

COMMITTED ADDITIONS TO THE BASE GENERAL FUND FORECAST

As has been the practice, potential future-year program expenses in the General Fund have been included in a “**Committed Additions**” section of the General Fund Forecast.

Committed Additions involve future operating expenses for projects that have been previously approved by the City Council and deemed relatively unavoidable or commitments of future service level increases previously authorized by the City Council. The largest items in this category are additional staffing in the Police Department and the full activation of the South San José Police Substation, as well as maintenance and operations costs for the Emergency Operations Center, Fire Stations 32 and 36, and the Police Training Facility, as part of the Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond program. The remaining items included in this category are expenses that will be required to operate and maintain other approved capital projects scheduled to be completed and open within the five-year horizon of this Forecast. These expenses are related to the maintenance and operations of projects such as new parks and recreation facilities, new traffic infrastructure assets, and other public safety facilities. It should be noted that the estimated costs included in this category have been submitted by the various departments involved but have not yet been fully analyzed by the Budget Office. It can be anticipated that refinements of these estimates, as well as determining funding for fixtures, furnishings, and equipment, will be completed prior to bringing them forward for consideration by the City Council in any given year.

A summary of the Committed Additions included in this Forecast is provided below and detailed in Chart A at the end of this section. In addition, based on the City Council’s adoption of Budget Principle #8 during the 2008-2009 budget process, a General Fund Capital Operating and Maintenance/Budget Principle #8 discussion is included in this section. Capital projects with annual maintenance and operating costs over \$100,000 that have been previously certified by the City Council, or are recommended for certification in the future, are identified in Chart A of this section. Certification for potential new projects or modifications to existing projects identified after the release of this Forecast, that have not been previously approved by the City Council, may be recommended for certification as part of the 2024-2028 Proposed Capital Improvement Program. If certified by the City Council, the maintenance and operating costs associated with these facilities would then be included in subsequent General Fund Five-Year Forecast documents.

Following is a summary of Committed Additions included in the General Fund Five-Year Forecast. Projections factor in an inflation escalator for the out-years of the Forecast and are displayed in a cumulative, not incremental, cost method.

Police Staffing – This category captures the costs associated with additional positions in the Police Department. City Council’s approval of the Mayor’s June Budget Message for Fiscal Year 2022-2023 authorized, as Committed Additions to future Five-Year General Fund Forecasts, the annual addition of up to 15.0 positions in the Police Department; the positions may be a mix of sworn and civilian positions depending upon the most pressing community safety needs, in each year where the City Manager determines that the addition of the positions would not require a decrease in existing basic neighborhood services. The Forecast includes ongoing funding to support this staffing growth, and the Administration will recommend the addition of the full-time-equivalent positions in the Proposed Operating Budget.

<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
2,400,000	4,944,000	7,638,000	10,490,000	13,506,000

COMMITTED ADDITIONS TO THE BASE GENERAL FUND FORECAST

New Parks and Recreation Facilities Maintenance and Operations – This category reflects the projected additional costs that are necessary to operate and maintain new and expanded parks and recreation facilities included in the Capital Improvement Program. Several parks and recreation facilities are scheduled to come online over the next five years include, but are not limited to, Columbus Park Soccer Fields; Hillsdale Fitness Staircase at Communications Hill; Old Orchard Park; and Winchester Orchard Park. The City will assume maintenance and operating costs for Bassett Park and North San Pedro Park – locations which received in-lieu payments for maintenance from the developers, but the limited funding sources are expected to be depleted within the next five years.

The Forecast also includes operating cost estimates for trails, including sections of Coyote Creek Trail, including Phelan to Tully and Mabury to Empire and sections along Guadalupe River Trail, including Branham to Chynoweth; Spur to Blossom River, Data Center, and Top Golf; and St. John to Julian. Additional future costs are identified to support Future Trail Projects to help meet the City’s goal to expand the City’s trail system. The City currently has approximately 62 miles of trails.

