offset this action.</p>				
<i>General Plan Update Reserve</i>	EARMARKED RESERVES		(\$120,000)	
<p>Decreases the General Plan Update Reserve to provide personal services funding (\$15,000) for staff to attend community meetings and public hearings, and associated non-personal/equipment funding (\$85,000) for marketing and public outreach (e.g. printing of publications, postage for mass mailing, and translation services). In addition, this action will provide funding for the Department of Transportation (\$20,000) to develop and analyze land use scenarios; develop, compile, and validate dynamic traffic assignments; and review, coordinate, and respond to Environmental Impact Reports (EIR). These costs related to the General Plan Update were inadvertently left out during the development of the 2011-2012 Adopted Operating Budget. A recommendation to increase the Comprehensive General Plan Update appropriation is also included elsewhere in this report to offset this action.</p>				

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URGENT FISCAL/PROGRAM NEEDS				
<i>Habitat Conservation Plan Earmarked Reserve</i>	EARMARKED RESERVES		\$100,000	
<p>Establishes a Habitat Conservation Plan Earmarked Reserve in the amount of \$100,000. The City Council is currently discussing refinements to the draft Habitat Conservation Plan (City Council Agenda, 9/20/11 – Item 4.3, 9/27/11 – Item 4.1) as directed as part of the City Council-approved Mayor’s June Budget Message for Fiscal Year 2011-2012. If the City Council approves to proceed with the plan, funding will be required to prepare the Final Habitat Conservation Plan for formal review by the U.S. Fish and Wildlife Service and California Department of Fish and Game. In addition, consultant costs will be necessary to prepare the supporting documents to allow the Army Corps of Engineers to issue a Regional General Permit for wetlands. The estimated costs are \$100,000 to prepare the final habitat plan and funding is recommended to be set aside in a reserve, pending final City Council decision to proceed with or terminate the plan. If the City Council chooses to proceed with the plan, the reallocation of funding from the reserve to fund these activities will be recommended as part of the 2011-2012 Mid-Year Budget Review in February 2012. However, should the City Council decide not to proceed with the plan, funding will be recommended to be allocated to the 2012-2013 Future Deficit Reserve as part of the 2011-2012 Mid-Year Budget Review.</p>				
<i>Horse Mounted Unit</i>	POLICE		\$102,000	
<p>Increases the Police Department's Personal Services (\$56,000) and Non-Personal/Equipment (\$46,000) appropriations to continue the Horse Mounted Unit (HMU) through mid-February 2012 as a collateral assignment as described in the 2011-2012 Adopted Operating Budget. The Friends of the Horse Mounted Unit (Friends) were fundraising for the collateral HMU assignment and provided \$35,500 towards operations in 2011-2012. As the Friends are no longer engaged in these fundraising efforts, the Administration is now exploring having the San José Police Foundation fundraise matching funds of \$102,000 to continue the HMU through the end of 2011-2012. The Police Department will report on the fundraising efforts to the City Council with an information memorandum in late November to determine if the HMU will continue through June 2012. If the fundraising efforts are not successful, this will leave the Department enough time to disband the HMU by mid-February.</p>				

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URGENT FISCAL/PROGRAM NEEDS				
<i>Minimum Staffing Overtime Augmentation</i>	FIRE		\$760,000	
<p>Increases the Fire Department's Personal Services appropriation with overtime funding to augment daily minimum staffing requirements to ensure the Department stays within its Personal Services appropriation by year-end. In order to generate savings for the 2011-2012 Adopted Operating Budget, the Fire Department's overtime budget was reduced by \$3.8 million, leaving \$2.8 million for minimum staffing needs. This reduction was part of the Flexible Brown-Out Plan that is described in the 2011-2012 Adopted Operating Budget. Due to higher than anticipated absence rates through the first two months of this year and Department-wide understaffing at the Fire Engineer rank, overtime expenditures through August were higher than budgeted but necessary in order to maintain acceptable fire service response times. The Department is reviewing staffing configurations, and the completion of a Fire Engineer Academy in mid-September should mitigate future additional overtime needs.</p>				
<i>Third Staffing for Adequate Fire and Emergency Response (SAFER) Grant Firefighter Academy</i>	FIRE		\$103,000	
<p>Increases the Fire Department's Personal Services appropriation with funding for a third Firefighter Academy related to the 49 Firefighter positions rehired through the SAFER Grant. When the training needs for reinstating the SAFER funded positions were estimated, it was assumed that two academies of 22 and 27 Firefighters would be needed. However, the first two academies had 22 and 14 Firefighters respectively, and a third academy is needed in February 2012 in order for the remaining 13 positions to start in April 2012.</p>				
TOTAL URGENT FISCAL/PROGRAM NEEDS			\$1,065,000	\$0

General Fund Recommended Budget Adjustments Totals

<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
2.55	\$10,490,146	\$6,756,861