

**General Fund Recommended Budget Adjustments Summary
2022-2023 Mid-Year Budget Review**

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Urgent Fiscal-Program Needs	2023-2024 Recruitment Centralization Pilot Program Reserve	Human Resources Department	-	\$1,125,000	-
	<p>This action establishes the 2023-2024 Recruitment Centralization Pilot Program Reserve in the amount of \$1,125,000 to continue funding for six temporary positions in 2023-2024 to pilot strategies that advance recruitment efforts in the City and reduce the organization's vacancy rate. The Human Resources Department has been developing strategies in multiple areas in the Employment Division to modernize the hiring process, prepare for a new employment application, and advance efforts towards more strategic marketing and a more active recruiting model. The Recruitment Centralization Pilot Program is recommended as an 18-month pilot and will add six temporary positions (two Program Manager, 3 Analyst, and 1 Staff Specialist). An additional action to provide funding for the positions in the current fiscal year is also recommended in this report. The total \$1.5 million cost is offset by departmental vacancy savings.</p>				

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<p>Personal Services (Recruitment Centralization Pilot Program)</p> <p>This action increases the Human Resources Department's Personal Services appropriation by \$375,000 to pilot strategies to advance recruitment efforts in the City and reduce the organization's vacancy rate. The Human Resources Department has been developing strategies in multiple areas in the Employment Division to modernize the hiring process, prepare for a new employment application, and advance efforts towards more strategic marketing and a more active recruiting model. The Recruitment Centralization Pilot Program is recommended as an 18-month pilot and will add six temporary positions (two Program Manager, three Analyst, and one Staff Specialist). Five positions will centralize the recruiting efforts in the Human Resources Department for three departments with high vacancy rates - all recruitment and hiring functions for Parks, Recreation and Neighborhood Services, Housing, and Planning, Building and Code Enforcement's Code Enforcement Division will be directed by the Human Resources Department supplemented with one Program Manager and three Analyst positions. This change in approach will add capacity to achieve a goal of an additional 20-25 positions filled every month. The Staff Specialist position will provide administrative support to the team and add capacity for strategic marketing and posting of hard-to-fill positions using LinkedIn, social media, and unique or specialized recruiting venues. The position will also test ways to better support and relieve hiring managers of administrative responsibilities in the recruitment process. The second Program Manager position will focus on the development and implementation of operational process improvements and the deployment of a new employment application to improve user and hiring manager experience, as well as enhance the capability to track recruitment progress. While the software application was previously funded, an additional staffing resource is necessary for a successful implementation. As these efforts will be an 18-month pilot, an additional action recommended elsewhere in this report establishes a reserve to continue funding for these positions in 2023-2024. The total cost of the pilot is offset by departmental vacancy savings.</p>	Human Resources Department	-	\$375,000	-
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Information Technology Department's Personal Services appropriation by \$250,000 to reflect vacancy savings. It is recommended that these savings be reallocated to offset recommended adjustments related to the Recruitment Centralization Pilot Program in the Human Resources Department that are recommended elsewhere in this report.</p>	Information Technology Department	-	(\$250,000)	-
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Parks, Recreation and Neighborhood Services Department's Personal Services appropriation by \$1.0 million to reflect vacancy savings. It is recommended that these savings be reallocated to offset recommended adjustments related to the Recruitment Centralization Pilot Program in the Human Resources Department that are recommended elsewhere in this report.</p>	Parks, Recreation and Neighborhood Services Department	-	(\$1,000,000)	-

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	<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$250,000 to reflect vacancy savings. It is recommended that these savings be reallocated to offset recommended adjustments related to the Recruitment Centralization Pilot Program in the Human Resources Department that are recommended elsewhere in this report.</p>	Planning, Building and Code Enforcement Department	-	(\$250,000)	-
	<p>Sanitary Sewer Fees</p> <p>This action increases the expected costs for the Sanitary Sewer Fees appropriation by \$201,905, from \$595,000 to \$796,905. The fee is based on the prior year's water consumption and now that City facilities are largely back to pre-pandemic occupancy and activity, water consumption has grown and the sanitary rates have increased.</p>	Environmental Services Department	-	\$201,905	-
Required Technical-Rebalancing Actions	<p>Commercial Paper Program Fees</p> <p>This action increases the Commercial Paper (CP) Program Fees appropriation by \$48,500, from \$277,000 to \$325,500, to fund the fees associated with the cancellation of Commercial Paper issuance for the Fire Training Center/Emergency Operations Center Project. With the cancellation of the CP issuance, the General Fund pays for the balance of commitment fees associated with this issuance.</p>	Finance Department	-	\$48,500	-
	<p>Energy Services Company (ESCO) Debt Service</p> <p>This action increases the Energy Services Company (ESCO) Debt Service appropriation by \$120,000, from \$909,000 to \$1.0 million, in anticipation of rising interest rates. The assumed interest rate for 2022-2023 was forecasted in the fall and winter of 2021 and has increased significantly since then, resulting in a higher debt service payment.</p>	Finance Department	-	\$120,000	-
	<p>Non-Personal/Equipment (Accounts Receivable Amnesty Program)</p> <p>This action increases the Finance Department's Non-Personal/Equipment appropriation by \$75,000 for the administration of the Accounts Receivable Amnesty Program (approved by the City Council at their meeting on November 1, 2022) that forgives unpaid penalties, interest, and collection expenses for certain accounts billed from April 1, 2020 through August 31, 2021. The funds will be used for temporary staffing and mailing costs associated with outreach and distribution of materials for the amnesty program.</p>	Finance Department	-	\$75,000	-
	<p>Non-Personal/Equipment (Recruitment Consultant)</p> <p>This action increases the Finance Department's Non-Personal/Equipment appropriation by \$95,200 to provide funding for a consultant to assist the Finance Department in recruiting for multiple vacant positions.</p>	Finance Department	-	\$95,200	-