<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
58,000	371,000	1,868,000	2,024,000	2,251,000

New Traffic Infrastructure Assets Maintenance and Operations – This category reflects the anticipated additional costs that are necessary to operate and maintain transportation-related projects included in the Capital Improvement Program. Funding to operate and maintain new traffic signals and streetlights (including those installed by developers), landscaping, and other traffic infrastructure is assumed in this category. Most of the projects are related to traffic safety enhancements for pedestrians and bicyclists, such as Pedestrian Improvements, Hillsdale Avenue Safety and Bikeway Improvements, Vision Zero projects such as Quick Build Branham Lane and Data-Driven Safety Improvements, and West San Carlos Corridor Safety Improvements.

<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
169,000	269,000	339,000	364,000	384,000

New Public Safety Facilities Maintenance and Operations – This category reflects the anticipated additional costs that are necessary to fully activate the South San José Police Substation. The Police Training Facility, expected to come online in 2024-2025, will trigger the activation of the South San José Police Substation once the Police Academy and Training units vacate the Police Substation. The Police Substation will be converted back to the original intent of enhancing community presence and improving response times to calls in the Southern Division. All estimates will be further refined once the scope of work necessary for activation is finalized, the results of which will be brought forward for City Council consideration.

<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
		271,000	2,661,000	2,819,000

COMMITTED ADDITIONS TO THE BASE GENERAL FUND FORECAST

Measure T Maintenance and Operations – This category reflects the projected maintenance and operating costs of new disaster preparedness, public safety facilities, and infrastructure improvements that were included as part of the Measure T bond approved by the voters in November 2018.

Fire Stations 32 and 36 are anticipated to come online in 2024-2025 and 2025-2026, respectively. The increased costs associated with these new fire stations are primarily driven by the need for new engine companies at the facilities. The scope of Fire Station 32 has been expanded from a single company to a two-company station to accommodate the service demands in Council District 7 and neighboring Council Districts 3, 5, and 8 and that required revised cost assumptions in this Forecast. Other facility maintenance and operations funding is included for the 911 Call Center Expansion, Clean Water Projects (River Oaks Stormwater Capture), the Emergency Operations Center, Fire Station 8 Relocation, relocation of the Police Air Support Unit Hangar, and the Police Training Facility that are all scheduled to come online during the five-year period. In total, the maintenance and operations funding for Measure T facilities coming online will increase from \$463,000 in 2023-2024 to approximately \$21.7 million by 2027-2028.

As the Measure T program continues to progress over the next two years, the corresponding estimates for operations and maintenance costs will be updated accordingly. Future General Fund forecasts will also incorporate any incremental costs associated with the improvements for the Police Headquarters and Fire Station 23.

<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>
463,000	11,205,000	17,514,000	21,012,000	21,666,000

General Fund Capital Operating and Maintenance/Budget Principle #8

In March 2008, the City Council adopted City of San José Budget Principles as part of the approval of the Mayor’s 2008-2009 March Budget Message. Budget Principle #8 is as follows:

Capital Improvement Projects shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact. Certification shall demonstrate that funding for the entire project, including maintenance and operations costs, will not require a decrease in existing basic neighborhood services.

Chart A details a list of all project maintenance and operations costs assumed in this Forecast. Funding for these projects were included as part of the previously approved Capital Improvement Program or align with previous City Council direction. All capital projects with annual maintenance and operating costs in the General Fund greater than \$100,000 have been denoted in the chart. By 2027-2028, the costs to maintain and operate all City Council projects expected to come online during the five-year period are estimated at approximately \$40.6 million annually, of which approximately \$21.7 million is related to Measure T facilities as described above.

