



2023-2024

PROPOSED

OPERATING BUDGET

Prepared by the Office of the City Manager
May 2023

Mayor



Matt Mahan

City Council

District 1



Rosemary Kamei

District 2



Sergio Jimenez

District 3



Omar Torres

District 4



David Cohen

District 5



Peter Ortiz

District 6



Devora "Dev" Davis

District 7



Bien Doan

District 8



Domingo Candelas

District 9



Pam Foley

District 10



Arjun Batra

Office of the City Manager

City Manager	Jennifer A. Maguire		
Assistant City Manager	Leland Wilcox		
Budget Director	Jim Shannon		
Assistant Budget Director	Bonny Duong		
Deputy Budget Director	Claudia Chang		
Assistant to City Managers	Bryce Ball	Stewart Patri	Selena Ubando
Senior Budget Analysts	Chris Petak	Tresha Grant	Gabriel Orozco
Budget Analysts	Curtis Satake	Lynn Lee	Jose Garcia Gomez
	James Gold	Gabe Diamond	Rachana Keo
		Ricardo Cisneros	
Budget Production	Kate Handford		Kris Rath
Special Assistance	Surya Upadhyayula (Information Technology)	<u>City Manager's Office</u>	<u>City Manager's Office</u>
	Alice Vurich (Finance Dept)	Nanci Klein	Rachel Quirimit
		Rikki Ignacio	Carolyn Gibson
		Jennifer Schembri	Matthew Opsal
		Nora Chin	Edwin Huertas
		Gina Espejo	Blage Zelalich
		Erik Jensen	Jennifer Piozet
		Rob Lloyd	Danielle Torralba
		Jill McCaffrey	Michael Ogilvie
		Jessica Lowry	Peter Hamilton

*California Society of Municipal
Finance Officers*

Certificate of Award

***Operating Budget Excellence Award
Fiscal Year 2022-2023***

Presented to the

City of San José

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

February 10, 2023



A handwritten signature in black ink, appearing to read "Scott Catlett".

Scott Catlett
2022 CSMFO President

A handwritten signature in black ink, appearing to read "James Russell-Field".

James Russell-Field, Chair
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of San Jose
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

PAGE INTENTIONALLY LEFT BLANK

2023-2024 PROPOSED OPERATING BUDGET

TABLE OF CONTENTS

	<u>Page</u>
MAYOR AND CITY COUNCIL	2
CITY MANAGER’S BUDGET OFFICE STAFF	3
CSMFO Operating Budget Excellence Award	
Fiscal Year 2022-2023	4
GFOA Distinguished Budget Presentation Award	
Fiscal Year 2022-2023	5
CITY MANAGER’S 2023-2024 BUDGET MESSAGE	13
Attachment A – General Fund Balancing Strategy Detail.....	39
Attachment B – Status of Mayor and City Council Referrals	51
Attachment C – Status of City Auditor Recommendations with Funding Impact.....	65
Attachment D – Reallocation of Uncommitted Measure E Funding	69
COMMUNITY PROFILE	
San José at a Glance.....	73
Roster of Elected Officials.....	82
State and Local Legislative Highlights	83
BUDGET GUIDE	
Annual Budget Process.....	89
City Organization by City Service Area.....	90
City Organization by Department/City Service Area/Core Service/Program	91
City Organization by Function.....	96
Boards, Commissions and Committees.....	97
Operating Budget Guide	98
Fund Descriptions	102
Glossary of Terms.....	113
Acronyms Index	117
SUMMARY INFORMATION	
Total City Source and Use of Funds (Table).....	123
Summary of General Fund Sources (Graph and Table).....	131
Summary of General Fund Uses (Graph and Table).....	134
Summary of General Fund Uses by Category (Graph and Table)	137
Summary of Total Staffing by Department (Graph and Table).....	139

2023-2024 PROPOSED OPERATING BUDGET

TABLE OF CONTENTS

	<u>Page</u>
HISTORY AND TREND INFORMATION	
Five-Year Comparison of Total City Source and Use of Funds (Graph and Table)	141
Five-Year Comparison of General Fund Sources (Table)	143
Five-Year Comparison of General Fund Uses (Graph and Table)	144
Five-Year General Fund Uses by Category (Table)	146
BUDGET POLICIES AND PRACTICES	
Budget Policies	147
City Service Area Policy Framework.....	167
Significant Accounting Practices	169
Debt Service Obligations.....	172
GENERAL FUND REVENUE	
General Fund Revenue Overview.....	179
General Fund Revenue Estimates	187
General Fund Revenue Descriptions	219
CITY SERVICE AREAS (CSA)	
Overview	235
Community and Economic Development CSA	243
Environmental and Utility Services CSA	259
Neighborhood Services CSA	271
Public Safety CSA	285
Transportation and Aviation Services CSA.....	297
Strategic Support CSA	311
CITY DEPARTMENTS/COUNCIL APPOINTEES	
Airport.....	355
City Attorney.....	373
City Auditor.....	387
City Clerk.....	397
City Manager.....	409
City Manager - Office of Economic Development and Cultural Affairs	431
Community Energy.....	447
Environmental Services	463
Finance.....	491
Fire	509

2023-2024 PROPOSED OPERATING BUDGET

TABLE OF CONTENTS

	<u>Page</u>
CITY DEPARTMENTS/COUNCIL APPOINTEES (CONT'D.)	
Housing	533
Human Resources	553
Independent Police Auditor	571
Information Technology.....	581
Library	599
Mayor and City Council.....	615
Parks, Recreation and Neighborhood Services.....	621
Planning, Building and Code Enforcement	651
Police.....	679
Public Works	707
Retirement Services.....	735
Transportation	745
 CITY-WIDE	
City-Wide Expenses.....	781
General Fund Capital, Transfers, Reserves	817
 SOURCE AND USE OF FUNDS STATEMENTS	
Affordable Housing Impact Fee Fund (452).....	843
Airport Customer Facility and Transportation Fee Fund (519)	844
Airport Fiscal Agent Fund (525)	845
Airport Maintenance and Operation Fund (523)	846
Airport Revenue Fund (521)	847
Airport Surplus Revenue Fund (524)	848
American Rescue Plan Fund (402).....	849
Benefit Funds – Benefit Fund (160).....	852
Benefit Funds – Dental Insurance Fund (155).....	854
Benefit Funds – Life Insurance Fund (156).....	855
Benefit Funds – Self-Insured Medical Fund (158)	856
Benefit Funds – Unemployment Insurance Fund (157)	857
Building Development Fee Program Fund (237)	859
Building Homes and Jobs Act Fund (456)	860
Business Improvement District Fund (351).....	861
Cash Reserve Fund (002).....	862
Citywide Planning Fee Program Fund (239).....	863
City Hall Debt Service Fund (210)	864
Community Development Block Grant Fund (441)	865
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371).....	866
Community Facilities District No. 2 (Aborn – Murillo) and Community Facilities District No. 3 (Silverland – Capriana) Fund (369).....	867
Community Facilities District No. 8 (Communications Hill) Fund (373).....	868
Community Facilities District No. 11 (Adeline – Mary Helen) Fund (374)	869

2023-2024 PROPOSED OPERATING BUDGET

TABLE OF CONTENTS

	<u>Page</u>
SOURCE AND USE OF FUNDS STATEMENTS (CONT'D.)	
Community Facilities District No. 12 (Basking Ridge) Fund (376).....	870
Community Facilities District No. 13 (Guadalupe Mines) Fund (310).....	871
Community Facilities District No. 14 (Raleigh – Charlotte) Fund (379).....	872
Community Facilities District No. 15 (Berryessa – Sierra) Fund (370).....	873
Community Facilities District No. 16 (Raleigh – Coronado) Fund (344).....	874
Community Facilities District No. 17 (Capitol Expy – Evergreen Place (496).....	875
Community Facilities Revenue Fund (422).....	876
Convention and Cultural Affairs Fund (536).....	877
Convention Center Facilities District Revenue Fund (791).....	878
Coronavirus Relief Fund (401).....	879
Downtown Property and Business Improvement District Fund (302).....	880
Economic Development Administration Loan Fund (444).....	881
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474).....	882
Emergency Reserve Fund (406).....	883
Federal Drug Forfeiture Fund (419).....	884
Federated Retiree Health Care Trust Fund (124).....	885
Federated Retirement Fund (134).....	886
Fire Development Fee Program Fund (240).....	887
Fire Retiree Health Care Trust Fund (126).....	888
Gas Tax Maintenance and Construction Fund – 1943 (409).....	889
Gas Tax Maintenance and Construction Fund – 1964 (410).....	890
Gas Tax Maintenance and Construction Fund – 1990 (411).....	891
General Purpose Parking Fund (533).....	892
Gift Trust Fund (139).....	893
Home Investment Partnership Program Trust Fund (445).....	896
Homeless Housing, Assistance, and Prevention Fund (454).....	897
Housing Trust Fund (440).....	898
Ice Centre Revenue Fund (432).....	899
Inclusionary Fee Fund (451).....	900
Integrated Waste Management Fund (423).....	901
Library Parcel Tax Fund (418).....	903
Low and Moderate Income Housing Asset Fund (346).....	904
Maintenance District No. 1 (Los Paseos) Fund (352).....	906
Maintenance District No. 2 (Trade Zone Blvd. – Lundy Ave.) Fund (354).....	907
Maintenance District No. 5 (Orchard Parkway – Plumeria Drive) Fund (357).....	908
Maintenance District No. 8 (Zanker – Montague) Fund (361).....	909
Maintenance District No. 9 (Santa Teresa – Great Oaks) Fund (362).....	910
Maintenance District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund (364).....	911
Maintenance District No. 13 (Karina – O’Nel) Fund (366).....	912
Maintenance District No. 15 (Silver Creek Valley) Fund (368).....	913

2023-2024 PROPOSED OPERATING BUDGET

TABLE OF CONTENTS

	<u>Page</u>
SOURCE AND USE OF FUNDS STATEMENTS (CONT'D.)	
Maintenance District No. 18 (The Meadowlands) Fund (372)	914
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359).....	915
Maintenance District No. 20 (Renaissance – N. First Landscaping) Fund (365).....	916
Maintenance District No. 21 (Gateway Place – Airport Parkway) Fund (356).....	917
Maintenance District No. 22 (Hellyer Ave. – Silver Creek Valley Rd.) Fund (367).....	918
Multi-Source Housing Fund (448)	919
Municipal Golf Course Fund (518)	921
Planning Development Fee Program Fund (238)	922
Police Retiree Health Care Trust Fund (125)	924
Police and Fire Retirement Fund (135).....	925
Public Works Development Fee Program Fund (241)	926
Public Works Program Support Fund (150).....	927
Public Works Small Cell Permitting Fee Program Fund (242).....	928
Rent Stabilization Program Fee Fund (450)	929
San José Arena Capital Reserve Fund (459)	930
San José Clean Energy Operating Fund (501).....	931
San José-Santa Clara Treatment Plant Income Fund (514).....	933
San José-Santa Clara Treatment Plant Operating Fund (513).....	934
Sewage Treatment Plant Connection Fee Fund (539)	936
Sewer Service and Use Charge Fund (541).....	937
South Bay Water Recycling Operating Fund (570).....	939
St. James Park Management District Fund (345).....	940
State Drug Forfeiture Fund (417).....	941
Storm Sewer Operating Fund (446).....	942
Supplemental Law Enforcement Services Fund (414)	944
Transient Occupancy Tax Fund (461)	945
Vehicle Maintenance and Operations Fund (552)	946
Water Utility Fund (515)	947
Workforce Development Fund (290).....	949
 APPENDICES	
Mayor’s March Budget Message for Fiscal Year 2023-2024.....	951
Community Development Block Grant (CDBG) Fund 2023-2024 Funding Allocation.....	986

PAGE INTENTIONALLY LEFT BLANK

Honorable Mayor and City Council:

I am proud to present the 2023-2024 Proposed Operating Budget, a balanced budget that continues efforts to address the highest priority community and organizational needs, while appropriately positioning the City to weather forecasted future economic uncertainty. This budget follows the direction provided by the Mayor and City Council with their approval of the Mayor’s March Budget Message for Fiscal Year 2023-2024. It also considers other City Council and Administration priorities, recent community outreach and surveys, other departmental and organizational priorities, and forecasts for future revenues and expenditures.

The General Fund 2024-2028 Five-Year Forecast was used as the starting point in the development of the budget. For the General Fund, a revised surplus of \$35.3 million is projected for 2023-2024, followed by a shortfall of \$18.8 million in 2024-2025, with essentially no or very small incremental surpluses over the remaining three years of the Forecast. This limited resource availability significantly contrasts with the level of community service needs and the significant backlog of deferred infrastructure rehabilitation. In addition, the Forecast does not reflect the large number of services that have previously been funded on a one-time basis in the General Fund or American Rescue Plan (ARP) Fund for several years that many would think of as City Core Services. Including even a portion of these service demands would immediately turn the 2023-2024 projected budget surplus into a budget shortfall.

Keeping these considerations in mind, the Proposed Budget follows City Council direction to focus targeted spending on critical community services while also saving for the future. This budget takes a multi-year approach that sets aside enough ongoing funding to fully address the ongoing General Fund shortfall projected in 2024-2025. It also maintains existing service levels, enhances service delivery in limited areas, and invests in our infrastructure and technology. With limited resources, it is critical that the City continue to take an innovative approach to achieving our service delivery goals.

For the City’s many other dedicated funds (e.g., Airport Funds, Integrated Waste Management Fund, San José Clean Energy Fund, Sanitary Sewer Funds) budget actions considered various service delivery and infrastructure needs balanced within the available resources of each fund. All recommended service levels consider associated impacts to rate payers during the Proposed Operating Budget’s preparation.

Community Budget Meetings



- May 8** **7:30pm**
Berryessa Community Center
- May 10** **6:30pm**
Almaden Hills United Methodist Church
- May 20** **2:30pm**
Southside Community Center
- May 20** **4:00pm**
Khmera Rangsey Temple
- May 22** **6:30pm**
The Watermark at Almaden
- May 31** **6:30pm**
Mayfair Community Center
- June 6** **5:30pm**
Willow Glen Community Center
- June 7** **6:30pm**
Joyce Ellington Library

Budget Decision Milestones

- May 10 -17**
City Council Study Sessions
- May 16/June 12**
Public Hearings on 2023-2024 Proposed Budgets and Fees & Charges
- June 2**
2023-2024 Mayor’s June Budget Message Released
- June 13**
Council Review/Approval of the 2023-2024 Mayor’s June Budget Message
- June 20**
Adoption of the 2023-2024 Capital and Operating Budgets, 2024-2028 CIP, and the 2023-2024 Fees & Charges

2023-2024 PROPOSED OPERATING BUDGET

As guided by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024, this Proposed Budget prioritizes and reallocates the City's limited General Fund and other fund resources for some of our most challenging issues – including increasing community safety, reducing unsheltered homelessness, cleaning up our neighborhoods, and attracting investments in jobs and housing – while also addressing select areas of urgent, important, and continuing work within other community services, strategic support services, and deferred infrastructure. A summary of the recommended key actions for these Investment Priorities is discussed later in this transmittal memorandum, with detailed budget proposals, outlined by proposal title and section where they can be found, provided throughout the Proposed Operating Budget document.

Other summary information items that can easily be found in this transmittal memorandum include: Total Proposed Budget; General Fund Forecast; Proposed Budget Development Considerations; General Fund Budget Balancing Plan; and Fees and Charges Adjustments.

It is important to note that though this transmittal memorandum primarily discusses the incremental changes to the budget and new or reallocated funding to implement new or modify and enhance existing services levels, the 2023-2024 Proposed Operating Budget is a comprehensive document that contains budgetary and performance data for each City Service Area (CSA) and department, linking the expected service delivery environment to expected actions and outcomes, facilitated through the spending in dozens of Core Services and hundreds of Budget Programs.

Based on the hard work of City staff, this Proposed Operating Budget successfully and responsibly allocates ongoing funding to the priorities identified in the March Budget Message, continues to make progress on bringing the General Fund into structural alignment with service level demands, and considers existing funding sources across the over 140 City funds. Each funding source was brought into balance to sustainably and responsibly continue City programming and services in accordance with City Council direction, priorities, and policies.

Investment Priorities

The Mayor's March Budget Message approved by the City Council identified the following investment priorities:

- ✓ *Increasing Community Safety*
- ✓ *Reducing Unsheltered Homelessness*
- ✓ *Cleaning Up Our Neighborhoods*
- ✓ *Attracting Investment in Jobs and Housing*

Other investment priorities included select areas of urgent, important, and continuing work within other community services, strategic support services, and deferred infrastructure

2023-2024 PROPOSED OPERATING BUDGET

Total Proposed Budget

The 2023-2024 Proposed Budget totals \$5.2 billion for all City funds (General, Special, and Capital). This amount is \$750.2 million (12.5%) below the 2022-2023 Adopted Budget (Table 1 below). The Proposed Budget, however, does not yet include funds that will be rebudgeted and added to the final 2023-2024 Adopted Budget to complete multi-year projects. Once these rebudgets are included, the total amount of the budget will increase.

2023-2024 Proposed Budget — All Funds (Table 1)			
	2022-2023 Adopted	2023-2024 Proposed	% Change
General Fund	\$ 1,916,689,476	\$ 1,583,796,728	(17.4%)
Special Funds	3,012,492,461	3,299,171,401	9.5%
<Less: Operating Transfers>	(872,639,407)	(875,811,492)	0.4%
Net Operating Funds	4,056,542,530	4,007,156,637	(1.2%)
Capital Funds	1,947,900,683	1,238,040,932	(36.4%)
<Less: Capital Transfers>	(13,065,000)	(4,030,000)	(69.2%)
Net Capital Funds	1,934,835,683	1,234,010,932	(36.2%)
Total	\$ 5,991,378,213	\$ 5,241,167,569	(12.5%)

Position Impacts

The Proposed Budget includes a net increase to the overall position count throughout the organization. The Base Budget included the elimination of 41 positions, as these positions were funded on a one-time basis only in the 2022-2023 Adopted Budget. Overall, the net level of staffing increases by 149 positions, from 6,884 full-time equivalent positions in the 2022-2023 Adopted Budget to 7,033 positions in the 2023-2024 Proposed Budget, as shown in Table 2 below.

Changes in Position Count (All Funds) from 2022-2023 Adopted to 2023-2024 Proposed Budget (Table 2)	
2022-2023 Adopted Budget	6,884 positions
<i>2023-2024 Base Budget Changes</i>	<i>(41) positions</i>
<i>2023-2024 Proposed Budget Changes – General Fund</i>	<i>134 positions</i>
<i>2023-2024 Proposed Budget Changes – Other Funds</i>	<i>56 positions</i>
Total Net 2023-2024 Position Changes	149 positions
2023-2024 Proposed Budget	7,033 positions

2023-2024 PROPOSED OPERATING BUDGET

General Fund Forecast

In February 2023, the Administration prepared the 2024-2028 Five-Year Forecast and Revenue Projections document to estimate the budget condition of the General Fund and selected Capital Funds over the next five years. The Forecast initially anticipated an ongoing surplus of \$29.9 million in 2023-2024. That surplus was then slightly revised upward to \$35.3 million due to a number of factors, including corrections to personal services costs within the Base Budget and minor revisions to several revenue categories.

Table 3 below displays the incremental General Fund surpluses and shortfalls estimated over the next five years. It is important to note that the shortfall anticipated in 2024-2025 assumes that the \$35.3 million surplus for 2023-2024 is fully allocated toward ongoing uses. Any portion of a surplus not fully allocated – or any shortfall not fully resolved – would be carried over to the following year.

2024-2028 Revised General Fund Five-Year Forecast
 (\$ in millions)¹
 (Table 3)

	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Five-Year Surplus/ (Shortfall)
Incremental Surplus/ (Shortfall)	\$35.3 ²	(\$18.8)	(\$0.1)	\$9.4	\$0.1	\$25.9

¹ Does not include 1) costs associated with services funded on a one-time basis in 2022-2023; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

² This figure was revised from the \$29.9 million surplus as presented in the February 2023 Forecast as a result of continued analysis of projected revenues and expenditures.