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<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Finance Department's Personal Services appropriation by \$95,200 to recognize vacancy savings. This decrease will offset an increase to the Finance Department's Non-Personal/Equipment appropriation to provide funding for a consultant to assist the Finance Department in recruiting for multiple vacant positions.</p>	Finance Department	-	(\$95,200)	-
<p>TRANS Debt Service/Other Revenue (TRANS Proceeds)</p> <p>This action decreases the TRANS Debt Service appropriation by \$80.5 million, from \$361.5 million to \$281.0 million. At its meeting on June 21, 2022, the City Council authorized a TRANS issuance of up to \$360.0 million to assist with the pre-payment of Tier 1 retirement costs. However, based on the Finance Department's final analysis of interest rates and available cash balances, only \$275.0 million was issued on July 1, 2022. Actions are included to both reduce TRANS revenue and principal debt service by \$85.0 million. While the amount of TRANS revenue was lower than the maximum authorized amount, due to a rapidly evolving interest rate environment at the time of issuance, the estimated interest costs associated with the TRANS issuance increased to \$7.5 million, up from the \$5.2 million anticipated in June 2022 and the early estimate set in February 2022 of \$1.5 million included in the 2022-2023 General Fund Base Budget. When the City Council authorized the TRANS in June 2022, the Administration noted that any increased debt service interest cost would be spread to various Special and Capital Funds in proportion to each fund's share of retirement costs included in the 2022-2023 Adopted Budget. Consistent with this approach, the additional debt service interest cost of \$6.0 million is partially offset by a transfer of \$1.5 million from various Special and Capital Funds into the General Fund recommended elsewhere in this report. The remaining \$4.5 million of additional debt service interest cost attributable to the General Fund is offset by the additional \$4.5 million of interest earnings also described elsewhere in this report.</p>	Finance Department	-	(\$79,000,000)	(\$85,000,000)

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfer to the Emergency Reserve Fund (2022-2023 Storm Response and Recovery)	Finance Department	-	\$5,000,000	-

This action establishes a Transfer to the Emergency Reserve Fund in the amount of \$5.0 million for the 2022-2023 Storm Response and Recovery. The atmospheric river weather events at the end of December 2022 and early January 2023 necessitated continuous emergency response, and an evacuation order was issued to unhoused persons living within or otherwise located along the banks of San José creeks and waterways. While the preparations and actions by the City's Emergency Operations Center were critical to help ensure the safety of the unhoused persons and other vulnerable community members, and worked to mitigate the impacts of the atmospheric river, the storms' magnitude caused significant damage and impacts. The City's preliminary cost estimate for debris removal, emergency measures – such as standing up 24-hour emergency evacuation centers and warming centers – repairs to infrastructure such as parks and recreation facilities (with significant damages at Alum Rock Park), roads and bridges, public buildings and equipment exceeds \$40 million. Making this \$5.0 million available now ensures the City has access to sufficient funding for the most urgent repairs and recovery efforts. The Administration anticipates returning to the City Council in the coming weeks to access the City's Commercial Paper Program to help provide funding for the extensive repair costs in advance of potential reimbursements from the Federal Emergency Management Agency (FEMA) and contemplated insurance claims proceeds.

Transfer to the Emergency Reserve Fund (COVID-19 FEMA Non-Reimbursable Expenses)	Finance Department	-	\$3,000,000	-
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This action establishes a Transfer to the Emergency Reserve Fund in the amount of \$3.0 million to align available funding with estimated reimbursements from the Federal Emergency Management Agency (FEMA) for expenditures incurred since the inception of the City's response to the COVID-19 pandemic, beginning in 2019-2020 and continuing through 2022-2023. The potential for non-reimbursable costs was previously anticipated, with funding set aside in the General Fund in the FEMA Non-Reimbursable Expenses Reserve (\$5.0 million) pending a thorough City review of documentation of eligible costs and subsequent application to FEMA for reimbursement. To offset this action, a corresponding decrease of \$3.0 million to the FEMA Non-Reimbursable Expenses Reserve is also recommended in this report. Additional adjustments are recommended in the Emergency Reserve Fund elsewhere in this report to align estimated Revenue from Federal Government.

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<p>Bureau of Emergency Medical Services and Training Center Relocation</p> <p>This action increases the Bureau of Emergency Medical Service and Training Center Relocation City-Wide Expenses appropriation by \$68,000, from \$360,000 to \$428,000, to provide funding for the extension of temporary site services due to anticipated delays to the opening of the new Fire Training Center, currently expected to be operational in April 2023. This funding provides for an additional three months of locker room rentals, office trailer rental, bathroom services, light towers, and security services.</p>	Fire Department	-	\$68,000	-
<p>Non-Personal/Equipment (Automated External Defibrillators)</p> <p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$36,120 to procure twelve (12) LifePak 1000 pediatric automated external defibrillators (AEDs), which conform to Santa Clara County Emergency Medical Services (EMS) Agency protocols. Due to exigent staffing scenarios, truck companies have operated for extended periods as Basic Life Support units without a Paramedic, necessitating the borrowing of these LifePak 1000 AEDs from the EMS reserve cache and satellite units to provide adequate response capability. This procurement addresses the current device shortage and is supported by an equivalent shift from estimated vacancy savings in the Fire Department's Personal Services appropriation, as recommended elsewhere in this report.</p>	Fire Department	-	\$36,120	-
<p>Non-Personal/Equipment (Consultant Services)</p> <p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$80,000 for consultant services related to internal employee matters, as well consulting services to analyze the physical requirements needed to perform the essential functions of the Fire Captain, Fire Engineer, and Fire Fighter classifications, which will in turn facilitate updates to those physical requirements and respective job descriptions as recommended in the 2012 City Auditor Report #12-07, Fire Department Injuries: A More Coordinated Response and Better Follow-up Is Needed. These costs are supported by an equivalent shift from estimated vacancy savings in the Fire Department's Personal Services appropriation, as recommended elsewhere in this report.</p>	Fire Department	-	\$80,000	-

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<p>Non-Personal/Equipment (Fire Station 20 Landside Lease)</p> <p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$42,530 to support land use lease costs associated with Fire Station 20, located at the San Jose Mineta International Airport. Fire Station 20 became operational in 2021-2022 under a cost-sharing agreement with the Airport. The 2022-2023 Adopted Budget included ongoing funding for the portion of operating costs attributable to the Fire Department; however, the land use lease was inadvertently omitted. This action provides sufficient funding for the use of the land by another party, in compliance with Federal Aviation Agency requirements. Funding for the ongoing costs associated with this lease will be incorporated into the development of the 2023-2024 Base Operating Budget.</p>	Fire Department	-	\$42,530	-
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Fire Department's Personal Services appropriation by \$116,120, from \$254.56 million to \$254.44 million, to recognize vacancy savings. It is recommended that the savings be reallocated to the Department's Non-Personal/Equipment appropriation to offset adjustments recommended elsewhere in this report.</p>	Fire Department	-	(\$116,120)	-
<p>Property Tax</p> <p>Increases the Property Tax estimate by a net of \$10.0 million, from \$427.0 million to \$437.0 million, to reflect updated information provided by Santa Clara County. Recommendations included in this report include increasing the following Property Tax categories: General Secured Property Tax (\$5.0 million); SB813 Property Tax (\$3.5 million); Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax (\$1.5 million); and Aircraft Property Tax (\$500,000). Partially offsetting these increases is a decrease to the Unsecured Property Tax (\$500,000).</p>	General Fund Revenue	-	-	\$10,000,000
<p>Revenue from Use of Money/Property (Interest Income)</p> <p>Increases the Revenue from the Use of Money/Property budgeted estimate by \$4.5 million, from \$8.8 million to \$13.3 million, to reflect higher than anticipated interest earnings on the General Fund. The 2022-2023 Adopted Budget estimate totaled \$4.2 million for interest earnings on the General Fund. However, based on receipts through December (\$4.2 million), it is anticipated 2022-2023 collections will exceed the Adopted Budget estimate by approximately \$4.5 million and end the year at \$8.7 million. The significant 2022-2023 collection level is attributable to rising interest rates and a large cash balance in the General Fund and offset the General Fund's increased contribution for TRANS debt service described elsewhere in this report.</p>	General Fund Revenue	-	-	\$4,500,000