COMMITTED ADDITIONS TO THE BASE GENERAL FUND FORECAST

As always, maintenance and operating costs for new or expanded capital facilities will continue to be closely scrutinized to ensure that costs for any newly built or expanded infrastructure are supported on an ongoing basis without a decrease in existing basic neighborhood services. All project maintenance and operating costs will be evaluated on an annual basis for inclusion in subsequent Five-Year General Fund Forecasts. A careful evaluation of the project schedules and/or staffing necessary to maintain and operate these facilities, including the one-time funding for fixtures, furnishings, and equipment will be performed prior to bringing them forward for consideration by the City Council in any given year.

CHART A - 2024-2028 GENERAL FUND FORECAST

Net Operating Impact of Committed Additions

	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
POLICE STAFFING					
Police Staffing Additions	2,400,000	4,944,000	7,638,000	10,490,000	13,506,000
TOTAL POLICE STAFFING	2,400,000	4,944,000	7,638,000	10,490,000	13,506,000
NEW PARKS AND RECREATION FACILITIES MAINTENANCE AND OPERATIONS					
Bassett Park†	-	34,000	38,000	39,000	39,000
Columbus Park Soccer Fields*	-	-	1,214,000	1,309,000	1,414,000
Communications Hill II - Hillsdale Fitness Staircase	-	-	57,000	58,000	59,000
Future Trail Projects	-	36,000	72,000	111,000	152,000
North San Pedro Park†	-	36,000	89,000	91,000	93,000
Old Orchard Park*	-	48,000	99,000	101,000	103,000
PAL Stadium Turf Replacement	-	19,000	23,000	23,000	24,000
Prototype Dog Park	51,000	52,000	53,000	54,000	55,000
River Oaks Regional Stormwater Capture Project	-	44,000	45,000	46,000	46,000
TRAIL: Coyote Creek - Mabury to Empire	-	25,000	44,000	45,000	46,000
TRAIL: Coyote Creek - Phelan to Tully	-	17,000	34,000	36,000	36,000
TRAIL: Five Wounds Trail from Story to Lower Silver Creek	-	-	-	-	46,000
TRAIL: Guadalupe River Trail Branham to Chynoweth	-	-	-	-	22,000
TRAIL: Guadalupe River Trail Spur to Blossom River Drive	1,000	1,000	1,000	1,000	1,000
TRAIL: Guadalupe River Trail Spur to Data Center	-	-	-	2,000	2,000
TRAIL: Guadalupe River Trail Spur to Top Golf	6,000	6,000	6,000	6,000	6,000
TRAIL: Guadalupe River Trail St. John to Julian	-	-	-	-	3,000
TRAIL: Los Gatos Creek Trail to Three Creeks Trail	-	-	-	7,000	7,000
Winchester Orchard Park	-	53,000	93,000	95,000	97,000
TOTAL NEW PARKS AND RECREATION FACILITIES MAINTENANCE AND OPERATIONS	58,000	371,000	1,868,000	2,024,000	2,251,000
NEW TRAFFIC INFRASTRUCTURE ASSETS MAINTENANCE AND OPERATIONS					
Balbach Street Transportation Improvements	11,000	23,000	24,000	24,000	25,000
Branham and Monterey Sideshow Deterrents	1,000	1,000	1,000	1,000	1,000
Camden and Charmeran Avenue Crosswalk	1,000	1,000	1,000	1,000	1,000
Community Development Block Grant - Crosswalk Lights	10,000	10,000	11,000	11,000	11,000
Copper to Fiber Conversion	4,000	4,000	4,000	4,000	4,000
Copper to Fiber Conversion (Future Years)	-	4,000	7,000	7,000	8,000
Developer Installations - Signals	14,000	14,000	15,000	15,000	15,000
Developer Installations - Signals (Future Years)	-	4,000	9,000	14,000	14,000
Developer Installations - Streetlights	7,000	7,000	7,000	8,000	8,000
Developer Installations - Streetlights (Future Years)	-	7,000	14,000	20,000	21,000
Highway 680 and Jackson Traffic Signal	-	2,000	5,000	5,000	5,000
Highway Soundwalls	1,000	2,000	2,000	2,000	2,000
Kooser Road Crosswalk	-	1,000	1,000	1,000	1,000
Monterey Road Radar Speed Signs	3,000	4,000	4,000	4,000	4,000
Quick Build Illegal Street Racing Sideshow Deterrent Street Modificatic	15,000	15,000	16,000	16,000	17,000
Roosevelt Park Transportation Improvements	3,000	6,000	6,000	7,000	7,000
Route 101/Trimble/De La Cruz Interchange Improvement	-	12,000	12,000	12,000	13,000
Safety: Pedestrian Improvements	8,000	9,000	9,000	9,000	9,000
Safety: Pedestrian Improvements (Future Years)	-	8,000	16,000	25,000	34,000
Safety: Traffic Signal Modifications/Construction	4,000	5,000	5,000	5,000	5,000
Safety: Traffic Signal Modifications/Construction (Future Years)	-	4,000	5,000	5,000	5,000
Senter Road Traffic Safety Improvements	10,000	10,000	10,000	10,000	11,000
TFCA 2020-2021 Hillsdale Avenue Safety and Bikeway Improvements	30,000	31,000	32,000	32,000	33,000
Vision Zero: City-wide Pedestrian Safety & Traffic Calming	2,000	2,000	3,000	3,000	3,000
Vision Zero: Data-Driven Safety Improvements	11,000	12,000	12,000	12,000	13,000
Vision Zero: Quick Build Branham Lane	34,000	35,000	36,000	37,000	38,000
Vision Zero: Quick Build (Future Years)	-	13,000	25,000	26,000	27,000
W San Carlos Corridor Safety Improvements (OBAG)	-	13,000	27,000	27,000	28,000
Willow-Keyes Complete Streets Improvements	-	10,000	20,000	21,000	21,000
TOTAL NEW TRAFFIC INFRASTRUCTURE ASSETS MAINTENANCE AND OPERATIONS	169,000	269,000	339,000	364,000	384,000