As described previously and in greater detail in the 2024-2028 Five-Year Forecast¹, the projected surpluses omitted significant expenditure levels in 2022-2023 funded by either one-time resources in the General Fund, or funded through external sources such as the ARP Fund. A clear example is the Beautify San José Consolidated Model, which was created early in the pandemic and kick-started with one-time funding from the Coronavirus Relief Fund and the ARP Fund to provide homeless encampment trash collection, abatement, illegal dumping response, and other blight reduction activities. The 2022-2023 Adopted Operating Budget fully funded the Beautify San José positions on an ongoing basis, but all contractual services funding continued to be one-time funded. As a result, the \$35.3 million omits the over \$8 million of costs for basic contractual services of trash collection and abatement work that is effectively viewed by the community as baseline Core Services.

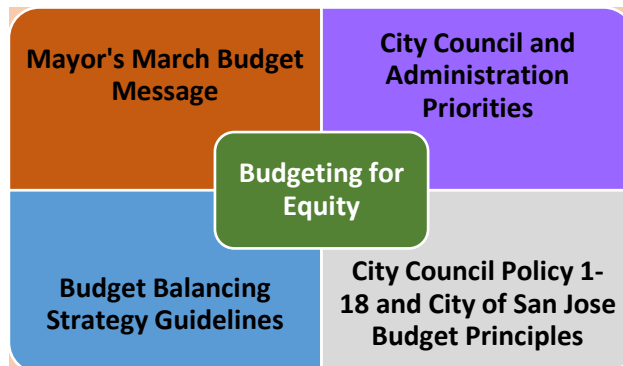
In anticipation of weaker economic conditions in the coming months, City Council’s approval of the Mayor’s March Budget Message directed the establishment of a 2024-2025 Future Deficit Reserve. The Proposed Operating Budget fully meets this direction, leaving \$18.8 million unspent on an ongoing basis. This prudent approach positions the City to better weather the uncertain budgetary future in the face of a possible recession, eliminates the currently-projected shortfall in 2024-2025, and significantly lessens the likelihood of future service reductions in 2024-2025.

¹ 2023-2024 City Manager’s Budget Request and 2024-2028 Five-Year Forecast:
<https://www.sanjoseca.gov/home/showpublisheddocument/95053/638133534549630000>

2023-2024 PROPOSED OPERATING BUDGET

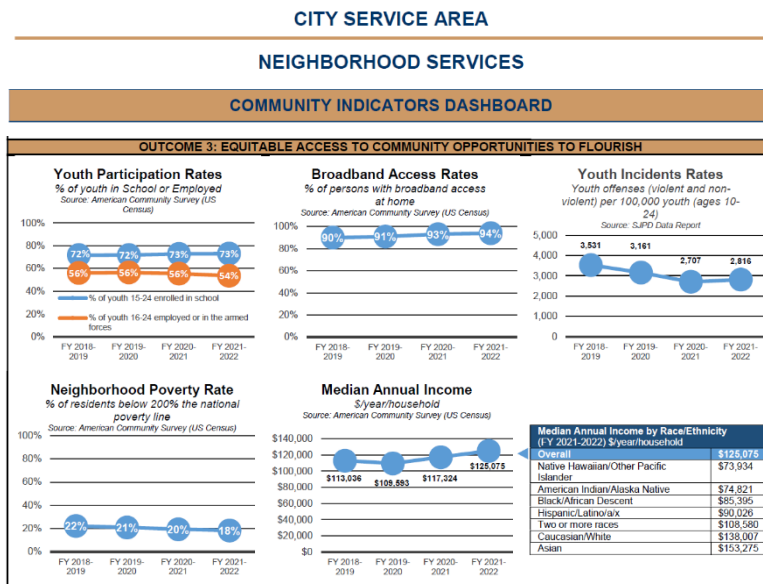
Proposed Budget Development Considerations

The Proposed Budget balances many competing community and organizational needs while ensuring that the resources contained within all City funds remain in balance and thoughtfully deployed. While the budget development process was informed by a variety of factors, the inputs shown at right are the key drivers that provided the strategic approach for these needs.



The Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, identified the main investment priorities for the budget process, and directed us to employ the Budget Balancing Strategy Guidelines that outlined a number of general approaches to use in the development of the budget. City Council Policy 1-18 and the City of San José Budget Principles further ensured that the Administration applied best budgetary practices and worked to align ongoing revenues with ongoing expenditures. Finally, the City Council identified new or revised service level needs to benefit the community, and the Administration identified areas for additional investment or reallocation to address organizational risks and service delivery gaps.

Grounding us during the budget deliberation process is the consideration of equity. Our collective obligation as public administrators is to always think about resource allocation in a structured way to help determine who is benefitted and who is burdened by budgetary action, or inaction. This includes both the allocation of existing resources within the Base Budget, and additional resources considered when developing the Proposed Budget. City Council's approval of the 2022-2023 Adopted Operating Budget established resources to begin the revamp of the outcomes, strategic objectives, performance measures, and activity and workload highlights displayed in the Proposed and Adopted Budgets, to deepen the City's ability to understand the impact of services within different segments of the community. To pilot this approach, the 2023-2024 Proposed Operating Budget includes revised metrics for the Neighborhood Services CSA, at both the CSA and Core Service level, as well as a "Community Indicators Dashboard" that aligns with the revised outcomes. The 2023-2024 Proposed Operating Budget recommends additional funding to build on the success of this pilot and re-imagine the metrics for the remaining CSAs and their associated Departments/Core Services, with three CSAs expected to be updated in 2023-2024.



2023-2024 PROPOSED OPERATING BUDGET

General Fund Budget Balancing Plan

As displayed in Table 4 below, the 2023-2024 Proposed General Fund Budget Balancing Plan includes actions to allocate the \$35.3 million surplus forecasted for 2023-2024. This table shows the matrix of balancing strategies and the dollars associated with each action. A discussion of the balancing strategies can be found in *Attachment A* to this message and is discussed in detail throughout the Proposed Budget. *Attachment B* provides the status of Mayor and City Council referrals approved as part of the Mayor’s March Budget Message for Fiscal Year 2023-2024. *Attachment C* provides information regarding any actions included in the budget that specifically addressed a recommendation issued by the City Auditor.

2023-2024 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's) (Table 4)		
	2023-2024	Ongoing
2023-2024 General Fund Surplus	\$ 35,263	\$ 35,263
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
2022-2023 Excess Revenue/Expenditure Savings	35,000	0
Liquidation of Various Reserves:		
Uncommitted Measure E Reserves	17,478	0
Fire Station FF&E Reserve	3,800	0
2023-2024 Recruitment Centralization Pilot Program Reserve	1,125	0
Solid Waste Code Enforcement Reserve	600	0
Climate and Seismic Resilience Planning Reserve	463	0
Grants/Reimbursements/Fees:		
CaliforniansForAll Youth Workforce Development (PRNS and OEDCA)	2,899	0
280 Almaden Avenue Beautification (Public Works)	1,850	0
Commercial Solid Waste CPI Adjustment	1,017	1,017
Other Fee Programs/Reimbursements/Grants	2,568	1,821
Overhead Reimbursements/Transfers from Other Funds	1,407	1,678
Subtotal Source of Funds	\$ 68,206	\$ 4,516
Use of Funds		
Service Level Enhancements	\$ 53,464	\$ 10,387
2022-2023 Previously One-Time Funded Services	37,517	13,979
Earmarked Reserves (Measure E Revenue Stabilization, Information Technology Sinking Fund, Essential Services, Animal Care and Services Foundation)	22,877	200
Unmet/Deferred Technology, Infrastructure, and Maintenance	22,692	488
New Facilities Operations and Maintenance	6,153	768
Other Fee Programs/Grants/Reimbursements	5,339	90
2024-2025 Future Deficit Reserve	0	18,846
Cost Reductions/Service Delivery Efficiencies/Funding Shifts	(1,608)	(1,889)
Use of Reserves (Measure E, Committed Additions, Cultural Facilities, Deferred Infrastructure and Maintenance, Police Staffing, Police Equipment Sinking Fund)	(42,965)	(3,090)
Subtotal Use of Funds	\$ 103,469	\$ 39,779
Total Balancing Strategy	\$ (35,263)	\$ (35,263)
Remaining Balance	\$ 0	\$ 0

2023-2024 PROPOSED OPERATING BUDGET

General Fund Budget Balancing Plan (Cont'd)

As reflected in Table 4 above and Table 5 below a total of \$103.5 million from the General Fund is allocated in 2023-2024, of which \$39.8 million is allocated on an ongoing basis. The large amount of General Fund resources available in 2023-2024 is primarily attributable to: 1) one-time resources associated with beginning fund balance or savings expected at the end of 2022-2023 that are carried forward to be used as a one-time funding source in 2023-2024 (\$35.0 million); and 2) the repurposing of a portion of Measure E Reserves² that the City Council has not yet committed for a specific use that is recommended for reallocation to reducing the number of unsheltered homeless residents in San José as directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024 (\$17.5 million).

While the process to develop the 2023-2024 Proposed Operating Budget spanned all City funds, Table 5 below provides a summary of the alignment of the actions included in the General Fund to the priorities identified in both the City Council-approved March Budget Message and other City Council and Administration priorities.

2023-2024 Proposed Budget Investment Priorities – General Fund (Table 5)		
Investment Priority	2023-2024 General Fund Adjustments	Ongoing General Fund Adjustments
Increasing Community Safety	\$22.9 million	\$6.1 million
Reducing Unsheltered Homelessness (Measure E)	\$38.0 million	\$0.5 million
Cleaning Up Our Neighborhoods	\$15.6 million	\$8.9 million
Attracting Investments in Jobs and Housing	\$3.5 million	\$0.2 million
Other Community Services	\$19.0 million	\$4.3 million
Strategic Support Services	\$4.9 million	\$3.2 million
Deferred Infrastructure	\$27.5 million	\$0.9 million
Investment Priority Total	\$131.4 million	\$24.1 million
Measure E Revenue Stabilization Reserve	\$15.1 million	
2024-2025 Future Deficit Reserve		\$18.8 million
Use of Reserves	(\$43.0 million)	(\$3.1 million)
Total	\$103.5 million	\$39.8 million

² As discussed in the following pages, the total amount of uncommitted Measure E resources recommended for a reserve to guard against likely revenue shortfalls and reallocation to homelessness support and prevention services is \$53.1 million, which includes the \$17.5 million from unspent Measure E reserves in 2022-2023, and the reallocation of \$35.6 million of Measure E reserves included in the 2023-2024 Base Budget.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities

A discussion regarding some of the most impactful budget actions follows, including actions funded in various Special and Capital Funds, along with a listing of the proposal title and section of the document that describes the various budget actions in more detail. The actions are grouped by their alignment with the investment priorities approved as part of the Mayor's March Budget Message for Fiscal Year 2023-2024.

Increasing Community Safety

Last year, City Council's approval of the 2022-2023 Adopted Operating Budget saw the most significant increase in Police Department staffing since the passage of the Measure B ¼-cent Sales Tax ballot measure in 2016, increasing budgeted sworn staffing levels by 20 positions – 16 to Field Patrol and 4 to the Mobile Crisis Assessment Team – and committing to add a minimum of 15 additional sworn and civilian personnel each year on an ongoing basis. Due to the continued need to accelerate the rebuilding of the Police Department, City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024 set a more aggressive target by doubling the added headcount in 2023-2024, from 15 to 30 positions.

The 2023-2024 Proposed Operating Budget meets this direction by adding a total of 31 positions to the Police Department on an ongoing basis, of which 20 positions are sworn personnel. Due to existing sworn vacancy levels and the current pace of new officers entering the recruit academies, the 20 sworn positions are budgeted to start in mid-2024-2025 and will be added to Field Patrol once the new staff complete their academy and field training requirements. To maximize the Department's ability to recruit new officers, the continuation of additional one-time recruiting and backgrounding resources, as well as one-time funding for a Police Department Sworn Backfill Reserve is recommended in the 2023-2024 Proposed Operating Budget. The Police Department Sworn Backfill Reserve will provide overtime funding as needed to ensure patrol services experience minimal disruption while sworn position vacancies are being filled. Also, following on the work from the Reimagining Public Safety Task Force and in accordance with the March Budget Message, one-time funding is recommended to develop a community-based approach to preventing and responding to domestic violence, which is focused on the idea that residents from all across our community can be empowered to take action to intervene.



2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)



As described in the 2023-2024 Proposed Capital Budget and 2024-2028 Proposed Capital Improvement Program, the next two years are expected to see a surge of activity as a number of projects funded from the \$650 million San José's Disaster Preparedness, Public Safety, and Infrastructure Bond Measure (Measure T) move from design and into construction. This includes the upcoming 911 Call Center Expansion and the new Fire Station 32. While Measure T pays for design and construction, the costs for furniture, fixtures and equipment are not eligible to be paid from general

obligation bond revenue; as a result, a total of \$5.5 million from the General Fund and \$1.9 million from the Fire Construction and Conveyance Tax Fund (allocated in the 2023-2024 Proposed Capital Budget) must be allocated in 2023-2024. To ensure a sufficient span of control as the number of fire stations grows, and to improve the response of command staff to emergency incidents, the 2023-2024 Proposed Budget adds three additional Battalion Chiefs to add a sixth battalion to the Fire Department.

As noted in the March Budget Message, any discussion of increasing community safety needs to extend to our streets. While San José has seen nearly a third fewer fatalities on its roadways compared to last year, any number greater than zero is too many. Within the Traffic Capital section of the 2023-2024 Proposed Capital Budget and 2024-2028 Proposed Capital Improvement Program, \$133.5 million is programmed for key safety improvement projects over a five-year period, primarily leveraging Federal and State grant funding. The 2023-2024 Proposed Operating Budget also adds two permanent positions in the Transportation Department focused on obtaining additional grant funding for traffic safety projects and for evaluating the effectiveness of Vision Zero priority safety corridor improvement projects.



A listing of these and other notable budget actions within this category is provided below:

Police Department Sworn Backfill Reserve (\$5.0 million)/General Fund Capital, Transfers, Reserves

911 Call Center Expansion – Fixtures, Furniture, and Equipment (\$3.7 million)/General Fund Capital, Transfers, and Reserves

Fire Station 32 – Fixtures, Furniture, and Equipment (\$1.8 million)/ General Fund Capital, Transfers, and Reserves

Firefighter/Paramedic Lateral Recruiting Academy (\$1.6 million)/Fire

Police Department Sworn and Non-Sworn Recruiting and Backgrounding (\$1.3 million)/Police

Police Field Patrol Staffing (\$1.1million)/Police

Fire Battalion Staffing (\$1.2 million)/Fire
City Facilities Security Enhancements (\$1.0 million)/ General Fund Capital, Transfers, Reserves

Community Services Officer Downtown Ambassador (\$907,000)/Police

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

Happy Hollow, Emma Prusch, Lake
Cunningham Security Staffing
(\$660,000)/PRNS

Library Security Staffing and Contractual
Services Expansion (\$616,000)/Library

Crime and Intelligence Data Center
Expansion (\$563,000)/Police

Community-Based Violence Solutions
(\$400,000)/City-Wide Expenses

Psychiatric Emergency Response Team
(\$180,000)/Police

Grants and Data-Based Transportation
Evaluation Staffing (\$160,000)/
Transportation

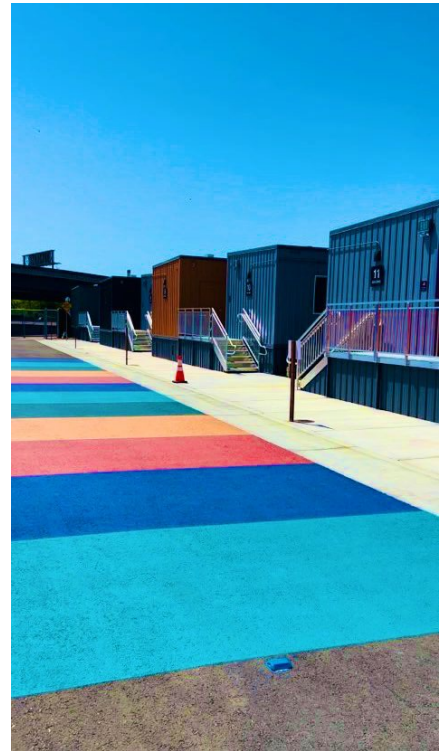
Vision Zero Priority Safety Corridors Project
Evaluation Staffing (\$120,000)/
Transportation

Improving Criminal Justice Program
(\$120,000)/Police

Reducing Unsheltered Homelessness

Even before the pandemic in 2020, the City has leaned into the role in helping to prevent, manage, and end homelessness. While no one government agency can address this humanitarian crisis alone, it is critical to maximize the ability of the City's limited resources to help address our most vulnerable populations.

Accordingly, the City Council has given direction to meet aggressive goals in the near term to address unsheltered homelessness. The 2022-2023 Adopted Operating Budget allocated a total of \$40.0 million from the General Fund (\$21.5 million) and the ARP Fund (\$18.5 million) to kick-start the development of 1,000 Emergency Interim Housing (EIH) sites and seed funding for their future operating and maintenance costs. City Council's approval of the 2022-2023 Adopted Budget also designated the inclusion, as Committed Additions to future Five-Year General Fund Forecasts, the costs to operate and maintain the existing and future inventory of Bridge Housing Communities, EIH sites, and converted hotels and motels to shelter unhoused community members in San José. More simply put, if Federal, State, and other external resources are not sufficient to operate these facilities, future ongoing General Fund allocations will be committed to close the gap.



While staff is currently leveraging City, Federal, and State resources to develop and maintain EIH sites, open safe parking sites, and provide outreach and support services to unsheltered residents, an additional infusion of resources are needed to meet the aggressive goals set by the Mayor and City Council.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

Approved by the voters in March 2020, Measure E enacted a Real Property Transfer Tax, a general purpose tax that is received in the General Fund whose revenues can be used for any governmental purpose. However, City Council Policy 1-18, Section 22 designates specific uses for the funding. After allocating 5% of the revenues for program administration, the remaining revenue is allocated for affordable housing development (75%), homeless support programs, shelter construction, and operations (15%), and homelessness prevention, gender-based violence programs, legal services, and rental assistance (10%).



The City Council's approval of the March Budget Message directed the Administration "to explore the use of uncommitted Measure E resources for reallocation to homeless prevention, support and management investments...[including] allocating sufficient resources and funding to create new capacity to move at least 1,000 people who are currently living in the most environmentally-destructive and unsafe encampments into safer alternatives by the end of the calendar year."

Table 6 below presents the ambitious, yet still feasible path to achieving the goal of moving 1,000 people by December 31, 2023 into newly created, City-funded safe alternatives for people who are experiencing homelessness and are unsheltered³ in San José. These numbers are in addition to ongoing efforts to increase permanent housing. This urgent effort recognizes that people suffering on the streets need safe, secure options as soon as possible, which will improve community well-being overall. Although the table below does not quite meet the goal date, the City will be aggressively pursuing additional opportunities to maximize these alternatives.

Path to Move 1,000 Unsheltered Individuals into Safe Opportunities (Table 6)		
Opportunity*	New Units	Individuals Supported
Permanent Supportive Housing	150	150
Emergency Interim Housing	96	96
State Small Homes Initiative	200	200
Valley Transportation Agency Safe Parking	42	59
Arena Hotel	89	99
Rapid Rehousing	150	175
Other RV/car parking initiatives	92	128
Total	819	907

*The Administration is also pursuing an opportunity to potentially site an additional 100 emergency cabins to the total above, depending upon site location and logistics.

³ A person is homeless and unsheltered if they lack a fixed, regular, and adequate nighttime residence, which is a primary nighttime residence that is a public or private place not meant for human habitation, such as parks, creeks, or in RVs or cars not parked in designated legal spots.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

City Council Policy 1-18 requires that any change to the percentages of Measure E spending allocations requires two public hearings and a two-thirds vote of the City Council. The public hearings for the Measure E reallocation discussed below will occur as part of the budget hearings already scheduled for May 16 and June 12.

The Administration was guided by the following considerations when determining the amount of uncommitted Measure E resources for reallocation to meet the City Council's direction:

- Funding levels for homelessness prevention and support should be significant – for City staffing capacity, for outreach capacity, and to drive the development of EIH and safe parking sites – to provide both a surge of funding in 2023-2024 and an expenditure runway for development projects for the next several years;
- Sufficient levels of Measure E resources to support previously approved affordable housing projects and those projects that successfully competed for an allocation of funding from the Housing Department's most recent Notice of Funding Availability (NOFA) should be retained;
- To provide maximum flexibility to meet the above objectives, consider both Measure E resources received in prior years through 2022-2023, and revenues anticipated for 2023-2024; and
- Because Measure E revenues in 2022-2023 are expected to fall short of the \$65 million revenue estimate, ensure that a portion of uncommitted Measure E resources remain unspent to absorb a likely revenue loss to ensure funding commitments stay intact.