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Transfers and Reimbursements	General Fund Revenue	-	-	\$263,000
<p>Increases the estimate for Transfers and Reimbursements by a net of \$263,000, from \$122.8 million to \$123.1 million, to recognize higher transfers related to interest earnings (\$752,000), partially offset by lower transfers from the Parks Capital Construction and Conveyance (C&C) Tax Funds (\$489,000). Interest earnings on various Capital and Special Funds are transferred to the General Fund. Based on activity through December, interest earnings are anticipated to exceed budgeted levels by \$752,000, totaling \$1.9 million by year-end. Partially offsetting the higher transfer related to interest earnings is a negative adjustment to the transfer from the Parks Capital Construction and Conveyance (C&C) Tax Funds for operating and maintenance costs. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department. As described elsewhere in this report, the C&C revenue estimate is recommended to decrease by \$5.0 million, from \$50.0 million to \$45.0 million. As a result of the lower C&C Tax, Parks C&C Tax revenue will drop by \$3.3 million, and the transfer to the General Fund for operating and maintenance costs will decrease by \$489,000.</p>				
Transfers and Reimbursements (TRANS Debt Service)	General Fund Revenue	-	-	\$1,498,905

This action increases the revenue estimate for Transfers and Reimbursements by \$1,498,905 to reflect transfers in from various Special and Capital Funds to fund the higher than anticipated interest costs related to the issuance of Tax Revenue Anticipation Notes (TRANS). Due to a rapidly evolving interest rate environment, the estimated interest costs associated with the TRANS issuance increased to \$7.5 million, up from the \$5.2 million anticipated in June 2022 and the early estimate set in February 2022 of \$1.5 million that was included in the 2022-2023 General Fund Base Budget. When the City Council authorized the TRANS in June 2022, the Administration noted that any increased debt service interest cost would be spread to various Special and Capital Funds in proportion to each fund's share of retirement costs included in the 2022-2023 Adopted Budget. Consistent with this approach, the additional debt service interest cost of \$6.0 million is partially offset by this action. The remaining \$4.5 million of additional debt service interest cost attributable to the General Fund is offset by the additional \$4.5 million of interest earnings described elsewhere in this report.

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Utility Tax	General Fund Revenue	-	-	\$7,000,000
<p>Increases the Utility Tax estimate by \$7.0 million, from \$107.5 million to \$114.5 million, to reflect higher than anticipated Electricity Utility Tax collections. The 2022-2023 Adopted Budget estimate totaled \$57.0 million for Electricity Utility Tax collections. However, based on receipts through December (\$30.4 million), it is anticipated that 2022-2023 collections will exceed the Adopted Budget estimate by approximately \$7.0 million and end the year at \$64.0 million. The significant 2022-2023 collection level is attributable to higher usage and the timing of Electricity Utility Tax payments received.</p>				
Measure E - 10% Homeless Prevention and Rental Assistance Reserve	Housing Department	-	(\$300,000)	-
<p>This action decreases the Measure E - 10% Homeless Prevention and Rental Assistance Reserve to offset a corresponding increase to the Measure E - Guadalupe River Park Housing Support (10% HPRA) appropriation. After accounting for other technical transactions in this report to realign allocations with policy changes determined as retroactive for the 2021-2022 fiscal year, the Measure E - 10% Homeless Prevention and Rental Assistance Reserve totals \$5.9 million.</p>				
Measure E - 15% Homeless Support Programs Reserve	Housing Department	-	(\$1,700,000)	-
<p>This action decreases the Measure E - 15% Homeless Support Programs Reserve by \$1.7 million to offset the establishment of the Measure E - Storm Evacuee Transition Facilities (15% HSP) appropriation of \$2.0 million and to offset a decrease to the Measure E- Supportive Services and Operations (15% HSP) appropriation as described elsewhere in this report. After accounting for other technical transactions in this report to realign allocations with policy changes determined as retroactive for the 2021-2022 fiscal year, the Measure E - 15% Homeless Support Programs Reserve totals \$31.7 million.</p>				
Measure E - Guadalupe River Park Housing Support (10% HPRA)	Housing Department	-	\$300,000	-
<p>This action increases the Measure E - Guadalupe River Park Housing Support (10% HPRA) appropriation by \$300,000, from \$2.6 million to \$2.9 million. This funding will support contractual services devoted to the provision of programming and services at the Emergency Non-Congregate Shelter, supporting Guadalupe River Park Housing needs. This action is offset by a corresponding decrease to the Measure E - 10% Homeless Prevention and Rental Assistance Reserve as recommended elsewhere in this report.</p>				

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<p>Measure E - Homeless Outreach and Engagement (15% HSP)</p> <p>This action increases the Measure E - Homeless Outreach and Engagement (15% HSP) appropriation by \$500,000, from \$600,000 to \$1.1 million. This funding will be used to support contractual services with HomeFirst for outreach, street-based case management, and engagement with local service providers and community stakeholders, as well as providing permanent housing location, placement, and retention activities. This work is currently budgeted within the Measure E - Supportive Services and Operations (15% HSP) appropriation, but is better reflective as being performed within the Measure E - Homeless Outreach and Engagement (15% HSP) appropriation.</p>	Housing Department	-	\$500,000	-
<p>Measure E - Storm Evacuee Transition Facilities (15% HSP)</p> <p>This action establishes the Measure E - Storm Evacuee Transition Facilities (ETF) (15% HSP) appropriation in the amount of \$2.0 million, with a corresponding decrease from the Measure E – 15% Homeless Support Programs Reserve. Funding will be used to relocate unhoused storm evacuees from 24-hour Emergency Evacuation Centers to transitional facilities through June 30, 2023. The ETFs are located inside the perimeter of the Emergency Interim Housing (EIH) and Bridge Housing Communities (BHC) sites. The ETF initiative is designed to provide safe, temporary spaces with support services, and a priority referral to connect unhoused resident evacuees with a transitional site that will allow a longer stay, or support accessing other stable housing opportunities within two to six months. Although 132 was the maximum potential tent capacity at the various sites, approximately 93 tents and storage units were built to accommodate single adults and couples based on the number of evacuees interested in moving to an ETF. Onsite handwashing stations, bathroom facilities, seating areas, food, shower, laundry, and wraparound supportive services will be provided. The estimated cost range is \$3-\$5 million; however, only \$2.0 million is recommended to be allocated at this time for setup costs, sanitation, and security, with the remainder of the costs expected to be allocated when the Housing Department seeks City Council approval to provide sufficient contract authority for wraparound supportive services.</p>	Housing Department	-	\$2,000,000	-
<p>Measure E - Supportive Services and Operations (15% HSP)</p> <p>This action decreases the Measure E - Supportive Services and Operations (15% HSP) appropriation by \$300,000, from \$2.1 million to \$1.8 million. This funding was inadvertently appropriated and is not needed; therefore, it is recommended that the funding is returned to the Measure E - 15% Homeless Support Programs Reserve as recommended elsewhere in this report.</p>	Housing Department	-	(\$300,000)	-