CHART A - 2024-2028 GENERAL FUND FORECAST

Net Operating Impact of Committed Additions

	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
NEW PUBLIC SAFETY FACILITIES MAINTENANCE AND OPERATIONS					
Police Substation Activation*	-	-	271,000	2,661,000	2,819,000
TOTAL NEW PUBLIC SAFETY FACILITIES MAINTENANCE AND OPERATIONS	-	-	271,000	2,661,000	2,819,000
MEASURE T MAINTENANCE AND OPERATIONS					
911 Call Center Expansion*	-	30,000	124,000	136,000	141,000
City Facility LED Conversion (Controllers)	13,000	13,000	18,000	18,000	18,000
Clean Water Projects (River Oaks Stormwater Capture)*	-	163,000	173,000	183,000	194,000
Emergency Operations Center**	450,000	550,000	572,000	595,000	619,000
Fire Station 8 Relocation*	-	132,000	175,000	181,000	188,000
Fire Station 32 (New)*	-	9,212,000	11,378,000	11,720,000	12,074,000
Fire Station 36 (New)*	-	-	2,928,000	5,963,000	6,143,000
Police Air Support Unit Hangar	-	67,000	93,000	95,000	98,000
Police Training Facility*	-	1,038,000	2,053,000	2,121,000	2,191,000
TOTAL MEASURE T MAINTENANCE AND OPERATIONS	463,000	11,205,000	17,514,000	21,012,000	21,666,000
TOTAL OPERATING IMPACT OF COMMITTED ADDITIONS	3,090,000	16,789,000	27,630,000	36,551,000	40,626,000

†Parks that are currently being maintained by a developer. City responsibility for maintenance and operations begin when initial developer funding ends.

*Annual maintenance and operating costs in the General Fund greater than \$100,000 that will require certification prior to authorizing construction.

**Additional facilities maintenance staffing to support the new Emergency Operations Center, including the Office of Emergency Services offices, and Fire Training Facility.