The total amount of current and prior year Measure E proceeds earmarked for affordable housing development that has not yet been committed by the City Council to specific projects or uses is \$70.3 million. Of the \$50.0 million revenue estimate anticipated for 2023-2024, \$35.6 million is allocated in the 2023-2024 Base Budget for affordable housing development. Taken together, \$105.9 million is available to be reallocated to meet the objectives of the City Council as described in the March Budget Message.

Of the \$105.9 million amount, the 2023-2024 Proposed Operating Budget recommends retaining \$52.8 million (50%) for pending affordable housing production and allocating \$15.1 million into a Measure E Revenue Stabilization Reserve to provide capacity to absorb a likely revenue shortfall anticipated in 2022-2023 resulting from the real estate market's poor performance, which ensures that other Measure E funding commitments stay intact.

The remaining amount of \$38.0 million is recommended for reallocation to homelessness prevention, support, and management services: \$20.9 million for interim housing development and operations, \$10.5 million for homelessness response and outreach, \$4.8 million for homelessness prevention, and \$1.8 million for a homelessness coordination team. These resources will be critical to meeting the City Council's bold objectives to reduce unsheltered homelessness in San José. Additional information regarding the reallocation of Measure E funding is contained in *Attachment D* to this transmittal memorandum.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

A listing of the budget actions within this category is provided below:

Measure E – Interim Housing Construction and Operations (\$18.9 million)/City-Wide Expenses

Measure E – Revenue Stabilization Reserve (\$15.1 million)/General Fund Capital, Transfers, and Reserves

Measure E – Homeless Response and Outreach (\$7.0 million)/City-Wide Expenses

Measure E – 10% Homeless Prevention and Rental Assistance Reserve (\$4.8 million)/General Fund Capital, Transfers, and Reserves

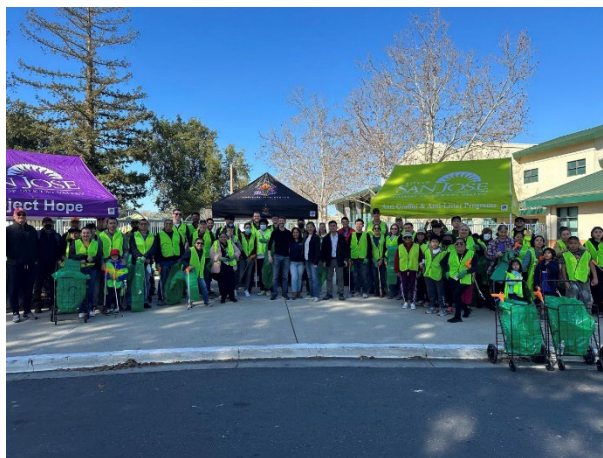
Measure E – SJ Bridge (\$3.5 million)/City-Wide Expenses

Measure E – Interim Housing Site Development Staffing (\$2.0 million)/ City-Wide Expenses

Measure E – Homelessness Coordination Team (\$1.8 million)/City-Wide Expenses

Cleaning Up Our Neighborhoods

Together with its stepped-up efforts to prevent and address homelessness, the City has made substantial investments of budgetary and organizational resources to address issues of blight, illegal dumping, trash collection at homeless encampments, and abatement activities. The 2021-2022 Adopted Operating Budget leveraged one-time ARP funding to formally establish the Beautify San José Consolidated Model in the Parks, Recreation and Neighborhood Services Department. City Council's approval of the 2022-2023 Adopted Operating Budget permanently funded the positions that provided the then existing service level, though all of the contractual services for the program were still funded on a one-time basis.



As directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024, the Proposed Budget allocates significant levels of ongoing contractual services funding to make a substantial inroad to ensuring that the baseline level of contractual services for trash pickup, setback and encampment abatement work, Cash for Trash, trash disposal fees, and interagency work is included in the General Fund on an ongoing basis, as well as an ongoing increase to non-profit partners that perform creek cleanups (\$8.1 million). As the level of need currently surpasses the baseline service level, the Proposed Budget also responds to the March Budget Message direction by allocating additional one-time funding of \$4.2 million to pilot new or expanded services, including: establishing two teams to pick-up trash at encampments located along waterways; a team focused on reducing blight and encampments at a number of City gateways; a "Beautify Your Block" program to leverage the volunteer capacity of neighborhood groups and associations to clean neighborhoods most impacted by blight; and increasing the Cash for Trash Program by 200 participants, from 500 to 700.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

The 2023-2024 Proposed Budget recommends a total resource allocation – including the existing Base Budget – for Anti-Graffiti and Anti-Litter, Illegal Dumping, and Homeless Encampment Trash Collection and Abatement Services Budget Programs of approximately \$26 million and 90 positions. This is a significant increase above pre-pandemic levels of approximately \$7 million and 25 positions as included in the 2019-2020 Adopted Operating Budget.

Other investments in this category include the continuation of one-time funded positions in the Information Technology Department to support and enhance the San José 311 platform, additional one-time funding to procure and implement a homeless encampment management system, the permanent funding of automated public toilets in the Downtown (previously funded on a one-time basis for many years), and grant funding for the 280 Almaden Avenue Beautification Improvement Project.



A listing of these and other notable budget actions within this category is provided below:

Beautify San José Consolidated Model (\$12.3 million)/PRNS

280 Almaden Avenue Beautification Improvement Project (\$1.9 million)/General Fund Capital, Transfer, Reserves

Automated Public Toilets (\$438,000)/Transportation

San José 311 Program (\$500,000)/Information Technology

Homeless Encampment Management System (\$250,000)/Information Technology

“Beautify Your Block” BSJ Grants (\$150,000)/PRNS

Attracting Investments in Jobs and Housing

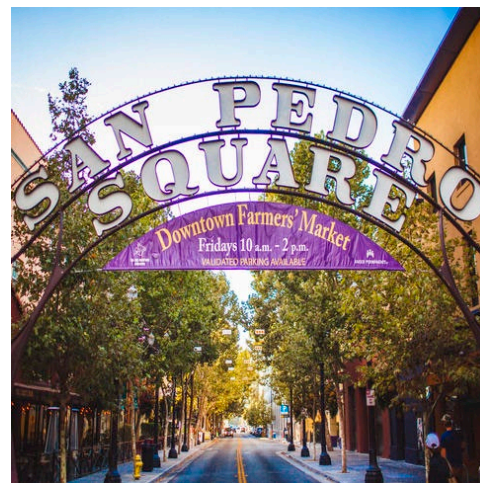
The long-term health of San José – in terms of quality of life for our residents and the ability of the City to deliver core services over the long-term – is contingent on our ability to attract and sustain economic activity. As directed in the March Budget Message, targeted investments are centered around planning and permitting to improve customer service outcomes and pre-planning work to better support current and future private development, facilitating future affordable housing development, as well as supporting economic activity through direct assistance programs and continued bolstering of cultural arts.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities Needs (Cont'd)

Enhancing the City's Capacity to Facilitate Private Development Activity

While current efforts are already underway to recruit and retain planning and permitting staff within the Planning, Building and Code Enforcement Department (PBCE) – including the Recruitment Centralization Pilot Program overseen by the Human Resources Department that, in part, assumes responsibility for all recruitment work within the Code Enforcement Division so that PBCE can focus on recruitment related to Development Services – and PBCE is undertaking a pilot reorganization to dedicate specific project managers for high-priority projects. Budget actions recommended to enhance the capacity of PBCE to facilitate development activity include: adding front-line and managerial staff to the Permit Center to more effectively implement a blended model of supporting virtual appointments, in-person appointments, and customers without appointments; upgrading the web portal and back-end technology to provide better integration and transparency around the permit approval process; streamlining plan review and inspections for pre-approved designers and installers; and establishing a paid fellowship program with San José State University and other educational institutions to create a pipeline of future employees for Development Services.



Investments to Better Support Future Development Activity

In addition to staffing increases to build capacity to facilitate the planning and permitting process, the City will also undertake pre-planning work to help set the stage for future development activity. Such investments include continued funding for California Environmental Quality Act (CEQA) pre-clearance for market-ready urban villages, the re-zoning of properties to align with the Envision San José 2040 land use designations that will result in more clarity for property owners as they engage in future development work, and the preparation of guidelines and templates to improve the speed and consistency of environmental review in accordance with City Auditor recommendations⁴.

To facilitate the production and retention of affordable housing, permanent staffing in the Housing Department will support several major initiatives, including implementing strategic priorities from the Anti-Displacement Strategy and completing work on defining fair housing strategies under the Housing Element, and drafting and creating an Assessment of Fair Housing Plan for the Federal Housing and Urban Development Department that builds on the Housing Element. Ongoing consulting services will support technical and environmental review, appraisal services, underwriting, community engagement, and other predevelopment activities supporting future NOFAs. The 2023-2024 Proposed Operating Budget also fully funds the effort to change the General Plan's land use designation for the City's remaining 43 mobile home parks not included in previous funding allocations.

⁴ City Auditor Report 22-02, *Environmental Review for New Developments: Better Project Management and Reviewing Resources can Improve the CEQA Process*:

<https://www.sanjoseca.gov/home/showpublisheddocument/83400/637834607762098708>

Investment Priorities (Cont'd)

Supporting Economic and Cultural Vibrancy

The pandemic has left its mark on the Downtown and on other commercial areas across San José. As market conditions have changed and will continue to shift as the local economic indicators have begun to weaken, additional leadership and staffing capacity will be critical to engage with the business community and coordinate across stakeholder groups. In accordance with the Mayor's March Budget Message direction, the 2023-2024 Proposed Operating Budget provides two additional staffing resources in the Office of Economic Development and Cultural Affairs with a focus on Downtown activation – including expanded marketing efforts, clean and safe quality of life initiatives, and the facilitation of a greater collective impact from various Downtown stakeholders – as well as additional support for business recruitment and retention city-wide.



While many of the City's revenues have recovered from the shock of the pandemic, hotel activity and associated Transient Occupancy Tax (TOT) revenues – though certainly improved with revenues tracking to exceed prior year levels by over 75% - have not yet returned to pre-pandemic levels. As a result, ARP Funds were used over the past two years to support the operations and maintenance of the Convention Center and cultural facilities managed by Team San Jose, and to support grants to cultural institutions and organizations. With the ARP Fund fully allocated, the 2023-2024 Proposed Operating Budget allocates \$1.0 million of General Fund resources to continue one-time bridge funding for cultural grants, though at lower levels than the prior \$2.0 million allocation from the ARP Fund. Moreover, because all of the TOT proceeds allocated to Team San Jose are nearly completely dedicated to supporting Convention Center and cultural facilities operations, there is not money available for necessary capital rehabilitation at the City's cultural buildings. As a result, the 2023-2024 Proposed Operating Budget allocates \$12.1 million from the General Fund for critical capital improvements at cultural facilities, as discussed in the *Deferred Infrastructure* section below.



As a result, ARP Funds were used over the past two years to support the operations and maintenance of the Convention Center and cultural facilities managed by Team San Jose, and to support grants to cultural institutions and organizations. With the ARP Fund fully allocated, the 2023-2024 Proposed Operating Budget allocates \$1.0 million of General Fund resources to continue one-time bridge funding for cultural grants, though at lower levels than the prior \$2.0 million allocation from the ARP Fund. Moreover, because all of the TOT proceeds allocated to Team San Jose are nearly completely dedicated to supporting Convention Center and cultural facilities operations, there is not money available for necessary capital rehabilitation at the City's cultural buildings. As a result, the 2023-2024 Proposed Operating Budget allocates \$12.1 million from the General Fund for critical capital improvements at cultural facilities, as discussed in the *Deferred Infrastructure* section below.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

A listing of these and other notable budget actions within this category is provided below:

Small Business Recovery – Supplemental Arts + Cultural Funding (\$1.0 million)/City-Wide Expenses

Storefront Activation Grant Program (\$750,000)/City-Wide Expenses

Permit Center Team – Customer Service General Support Staffing (\$280,000)/ Planning, Building, and Code Enforcement

Downtown Management and Citywide Business Development Staffing (\$318,000)/ Office of Economic Development and Cultural Affairs

Market Ready Urban Villages (CEQA Pre-Clearance (\$300,000)/Planning, Building and Code Enforcement

Preapproved Vendors for Inspections (Best Prepared Installer) and Plan Review (Best Prepared Designer) (\$262,000)/ Planning, Building, and Code Enforcement

4th of July Celebration (\$250,000)/ City-Wide Expenses

Housing Pre-Development Consulting Services (\$250,000)/Housing

Mobile Home Park Protections (\$240,000)/ City-Wide Expenses

Housing Policy and Procedures Staffing (\$210,000)/Housing

Creating Helpful Incentives to Produce Semiconductors Act Facilitation (\$200,000)/ Office of Economic Development and Cultural Affairs

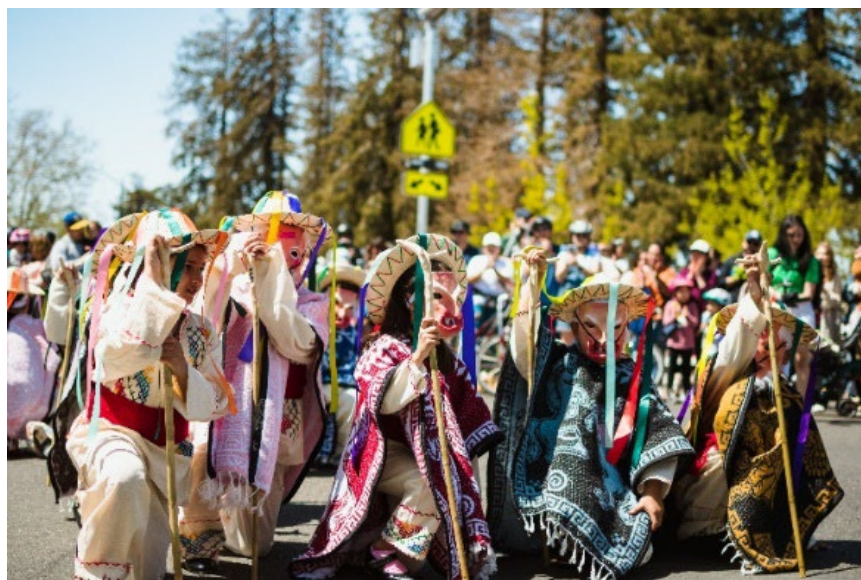
SJ Permits (Smart Guide) Software Upgrade (\$192,000)/ Planning, Building, and Code Enforcement

AMANDA – Geocortex Software Upgrade (\$150,000)/ Planning, Building, and Code Enforcement

Re-Zone Land Use Streamline Resources (\$117,000)/ Planning, Building, and Code Enforcement

Environmental Review Process Consultant Services (\$110,000)/ Planning, Building, and Code Enforcement

San José State University/City Downtown Co-Branding Pilot Campaign (\$100,000)/ City-Wide Expenses



Investment Priorities (Cont'd)

Other Community Services

While the March Budget Message gave direction around key focus areas, it also provided direction to address select areas of urgent, important, and continuing work within other community services, strategic support services, and deferred infrastructure. As highlighted below the Proposed Budget recommends a select number of prioritized investments across a range of services to address the most urgent areas of needs and mitigate organizational risk.

As discussed previously, one of the key objectives of the 2023-2024 Proposed Operating is to evaluate the continuation services that have been supported by the ARP Fund over the last two years. As an example, the ARP Fund provided youth scholarship funding in the Parks, Recreation and Neighborhood Services Department of \$2.4 million in 2022-2023, which is estimated to provide over 3,000 unduplicated youth that qualifies for scholarships to cover 100% of recreational programming costs. Although sustaining this level of support was never committed, providing a higher level of ongoing support above pre-pandemic levels was an objective of this budget cycle. As a result, a one-time General Fund contribution of \$1.0 million is recommended in 2023-2024, of which \$500,000 is recommended on an ongoing basis. A similar approach was applied to the Digital Equity Program as administered by the Library Department, which will receive transitional bridge one-time step-down funding of \$1.5 million from the General Fund for hotspots and Chromebooks in 2023-2024, while previously one-time staff is made permanent to coordinate the transition of families to the Federal Affordable Connectivity Program that subsidizes device and internet plans.



Investments are recommended to shore up operational gaps at the Animal Care and Services Center to support the large volume of animals entering the Center that need care and, ultimately, future homes. The Proposed Budget recommends the establishment of a night shift, implementing 24 hours/7 days a week of care and services for animals at the shelter; staffing additions and contractual services that provide capacity to help assess and address animal behavior issues and improve adoption and rescue outcomes; a repair worker solely dedicated to the Center; and additional funding of \$500,000 for capital rehabilitation (*captured within the Deferred Infrastructure category*).

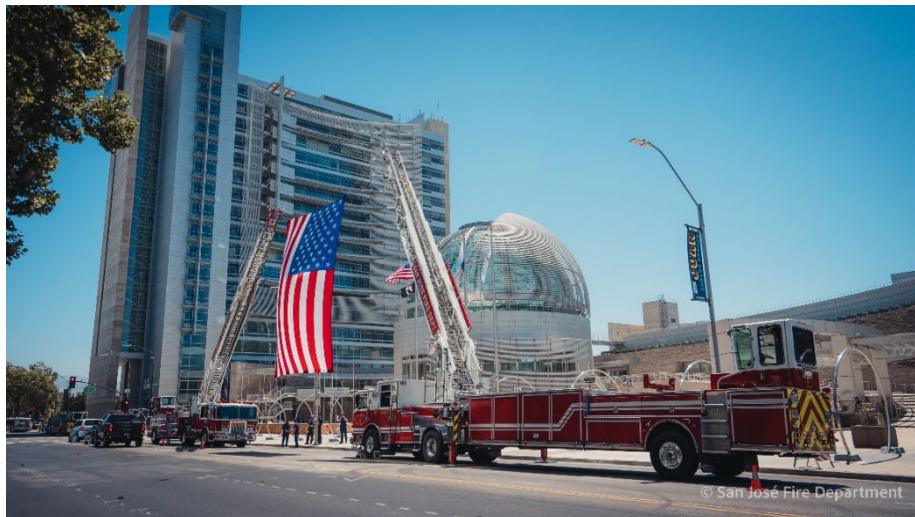
The Proposed Budget includes initial funding of \$4.0 million to implement the City Manager's Customer Service Vision and Standards initiative, which will drive a three-year transformation of the customer service experience for San José residents, businesses, and guests, as approved by the City Council on March 7, 2023. The first year will focus on cultural change, training, process re-engineering, initial centralized governance, technology planning and pilot implementation of a centralized customer relationship management system, and the pursuit of short-term quick wins to build momentum. The second year of the project will front-load the effort to integrate the customer relationship management system with appropriate departmental systems and migrate appropriate data to deliver a city-wide 360-degree view of San José customers. The third year will sustain the program to complete implementation as soon as possible. Funding for the second and third year of the project will be evaluated in future budget cycles.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

Numerous investments within various restricted funds are recommended in the Proposed Budget to address service level gaps, optimize or improve existing services, or address new challenges, as sampled below:

- With airport passenger levels and flights continuing to improve, recommendations are included for modest staffing increases within the Airport Department, including positions to address maintenance needs and provide capacity for the management of regulatory compliance and advance the Airport's Sustainability Management and the City's Climate Smart San José Plan.
- The Integrated Waste Management Fund managed by the Environmental Services Department allocates funding for additional staffing and contractual services to reduce single-family dwelling recycling contamination, as customer rates are impacted by the contamination of recyclable materials.
- Overseen by the Environmental Services Department in partnership with the Public Works Department, resources within the Sewer Service and Use Charge Fund, the Storm Sewer Operating Fund, and the General Fund are allocated to take initial steps to form the Sanitary and Storm Sewer collection systems as discreet City utilities. As the City faces challenges such as deferred maintenance backlog, increasing regulatory compliance requirements, future population growth, and emerging effects of climate change, additional investments will be needed to manage and rehabilitate these systems over the long term.
- To address the growing regulatory and legislative complexity over the energy industry in recent years, additional staffing within the Community Energy Department, and funded from the San José Clean Energy Fund, will ensure timely and accurate preparation of emissions analyses, utility tariff analyses, resource reliability assessments and other regulatory requirements from the California Public Utilities Commission, California Energy Commission, California Air Resources Board, and California Independent System Operator.
- Resources within the Traffic Capital Program continue and make permanent two positions in the Transportation Department to support traffic signal safety improvement projects including proactive development of a signal warrant/modification prioritization program, systemwide deployment of traffic signal safety and mobility tools such as accessible pedestrian signals and retroreflective signal head backplates, mitigation of recurring signal infrastructure knockdowns, and rehabilitation of aging and deficient infrastructure.