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Measure E - Supportive Services and Operations (15% HSP)	Housing Department	-	(\$500,000)	-
<p>This action decreases the Measure E - Supportive Services and Operations (15% HSP) appropriation by \$500,000, from \$2.1 million to \$1.6 million, to offset a corresponding increase to the Measure E - Homeless Outreach and Engagement (15% HSP) appropriation as recommended elsewhere in this report.</p>				
Non-Personal/Equipment (Temporary Staffing)	Human Resources Department	-	\$150,000	-
<p>This action increases the Human Resources Department's Non-Personal/Equipment appropriation by \$150,000 to fund several temporary positions. A portion of the adjustment (\$100,000) will fund two temporary positions to support the Hiring Incentive Referral Program by reviewing, auditing, and processing the payouts of the backlog of referrals. In addition, the temporary positions will provide updates on the status of the program and create reports for the program. The remaining portion of the adjustment (\$50,000) will fund one temporary position to support the implementation and transition to a new employment system, which is tentatively scheduled to be completed by the end of June 2023.</p>				
Personal Services (Vacancy Savings)	Human Resources Department	-	(\$150,000)	-
<p>This action decreases the Human Resources Department's Personal Services appropriation by \$150,000 to reflect vacancy savings. These savings are recommended to be reallocated to the Human Resources Department's Non-Personal/Equipment appropriation to fund several temporary positions.</p>				
Workers' Compensation State License	Human Resources Department	-	\$446,000	-
<p>This action increases the Workers' Compensation State License appropriation by \$446,000, from \$844,000 to \$1.3 million, due to higher anticipated costs as a result of an increase in indemnity claims and in the assessment factor. These costs provide funding to the State to cover the State's costs of the administration of the workers' compensation, health and safety, and labor standards enforcement programs.</p>				
Non-Personal/Equipment (Contract Security Services)	Library Department	-	\$166,000	-
<p>This action increases the Library Department's Non-Personal/Equipment appropriation by \$166,000 to provide funding for contractual security services. The 2022-2023 Adopted Operating Budget included the addition of two positions for security and public safety at branch library facilities. Because of delays in hiring for those new positions, vacancy savings will be recognized and are recommended to be reallocated to fund contractual security services temporarily until the new positions are filled.</p>				

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<p>Non-Personal/Equipment (Cost Sharing Agreement with SJSU)</p> <p>This action increases the Library Department's Non-Personal/Equipment appropriation by \$136,093 to support additional costs associated with the operation and maintenance of Dr. Martin Luther King, Jr. Library (MLK Jr. Library). The MLK Jr. Library is a joint facility between the City of San José and San José State University (SJSU). Because of this relationship, the Library Department provides funding to SJSU for operations and maintenance costs. In December 2022, the costs for the library were recalculated resulting in an increase in the payment amount. This increase is driven primarily by a 7.0% compensation increase, along with one-time bonuses for SJSU staff.</p>	Library Department	-	\$136,093	-
<p>Non-Personal/Equipment (Security Services - Vehicle Rental)</p> <p>This action increases the Library Department's Non-Personal/Equipment appropriation by \$13,000 to support costs for rental vehicles for security staff. The Library Department has a total of 5.5 positions supporting security and public safety efforts at branch library facilities. Security and public safety activities require personnel to travel between branch library facilities; however, procurement times of fleet vehicles across the City have been impacted by supply chain issues due to the COVID-19 pandemic. Because of these delays, rental vehicles will be used to provide mobility to the security personnel while the vehicle procurement process is underway.</p>	Library Department	-	\$12,863	-
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Library Department's Personal Services appropriation by \$166,000 to recognize vacancy savings. This action offsets an increase to the Library Department's Non-Personal/Equipment appropriation to support contractual security services. The 2022-2023 Adopted Operating Budget included the addition of two positions for security and public safety at branch library facilities. Because of delays in hiring for those new positions, contractual security services were used to provide for security and public safety until the new positions are filled.</p>	Library Department	-	(\$166,000)	-
<p>Non-Personal/Equipment (ProLaw Server)</p> <p>This action increases the Office of the City Attorney's Non-Personal/Equipment appropriation by \$70,000 to replace the server supporting the Office's legal case management software (Prolaw), which is at the end of its life and no longer supported by the manufacturer. Additional costs incurred in 2022-2023 for software updates and maintenance will be absorbed within the Office's existing Non-Personal/Equipment appropriation, with future ongoing costs being incorporated in the development of the 2023-2024 Base Operating Budget.</p>	Office of the City Attorney	-	\$70,000	-