2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

A listing of these and other notable budget actions within this category is provided below:

Customer Service Vision and Standards (\$4.0 million)/City-Wide Expenses

CaliforniansForAll Youth Workforce Program – Climate Change Pathway (\$2.8 million)/City-Wide Expenses

Digital Equity Program (\$1.8 million)/Library

Animal Care and Services Staffing – Night Shift, Customer Service, Medical Services, and Facilities (\$1.4 million)/Public Works

Biosolids Management Strategy Support (\$1.2 million)/Environmental Services

Recycling Contamination Reduction (\$840,000)/Environmental Services

Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs (\$812,000)/Environmental Services

Youth Scholarship Funding (\$1.0 million)/PRNS

San José Clean Energy Regulatory Compliance, Policy, and Legislative Affairs Staffing (\$575,000)/Community Energy

Child and Youth Services Programming Staffing (\$529,000)/PRNS

Airport Facilities and Environmental Divisions Staffing (\$407,000)/Airport

San José Clean Energy Risk Management and Contract Staffing (\$433,000)/Community Energy

Traffic Signal Safety Staffing (\$434,000)/Transportation

City Council and Committee Meeting Interpretation Services (\$400,000)/Office of the City Clerk

Climate Smart San José Contractual Services (\$400,000)/Environmental Services

Transportation Local Project Delivery Staffing (\$192,000)/Transportation

Starbird and Berryessa Youth Center Out of School Programming (\$267,000)/PRNS

Aquatics Program (\$187,000)/PRNS

Disability Community Engagement and Service Evaluation (\$180,000)/Office of the City Manager

Gun Violence Restraining Order Staffing (\$162,000)/Office of the City Attorney

Safety Officer Staffing (\$150,000)/PRNS

Animal Care and Services Foundation Reserve (\$100,000)/General Fund Capital, Transfers, Reserves

Strategic Support Services, Deferred Infrastructure, 2024-2025 Future Deficit Reserve, and Use of Reserves

Strategic Support Services

All City services – from emergency response, to street sweeping, to branch library services, to recreational services, to pavement maintenance, to airport operations, and others – rely on the day-to-day work of our Strategic Support departments and their Core Services. As the Mayor and City Council and Administration regularly acknowledge the need for and importance of strategic support functions, several investments were included in this category.

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

The largest series of investments for Strategic Support is in the Human Resources Department, as the City continues its focus on recruiting, hiring, and retaining the talented workforce necessary to provide high-quality services to our community. A number of services funded on a one-time basis are made permanent and expanded, including hiring pipeline development, compensation and classification evaluations, and employee training and development. In addition, the Recruitment Centralization Pilot that consolidates within the Human Resources Department the recruiting and hiring functions of Parks, Recreation and Neighborhood Services, Housing, and Planning, Building and Code Enforcement's Code Enforcement Division will continue in 2023-2024. To lead these efforts and help drive cross-department improvements in recruitment and retention, the Proposed Budget recommends the restoration of a Deputy Director position to the Human Resources Department, the only City department that does not have a Deputy Director position (Deputy Directors in the Human Resources Department were eliminated as a budget reduction strategy to manage through the impacts of the Great Recession).

Actions in the Finance Department continues and makes permanent a portion of the Disaster Recovery and Grants Management team established during the onset of the pandemic to track and appropriately document expenditures, as well as develop the necessary expertise to both maximize cost recovery and pass future audits related to the hundreds of millions of dollars of Federal and State sources to address the pandemic's impacts. As this work will continue for a number of years, and as a centralized role for grant tracking expertise in the City was previously lacking, the Recovery and Grants Management team is recommended to continue into 2023-2024 and beyond.

Deferred Infrastructure

The 2023-2024 Proposed Operating Budget and 2024-2028 CIP describes in detail the revenues and costs associated with maintaining the City's public works infrastructure and assets. However, as available resources are not sufficient to fully maintain all City assets, the backlog of deferred infrastructure maintenance totals \$1.7 billion, with an additional \$91.5 million needed annually to maintain the City's infrastructure in a sustained functional condition. Though many of these assets have support from dedicated and restricted funding sources, many do not, or the dedicated revenue streams are insufficient. In either case, the capital maintenance and replacement of those assets becomes the responsibility of the General Fund. As discussed previously, due to lower levels of TOT proceeds that would otherwise be available to support capital rehabilitation of City-owned cultural facilities, a sizable General Fund allocation of \$12.1 million in 2023-2024 supports the critical and urgent capital improvements at the cultural facilities shown in the table below.

Cultural Facilities Capital Rehabilitation (General Fund) (Table 7)	
Recommended Investments	Amount
Center for the Performing Arts – Chiller, Cooling Tower, and Boilers Replacement	\$7.6 million
San José Museum of Art – Cooling Tower Replacement	\$2.9 million
The Tech Interactive – Chiller and Cooling Tower Replacement	\$1.2 million
Children's Discovery Museum – Curb and Walkway Rehabilitation	\$0.4 million
Total Cultural Facilities Capital Rehabilitation Projects	\$12.1 million

2023-2024 PROPOSED OPERATING BUDGET

Investment Priorities (Cont'd)

2024-2025 Future Deficit Reserve

As directed by the City Council's approval of the Mayor's March Budget Message, this budget takes into consideration the General Fund shortfall anticipated in 2024-2025 and recommends the ongoing allocation of \$18.8 million to the 2024-2025 Future Deficit Reserve. By fully addressing the anticipated 2024-2025 shortfall now, the City significantly lessens the likelihood of future service reductions in 2024-2025 should economic conditions further weaken.

Use of Reserves

The 2024-2028 Five-Year Forecast included several reserves set aside for specific uses, and then actions are recommended in the Proposed Budget to liquidate (or spend) those reserves as a corresponding offset to the planned budgeted expense. As discussed earlier in this transmittal, the single largest reserve liquidation comprises the 2023-2024 Base Budget allocation of Measure E Reserves previously allocated to the future development of affordable housing – but not yet committed to specific projects – of \$35.6 million. When combined with the carryover of \$17.5 million of uncommitted Measure E Reserves in the 2022-2023 Modified Budget, a total of \$53.1 million is recommended to establish the Measure E – Revenue Stabilization Reserve to guard against likely revenue shortfalls in 2022-2023 and ensure that funding commitments stay intact (\$15.1 million), and to increase resources for homelessness support and prevention services (\$38.0 million).

The Proposed Budget also liquidates: the Police Staffing Reserve to offset the cost of 15 of the 31 Police Department positions recommended on an ongoing basis in the 2023-2024 Proposed Operating Budget (\$2.4 million), a reserve set aside to help offset the cost to replace or maintain deferred infrastructure (\$2.0 million), the Cultural Facilities Capital Reserve established on an ongoing basis to help pay for rehabilitation of the City-owned cultural facilities (\$1.0 million), the Police Equipment Replacement Sinking Fund Reserve to pay for a limited amount of deferred technology and equipment replacements in the Police Department (\$1.0 million), and a number of reserves established to pay for the costs of new capital facilities coming online in 2023-2024 that need to be maintained and operated (\$690,000).

A listing of these and other notable budget actions within this category is provided below:

IT Sinking Fund Reserve (\$4.5 million)/ General Fund Capital, Transfers, Reserves	Pipeline Development Staffing (\$479,000)/Human Resources
Transfer to the Vehicle Maintenance and Operations Fund (Fleet Replacement, \$4.0 million)/General Fund Capital, Transfers, Reserves	Employee Training and Development Staffing (\$407,000)/Human Resources
Windows 11 Upgrade, Equipment and Resources (\$3.2 million)/Information Technology	Classification and Compensation Staffing (\$356,000)/Human Resources
Disaster Recovery and Grants Management Staffing (\$1.3 million)/Finance	Executive Staffing – Recruitment and Retention (\$298,000)/Human Resources
Recruitment Centralization Pilot Program (\$1.0 million)/Human Resources	Assistant City Auditor Staffing (\$203,000)/Office of the City Auditor
Animal Care and Services – Various Improvements (\$500,000)/ General Fund Capital, Transfers, Reserves	Transactional Associate Attorney Staffing (\$148,000)/Office of the City Attorney

2023-2024 PROPOSED OPERATING BUDGET

Fees and Charges Adjustments

The 2023-2024 Proposed Budget included a range of adjustments to fees and charges to provide the resources necessary to pay for operating and capital improvement expenses. For utility rates, no rate increase was included for the Storm Sewer Service Charge or the Sewer Service and Use Charge for 2023-2024. The Municipal Water Utility System includes a revenue increase of 14.6% for 2023-2024, and for Recycle Plus rates, a 4.0% increase is included for single-family dwellings and 2.0% increase is included for multi-family dwellings.

In the Development Fee Programs, fee adjustments of approximately 7% were included for the Building Fee Programs, 5% for Planning Fee Program, 7.5% for the Public Works Program, and 10% for the Fire Program to align program revenues with costs, maintain work-in-progress reserves, and enhance service levels where appropriate. In Citywide Planning Program, approximately 5% increase was included. Other upward and downward adjustments to various other departmental fee programs are included to generally maintain City Council-approved cost recovery rates. The fee changes are described in the 2023-2024 Proposed Fees and Charges document.



Keyla Salazar Memorial Mural, Mayfair Community Center 2022, Artist Jessica Sabogal

CONCLUSION

The 2023-2024 Proposed Budget focuses on the highest community and organizational needs while appropriately preparing the City for likely weaker economic conditions in the coming year. As has been the City's long-standing practice, we must continue the remarkable financial discipline and leadership exhibited by our elected officials, City management, and our outstanding employees. This also includes a commitment to the principles of equity, partnership, and innovation that provides a strong foundation upon which to create, maintain, and strategically expand vital public services over the long term.

Finally, I want to call attention and express my gratitude to our extremely dedicated and talented staff who helped prepare this budget document. This budget represents an organization-wide effort from the front lines of each department, back-of-house strategic support staff, management staff, and the incredibly hard-working members of the City Manager's Budget Office, and it reflects our commitment to ensure that San José remains the best City it can be for our residents, businesses, visitors, and employees.

Respectfully Submitted,

Jennifer A. Maguire
City Manager

2023-2024 Budget Balancing Strategy Guidelines

1. As directed by the priorities identified in the City Council-approved Mayor's March Budget Message, develop a budget that balances the City's delivery of the most essential services to the community with the resources available. Consider current needs in the context of long-term service delivery priorities.
2. Pose explicit questions of equity – including who benefits and who is burdened – when considering changes to City services to achieve a balanced budget.
3. Balance ongoing expenditures with ongoing revenues to maximize service delivery within existing resources, to ensure no negative impact on future budgets, and to maintain the City's high standards of fiscal integrity and financial management. As appropriate, establish a Future Deficit Reserve in the General Fund to cover any projected budgetary shortfall in the following year as a stopgap measure; and, maintain or increase the Budget Stabilization Reserve as a buffer against a further weakening of future economic conditions or unanticipated cost increases.
4. Evaluate program-level budgets and identify opportunities to shift resources or reconfigure operations from the least influential contributors to the strongest contributors of achieving City-wide and departmental priority service and/or risk mitigation objectives.
5. Prioritize limited resources to address truly significant community or organizational risks, critical services funded on a one-time basis in 2022-2023 in the General Fund or American Rescue Plan Fund, and/or respond to specific City Council direction. Review existing vacancies for opportunities to reorganize work groups to realize cost savings or to achieve current service level demands through alternative means. Factor in performance measure data in proposal development.
6. Focus on business process redesign to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, reorganizing functions, and reallocating resources).
7. Explore alternative service delivery models (e.g., partnerships with non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use City resources more efficiently and effectively.
8. Identify City policy changes that would enable/facilitate service delivery improvements or other budget balancing strategies to ensure equity and inclusion for how services are delivered.
9. Analyze non-personal/equipment/other costs, including contractual services, for cost savings opportunities. Contracts should be evaluated for their necessity to support City operations and to identify negotiation options to lower costs.
10. Explore expanding existing revenue sources and/or adding new revenue sources.
11. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers whereby a cost recovery structure may be lower in certain circumstances, and explore opportunities to establish new fees and charges for services, where appropriate.
12. Focus any available one-time resources on investments that 1) continue a very small number of high-priority programs funded on a one-time basis in 2022-2023 for which ongoing funding is not available; 2) address the City's unmet or deferred infrastructure needs; 3) leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions; 4) accelerate the pay down of existing debt obligations where applicable and appropriate; 5) increase budget stabilization reserves to address future budget uncertainty; and/or 6) provide for funding needs for non-bond eligible furniture, fixtures, and equipment associated with the continued implementation of Measure T.
13. Engage employees in department and/or city-wide budget proposal idea development.
14. Continue a community-based budget process where the City's residents and businesses are educated and engaged, as well as have the opportunity to provide feedback regarding the City's annual budget.
15. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

CITY OF SAN JOSE BUDGET PRINCIPLES

The Mission of the City of San José is to provide quality services, facilities and opportunities that create, sustain and enhance a safe, livable and vibrant community for its diverse residents, businesses and visitors. The General Fund Budget shall be constructed to support the Mission.

1) STRUCTURALLY BALANCED BUDGET

The annual budget for the General Fund shall be structurally balanced throughout the budget process. A structurally balanced budget means ongoing revenues and ongoing expenditures are in balance each year of the five-year budget projection. Ongoing revenues shall equal or exceed ongoing expenditures in both the Proposed and Adopted Budgets. If a structural imbalance occurs, a plan shall be developed and implemented to bring the budget back into structural balance. The plan to restore balance may include general objectives as opposed to using specific budget proposals in the forecast out years.

2) PROPOSED BUDGET REVISIONS

The annual General Fund Proposed Budget balancing plan shall be presented and discussed in context of the five-year forecast. Any revisions to the Proposed Budget shall include an analysis of the impact on the forecast out years. If a revision(s) creates a negative impact on the forecast, a funding plan shall be developed and approved to offset the impact.

3) USE OF ONE-TIME RESOURCES

Once the General Fund budget is brought into structural balance, one-time resources (e.g., revenue spikes, budget savings, sale of property, and similar nonrecurring revenue) shall not be used for current or new ongoing operating expenses. Examples of appropriate uses of one-time resources include rebuilding the Economic Uncertainty Reserve, early retirement of debt, capital expenditures without significant operating and maintenance costs, and other nonrecurring expenditures. One time funding for ongoing operating expenses to maintain valuable existing programs may be approved by a majority vote of the Council.

4) BUDGET REQUESTS DURING THE YEAR

New program, service or staff requests during the year that are unbudgeted shall be considered in light of the City's General Fund Unfunded Initiatives/Programs List and include a spending offset at the time of the request (if costs are known) or before final approval, so that the request has a net-zero effect on the budget.

5) RESERVES

All City Funds shall maintain an adequate reserve level and/or ending fund balance as determined annually as appropriate for each fund. For the General Fund, a contingency reserve amount, which is a minimum of 3% of the operating budget, shall be maintained. Any use of the General Fund Contingency Reserve would require a two-thirds vote of approval by the City Council. On an annual basis, specific reserve funds shall be reviewed to determine if they hold greater amounts of funds than are necessary to respond to reasonable calculations of risk. Excess reserve funds may be used for one-time expenses.

CITY OF SAN JOSE BUDGET PRINCIPLES

6) DEBT ISSUANCE

The City shall not issue long-term (over one year) General Fund debt to support ongoing operating costs (other than debt service) unless such debt issuance achieves net operating cost savings and such savings are verified by appropriate independent analysis. All General Fund debt issuances shall identify the method of repayment (or have a dedicated revenue source).

7) EMPLOYEE COMPENSATION

Negotiations for employee compensation shall focus on the cost of total compensation (e.g., salary, step increases, benefit cost increases) while considering the City's fiscal condition, revenue growth, and changes in the Consumer Price Index (cost of living expenses experienced by employees.)

8) CAPITAL IMPROVEMENT PROJECTS

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 cost of the project, including the operations and maintenance costs, will not require a decrease in existing basic neighborhood services.

9) FEES AND CHARGES

Fee increases shall be utilized, where possible, to assure that fee program operating costs are fully covered by fee revenue and explore opportunities to establish new fees for services where appropriate.

10) GRANTS

City staff shall seek out, apply for and effectively administer federal, State and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City. Before any grant is pursued, staff shall provide a detailed pro-forma that addresses the immediate and long-term costs and benefits to the City. One-time operating grant revenues shall not be used to begin or support the costs of ongoing programs with the exception of pilot projects to determine their suitability for long-term funding.

11) GENERAL PLAN

The General Plan shall be used as a primary long-term fiscal planning tool. The General Plan contains goals for land use, transportation, capital investments, and service delivery based on a specific capacity for new workers and residents. Recommendations to create new development capacity beyond the existing General Plan shall be analyzed to ensure that capital improvements and operating and maintenance costs are within the financial capacity of the City.

12) PERFORMANCE MEASURES

All requests for City Service Area/departamental funding shall include performance measurement data so that funding requests can be reviewed and approved in light of service level outcomes to the community and organization.

13) FIRE STATION CLOSURE, SALE OR RELOCATION

The inclusion of the closure, sale or relocation of a fire station as part of the City Budget is prohibited without prior assessment, community outreach, and City Council approval on the matter.

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

INTRODUCTION

This attachment is intended to provide a more detailed summary of the key actions taken to balance the 2023-2024 Proposed General Fund Budget. Revisions to the February Base Budget Forecast, as well as the key elements of the strategy to bring the General Fund into balance in the Proposed Budget, are described.

In February 2023, the Administration prepared formal projections for the 2023-2024 Proposed General Fund Budget as part of the *2023-2024 City Manager's Budget Request & 2024-2028 Five-Year Forecast and Revenue Projections* document that was released to the City Council. In that document, the 2023-2024 February Base Budget Forecast projections estimated a 2023-2024 General Fund surplus of approximately \$29.9 million. This surplus represented the difference between projected 2023-2024 General Fund resources and the expected cost of approved 2023-2024 Base Budget services in next year's dollars, as well as several City Council "committed" additions (e.g., additional operating and maintenance costs for capital projects in the 2023-2024 Capital Improvement Program or for projects approved by the City Council during 2022-2023).

Subsequent to the release of the February Forecast and based on updated information, a number of revisions to both expenditures and revenue estimates were made, which constitutes the "Revised Base Budget Forecast" included in the Proposed Budget.

The revisions to the February Base Budget Forecast included a series of changes that produced an increase in overall General Fund sources and uses. These changes resulted in an increase of \$5.3 million to the estimated General Fund surplus, for a revised surplus of \$35.3 million. These adjustments to the February Base Budget Forecast are described in more detail later in this section.

The Proposed Budget contained a set of actions that increased both the General Fund sources (by \$68.2 million) and uses (by \$103.5 million) from the Revised Base Budget Forecast, bringing the overall General Fund into balance for 2023-2024. The increase in sources of \$68.2 million included several major components, including: excess revenue and expenditure savings from 2022-2023 that will be available for use in 2023-2024 (\$35.0 million); and liquidation of various earmarked reserves for specific purposes (\$23.5 million). The increase in uses of \$103.5 million in 2023-2024 included additional funding for the following: service level enhancements (\$53.5 million); continuation of 2022-2023 one-time funded services (\$37.5 million); earmarked reserves (\$22.9 million); critical unmet/deferred infrastructure and maintenance needs (\$22.7 million); new facilities operations and maintenance (\$6.2 million); other fee programs, grants, and reimbursements (\$5.3 million); and cost reductions, service delivery efficiencies and fund shifts (-\$1.6 million).

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

INTRODUCTION

These increases were partially offset by savings realized from cost reductions, service delivery efficiencies, and funding shifts (\$1.6 million) and the use of reserves that had been established for specific purposes (\$43.0 million) that were included in the February Forecast. The result of these actions was a balanced 2023-2024 Proposed General Fund Budget of \$1.6 billion.

Table I below displays the overall projections for the 2023-2024 General Fund as they changed between the February Base Budget Forecast and the Proposed Budget. Table II summarizes the changes from the February Base Budget Forecast to the Revised Base Budget Forecast, excluding carryover for prior year encumbrances. The specific elements of the City Manager's Proposed Budget balancing strategy are summarized in Table III.

Table I
2023-2024 PROPOSED OPERATING BUDGET
Forecast to Proposed Budget Reconciliation (in \$000s)

	Total Sources	Total Uses	(Shortfall)/ Surplus
February Base Budget Forecast	\$ 1,517,482	\$ 1,487,557	\$29,925
Forecast Revisions	(1,891)	(7,229)	5,338
Revised Base Budget Forecast (no fee impact)	1,515,591	1,480,328	35,263
Proposed Revisions	68,206	103,469	(35,263)
2023-2024 Proposed Budget	1,583,797	1,583,797	0

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

As discussed previously, following the issuance of the February Base Budget Forecast, detailed analysis of the status of General Fund revenues and expenditures continued. Based on this review, the Proposed Budget incorporated a series of changes to the February Base Budget Forecast estimates for both sources and uses to form a Revised Base Budget Forecast. These changes resulted in an increase of \$5.3 million to the estimated General Fund surplus, for a revised surplus of \$35.3 million. Changes are detailed in Table II below.

Table II
2023-2024 REVISED BASE BUDGET FORECAST
Summary of Changes (in \$000s)

Sources	Revision
Property Tax	\$ 1,700
Beginning Fund Balance	352
Licenses and Permits	136
Revenue from Local Agencies	25
Other Revenue	(2)
Fines, Forfeitures, and Penalties	(50)
Fees, Rates, and Charges	(178)
Revenue from State of California	(900)
Transfers and Reimbursements	(2,974)
Net Change in Sources	\$ (1,891)

Uses	Revision
Position and Fund Realignment/Corrections	\$ (8,037)
Non-Personal/Equipment, City-Wide Expenses and Capital Contributions	(241)
Earmarked Reserves Adjustments	1,049
Net Change in Uses	\$ (7,229)

Total Change (Shortfall)/Surplus	\$ 5,338
---	-----------------

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Source of Funds

A summary table is provided below for the revenue changes incorporated into the Revised Base Budget Forecast, which were used as the starting point in preparing the 2023-2024 Budget.

Category	\$ Change	Description
Property Tax	\$ 1,700,000	Increase of \$1.7 million reflects updated information received in April 2022 from the County of Santa Clara regarding Successor Agency to the Redevelopment Agency Property Tax revenue.
Beginning Fund Balance	\$ 351,447	Increase of \$351,447 to reflect the liquidation of three reserves; Vehicle Abatement Program Enhancements Reserve (\$177,000) and East San Jose Small Business Corridor Staffing Reserve (\$174,447). These reserves are being liquidated as the staffing associated with the programs were added in the respective departments 2023-2024 Base Budget.
Licenses and Permits	136,408	Net increase of \$136,408 aligns revenues with estimated base costs and activity levels for Planning, Building and Code Enforcement Department, Police Department, Public Works Department, and Transportation Department permits.
Revenue from Local Agencies	25,000	Increase of \$25,000 reflects an updated estimate for payments from other agencies for Animal Care services.
Other Revenue	(1,720)	Net decrease of \$1,720 aligns revenues with the estimated base costs and activity levels for Transportation Department revenues.
Fines, Forfeitures, and Penalties	(50,000)	Decrease of \$50,000 aligns revenues with estimated base costs and activity levels for Public Works Department fines.
Fees, Rates, and Charges	(177,821)	Net decrease of \$177,821 aligns revenues with estimated base costs and activity levels for Miscellaneous fees (-\$179,611), and Transportation Department fees (\$1,790).
Revenue from the State of California	(900,000)	Net decrease of \$900,000 reflects updated information from the State of California regarding Tobacco Settlement funds (-\$1.1 million) and Vehicle License Fee revenue (\$200,000).
Transfers and Reimbursements	(2,974,020)	Net decrease of \$3.0 million reflects updated overhead reimbursements from capital and operating funds based on the final 2023-2024 Base Budget and overhead rates (-\$2.8 million) and lower transfers and reimbursements to the General Fund (-\$191,837).
Total	(\$ 1,890,706)	

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Use of Funds

Provided below is a listing for all expenditure changes incorporated into the Revised Base Budget Forecast, which were used as the starting point in preparing the 2023-2024 Budget.

Category	\$ Change	Department
Personal Services Adjustments		
Salaries and Benefits Adjustments (Vacancy Factor)	\$(7,662,690)	Citywide
Aiport Support Services (Overtime)	423,053	Police
City Manager's Office Position Change	27,417	City Manager
Human Resources Position Change	4,527	Human Resources
Fund Shift: Planning, Building, and Code Enforcement	(52,598)	Planning, Building, and Code Enforcement
Fund Shift: Fire Department	(27,908)	Fire
Non-Personal/Equipment Adjustments		
Traffic Signal Knockdown Repair	50,000	Transportation
Aiport Support Services	39,914	Police
Vehicle Operations & Maintenance	(331,212)	Citywide
Earmarked Reserves		
Vehicle Abatement Enhancement Program Reserve	300,000	Transportation
Total	\$ (7,229,497)	

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Table III
2023-2024 PROPOSED OPERATING BUDGET
General Fund Balancing Strategy (in \$000s)

	2023-2024	Ongoing
2023-2024 Revised General Fund Surplus	\$ 35,263	\$ 35,263
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
2022-2023 Excess Revenue/Expenditure Savings	\$ 35,000	\$ 0
Uncommitted Measure E Reserves	17,478	0
Fire Station FF&E Reserve	3,800	0
2023-2024 Recruitment Centralization Pilot Program Reserve	1,125	0
Solid Waste Code Enforcement Reserve	600	0
Climate and Seismic Resilience Planning Reserve	463	0
Grants/Reimbursements/Fees:		
CaliforniansForAll Youth Workforce Development Grant	2,899	0
280 Almaden Avenue Beautification Grant	1,850	0
Commercial Solid Waste CPI Adjustment	1,017	1,017
Other Fee Programs/Reimbursements/Grants	2,567	1,821
Overhead Reimbursements	1,407	1,678
Subtotal Source of Funds	\$ 68,206	\$ 4,516
Use of Funds		
Service Level Enhancements	\$ 53,464	\$ 10,387
2022-2023 Previously One-Time Funded Services	37,517	13,979
Earmarked Reserves (Measure E Revenue Stabilization, Information Technology Sinking Fund, Essential Services, Animal Care and Services Foundation)	22,877	200
Unmet/Deferred Technology, Infrastructure, and Maintenance	22,692	488
New Facilities Operations and Maintenance	6,153	768
Other Fee Programs/Grants/Reimbursements	5,339	90
2024-2025 Future Deficit Reserve	0	18,846
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(1,608)	(1,889)
Use of Reserves (Measure E, Committed Additions, Cultural Facilities, Deferred Infrastructure and Maintenance, Police Staffing, Police Equipment Sinking Fund)	(42,965)	(3,090)
Subtotal Use of Funds	\$ 103,469	\$ 39,779
Total Balancing Strategy	\$ (35,263)	\$ (35,263)
Remaining Balance	\$ 0	\$ 0

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Specific City Council direction regarding the preparation of the Proposed Budget was provided in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council (see Appendices Section of this document). The details of the specific direction of that Message and the corresponding responses contained in this budget are provided in Attachment B following this section in the City Manager's Message. Attachment C contains information regarding the status of City Auditor recommendations with funding impacts.

Source of Funds

From the Revised Forecast of \$1.52 billion, a net increase of \$68.2 million to the General Fund revenue estimates are included in the Proposed Budget, bringing the 2023-2024 revenue estimate to \$1.58 billion (including fund balance and encumbrance reserve). The components of this change include an increase to the estimate for 2022-2023 Ending Fund Balance/2023-2024 Beginning Fund Balance (\$58.5 million) and an increase to various revenue categories (\$9.7 million). The revenue changes are summarized in the table below.

Category	\$ Change	Description
Beginning Fund Balance	\$ 58,465,956	Net increase of \$58.5 million reflects: the liquidation of various reserves (\$23.5 million), which includes various Measure E Reserves (\$17.5 million), Fire Station FF&E Reserve (\$3.8 million), 2023-2024 Recruitment Centralization Pilot Program Reserve (\$1.1 million), Solid Waste Code Enforcement Reserve (\$600,000), and Climate and Seismic Resilience Planning Reserve (\$463,000); and fund balance from additional revenue and expenditure savings that is anticipated to be received in 2022-2023 and be available for use in 2023-2024 (\$35.0 million).
Revenue from the State of California	4,911,658	Increase of \$4.9 million reflects three new State grants; the CaliforniansForAll Youth Workforce Development Program (\$2.9 million), 280 Almaden Avenue Beautification Improvement Project (\$1.85 million), and Regional Early Action Planning (REAP) Program (\$163,154).
Transfers and Reimbursements	1,406,609	Net increase of \$1.4 million reflects additional overhead from the budget actions that change the staffing levels funded by special and capital funds.
Licenses and Permits	1,558,653	Net increase of \$1.6 million reflects various license and permit changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Planning, Building, and Code Enforcement Department (\$943,364), Fire Department (\$610,000), Police Department (\$5,269), and Finance Department (\$20).

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

Category	\$	Change	Description
Franchise Fees	\$	1,016,615	Increase of \$1.0 million reflects an increase in the Commercial Solid Waste fees by 7.8% based on cost changes including a Consumer Price Index adjustment.
Revenue from Federal Government		403,000	Increase of \$403,000 reflects a grant from the Urban Areas Security Initiative (UASI) for the Office of Emergency Management.
Fees, Rates, and Charges		231,773	Net increase of \$231,773 reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for Miscellaneous fee revenue (\$236,834), Parks, Recreation and Neighborhood Services department fee revenue (\$101,901), Police Department fee revenue (\$168), and Transportation Department fee revenue (-\$107,130).
Other Revenue		211,623	Net increase of \$180,000 reflects a grant from Destination Home Silicon Valley (\$180,000) and reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Transportation Department (\$31,623).
Total		\$ 68,205,887	

General Fund Balancing Strategy Detail 2023-2024 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

From the Revised Base Budget Forecast of \$1.48 billion, a net increase of \$103.5 million to the General Fund expenditures was brought forward, bringing the 2023-2024 Proposed Budget Use of Funds estimate to \$1.58 billion. A listing of the Proposed Budget modifications is provided by specific categories in Table III and briefly discussed in the following table. Further detail is incorporated into the CSA and departmental sections of this document.

<u>Category</u>	<u>\$ Change</u>	<u>Description</u>
Service Level Enhancements	53,463,859	Total funding of \$53.5 million is included in the Proposed Budget for service level enhancements. The largest investments in this category include: Measure E - Emergency Interim Housing Construction and Operations (\$18.9 million); Measure E - Homeless Response and Outreach (\$7.0 million); Measure E - 10% Homeless Prevention and Rental Assistance Reserve (\$4.8 million); Executive Leadership/City Management - Customer Service Vision and Standards (\$4.0 million); Measure E - SJ Bridge (\$3.5 million); Measure E - Interim Housing Site Development Staffing (\$2.0 million); Office of Administration, Policy, and Intergovernmental Relations - Measure E - Homelessness Coordination Team (\$1.9 million); Fire Battalion Staffing (\$1.2 million); Field Patrol Staffing (\$1.1 million); and Community Service Officer Downtown Ambassador Staffing (\$907,233). Other service level enhancements are described in the Department and City-Wide sections of this document.
2022-2023 Previously One-Time Funded Services	\$37,516,861	Funding is included to continue services that were funded on a one-time basis in the 2022-2023 Adopted Budget, including programs funded by the American Rescue Plan Act in accordance with the Community and Economic Recovery spending plan. The largest investments in this category include the: Beautify San José (\$12.3 million); Police Sworn Backfill Reserve (\$5.0 million); Data Equity Program (\$1.8 million); Firefighter/Paramedic Lateral Recruiting Academy (\$1.6 million); Sworn and Non-Sworn Recruiting and Backgrounding (\$1.3 million); Disaster Recovery and Grants Management Staffing (\$1.3 million); and Recruitment Centralization Pilot Program (\$1.0 million). Other previously one-time funded services are described in the Department and City-Wide sections of this document.

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

Category	\$ Change	Description
Earmarked Reserves	22,876,668	One-time Earmarked Reserves, totaling \$22.9 million, including the following: Measure E Revenue Stabilization Reserve (\$15.1 million); Information Technology Sinking Fund Reserve (\$4.5 million); Essential Services Reserve (\$3.0 million); 2024-2025 City-wide Business Development Staffing Reserve (\$173,712); and, Animal Care and Services Foundation Reserve (\$100,000). In addition, 2023-2024 Proposed Budget planning provides for the allocation of \$18.8 million of ongoing funding in 2024-2025 for the 2024-2025 Future Deficit Reserve.
Unmet/Deferred Technology, Infrastructure, and Maintenance	22,692,063	To address a portion of the backlog for unmet and deferred technology, infrastructure and maintenance needs, funding of \$22.7 million is included in the 2023-2024 Proposed Budget for the City's most urgent repairs needs, including, among others, the: Center for Performing Arts Chiller, Cooling Tower, and Boilers Replacement (\$7.6 million); Transfer to the Vehicle Maintenance and Operations Fund (\$4.0 million); San José Museum of Art Cooling Tower Replacement (\$2.85 million); Windows 11 Upgrade, Equipment, and Resources (\$2.8 million); The Tech Interactive Chiller and Cooling Tower Replacement (\$1.2 million); Police Records Management System Virtual Machine Server Replacement (\$650,000); Animal Care and Services - Various Improvements (\$500,000); and Fleet Shop Improvements (\$500,000). These and additional investments are described in more detail in the respective department sections of this document.
New Facilities Operations and Maintenance	6,152,695	The Proposed Budget includes \$3.7 million for furniture, fixtures, and equipment for the 911 Call Center, \$1.8 million for furniture, fixtures, and equipment for Fire Station 32, \$460,695 to operate and maintain new Measure T facilities, \$169,000 to maintain new transportation infrastructure, and \$58,000 to operate and maintain new parks and recreation facilities.

General Fund Balancing Strategy Detail

2023-2024 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

Category	\$ Change	Description
Other Fee Programs, Grants, and Reimbursements	\$5,339,321	The actions in this category are partially offset by revenue from fees, grants, or reimbursements and include: CaliforniansForAll Youth Workforce Program - Climate Change Pathway (\$2.9 million); 280 Almaden Ave Beautification Improvement Project (\$1.85 million); Destination: Home Silicon Valley Staffing (\$180,000); Regional Early Action Planning Grant (\$163,154); and, Northern California Regional Intelligence Center (\$158,195).
Cost Reductions/Service Delivery Efficiencies/Fund Shifts from Other Funds	\$(1,607,414)	Net decrease of \$1.6 million primarily resulting from efficiencies and other cost saving measures, including the: realignment of Emergency Medical Services Field Coordinator staffing (-\$1.2 million); the addition of 1.0 Account Clerk and deletion of 1.98 part-time Recreation Leader positions in the Parks, Recreation, and Neighborhood Services Department to provide support for its Accounts Payable team (-\$155,000); and lower costs for the City's Mobile Device Management (MDM) platform managed by the Information Technology Department, achieved through renegotiation (-\$76,000). These and additional cost reductions are described in more detail in the respective department sections of this document.
Use of Reserves	(42,965,000)	The Proposed Budget includes the use of the Measure E – 40% Extremely Low-Income Households Reserve (-\$19.0 million); Measure E – 30% Low-Income Households Reserve (-\$14.3 million); Police Staffing Reserve (-\$2.4 million); Measure E – 5% Moderate-Income Households Reserve (-\$2.4 million); Deferred Infrastructure and Maintenance Reserve (-\$2.0 million); Cultural Facilities Capital Maintenance Reserve (-\$1.25 million); Police Equipment Sinking Fund Reserve (-\$1.0 million); and reserves to cover additional costs to operate and maintain new facilities that are scheduled to become operational in 2023-2024 (-\$690,000).
Total	\$ 103,469,053	

PAGE INTENTIONALLY LEFT BLANK

Status of Mayor and City Council Referrals 2023-2024 Proposed Operating Budget

The Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council on March 21, 2023, contains policy direction and a framework of priorities for the City Manager to use in the development of the Proposed Operating and Capital Budgets. The complete Budget Message can be found in the Appendix section of this document. The matrix below provides responses by category for how the direction was addressed in the development of the 2023-2024 Proposed Budget

Included in the 2023-2024 Proposed Budget

This column is marked if the referral was addressed through a budget proposal included in the 2023-2024 Proposed Operating or Capital Budget.

Addressed in an Upcoming Manager's Budget Addendum

This column is marked if the response to the referral will be included in a Manager's Budget Addendum scheduled for release later in the budget process.

Current or Future Referral/Policy Work

This column is marked if the response to the referral does not require a budget action, but is considered direction to the Administration. An update on the referral/policy work will be provided at a future City Council meeting, a City Council Committee meeting, through an Information Memorandum, or through some other means. A status on these referrals will be provided several times throughout the following fiscal year.

Pending Future Rebudget Action

Several referrals are anticipated to be included and funded in the 2023-2024 Adopted Operating Budget once anticipated savings from current year funding is recommended to be rebudgeted into 2023-2024 in the City Manager's Budget Addendum, *Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets*, scheduled for release at the end of May 2023.

Not Included or Subject to Further Evaluation

One referral is not included in the 2023-2024 Proposed Operating Budget

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/ Policy Work
Mayor's March Budget Message (MBM) for Fiscal Year 2023-2024	Direct the City Manager to submit a balanced budget for Fiscal Year 2023-2024, guided by the policy direction and framework of priorities outlined in this March Budget Message.	X	
Staff: Our Most Precious Resource (Recruitment)	The City Manager is directed to continue [the] prioritization [of recruiting and hiring], including the allocation of one-time and ongoing resources, throughout the organization and especially in our community-facing departments as this is the greatest need we have across the entire organization.	X	
Public Safety Staffing Levels (Police)	The City Manager is directed to allocate ongoing funding sufficient for a headcount increase of 15 additional personnel in SJPD beginning in 2023-2024 – doubling the rate of new headcount growth that Council approved last year. The City Manager should determine whether a proportion of the additional budgeted positions should be reserved for Community Service Officers.	X	
Public Safety Staffing Levels (Police)	The City Manager is further directed to reallocate, on a one-time basis, the 2023-2024 cost of new officers that will not start until 2024-2025 toward high impact, one-time investments in technology, recruitment, and other capacity-building opportunities within the Department, as well as crime prevention strategies outlined below.	X	
Public Safety Staffing Levels (Police)	The City Manager is directed to work with the Police Department (PD) to explore methods of reducing our reliance on mandatory overtime, which reduces officer morale and increases costs.		X
Public Safety Staffing Levels (Police)	To expedite the hiring process and reduce the dropoff of qualified PD candidates, the City Manager is directed to evaluate the potential impact and ongoing funding requirements associated with the additional capacity for HR software solutions that can accelerate the hiring process by multiple weeks.	X	
Recruitment (Paramedic)	To address this staffing challenge, the City Manager is directed to explore additional solutions and funding needs related to paramedic recruitment and retention, including the potential for additional Fire Academy classes each year. The City Manager is further directed to bring forward budget requests to ensure new fire stations funded through Measure T coming online are equipped and supported through commensurate and necessary staffing levels.	X	

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
Recruitment (Police) The City Manager is directed to explore a range of potential investments to enhance our recruitment efforts, including potential increases to officer referral and signing bonuses, a one-time officer relocation stipend, and programs designed to engage youth interested in law enforcement careers.	X		X
Recruitment (Police) The City Manager is further directed to allocate additional funding to the Department's budget for marketing and campus outreach.	X		
Retention (911 Call Diversion) The City Manager is directed to identify types of 911 calls that might be assigned to capable public safety or health personnel, including in partnership with the County or other service providers, evaluate potential staffing and cost implications, and initiate preliminary conversations with the Police Officers' Association (POA).			X
Retention (Rehired Retirees) The City Manager is directed to explore additional strategies to supplement Police Department staffing levels, such as the use of rehired retirees as previously negotiated with the POA, and also to identify any legal and/or charter prohibitions to such rehires working more than 960 hours a year, and return through the City Manager's Proposed Budget with related recommendations.		X	
Utilizing Technology (Automated License Plate Readers) The City Manager is directed to allocate sufficient funding to continue the use of ALPR cameras on an ongoing basis.	X		
Utilizing Technology (Police Technology Demonstration Pilot) The City Manager should use one-time funding not to exceed \$250,000 to test, plan and implement technology applications in various units. Initial efforts could include transcription software to automate interview transcriptions.	X		
Crime Prevention (Community-Based Violence Solutions) To further this equity endeavor, the City Manager is directed to allocate one-time funding toward the exploration of additional community-based violence solutions.	X		
Crime Prevention (Recidivism) The City Manager is further directed to explore in collaboration with the County programmatic opportunities for recidivism intervention for high-risk populations such as those exiting jails, prisons, and hospitals who all too often end up as repeat offenders and members of our unhoused community. The goal of any related program should be to help people successfully and productively reintegrate into society.			X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