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>2022-2023 Ending Fund Balance Reserve</p> <p>This action establishes the 2022-2023 Ending Fund Balance Reserve in the amount of \$9.4 million, reflecting additional projected Property Tax, Utility Tax, Revenue from the Use of Money/Property, and Transfers and Reimbursements revenues, as well as the balance of the other General Fund adjustments recommended in this report. When developing the annual budget each year, it is assumed that a combination of excess revenues, expenditure savings, and the liquidation of carryover encumbrances will generate ending fund balance in the current year that will be available as a funding source for the upcoming fiscal year. The 2023-2027 Five-Year Forecast issued in February 2022 assumed that approximately \$24 million in fund balance would be available at the end of 2022-2023 for use in 2023-2024. The 2024-2028 Five-Year Forecast that will be issued at the end of February and the 2023-2024 Proposed Operating Budget that will be issued on May 1, 2023 will incorporate fund balance as a funding source. The Administration preliminarily anticipates an ending fund balance estimate for the 2024-2028 Five-Year General Fund Forecast of approximately \$30 million. This action sets aside a portion of the ending fund balance that is expected to be generated in 2022-2023. Subsequent action will be brought forward as part of the year-end clean-up process in June 2023 to set-aside additional revenues, expenditure savings, and the liquidation of carryover encumbrances that are anticipated to be realized by year-end.</p>	Office of the City Manager	-	\$9,400,000	-
<p>FEMA Non-Reimbursable Expenses Reserve</p> <p>This action decreases the FEMA Non-Reimbursable Expenses Reserve appropriation by \$3.0 million, from \$5.0 million to \$2.0 million, to transfer funds to the Emergency Reserve Fund, aligning available funding with estimated reimbursements from the Federal Emergency Management Agency (FEMA) for expenditures incurred since the inception of the City's response to the COVID-19 pandemic, beginning in 2019-2020 and continuing through 2022-2023. The potential for non-reimbursable costs was previously anticipated, with funding set aside in the FEMA Non-Reimbursable Expenses Reserve (\$5.0 million) pending a thorough City review of documentation of eligible costs and subsequent application to FEMA for reimbursement. A corresponding Transfer to the Emergency Reserve Fund and adjustments to estimated Revenue from Federal Government are recommended elsewhere in this report to realign funding levels with estimated reimbursements.</p>	Office of the City Manager	-	(\$3,000,000)	-

**General Fund Recommended Budget Adjustments Summary
2022-2023 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Hazard Mitigation Grant Program</p> <p>This action increases the Hazard Mitigation Grant Program City-Wide Expenses appropriation by \$481,014, from \$1.4 million to \$1.9 million, for the new Seismic Retrofit Program - Phase I, which includes developing a practical retrofit program, including possible incentives that would provide an option for the redevelopment of soft story buildings into quality affordable apartments, while minimizing displacement. The funding will provide for developing and designing the program and means of implementation, and identifying and locating parcels. The program is a joint collaboration between the City Manager's Office of Emergency Management, the Housing Department, and the Planning, Building and Code Enforcement Department. The total projected cost for Phase I is \$1.9 million, \$1.4 million of which is funded by a grant from the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program. As this grant is on a reimbursement basis, requiring a 25% City match, subsequent budget actions will be recommended to recognize and appropriate the remaining grant revenue and City match as part of a future budget process. It is important to note that the General Fund was previously intended to serve as the local match as part of the 2021-2022 Mid-Year Budget Review, but the match was subsequently reallocated to the Community Development Block Grant (CDBG) Fund. However, upon further analysis, CDBG funding is not eligible for this planning phase and the General Fund must, again, serve as the local match source.</p>	Office of the City Manager	-	\$481,014	-
<p>Fee Activities (2023 Summer Scholarships)</p> <p>This action increases funding by \$300,000 in Fee Activities to continue offering full scholarships for eligible families for a variety of camps throughout the summer. This will allow families to enroll in full-day childcare recreation programs at no cost for 8-10 weeks and will enable eligible families to continue working without the additional cost of daycare or leaving their children home unattended. Offering full scholarships for approximately 7,000 enrollments in the various summer sessions will cost \$1.1 million and mainly benefits participants from Seven Trees, Mayfair, Bascom, and Roosevelt community centers. This will be funded by a reallocation of \$800,000 in the Child and Youth Services allocation in the American Rescue Plan (ARP) Fund mainly due to low participation in the Access to City Destinations Program and insufficient funding to create space at community centers that could house licensed childcare, as well as, \$300,000 from PRNS Department's Personal Services appropriation due to vacancy savings in the General Fund. This action is included in the Mid-Year Budget Review because summer registration begins in February. Continuation of the scholarship program beyond Summer 2023 will be evaluated in the 2023-2024 Proposed Budget development process, in consideration of the City's budgetary position and other critical City Council priorities.</p>	Parks, Recreation and Neighborhood Services Department	-	\$300,000	-

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2022-2023 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Parks, Recreation, and Neighborhood Services Department's Personal Services appropriation by \$300,000 to recognize vacancy savings in the department. These savings are recommended to be reallocated to Fee Activities in PRNS to continue offering full scholarships for eligible families for a variety of camps throughout the summer, as described elsewhere in this report.</p>	Parks, Recreation and Neighborhood Services Department	-	(\$300,000)	-
<p>Workers' Compensation Claims - Parks, Recreation and Neighborhood Services</p> <p>This action decreases the Workers' Compensation Claims - Parks, Recreation and Neighborhood Services appropriation by \$250,000, from \$1.7 million to \$1.45 million, to recognize anticipated savings in the appropriation. These savings are recommended, as part of this report, to be reallocated to the Workers' Compensation Claims - Public Works appropriation.</p>	Parks, Recreation and Neighborhood Services Department	-	(\$250,000)	-
<p>Mobile Home Park Protections</p> <p>This action increases the Mobile Home Park Protections City-Wide Expenses appropriation to the Planning, Building, and Code Enforcement Department by \$75,000, from \$30,000 to \$105,000, to provide additional funding for work to change the land use designation of 13 mobile home parks identified to be the most at risk of redevelopment. An initial allocation of \$30,000 was included in the Mayor's June Budget Message for Fiscal Year 2022-2023, as approved by City Council, to begin this work. On October 18, 2022, the City Council approved the memorandum coauthored by Councilmembers Esparza, Foley, Jimenez, Peralez, and Cohen directing staff to streamline the outreach process for land use designation work and increased the total of at-risk mobile home parks to 13. The memorandum also requested that a recommendation for additional funding to complete the work be brought forward as part of the Mid-Year Budget Review. The purpose of changing the land use designation for the identified mobile home parks is to add another layer of protection for those mobile home parks which house seniors and low- and moderate-income families.</p>	Planning, Building and Code Enforcement Department	-	\$75,000	-
<p>Bulletproof Vest Partnership 2022/Revenue from Federal Government</p> <p>This action establishes the Bulletproof Vest Partnership 2022 City-Wide Expenses appropriation to the Police Department in the amount of \$30,724 and increases the estimate for Revenue from the Federal Government by \$15,362 to maximize available Bulletproof Vest Partnership Grant funding for equipment acquisition. Grant awards will be used to procure National Institute of Justice (NIJ) compliant armored vests for police officers. The grant term is from September 1, 2022 to August 31, 2024. A corresponding reallocation of funding from the Police Department's Non-Personal/Equipment appropriation is recommended elsewhere in this report as a local match to leverage this grant funding.</p>	Police Department	-	\$30,724	\$15,362