	Referral	Response Category		
		Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
	<i>Traffic Safety (Pedestrian Safety Program)</i>	The City Manager is directed to explore accelerating the development of the Pedestrian Safety Program, Safe Routes to School as well as the development and deployment of quick build solutions aligned with our Vision Zero plan.	X	
	<i>Traffic Safety (Vision Zero)</i>	The City Manager is directed to evaluate the impact of hiring or designating a staff member responsible for assessing programmatic success of Vision Zero programs to determine future investments and better inform grant proposals and community engagement initiatives.	X	
	<i>Ghost Guns</i>	The City Manager is directed to report on the effectiveness of this unit at a future meeting of the Public Safety, Finance and Strategic Support Committee as part of the Bi-Monthly Police Department Operations and Performance Status Report.		X
	<i>Reducing Unsheltered Homelessness</i>	The City Manager is directed to follow through on the City's funding commitments related to all Council-approved affordable housing projects currently in the pipeline and to continue seeking opportunities to support new affordable housing projects with land, financing, or both.	X	
	<i>Reducing Unsheltered Homelessness</i>	The City Manager is directed to explore the use of uncommitted Measure E resources for reallocation to homeless prevention, support and management investments as part of the overall strategy to fund the priorities described in this message.	X	
	<i>Reducing Unsheltered Homelessness (Scaling Interim Solutions)</i>	The City Manager is directed to identify expanded staffing and other resources needed, including staffing resources in the Public Works Department, to deliver at least 500 new EIH units by the end of this calendar year to meet our collective goal of operating 1,000 interim units citywide.	X	
	<i>Reducing Unsheltered Homelessness (Scaling Interim Solutions)</i>	The City Manager is directed to allocate a sufficient amount of one-time funding to enhance staffing efforts to identify and lease or acquire privately-owned properties that can convert quickly to EIH.	X	
	<i>Reducing Unsheltered Homelessness (Scaling Interim Solutions)</i>	The City Manager should also explore strategies that would expand her authority to approve and advance sites expeditiously in coordination with Council offices – including appropriate community engagement.		X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
Reducing Unsheltered Homelessness (Scaling Interim Solutions)	The City Manager is directed to identify strategies and recommend associated funding for securing and experimenting with such sites - including leasing underutilized private land and revisiting publicly-owned land assessed for EIH communities - that can serve multiple purposes, from safe parking to safe sleeping spaces and shelter.	X	
Reducing Unsheltered Homelessness (Scaling Interim Solutions)	The City Manager is directed to make permanent the Deputy City Manager role overseeing homelessness and quality of life issues to ensure sustained multi-year progress, with a focus on delivering EIH communities and rapidly deploying other alternatives to unmanaged encampments.	X	
Reducing Unsheltered Homelessness (Scaling Interim Solutions)	The City Manager should allocate sufficient resources and funding to create new capacity to move at least 1,000 people who are currently living in the most environmentally-destructive and unsafe encampments into safer alternatives by the end of the calendar year.	X	
Reducing Unsheltered Homelessness (Preserving Our Progress)	The City Manager should develop a criteria/framework that identifies areas in the city where the impacts of encampments are most costly and create unsafe conditions for all residents and the environment.		X
Reducing Unsheltered Homelessness (Preserving Our Progress)	The City Manager is further directed to explore piloting a small team of trauma-informed specialists working in close concert with BeautifySJ and SJPD who can keep identified areas free of encampments while adhering to the City Attorney's guidance.	X	
Reducing Unsheltered Homelessness (Homelessness Prevention, Intervention, and Eviction Diversion)	The City Manager is directed to double the 2023-2024 Measure E set aside for Homelessness Prevention on a one-time basis.	X	
Reducing Unsheltered Homelessness (Mental Health Care)	The City Manager is directed to work with the County's Office of Reentry Services, Office of Supportive Housing, Department of Family and Children's Services, and local health plans to explore partnerships and associated funding needs for a jail "in reach" intervention program that would focus on helping incarcerated unhoused residents navigate from custody straight to a home, increase housing support for unhoused residents recovering from hospital stays, and opportunities to support self-sufficiency and housing for former foster youth.		X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

	Referral	Response Category		
		Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
	<i>Reducing Unsheltered Homelessness (Measuring Impact)</i>	The City Manager is directed to identify and allocate the funding required to gather this data on unsheltered homelessness more frequently without relying on a model that is as onerous and resource-intensive as the PIT count, and could potentially the embedding staffing resources in the County Homeless Management Information System (HMIS) with direct reporting to her office as an alternative to manual field counts.	X	
	<i>Reducing Unsheltered Homelessness (Measuring Impact)</i>	The City Manager is directed to explore further improvements to this data collection and reporting tool to increase its usefulness.	X	
	<i>Cleaning Up Our Neighborhoods (Beautify San Jose)</i>	The City Manager is directed to transition the one-time non-personal/equipment and contractual costs in the BeautifySJ program to ongoing expenditures to the extent feasible and explore associated vehicle procurement needs.	X	
	<i>Cleaning Up Our Neighborhoods (Clean Gateways)</i>	The City Manager is directed to design and recommend a "Clean Gateways" approach that identifies the top blighted gateways (i.e. heavily trafficked intersections and corridors) citywide, and evaluates strategies for keeping them clean along with required staffing and funding levels.	X	
	<i>Cleaning Up Our Neighborhoods (Clean Gateways)</i>	The City Manager is directed to explore cost-sharing with Caltrans on physical deterrents along key city gateways that are consistently encamped and freeway signs that are repeatedly tagged.		X
	<i>Cleaning Up Our Neighborhoods (Interagency Coordination)</i>	The City Manager should accelerate these interagency partnerships and explore whether additional gap funding is needed to meet the need.		X
	<i>Cleaning Up Our Neighborhoods (Encampment-related Blight)</i>	The City Manager is directed to pilot funding for two waterways teams to provide focused, weekly trash pickup at encampments along creeks.	X	
	<i>Cleaning Up Our Neighborhoods (Encampment-related Blight)</i>	The City Manager is directed to analyze and bring back cost estimates for enforcing the prohibition of private vehicles on city trails and in parks.		X
	<i>Cleaning Up Our Neighborhoods (Encampment-related Blight)</i>	The City Manager is directed to continue the SJ Bridge program in the next year and explore opportunities to increase the impact of the program, represented by the amount of trash removed and number of participants connected to living wage jobs. The City Manager is directed to return with cost estimates to increase Cash for Trash by at least 200 participants while doubling the weekly limit of bags that participants can be compensated for.		X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
<i>Cleaning Up Our Neighborhoods (Encampment-related Blight)</i>	The City Manager should evaluate and return with a recommendation to expand the use of garbage cans or dumpsters at encampments and integrate these locations into the city's garbage hauler's routes.		X
<i>Cleaning Up Our Neighborhoods (Community Engagement)</i>	The City Manager is directed to pilot on a one-time basis "Beautify Your Block" - a program modeled after "Adopt a Block" - to train and support residents and local businesses in keeping their neighborhoods clean by regularly covering up graffiti, picking up litter, and reporting blight.	X	
<i>Cleaning Up Our Neighborhoods (Community Engagement)</i>	The "Beautify Your Block" pilot program should be augmented with at least \$150,000 in BeautifySJ grants for neighborhood associations and businesses for tree planting, landscaping, murals, and other small scale beautification projects.	X	
<i>Cleaning Up Our Neighborhoods (Community Engagement)</i>	The City Manager is directed to explore funding avenues to expand our community partnerships in high-need areas.	X	
<i>Cleaning Up Our Neighborhoods (Community Engagement)</i>	The City Manager is directed to recommend investments that increase the ease of use and effectiveness of our overall 311 system as a two-way communication platform for requesting and fulfilling basic city services, including improved language accessibility, warm handoffs to other departments and agencies, enhanced loop-closing (e.g. residents who request a service are sent a photo of completed work), and eventually, the ability to participate in volunteer opportunities.	X	
<i>Cleaning Up Our Neighborhoods (Expanding Our Tree Canopy)</i>	The City Manager is directed to explore whether additional staff or contracts with community partners will result in more trees in the ground by the end of this year, and – as previously directed by Council – focus tree planting efforts in districts with the lowest tree canopy.		X
<i>Cleaning Up Our Neighborhoods (Vehicle Abatement)</i>	The City Manager is directed to propose budget and program changes that will measurably improve the effectiveness of and resident satisfaction with vehicle blight complaints.		X
<i>Cleaning Up Our Neighborhoods (Vehicle Abatement)</i>	The City Manager should return to City Council by mid-May 2023 to review staff's proposed direction on Vehicle Blight and receive feedback.		X
<i>Cleaning Up Our Neighborhoods (Vehicle Abatement)</i>	The City Manager is further directed to track the progress of this reinvigorated program and regularly report back to Council until performance significantly improves.		X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
<i>Cleaning Up Our Neighborhoods (Vehicle Abatement)</i>	The City Manager should explore new solutions for administering street parking capacity and allowing accelerated removal of boats, trailers, and similar vehicles or accessories impacting public rights-of-way, including the cost and staffing implications of this level of enforcement.		X
<i>Cleaning Up Our Neighborhoods (Blighted Properties)</i>	The City Manager is directed to work with Code Enforcement, BeautifySJ and the City Attorney's office to explore and propose strategies to ensure the rapid resolution of blighted private properties, including a fee-for-service program.	X	
<i>Cleaning Up Our Neighborhoods (Blighted Properties)</i>	The City Manager is directed to accelerate efforts to establish memoranda of understanding with other public agencies such as VTA and Caltrans that would allow the City – in exchange for a fee or other cost-sharing agreement – to proactively address graffiti and other blight.		X
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is directed to prepare an MBA evaluating the need for administrative support for PBCE, including grant managers, potentially with General Fund support. The MBA should, at a high level, attempt to quantify the time planners spend doing administrative work that could otherwise be spent on key policy objectives, including completing the Housing Element or other General Plan and land use planning. Further, the MBA should discuss the costs necessary to implement the highest priority policies and programs in the Housing Element.	X	
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is directed to explore creative ideas for new methods that enable the City to better recruit and retain mid-level planners and supervisors.		X
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is further directed to explore and evaluate the cost to establish a paid fellowship program with local post-secondary institutions such as San Jose State University to create a pipeline whereby students can potentially receive employment with the City following graduation.	X	
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager should prioritize the existing resources allocated for CEQA preclearance for "market ready" urban villages and explore ongoing funding opportunities for this work.	X	
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is directed to explore one-time funding to implement the recommendations that will have the biggest impact on streamlining CEQA work, especially for housing, and explore ways of recovering some of the cost of the CEQA work conducted by the city.	X	

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is directed to explore launching a pilot program to dedicate project managers in PBCE.		X
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is further directed to explore upgrading our Planning and Building web portal with additional functionality that provides greater transparency into the approval process, average time of completion for various tasks, and application status. This consideration should include assessment of PBCE's technology needs and the staff resources required to deliver high-quality customer service.	X	
<i>Attracting Investment in Jobs and Housing (Planning, Permitting and Development Services)</i>	The City Manager is directed to change the General Plan's land use designation for the remaining mobile home parks not yet redesignated from multifamily residential to "mobile home" park, and begin allocating the funding needed.	X	
<i>Attracting Investment in Jobs and Housing (Downtown Vibrancy)</i>	The City Manager is directed to explore allocating ongoing funding to make this position permanent. This position should have the appropriate authority to manage and coordinate across all city departments, liaise with businesses, the community, other government agencies, and lead on downtown economic development activities and policy development.	X	
<i>Attracting Investment in Jobs and Housing (Downtown Vibrancy)</i>	The City Manager is directed to explore and recommend methods of reducing downtown event barriers, including experimenting with a permit-free pilot zone and relaxing the security requirements associated with smaller scale events.		X
<i>Attracting Investment in Jobs and Housing (Downtown Vibrancy)</i>	The City Manager is also directed to explore allocated limited gap bridge funding for the arts community as we bring visitors back to our urban core.	X	
<i>Attracting Investment in Jobs and Housing (Downtown Vibrancy)</i>	The City Manager is directed to evaluate the SJDA report and issue a Manager's Budget Addendum identifying the cost of an initial phase of high-impact lighting investments for future budgetary consideration and funding required to begin this work.		X
<i>Attracting Investment in Jobs and Housing (Downtown Vibrancy)</i>	The City Manager is further directed to explore adding CSOs as a supplement to the downtown foot patrols.	X	

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
Attracting Investment in Jobs and Housing (Downtown Vibrancy)	The City Manager is directed to explore allocating staffing for citywide Business Recruitment to engage in active recruitment efforts with prospective businesses, reducing or eliminating fees for new entrants, and simplifying permit requirements for pop-ups to easily open in vacant spaces.	X	
Attracting Investment in Jobs and Housing (Downtown Vibrancy)	The City Manager is further directed to explore establishing a partnership with San José State University and the SJDA whereby the City may subsidize the rent of storefronts for authorized uses by SJSU students, departments and organizations and for entrepreneurs interested in exploring the downtown market before committing to a long term lease.	X	
Attracting Investment in Jobs and Housing (Downtown Vibrancy)	The City Manager should also approach large anchor institutions in Downtown, including SJSU, Adobe and Sharks Sports & Entertainment to explore the potential for creative partnerships around pop-ups, programming and public art that will contribute to vibrancy.		X
Important Ongoing Work	The City Manager is directed to continue the workstreams included in the FY 2022-2023 Roadmap until completed or otherwise directed by Council.		X
Important Ongoing Work (Children and Youth)	The City Manager is further directed to report regularly to the Neighborhood Services and Education Committee on status updates to the Master Plan.		X
Important Ongoing Work (Infrastructure, Climate Mitigation, and Climate Adaptation)	I am directing the City Manager to develop a Brilliant at the Basics Infrastructure Strategy to meet these four challenges head on.	X	
Important Ongoing Work (Infrastructure, Climate Mitigation, and Climate Adaptation)	City Manager is further directed to report to the Transportation and Environment Committee on the plan and return as part of the budget process with recommendations for a Brilliant at the Basics Infrastructure Strategy that addresses meeting our 2030 carbon mitigation goals, municipal regional permit requirements, water supply needs, and strategies to pursue federal and state funding for aligned programs.		X
Important Ongoing Work (Infrastructure, Climate Mitigation, and Climate Adaptation)	City Manager is directed to prepare an MBA outlining the cost to the City of assuming the responsibility for maintenance of sidewalks and street trees, as well as potential ways to mitigate that financial impact to the City.		X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

	Referral	Response Category		
		Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
	The City Manager is directed to bring forward budgetary recommendations to continue the acceleration of recruitment and retention work – with the goal of driving down the City's vacancy rate – including the further development of relationships with educational institutions and evaluation of recruitment capacity within departments.	X		
	The City Manager is directed to continue her efforts and include funding for the first year of this transformation in her City Manager's Proposed Budget.	X		
	City Manager is directed to use the four Focus Areas to experiment with a more robust performance management system that enables both the public and the Council to understand on a regular basis how current outcomes compare with our stated goals and evaluate the performance of major services and programs funded to achieve our goals. Further, as part of the Management Pay for Performance evaluation process, all Council Appointees and their Senior Staff performance appraisals should ensure that performance pay is aligned specifically to the achievement of the outcomes and performance measures for the four Focus Areas, among the success of other priority core service areas. As a starting point, the City Manager is directed to issue an Informational Memorandum in fall 2023 with a status update of the framework she intends to use to implement this direction so that Council Appointees as well the Mayor and Council can consider following a similar framework.			X
	The City Manager is directed to issue an Informational Memorandum in fall 2023 with a status update of the framework she intends to use to implement this direction so that Council Appointees as well the Mayor and Council can consider following a similar framework.			X
	The City Auditor is directed to prepare and publish an Information Memo that explores the scope and costs associated with conducting an audit of access to and use of our most critical city services in traditionally marginalized communities, including recommendations for improving the value the City is delivering to residents who most need these services.			X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
<i>Operational Values (Structurally Balancing the Budget)</i>	The City Manager is directed, as she incorporates the direction within this message into her 2023-2024 Proposed Budget, to bring forward a balanced budget that brings the General Fund into closer long-term structural alignment, which may include reducing and reprioritizing funding for lower priority programs, that also positions the city to weather the anticipated shortfall in future years, including the establishment of a 2024-2025 Future Deficit Reserve to address the projected shortfall in that year.	X	
<i>Operational Values (Structurally Balancing the Budget)</i>	Prior One-Time Funded Items: The City Manager is directed to evaluate programs funded on a one-time basis in Fiscal Year 2022-2023 for continuation in Fiscal Year 2023-2024.	X	
<i>Operational Values (Structurally Balancing the Budget)</i>	Essential Services Reserve: For the FY 2023-2024 budget cycle the City Manager is directed to set aside \$3,000,000 in the Essential Services Reserve. This reserve allows Councilmembers to request one-time funds for critical projects within their districts.	X	
<i>Operational Values (Structurally Balancing the Budget)</i>	Budget Balancing Strategy Guidelines: In addition to the principles described in this memorandum, the City Manager is directed to deploy the familiar Budget Balancing Strategy Guidelines, as described in Appendix A, to guide her approach to crafting a balanced budget in the year ahead.	X	
<i>Operational Values (Structurally Balancing the Budget)</i>	Cost Estimate Request and City Council Budget Document Guidelines: This March Budget Message includes definitions and guidelines for the Cost Estimate Request and Budget Document process to better ensure the delivery of meaningful budgetary information for City Council decision-making. These guidelines can be found in Appendix B.		X

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work
Pending Future Rebudget Action			
<i>Crime Prevention (City-Sponsored At-Risk Youth Programs)</i>	The City Manager is directed to bring forward recommendations for using remaining American Rescue Plan (ARP) funds to invest in programs proven to support at-risk youth, via City-sponsored programs such as the Clean Slate Program, the Safe Schools Initiative, and intra-agency partnerships like Trauma to Triumph and such as the Bringing Everyone’s Strengths Together (B.E.S.T.) grant program.		
<i>Reducing Unsheltered Homelessness (Homelessness Prevention, Intervention, and Eviction Diversion)</i>	The City Manager is directed to explore the use of one-time funding to continue rent stabilization and eviction diversion efforts in 2023-2024.		
<i>Important Ongoing Work (Equitable COVID-19 Pandemic Recovery)</i>	The Promotores Pilot program is also continuing through June 2023 to connect residents in the neighborhoods most impacted by the pandemic with existing programs and services and the City Manager should explore extending the program further using remaining ARP funding.		
<i>Important Ongoing Work (Equitable COVID-19 Pandemic Recovery)</i>	The City Manager is directed to continue one-time resources for the staffing of the Task Force recommendations and measuring impact.		
<i>Important Ongoing Work (Children and Youth)</i>	The City Manager is directed to ensure strategic investment of this remaining funding, and bring forward limited supplemental investments or extensions that leverage the City’s existing program-delivery, including allocating funding towards scholarships for PRNS-funded programs like recreation programming, preschool, and summer and family camps.		

Status of Mayor and City Council Referrals

2023-2024 Proposed Operating Budget

Referral	Response Category		
	Included in the 2023-2024 Proposed Budget	Addressed in an Upcoming Manager's Budget Addendum	Current or Future Referral/Policy Work

Not Included or Subject to Further Evaluation

Reducing Unsheltered Homelessness (Mental Health Care)

The City Manager is directed to (a) initiate exploratory conversations with Santa Clara County related to opportunities to create and help facilitate a secure mental health facility in San Jose with support from the city, (b) explore the potential reserve Measure E funding for the construction of such a facility and (c) expedite permitting for in-patient treatment options.

Status. Due to insufficient levels of uncommitted Measure E resources and lower than expected revenues, Measure E funding is not reserved to help facilitate a secure mental health facility in San José.

Status of City Auditor Recommendations with Funding Impact 2023-2024 Proposed Operating Budget

There are audit recommendations that are addressed in actions included in the 2023-2024 Proposed Budget. The table below provides a summary of those audit recommendations. While this report focuses on audit recommendations with budget actions in 2023-2024, there are numerous outstanding audit recommendations with financial implications that are not being implemented as part of the 2023-2024 Proposed Budget. The City Auditor's Office reports on all outstanding audit recommendations on a semi-annual basis. These status reports can be found on the Auditor's Office website at: <https://www.sanjoseca.gov/your-government/appointees/city-auditor/audit-recommendations>.

Department	Item	Remarks
Parks, Recreation, and Neighborhood Services	Golf Courses: Loss of Customers and Revenues Requires A New Strategy (Issued 9/2/2015, #01)	<p>The 2023-2024 Proposed Operating Budget reflects the estimated revenues and expenses associated with the new lease agreements for the City's golf courses (Los Lagos, Rancho del Pueblo, and Muni), effective April 1, 2023. The prior repayment of outstanding debt service and execution of these new lease agreements provide for the elimination of ongoing General Fund subsidies.</p> <p>This budgetary action can be found in the Source and Use of Funds Statements section of the 2023-2024 Proposed Operating Budget for the Municipal Golf Course Fund.</p>

Status of City Auditor Recommendations with Funding Impact 2023-2024 Proposed Operating Budget

Department	Item	Remarks
Planning, Building, and Code Enforcement (PBCE)	Environmental Review for New Developments: Better Project Management and Reviewing Resources Can Improve the CEQA Process (Issued 3/21/2022, #01)	<p>The 2023-2024 Proposed Operating Budget includes one-time non-personal/equipment funding of \$110,000 to address three recommendations from the City Auditor's Report 22-02, focusing on review times and consistency. These recommendations include preparation of Environmental Consultant guidelines, a significance threshold guide for preparing CEQA clearance documents, and standard CEQA documents templates for City staff and Environmental consultants. Once developed, the guidelines and templates will help environmental consultants and City staff prepare CEQA documents have a standard layout and approach to analysis, thereby strengthening the City's documents and reducing total review times by minimizing the number of administrative draft reviews. Guidelines will also help with the training of new Planners on the Environmental Review team and aide in the implementation of Audit Recommendation #1 - to expand the model in which planners handle both the entitlement and environmental review.</p> <p>More detail on this action can be found in the City Departments/Council Appointees section of the 2023-2024 Proposed Operating Budget for the Planning, Building, and Code Enforcement Department.</p>

Status of City Auditor Recommendations with Funding Impact 2023-2024 Proposed Operating Budget

Department	Item	Remarks
Planning, Building, and Code Enforcement (PBCE)	Code Enforcement Management Controls: Improvements to Oversight and Coordination Needed (Issued 9/2/2021, #03)	<p>The 2023-2024 Proposed Operating Budget adds 1.0 Senior Public Information Representative position to manage the communication and outreach efforts for Code Enforcement Division programs, support the Planning Division's community engagement efforts and the Building Division's Accessory Dwelling Unit (ADU) Grant program. This position will expand outreach efforts for Code Enforcement programs by conducting campaigns and presentations using behavior-change principles to reduce or prevent cases of blight, front yard paving, unpermitted auto repair, storage of inoperable vehicles, and illegal garage conversions to help reduce general code cases; improving compliance for Tobacco Retail License, ongoing ban of Flavored Tobacco sales, Massage, Vacant Buildings and Storefronts, Building Code Compliance, Abandoned Carts, and other special programs to help reduce code inspection workload.</p> <p>More detail on this action can be found in the City Departments/Council Appointees section of the 2023-2024 Proposed Operating Budget for the Planning, Building, and Code Enforcement Department.</p>

**Status of City Auditor Recommendations with
Funding Impact
2023-2024 Proposed Operating Budget**

Department	Item	Remarks
Police	<p>Police Staffing, Expenditures, and Workload: Staffing Reductions Have Impacted Response Times and Led to High Overtime Costs</p> <p>(Issued 3/05/2021, #09)</p>	<p>The 2023-2024 Proposed Operating Budget adds 6.0 Community Service Officers, one-time non-personal/equipment funding of \$248,780, and ongoing non-personal/equipment funding of \$6,000 to expand the current Community Service Officer (CSO) Program to be assigned to the San Jose Downtown area. Helping to serve in an ambassador role with their consistent presence and visibility in San Jose's downtown area, the CSOs will engage with the public and businesses to address concerns and to build relationships. Primarily deployed on bicycles and on foot, CSOs will be assigned to the greater Downtown area and will perform non-hazardous police functions, conduct crime and burglary investigations, and deliver non-emergency police services in support of patrol. In addition, CSOs write reports in the field, interview witnesses, conduct follow-up investigations, collect evidence, photograph, fingerprint at crime scenes, and perform various other tasks. The non-personal/equipment funding includes a one-time allocation of \$180,000 for the purchase of three new vehicles, one-time allocation of \$68,780 for standard issue equipment and bicycles, and ongoing funding of \$6,000 for other supplies and equipment.</p> <p>More detail on this action can be found in the City Departments/Council Appointees section of the 2023-2024 Proposed Operating Budget for the Police Department.</p>

Reallocation of Uncommitted Measure E Funding

Approved by the voters in March 2020, Measure E enacted a Real Property Transfer Tax, a general purpose tax that is received in the General Fund whose revenues can be used for any governmental purpose. However, City Council Policy 1-18, Section 22 designates specific uses for the funding. After allocating 5% of the revenues for program administration, the remaining revenue is allocated for affordable housing development (75%), homeless support programs, shelter construction, and operations (15%), and homelessness prevention, gender-based violence programs, legal services, and rental assistance (10%).

The City Council's approval of the March Budget Message directed the Administration "*to explore the use of uncommitted Measure E resources for reallocation to homeless prevention, support and management investments as part of the overall strategy to fund the priorities described in this message.*" The 2023-2024 Proposed Budget meets this direction as described below.

The Administration was guided by the following considerations when determining the amount of uncommitted Measure E resources for reallocation to the meet the City Council's direction:

- Funding levels for homelessness prevention and support should be significant – for City staffing capacity, for outreach capacity, and to drive the development of EIH and safe parking sites – to provide resources in 2023-2024 that can be expended over a multiyear period;
- Sufficient levels of Measure E resources to support previously approved affordable housing projects and those projects that successfully competed for an allocation of funding from the Housing Department's most recent Notice of Funding Availability (NOFA) should be retained;
- To provide maximum flexibility to meet the above objectives, consider both Measure E resources received in prior years through 2022-2023, and revenues anticipated for 2023-2024; and
- Because Measure E revenues in 2022-2023 are expected to fall short of the \$65 million revenue estimate, ensure that a portion of uncommitted Measure E resources remain unspent to absorb a likely revenue loss to ensure funding commitments stay intact.

As shown below in Table 1, \$105.9 million of Measure E resources have previously been allocated for the production of affordable housing but have not yet been committed by the City Council for specific uses. Of this amount, the 2023-2024 Proposed Operating Budget recommends retaining \$52.8 million (50%) for pending affordable housing production.

An additional amount of \$15.1 million is recommended to establish the Measure E Revenue Stabilization Reserve. The 2022-2023 budgeted estimate for Real Property Transfer Tax revenues (Measure E) is \$65.0 million. However, due to the significant slowdown within the residential and commercial real estate market, this estimate (already lower than prior year collections of \$110 million) is unlikely to be met. As a result, the Administration recommends allocating \$15.1 million into a reserve to provide capacity to absorb the likely revenue shortfall in the current year to ensure that funding commitments stay intact.

Reallocation of Uncommitted Measure E Funding

Determination of the Level of Uncommitted Measure E Resources	
(Table 1)	
Uncommitted Affordable Housing Allocation	
Current and Prior Year Uncommitted Affordable Housing Allocation	\$70.3 million
2023-2024 Uncommitted Affordable Housing Allocation	\$35.6 million
Total Uncommitted Measure E	\$105.9 million
Amount Retained for Affordable Housing Purposes	
Inflation Reserve for Previously Approved Projects	\$11.0 million
Commercial Space for Previously Approved Projects	\$1.3 million
Fully Fund Affordable Housing Projects from Recent NOFA	\$35.5 million
Affordable Housing Acquisition Reserve	\$5.0 million
Amount Retained for Affordable Housing	\$52.8 million
Measure E Revenue Stabilization Reserve	
Measure E Revenue Stabilization Reserve	\$15.1 million
Amount Recommended for Reallocation to Homelessness Prevention, Support, and Management Services	\$38.0 million

An amount of \$38.0 million is recommended for reallocation to homelessness prevention, support, and management as outlined in Table 2 and described below.

Recommended Reallocation of Uncommitted Measure E Resources		
(Table 2)		
Recommended Investments	Reallocated Amount	Anticipated Expenditure Timeframe
Interim Housing – Site Acquisition, Development, and Operations	\$20.9 million	Multi-year
Homelessness Response and Outreach	\$10.5 million	3-year
Homelessness Prevention	\$4.8 million	1-year
Homelessness Coordination Team	\$1.8 million	3-year
Investments to Reduce Unsheltered Homelessness	\$38.0 million	

Reallocation of Uncommitted Measure E Funding

Interim Housing – Site Acquisition, Development, and Operations (\$20.9 million)

- Staffing resources of \$2.0 million overseen by the Public Works Department – anticipated to be spent over a 3-year period - are recommended to continue to facilitate the site identification, design, and construction/improvement of sites for EIH, safe parking, or other uses to shelter currently unsheltered homeless residents at a more rapid pace.
- An additional infusion of \$18.9 million of one-time resources will further support construction efforts and long-term operating and maintenance costs of interim housing communities, motels, safe parking sites, and similar approaches to reduce the City's unsheltered homeless population. To align with previous and current City Council direction to sustain interim housing communities over the long-term, total annual costs of the existing seven EIH sites (including the recently authorized Monterey/Branham site) and five other EIH/safe parking sites could reach \$50 million by 2029-2030, of which a substantial portion would need to come from local City sources, such as the General Fund or an ongoing reallocation of a portion of Measure E funding, unless external resources can be identified, which will be aggressively pursued to the extent possible. Allocating additional one-time funds now further supplements other external resources expected to be received in the near future, such as future rounds of Homeless Housing, Assistance and Prevention (HHAP) and Project HomeKey awards from the State of California. As described in Manager's Budget Addendum #3, *Fiscal Sustainability of Interim Housing Operations and Maintenance Costs*¹, issued as part of the 2022-2023 budget development process, the City's ability to continue to construct and operate EIH sites is contingent upon both a large infusion of City funds and external funding from HHAP, Project HomeKey, and other sources. An updated analysis of the long-term financial impact of EIH-related investments will be issued as a Manager's Budget Addendum later in May 2023.

Homelessness Response and Outreach (\$10.5 million)

- Staffing and contractual services funding of \$7.0 million overseen by the Housing Department – anticipated to be spent over a three-year period – will provide for enhanced levels of homeless outreach, engagement, and data tracking, as well as pilot a small team of trauma-informed specialists that can work in close concert with Beautify San José and the Police Department in advance of or to maintain abated encampments.
- Additional funding of \$3.5 million (adding to previously allocated carryover funding of \$1.5 million for a total program cost of \$5.0 million) extends the San José Bridge Program through 2023-2024, ensuring capacity for approximately 120 participants of formerly unsheltered residents that receive employment and housing services while they help beautify the city, with the goal to transition to permanent housing and employment.

¹ Manager's Budget Addendum #3, Fiscal Sustainability of Interim Housing Operations and Maintenance Costs, May 10, 2022: <https://www.sanjoseca.gov/home/showpublisheddocument/85667/637878137024730000>

Reallocation of Uncommitted Measure E Funding

Prioritizing Community and Organizational Needs (Cont'd)

Homelessness Prevention (\$4.8 million)

- City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024 directed the Administration to double the 2023-2024 Base Budget allocation of Measure E funds for homelessness prevention of \$4.75 million. The 2023-2024 Proposed Operating Budget meets this direction by reallocating \$4.75 million from uncommitted Measure E funds previously designated for affordable housing development to homelessness prevention, for a total amount of \$9.5 million.

Homelessness Coordination Team (\$1.8 million)

- Staffing resources of \$1.8 million – anticipated to be spent over a 3-year period – will support a three-person team in the City Manager's Office to coordinate the City's efforts on ending homelessness and improving the quality of life for both the housed and unhoused, including overall project coordination and accountability, policy work around allowable encampment areas, data analysis, and interdepartmental and interagency coordination.

Additional detail regarding the recommended allocations described above can be found within the following sections of the 2023-2024 Proposed Operating Budget: Office of the City Manager, Housing Department, Public Works Department, City-Wide Expenses, and General Fund Capital, Transfers, and Reserves.

CITY OF SAN JOSE

2023-2024 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

STRATEGIC LOCATION

Situated between the Diablo and Santa Cruz mountain ranges, San José encompasses approximately 181 square miles at the southern tip of the San Francisco Bay. San José's central location between San Francisco to the north and Monterey/Carmel to the south makes the "Capital of Silicon Valley" a gateway to adventures throughout California.

With a population of roughly one million, San José is the 10th largest city in the nation.¹ Roughly 1.9 million people reside in Santa Clara County, of which San José is the county seat.

HISTORY

In November 1777, El Pueblo San José de Guadalupe became the first civil settlement in California. The settlement was mostly occupied by the Ohlone Indians along the Guadalupe River and Spanish settlers. At that time, San José was a farming community cultivating a number of different crops, which served the military communities in San Francisco and Monterey. In 1850, San José became the first capital of California, but this honor remained for only two years due to flooding in downtown and the lack of hotel capacity. Furthering San José's difficulties, the city was plagued with floods, earthquakes, and fires in the early 1900s. However, over the next century, San José experienced one of the most significant economic changes in California history, transforming from an agricultural community to what is known today as the "Capital of Silicon Valley."



QUALITY OF LIFE

San José's quality of life is unsurpassed. With an average of 300 days of sunshine per year and temperature averages varying from 50 degrees in January to 70 degrees in July, those living and working in San José can enjoy the city's many attractions, cultural and performing arts, sports and recreation opportunities, and year-round festivals and celebrations. San José has received accolades from The Milken Institute, Forbes, The Atlantic, and other national media as the place to live and do business.

CULTURAL AND ETHNIC DIVERSITY

Diversity is a hallmark of San José; a city proud of the cultural and ethnic diversity of its population and workforce and the rich cultural identity of its many neighborhoods. City residents speak more than 50 different languages. A full 40% of San José residents were born in a country outside the US, including 52% of adult residents over the age of 25.² Japantown is a popular tourist stop and a cornerstone neighborhood full of tradition.



¹ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2021 and 2022. (Released May 2022)

² City of San José, Office of Economic Development and Cultural Affairs

CITY OF SAN JOSE

2023-2024 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

CULTURAL AND ETHNIC DIVERSITY

Little Saigon is a haven of Vietnamese-owned and operated businesses where customers and tourists can experience unique shopping experiences and diverse restaurants. Biblioteca Latinoamericana, one of the City's innovative library branches, boasts one of the largest collections of Spanish language materials in northern California. The city hosts many cultural festivals and numerous ethnic chambers of commerce are active in the community. According to the United States Census Bureau as of July 2022, San José residents are 37.5% Asian, 31.0% Hispanic, 24.4% White, 3% African American, and 4.1% other/two or more races.



EDUCATION



Sixteen public school districts and an estimated 300 private and parochial schools provide families with a range of educational choices. Innovative programs in local school districts include a nationally acclaimed performing arts magnet and concentrations in aerospace, international studies, math and science, and radio and television. Higher education facilities in and around San José are distinguished. San José State University (SJSU) is California's oldest public university, founded in 1857. It offers strong programs in business, information

technology, journalism, mass communications, and engineering, with SJSU graduating twice as many engineers annually as any nearby university. In addition, the collaboration between SJSU and the City of San José to construct and operate the Dr. Martin Luther King, Jr. Library (King Library), the first joint City/University library, earned the prestigious national title of Gale/Library Journal 2004 Library of the Year. The King Library also received the National Medal for Museum and Library Service from the Institute of Museum and Library Services in 2011.

Seven community colleges serve the County of Santa Clara, including two in San José – San José City College and Evergreen Valley College– which are part of the San José Evergreen Community College District. The two colleges educate more than 26,000 students per year so that they can transfer to universities, enter the workforce, or embark on a path of lifelong learning. They offer a variety of two-year programs and work-ready certificate programs. The district's Community College Center for Economic Mobility, a training partner that works with many corporations to develop and maintain a vital South Bay economy. The Metropolitan Education District and the Center for Employment Training also fill the need for basic skills and job training.

San José also benefits from its proximity to major research universities and institutions. Stanford University, University of California at Berkeley, Santa Clara University, University of California at San Francisco, and University of California Santa Cruz are within a 45-minute to one-hour drive. These universities produce discoveries that drive innovation and startup creation.

CITY OF SAN JOSE

2023-2024 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

ECONOMIC DIVERSITY

Perhaps more important than rankings and statistics, the term “Capital of Silicon Valley” describes not only a city and geographic region, but also a culture, an entrepreneurial energy, a spirit of innovation, and a symbol of opportunity. While San José and the greater Silicon Valley are largely associated with the technology industry, the city’s business profile is diverse and healthy. San José is home to approximately 66,000 businesses employing a total of 439,000 workers in sectors ranging from advanced manufacturing to healthcare to software.³ Commercial, retail, industrial, professional, and service businesses all thrive in San José.

INTERNATIONAL

On the international front, San José attracts significant foreign investment from throughout the globe, particularly in information technology industrial sectors. San José is also a leading city in exporting goods and services. The City’s Office of Economic Development and Cultural Affairs also administers the Foreign Trade Zone, which allows manufacturing companies like Tesla, Lam Research, and Maxar Space to import parts used in manufacturing advanced technologies with reduced or delayed tariff assessment.

TOURISM



Residents and visitors enjoy the city’s many attractions year-round: museums, parks, sports, multicultural festivals, theme parks, shopping, and, of course, great hotels and restaurants. Attractions include the Tech Museum of Innovation, San José Museum of Art, Raging Waters, Happy Hollow Park & Zoo, Japanese Friendship Garden, Winchester Mystery House, and Children’s Discovery Museum of San José.

SPORTS

Several professional sports teams call San José home: the Sharks, National Hockey League; the Earthquakes, Major League Soccer; the Barracuda, Minor League Hockey; and the Giants, Minor League Baseball. The city also has a state-of-the-art community ice center, golf courses, and parklands, including over 61 miles of beautiful walking and biking trails.



³ City of San José, Office of Economic Development and Cultural Affairs

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

TRANSPORTATION

San José/Silicon Valley has the following mass transportation options:

- The San José Mineta International Airport, located within minutes of downtown, served 9.8 million passengers in fiscal year 2021-2022 and estimates 12.0 million passengers in fiscal year 2022-2023. As of June 30, 2022, there were 12 major passenger airlines operating service to 41 nonstop domestic and international destinations at SJC.
- The Santa Clara Valley Transportation Authority (VTA) carried an estimated total of 21.0 million passenger trips in 2022 on its bus and light rail system.
- Caltrain, a commuter rail service with 31 stations, runs from Gilroy through San José and north to San Francisco, with an average weekday ridership of 16,000 in 2022. Ridership was significantly impacted by the COVID-19 pandemic but is gradually increasing with return to the office policies prompting increased service to 104 weekday trains, up from 92 previously. Electrification of the Caltrain system is under construction, with electric trains anticipated to be in service in Fall 2024.
- Bay Area Rapid Transit (BART) and California High-Speed Rail both have planned routes to Diridon Station in San José. Phase II six-mile extension from Berryessa Station to Santa Clara Station was environmentally approved on April 5, 2018 construction activities are anticipated to begin in 2023.