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2022-2023 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Bulletproof Vest Partnership 2022)</p> <p>This action decreases the Police Department's Non-Personal/Equipment appropriation by \$15,362 to reallocate funds to the Bulletproof Vest Partnership 2022 City-Wide Expenses appropriation as the City's match requirement to leverage grant funding for equipment acquisition, up to a combined value of \$30,724. Grant funds will be used to procure National Institute of Justice (NIJ) compliant armored vests for police officers prior to the term expiration on August 31, 2024. A corresponding increase to the Bulletproof Vest Partnership 2022 appropriation is recommended elsewhere in this report.</p>	Police Department	-	(\$15,362)	-
<p>Non-Personal/Equipment (Animal Care Center Janitorial Services)</p> <p>This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$500,000 to fund janitorial services for dog kennel cleanings at the Animal Care Center. The City shelter has reached 90% of capacity which includes more than 200 dogs in the system. The number of dogs at the shelter has more than doubled compared to previous years and is anticipated to remain at these elevated levels over the next few years. This is a nationwide issue that has stemmed from a changing environment due to the COVID-19 pandemic. According to a January 2022 article by the Best Friends Animal Society, a leading animal welfare organization, there is a national animal shelter crisis with approximately 100,000 more animals in nationwide shelters awaiting adoptions in early 2022 compared to 2021. Due to the repercussions of the COVID-19 pandemic, the length of stay for animals has dramatically increased, yet adoptions have slowed and transfers to other adoption agencies have decreased. Current budget levels support approximately two full-time contracted janitors to provide cage cleaning, laundry, and other cleaning services throughout the facility. In the past, Animal Care Attendants cleaned dog kennels along with supporting the shelter as adoption counselors, feeding and providing care for other animals, tracking inventory, and assisting the medical and field service teams. This combination of contracted janitorial services and city staff support ensured that all cages were cleaned a minimum of once per day. Due to vacancies and the increase of all animals in the care of Animal Care and Services, Animal Care Attendants do not have the capacity to support dog kennel cleanings while also aiding in other areas of shelter operations. The funding will support a total of seven full-time janitors to ensure that dog kennels are cleaned once a day for the seven day operations, including holidays, along with laundry and other cleaning services throughout the facility through the fiscal year. The service will provide a clean and healthy environment for the animals and visitors of the Animal Care Center. The ongoing costs will be incorporated into the 2023-2024 Base Budget.</p>	Public Works Department	-	\$500,000	-

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2022-2023 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Library Janitorial Services for Sunday Hours)</p> <p>This action increases the Public Works Department's Non-Personal/Equipment by \$200,000 to fund janitorial services at the 16 library branches with Sunday operations that began in October. This funding will ensure that janitorial services such as garbage collection, restroom cleaning, and floor cleaning in high traffic areas are maintained at all library branches with Sunday hours. The inclusion of janitorial costs was inadvertently omitted when the budget for Sunday hours was developed. The ongoing costs will be incorporated into the 2023-2024 Base Budget.</p>	Public Works Department	-	\$200,000	-
<p>Non-Personal/Equipment (Veterinary Services)</p> <p>This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$225,000 to provide funding for contracted veterinarian services. The City of San José uses contracted veterinarian services to support the in-house medical service team for surgeries, emergencies, and the care of animals outside of normal business hours. The Animal Care Center has reached 90% of capacity and is averaging between 400-450 animals in the shelter daily. Due to the increase of animals under the care of Animal Care and Services, this has resulted in an increased reliance on the veterinarian services contract. This funding will ensure critical medical services will continue through the fiscal year, and the ongoing costs will be incorporated into the 2023-2024 Base Budget.</p>	Public Works Department	-	\$225,000	-
<p>Transfer to Vehicle Maintenance and Operations Fund (Animal Care and Services Truck Replacement)</p> <p>This action increases the Transfer to the Vehicle Maintenance and Operations Fund by \$160,000, from \$1.5 million to \$1.66 million, to fund the replacement of an Animal Care and Services truck that was destroyed in a fire. Field officers use specially equipped trucks to respond to various calls for service. The unit responds to over 20,000 calls annually across the City of San José and as part of a contract for services in the Cities of Cupertino, Saratoga, Milpitas, and the Town of Los Gatos. Replacing the Animal Care and Services truck will ensure officers can respond in a timely manner and provide services to the residents and animals of these communities. Corresponding adjustments to recognize and allocate these funds in the Vehicle Maintenance and Operations Fund are recommended elsewhere in this report to offset this action.</p>	Public Works Department	-	\$160,000	-
<p>Workers' Compensation Claims - Public Works</p> <p>This action increases the Workers' Compensation Claims - Public Works appropriation by \$250,000, from \$350,000 to \$600,000, as a result of higher than anticipated claims and one-time settlements. This increase is offset by a corresponding decrease to the Workers' Compensation Claims - Parks, Recreation and Neighborhood Services as recommended elsewhere in this report.</p>	Public Works Department	-	\$250,000	-

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2022-2023 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Red Light Running Cameras Pilot Program)</p> <p>This action decreases the Transportation Department's Non-Personal/Equipment appropriation by \$117,800 and reallocates funding to the department's Personal Services appropriation to fund a temporary Associate Engineer position to oversee the Red Light Running Cameras pilot program. As directed by the Mayor's June Budget Message for Fiscal Year 2022-2023, as approved by the City Council, one-time non-personal/equipment funding was included in the 2022-2023 Adopted Budget for a pilot on four intersections related to red light violations. This action provides funding for the temporary position by reallocating a portion of the non-personal/equipment funding for this project to personal services. A corresponding increase to the Transportation Department's Personal Services appropriation is recommended to offset this action.</p>	Transportation Department	-	(\$117,800)	-
<p>Personal Services (Red Light Running Cameras Pilot Program Temporary Staffing)</p> <p>This action increases the Transportation Department's Personal Services appropriation by \$117,800 to fund a temporary Associate Engineer position to oversee the Red Light Running Cameras pilot program. As directed by the Mayor's June Budget Message for Fiscal Year 2022-2023, as approved by the City Council, one-time non-personal/equipment funding was included in the 2022-2023 Adopted Budget for a pilot on four intersections related to red light violations. The Associate Engineer position will coordinate with partner agencies and departments on system needs, evaluate red light running technology/applications, develop a Request for Proposals for system procurement, assess the performance of the system after deployment, and present results to the City Council along with a written report of findings by June 2024. A corresponding decrease to the Transportation Department's Non-Personal/Equipment appropriation is recommended to offset this action.</p>	Transportation Department	-	\$117,800	-
<p>Adobe Sponsored Artist Support/Other Revenue</p> <p>This action increases the Adobe Sponsored Artist Support appropriation by \$7,500, from \$30,000 to \$37,500, and a corresponding increase to the estimate for Other Revenue to recognize contributions from Adobe Inc. to support Office of Cultural Affairs project management and oversight. The City is de-installing, crating, storing, and then reinstalling three freestanding sculptures (Wildlife of the Guadalupe River) for the Adobe bridge project.</p>	City Manager - Office of Economic Development and Cultural Affairs	-	\$7,500	\$7,500
<p>Grants-Reimbursements-Fees</p> <p>Hazardous Materials Consent Judgment/Revenue from Local Agencies</p> <p>This action increases the Hazardous Materials Consent Judgment City-Wide Expenses appropriation by \$27,961, from \$26,169 to \$54,130, with a corresponding increase to the estimate for Revenue from Local Agencies to recognize revenue from the County of Santa Clara District Attorney Office. These funds were awarded as part of consent judgments for two environmental protection cases settled in 2022 and will support Bureau of Fire Prevention training.</p>	Fire Department	-	\$27,961	\$27,961

General Fund Recommended Budget Adjustments Summary
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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants/Revenue from State of California (Library Services and Technology Act Grants)	Library Department	-	\$15,000	\$15,000
<p>This action increases the Library Grants appropriation and the estimate for Revenue from State of California by \$15,000 to recognize additional grant funding from the California State Library through the Library Services and Technology Act (LSTA). The grant will support the Workforce Partnership Outreach Initiative, which is an effort to promote employment, career development, and skill-building for job seekers through activities such as workshops and enhanced collections and resources.</p>				
SJPL Foundation Grants/Other Revenue (California Room Collections)	Library Department	-	\$251,500	\$251,500
<p>This action increases the SJPL Foundation Grants appropriation and the estimate for Other Revenue by \$251,500. These funds, provided by donors through the San José Public Library Foundation, will pay for the acquisition of the rights to the San José Mercury News Archive for the time period from 1923 to 1952. This acquisition will ensure that the San José Public Library has access to a large amount of historical records and documents pertaining to the early 20th Century development of San José, the San Francisco Bay Area, and beyond. This acquisition will augment the existing California Room collection.</p>				
Council District #05/Other Revenue (Sponsorship)	Mayor & City Council	-	\$300	\$300
<p>This action increases the Council District #05 appropriation and the corresponding estimate for Other Revenue by \$300 to recognize sponsorship funding that was collected to support the National Night Out event.</p>				
Council District #08/Other Revenue (Sponsorship)	Mayor & City Council	-	\$500	\$500
<p>This action increases the Council District #08 appropriation and the corresponding estimate for Other Revenue by \$500 to recognize sponsorship funding that was collected to support the Indian Flag Raising event.</p>				
Non-Personal/Equipment/Revenue from Federal Government (2021 Emergency Management Performance Grant)	Office of the City Manager	-	\$2,800	\$2,800
<p>This action increases the City Manager's Non-Personal/Equipment appropriation by \$2,800 and the estimate for Revenue from Federal Government in the same amount to recognize additional funding for the 2021 Emergency Management Performance Grant (EMPG). The Office of Emergency Management was awarded the 2021 EMPG from the County of Santa Clara on July 1, 2021. This grant allows the City to be reimbursed for qualified training and travel costs expended through the grant program. The original grant was \$46,214, with an additional \$2,800 awarded in October 2022, bringing the total amount of funding to \$49,014. The 2021 EMPG period ends March 31, 2023, so the funds need to be allocated as part of this report to ensure sufficient time to spend the funds.</p>				

**General Fund Recommended Budget Adjustments Summary
2022-2023 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure</u>	<u>Revenue</u>
			<u>Change</u>	<u>Change</u>
<p>BeautifySJ Grants/Other Revenue</p> <p>This action increases the BeautifySJ Grants City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue in the amount of \$73,283, from \$215,000 to \$288,283. PRNS received this amount as returned unspent funds from 2021-2022, as several neighborhood groups that received grant funding in 2021-2022 were unable to provide services due to restrictions imposed by COVID-19 and shelter-in-place guidelines. This funding enables new grants to be awarded to 15-20 neighborhood groups in 2022-2023 to support resident engagement activities such as neighborhood association meetings and events, neighborhood cleanups, National Night Out, tree planting, mural paintings, and dumpster days.</p>	Parks, Recreation and Neighborhood Services Department	-	\$73,283	\$73,283
<p>CalOES Innovative Response to Marginalized Victims Program Grant 2023/Revenue from State of California</p> <p>This action establishes the CalOES Innovative Response to Marginalized Victims Program Grant 2023 allocation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from State of California in the amount of \$103,171. The funds will support the City's Youth Intervention Services program, overseen by the San José Youth Empowerment Alliance, recently retitled from Mayor's Gang Prevention Task Force. The Department estimates this grant will enable them to provide services to 80 client victims of violence during the 12-month grant period, January 2023 through December 2023. Of the total grant award of \$187,584, 55 percent, or \$103,171, is budgeted in 2022-2023, and the remaining \$84,413 will be allocated as part of the 2023-2024 Operating Budget.</p>	Parks, Recreation and Neighborhood Services Department	-	\$103,171	\$103,171
<p>Non-Personal/Equipment/Other Revenue (Family Camp BBQ Pit Replacement)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue in the amount of \$25,514 to reflect an insurance payment. In the summer of 2022, the BBQ was damaged. The settlement funds received are a result of the subsequent insurance claim and will be used to replace the BBQ at Family Camp.</p>	Parks, Recreation and Neighborhood Services Department	-	\$25,514	\$25,514

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure</u>	<u>Revenue</u>
			<u>Change</u>	<u>Change</u>
<p>Non-Personal/Equipment/Revenue from State of California (Caltrans East Side Alum Rock Urban Village Plan)</p> <p>This action increases the Planning, Building, and Code Enforcement's Non-Personal/Equipment appropriation and increases the corresponding estimate for Revenue from the State of California by \$47,000 to recognize a Caltrans Eastside Alum Rock planning grant that will fund consultant costs for the Alum Rock Corridor and Vision Workshop that will take place by the end of June 2023. This funding will allow City staff and consultants to further the transit-oriented development and infill growth strategies of the recently approved Envision San Jose 2040 General Plan by developing corridor-specific land use policy to facilitate high-density residential uses serving a mix of income levels, relatively high-intensity commercial and office uses, and mixed-uses that are in a more urban, vibrant, and walkable corridor along the Bus Rapid Transit system on Alum Rock Avenue. The corridor will provide a connection between the planned 28th Street Bay Area Rapid Transit (BART) station, the Alum Rock Light Rail Station, and the adjacent Alum Rock Transit Center on Capital Avenue. The total grant award is \$451,825 and award period is through December 31, 2025. The remainder of grant funds will be budgeted as needed as part of future budget processes.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$47,000	\$47,000
<p>Regional Early Action Planning - Housing and Community Development Grant/Revenue from State of California</p> <p>This action establishes the Regional Early Action Planning - Housing and Community Development Grant City-Wide Expenses appropriation to the Planning, Building, and Code Enforcement Department in the amount of \$299,000 and a corresponding increase to the estimate for Revenue from the State of California to recognize grant funding that will support engagement and outreach for ongoing Housing Element updates required by Senate Bill 9 and provide technical support to prepare the California Environmental Quality Act clearance for Five Wounds Urban Village Plan Update. The total grant award is \$462,154. The grant award period is through September 30, 2023. The remainder of grant funds will be budgeted as needed as part of future budget processes.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$299,000	\$299,000
<p>Department of Alcohol Beverage Control (ABC) Grant/Revenue from State of California</p> <p>This action establishes the Department of Alcohol Beverage Control (ABC) Grant City-Wide Expenses appropriation and increases the estimate for Revenue from State of California by \$50,000. This award will be used to fund staff overtime when conducting various operations aimed at the enforcement and disruption of illicit alcohol sales. The grant term is from October 1, 2022 to August 31, 2023.</p>	<p>Police Department</p>	-	\$50,000	\$50,000

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Law Enforcement Mental Health and Wellness Act Project - 2022/Revenue from Federal Government	Police Department	-	\$156,000	\$156,000
<p>This action establishes the Law Enforcement Mental Health and Wellness Act (LEMHWA) Project – 2022 City-Wide Expenses appropriation and increases the estimate for Revenue from Federal Government by \$156,000 to recognize grant funding from the United States Department of Justice's Office of Community Oriented Policing Services (COPS). This award will be used to fund programs for staff within the Police Department to enhance wellness services by providing training, developing support tools, and boosting peer support resources for law enforcement personnel. The grant term is from September 1, 2022 to August 31, 2024.</p>				
Northern California Regional Intelligence Center - Police 2021/Revenue from Federal Government	Police Department	-	\$6,191	\$6,191
<p>This action increases the Northern California Regional Intelligence Center – Police 2021 City-Wide Expenses appropriation and increases the estimate for Revenue from the Federal Government by \$6,191. The Northern California Regional Intelligence Center (NCRIC) works to improve the region's ability to detect, prevent, investigate, and respond to criminal and terrorist activity. The NCRIC program allows for the reimbursement of overtime costs for the City's assigned Lieutenant position. After reconciliation of costs, for the period from July 2022 to December 2022, it was determined that additional funding would be requested for reimbursement of overtime costs that was not originally considered in the development of the 2022-2023 Adopted Budget. This action will ensure that the City receives timely reimbursement.</p>				
Northern California Regional Intelligence Center - Police 2022/Revenue from Federal Government	Police Department	-	\$152,065	\$152,065
<p>This action establishes the Northern California Regional Intelligence Center – Police 2022 City-Wide Expenses appropriation and increases the estimate for Revenue from the Federal Government by \$152,065. The Northern California Regional Intelligence Center (NCRIC) works to improve the region's ability to detect, prevent, investigate, and respond to criminal and terrorist activity. This allocation of the grant funding, which spans two fiscal years, will partially fund the salary, benefits, and overtime for one San José Police Department Lieutenant position for the period from January 2023 to June 2023. After 2021-2022 Annual Report actions, the 2022-2023 Modified Budget includes \$107,000 from the Northern California Regional Intelligence Center Staffing City-Wide Expenses appropriation and \$157,947 from the Northern California Regional Intelligence Center – Police 2021 City-Wide appropriation to partially fund the cost of the Lieutenant position. With this action, the position will be fully funded in 2022-2023. The grant term is from November 1, 2022 to December 31, 2023.</p>				

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<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
State Homeland Security Grant Program/Revenue from Federal Government	Police Department	-	\$24,178	\$24,178
<p>This action increases the State Homeland Security Grant Program appropriation and increases the estimate for Revenue from Federal Government to recognize an additional allocation in the amount of \$24,178. On September 14, 2022, the Santa Clara County Office of Emergency Services allocated additional training funds in the amount of \$24,178 and was approved by the Training/Exercise Advisory Group. These funds are to be used for the implementation of State Homeland Security strategies to address identified planning, organization, equipment, training, and exercise needs to prepare for acts of terrorism or other catastrophic events and must be spent by April 15, 2023. The allocation of this funding will ensure that these funds are spent by the grant deadline.</p>				
State Homeland Security Grant Program - Police 2022/Revenue from Federal Government	Police Department	-	\$225,032	\$225,032
<p>This action establishes the State Homeland Security Grant Program - Police 2022 City-Wide Expenses appropriation and increases the estimate for Revenue from Federal Government by \$225,032 to recognize grant funding from the Department of Homeland Security. These funds are to be used for the implementation of State Homeland Security strategies to address the identified planning, organization, equipment, training, and exercise needs to prepare for acts of terrorism and other catastrophic events. The funds will be used for training requests submitted to and approved by the Training/Exercise Advisory Group. The grant term is from September 1, 2022 to May 31, 2025.</p>				
Electric Vehicle Charging Stations (LCFS Credits)/Other Revenue	Transportation Department	-	\$22,370	\$22,370
<p>This action establishes the Electric Vehicle Charging Stations (LCFS Credits) City-Wide Expenses appropriation in the amount of \$22,370 and a corresponding increase to the estimate for Other Revenue. The department uses a broker (SECTrade) to help with the sale of Electric Vehicle Chargers' Low Carbon Fuel Standard (LCFS) credits. These are credits/revenue back to the City from electric vehicle charging stations located at city facilities, primarily City-owned garages in the downtown area. The Department expects to receive approximately \$16,000 to \$20,000 worth of credits/revenue annually. Since this is the first year the City has had a vendor sell the credits back, a portion of the revenue included in this action is from prior years. The revenue is restricted to being used to further benefit vehicle electrification. Department staff are working with electric vehicle program partners in the other departments to reach consensus on uses for the revenue.</p>				
Sidewalk Repairs/Other Revenue	Transportation Department	-	\$543,000	\$543,000
<p>This action increases the Sidewalk Repairs City-Wide Expenses appropriation by \$543,000, from \$2.0 million to \$2.5 million, and a corresponding increase to the estimate for Other Revenue to fund assigned and anticipated sidewalk repair contractual work for property owners. Due to increased costs from all concrete vendors and increased activity, a budget increase is needed to fund the sidewalk repair work. Homeowners are invoiced for the sidewalk repair work to recuperate the costs incurred from the contractual services.</p>				

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