CITY OF SAN JOSE 2023-2024 PROPOSED OPERATING BUDGET

SAN JOSE AT A GLANCE

Basic City Facts

Founded: 1777; California's first civilian settlement

Incorporated: March 27, 1850; California's first incorporated City, and site of the first State capital

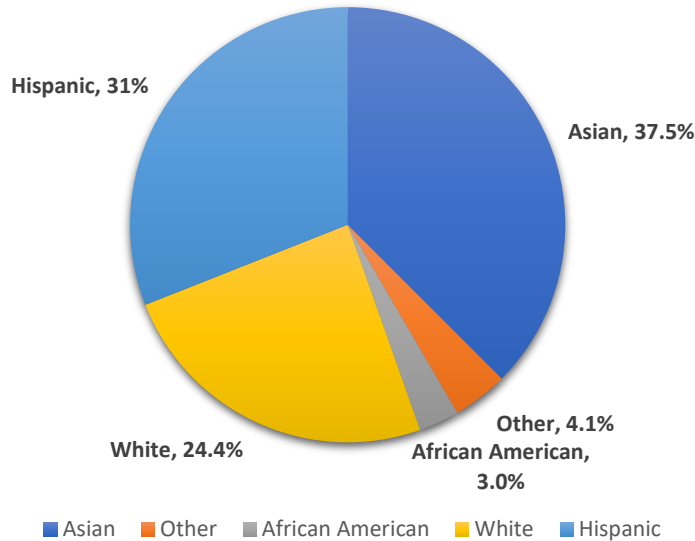
General Data

Population ⁴	976,482
Registered Voters ⁵	527,301
Median Household Income ⁶	\$125,075
Miles of Streets	2,519
Miles of Alleys	2.58
Area of City (square miles)	180.7
Land Use:	
Single-Family	34%
Two-Family	2%
Multi-Family	4%
Mobile Home	1%
Commercial	4%
Industrial	10%
Public/Quasi-Public	0.75%
Airports	1%
Schools	3%
Parks/Open Space	17%
Roadways	16%
Downtown	0.25%
Other	7%



Demographics

Breakdown of Race/Ethnicities⁷



⁴ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, January 1, 2021 and 2022 (Released May 2022)

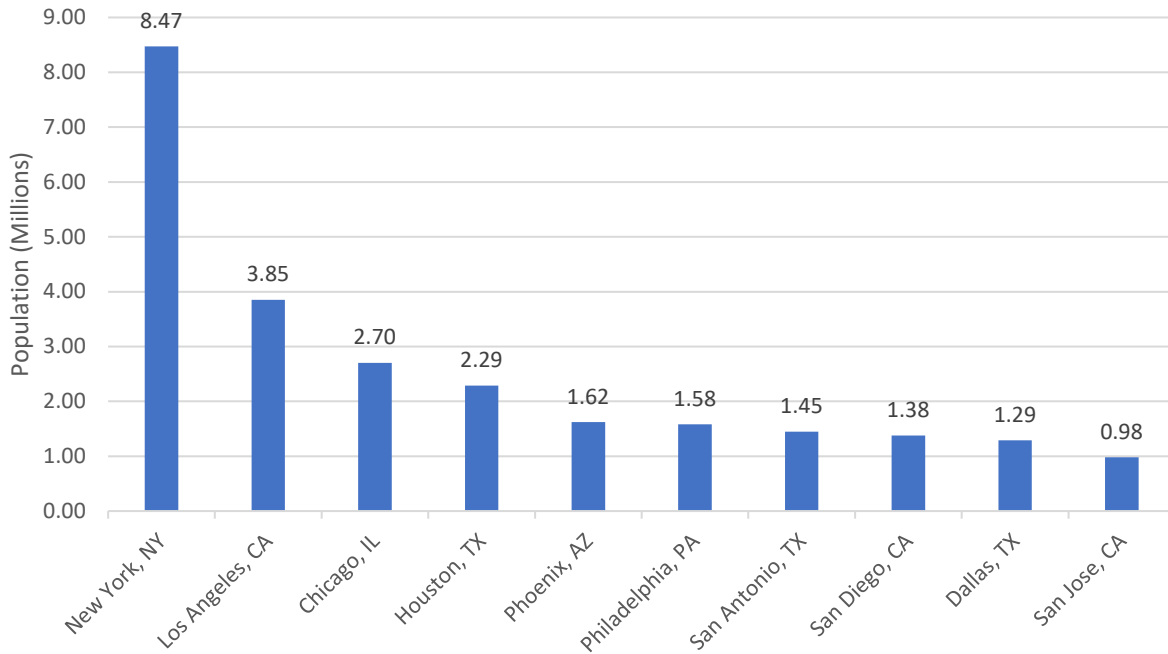
⁵ Santa Clara County Registrar of Voters as of April 5, 2023

⁶ United States. Census Bureau, American Community Survey (ACS), 5-Year Estimates

⁷ United States. Census Bureau, Population Estimates Program (PEP) as of July 1, 2022

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

Population of 10 Largest U.S. Cities

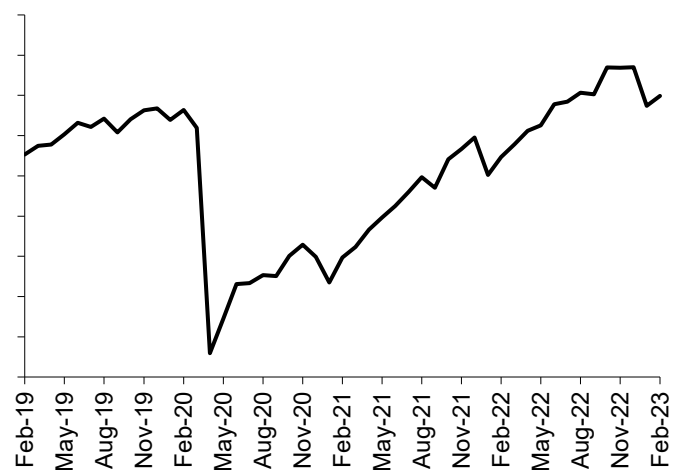


U.S. Source: Census Bureau, Population Division, Annual Estimates of the Resident Population for Incorporated Places of 50,000 or More, Ranked by July 1, 2021 Population (Released May 2022)

Major Employers⁸

<u>Company</u>	<u>Number of Employees</u>
County of Santa Clara	20,000
Cisco Systems	7,500
City of San José	6,844
Kaiser Permanente	4,400
San José State University	4,095
Adobe Systems Inc.	4,000
Western Digital	2,891
Broadcom	2,805
PayPal, Inc.	2,801
San Jose Unified School District	2,516
ByteDance	2,500
Target Stores	2,437
eBay	2,351
Super Micro Computer	2,219
IBM	2,070
Good Samaritan Hospital	1,850
Cadence Design Symptoms	1,844
Eastside School District	1,765
Safeway	1,693

San José Employment - MSA⁹



⁸ Source: City of San José, Office of Economic Development and Cultural Affairs Estimates as of March 2022. The information was gathered on an informal basis from sources believed to be reliable. The City can provide no assurances as to the accuracy or completeness of the information shown.

⁹ Source: U.S. Census Bureau, California Employment Development Department

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

Airport*

Approx. Acres	1,050
Terminals	2
Runways	2
Hours of Operation	24
Flights in 2022-2023 (estimated):	
Commercial Airline Operations	111,318
Cargo Commercial Airlines Operations	1,350
General Aviation	55,483
Military Flights	20
Landings per Day in 2022-2023 (estimated):	
Commercial	152
General Aviation	72
Number of Passengers in 2022-2023 (estimated):	12.0 Million
Public Parking Spaces:	
Hourly Parking/Daily Parking	3,023
Economy Parking	2,509
Services:	
Passenger Airlines	12
All-Cargo Airlines	2
General Aviation Based Aircraft	140



Environment and Utilities*

Miles of Municipal Sewer Mains	2,040
Number of Water Pollution Control Plants ¹⁰	1
Number of Square Miles the Sanitary Sewer System Spans	180.7
Gallons of Wastewater the Plant has the Capacity to Treat Per Day	167 Million
Gallons of Wastewater Treated Per Day	88.8 Million
Number of Municipal Water Systems ¹¹	1
Water Services in Municipal Water Service Area	26,980
Miles of Water Mains	345
Gallons of Potable Municipal Water Delivered	5.1 Billion
Gallons of Recycled Municipal Water Delivered	1.4 Billion
2022-2023 Recycled Materials:	
Tons of Paper	43,045
Tons of Glass	22,363
Tons of Cardboard	12,457
Tons of Metals	4,344
Tons of Plastics	7,406
Tons of Other Materials	555
Total Tons of Recyclables	90,530



* Current Counts or 2022-2023 Year-End Estimates

¹⁰ Serving the San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno areas.

¹¹ Serving the Evergreen, North San José, Alviso, Edenvale, and Coyote Valley areas. Other areas served by private water companies.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

Environment and Utilities*

2022-2023 Recycled Materials:	
Multi-Family Dwelling Tons Composted	47,820
Single-Family Dwelling Tons Composted	98,484
Tons of Yard Trimmings	116,645
Tons of Used Motor Oil	170
Tons of Used Oil Filters	4.8

Fire*

Fire Stations	34
Companies	44
Squad Units	3
Equipment	
Engines:	
Front Line	33
Relief	18
Trucks:	
Front Line	9
Relief	5
Brush Patrol Apparatus:	
Front Line	7
Relief	6
Aircraft Rescue and Firefighting Apparatus:	
Front Line	2
Relief	1
Urban Search/Rescue and Hazmat Apparatus:	
Front Line	3
Auxiliary Apparatus	95
Emergency Medical Calls	63,000
Fire Safety Code Inspections	16,700
Fires	4,500



Libraries*

Number of Outlets:	
Main Library	1
Branches	24
Items Checked Out (Circulation)	7,126,911
Electronic Resources Checked Out (Circulation)	1,439,266
Books (Inventory)	1,610,000
Audio Visual Materials (Inventory)	270,000



*Current Counts or 2022-2023 Year-End Estimates

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SAN JOSE AT A GLANCE

Parking*

Parking Meters	2,253
City Parking Lots (1,107 total spaces)	6
City Parking Garages (6,186 total spaces)	8

Parks, Recreation and Neighborhood Services*

Park Sites	213
Basketball Hoops	164
Bocce Ball Courts	21
Exercise Courses	42
Handball Courts	11
Horseshoe Pits	52
Lawn Bowling Greens	1
Volleyball Courts	19
Skate Parks	7
Bike Parks	2
Multi-Use Fields	110
Swimming Pools	6
Tennis Courts	84.5
Park Acreage ¹²	3,620
Playgrounds	294
City-Operated Community Centers	12
Neighborhood Center Partner Program Operated Sites	29
Public Golf Courses	3
Gymnasiums	8
Fitness Rooms	6
Youth Centers	10
Walking and Biking Trails (miles)	64.93
Total Participation in Recreation Programs at Community Centers	488,142
Total Participation in Recreation Programs at Neighborhood Center Partners Program (formerly Re-Use Centers)	8,757



Police*

Police Stations	1
Police Marked Vehicles	323
Motorcycles	51
Horses	0
Dogs	16
Aircraft:	
Helicopter	1
Fixed Wing	0
Number of Emergency Calls Received	633,300
Number of Non-Emergency Calls Received	609,200
Cases Assigned Per Year	28,000

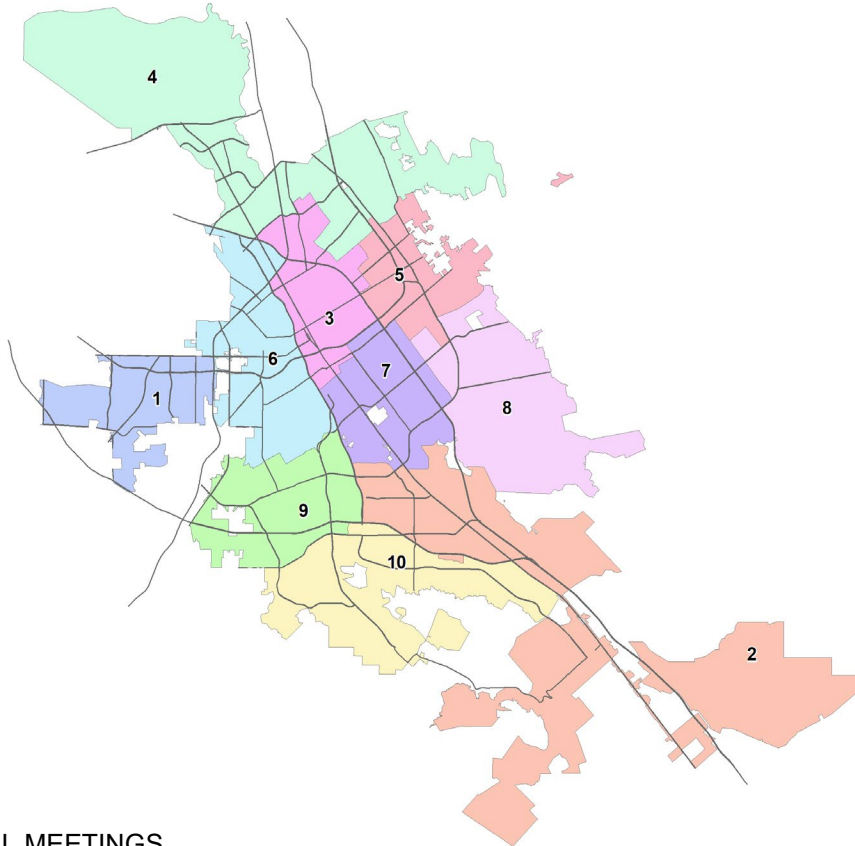


*Current Counts or 2022-2023 Year-End Estimates

¹² Data represents City services (excludes school data)

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
ROSTER OF ELECTED OFFICIALS

CITY COUNCIL	DISTRICT	TELEPHONE	E-MAIL
Matt Mahan	Mayor	535-4800	<u>mayoremail@sanjoseca.gov</u>
Rosemary Kamei	1	535-4901	<u>district1@sanjoseca.gov</u>
Sergio Jimenez	2	535-4902	<u>district2@sanjoseca.gov</u>
Omar Torres	3	535-4903	<u>district3@sanjoseca.gov</u>
David Cohen	4	535-4904	<u>district4@sanjoseca.gov</u>
Peter Ortiz	5	535-4905	<u>district5@sanjoseca.gov</u>
Dev Davis	6	535-4906	<u>district6@sanjoseca.gov</u>
Bien Doan	7	535-4907	<u>district7@sanjoseca.gov</u>
Domingo Candelas	8	535-4908	<u>district8@sanjoseca.gov</u>
Pam Foley	9	535-4909	<u>district9@sanjoseca.gov</u>
Arjun Batra	10	535-4910	<u>district10@sanjoseca.gov</u>



CITY COUNCIL MEETINGS

- Every Tuesday at 1:30 p.m.
- Evening meetings at 6:00 p.m. in addition to the afternoon meeting twice a month, as listed in the approved City Council Meeting Schedule.
- Closed sessions every Tuesday at 9:30 a.m.
- No meetings are held in July when the City Council is in recess.

CITY OF SAN JOSE

2023-2024 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Following is a list of significant State and local voter-approved initiatives.

2020s Initiatives

Measure I was placed on the ballot by the City Council. It amended the City Charter to (1) add the City's Ethics and Elections Commission (Board of Fair Campaign and Political Practices) to the charter; (2) remove requirements that members of the Planning, Civil Service, and Salary Setting Commissions be electors and/or citizens; (3) remove gender-specific language; and (4) require the City Council to adopt equity values, standards and assessments in making certain decisions. Measure I was approved by the voters in November 2022.

Measure B was placed on the ballot by the City Council. It amended the City Charter to (1) move the mayoral election from the gubernatorial election cycle to the presidential election cycle beginning in 2024 and (2) to limit the person elected to the Office of the Mayor in 2022 to a two-year term with the option to run for the Office of the Mayor and serve as such for two additional successive four-year terms. Measure B was approved by the voters in June 2022.

Measure G was placed on the ballot by the City Council. It amended the San José City Charter to expand the Independent Police Auditor's oversight, including review of officer-involved shootings and use of force incidents causing death or great bodily injury, review of department-initiated investigations against officers, and other technical amendments; increase the Planning Commission to 11 members with the City Council appointing one member from each Council District and one "at-large" member; and allow the City Council to establish timelines for redistricting when Census results are late. Measure G was approved by the voters in November 2020.

Measure H, Cardroom Tax, was placed on the ballot by the City Council. It amended the San José Municipal Code to increase the cardroom tax on the gross revenues of cardrooms, add a new tax on the gross revenues of third-party providers of proposition player services, and increase the number of card tables. The increased tax imposed on the cardrooms and the new tax imposed on third-party providers of proposition player services are general taxes. The revenues received from these taxes may be used for general governmental purposes. Measure H was approved by the voters in November 2020.

Measure E, Real Property Transfer Tax, was placed on the ballot by the City Council. It amended the San José Municipal Code to enact a tax on the transfer of any real property valued over \$2 million, subject to a CPI adjustment every five years. While the revenue is deposited into the General Fund and may be used for any City purpose, City Council Policy 1-18 allocates this funding for affordable housing, homelessness prevention, and homeless support. Measure E was approved by the voters in March 2020.

2010s Initiatives

Measure S, Construction Contract Procurement Modernization, was placed on the ballot by the City Council. It allowed the City to amend the City Charter to modify construction contract procurement and the bidding process. Measure S was approved by the voters in November 2018.

Measure T, Disaster Preparedness, Public Safety, and Infrastructure Bond, was placed on the ballot by the City Council. It authorized the issuance of up to \$650 million in general obligation bonds to upgrade 9-1-1 communications, police, fire, and paramedics facilities to improve emergency disaster response; repair deteriorating bridges vulnerable to earthquakes; repave streets and potholes in the worst condition;

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

prevent flooding and water quality contamination; and repair critical infrastructure. Measure T was approved by the voters in November 2018.

Measure U was placed on the ballot by the City Council. It allowed the City Charter to be amended to remove the City Council from voting on their own salaries, require the Salary Setting Commission to adjust the base salaries for the Mayor and City Council once every five years, and limit base salary increases after each five-year adjustment to annual adjustments for inflation based on the Consumer Price Index. Additionally, Measure U amended the City Charter to align with State Law, allowing Council to submit an alternative measure to a citizen initiative. Measure U was approved by the voters in November 2018.

Measure C, an Act to Limit Urban Sprawl and the Fiscal and Environmental Effects of Specified Development in Outlying Areas, was placed on the ballot by the City Council. This measure restricts the development of non-employment uses on designated lands in outlying areas near San Jose's Urban Growth Boundary, including Almaden Valley, Coyote Valley, and Evergreen Foothills, unless City Council determines such development will not adversely affect the City financially, will satisfy increased affordable housing requirements, and will mitigate environmental impacts, and pay appropriate fees for road improvements to address traffic impacts. Measure C was approved by the voters in June 2018.

Proposition 64 legalized recreational marijuana for persons aged 21 years or older under state law. Effective January 1, 2018, Proposition 64 allowed for the sale and taxation of recreational marijuana. Proposition 64 was approved by California voters in November 2016.

Measure E, Opportunity to Work, a citizen initiative measure, amended the San José Municipal Code to require employers to offer

additional work hours to existing qualified part-time employees before hiring new employees, including sub-contractors and use of temporary staffing services. The requirement to offer additional work hours does not apply where the existing qualified part-time employees would be paid overtime or other premium rate under any law or collective bargaining agreement. Measure E was approved by the voters in November 2016.

Measure F, Alternative Pension Reform Act, was placed on the ballot by the City Council. It amended the San José City Charter to change employee retirement contributions and benefits and retiree healthcare benefits. This measure superseded the Measure B modifications approved by the voters in 2012 and included the following components: retirement benefits for Tier 2 members were improved to levels similar to other Bay Area agencies and the costs of the benefit will be shared 50/50 between the City and employees; the defined benefit retiree healthcare plan was closed to new members; Tier 1 employees who return after leaving the City will be Tier 1 employees; the pre-Measure B definition of disability was reinstated; an independent medical panel will be created to determine eligibility for disability retirements; the elimination of the Supplemental Retiree Benefit Reserve will continue and it will be replaced with a Guaranteed Purchasing Power benefit to protect retirees against inflation; both the City and employees will be required to make the full annual required plan contributions calculated by the applicable retirement board; voter approval is required for any future enhancements to defined retirement benefits; and retroactive benefit enhancements are prohibited. Measure F was passed by the voters in November 2016.

Measure G, Business Tax Modernization, was placed on the ballot by the City Council. It enacted an ordinance to revise San José's 1986 Business Tax. Effective July 1, 2017, the revised ordinance 1) increases the

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

minimum base tax; 2) requires payment of the minimum base tax by all businesses; 3) sets graduated rates for businesses with more employees paying higher rates and residential and commercial landlords paying more per unit, lot, and square feet of leased space; 4) requires water companies to pay an amount per San José meter connection; and 5) raises the annual caps on the maximum amount of tax payable. Where a business owes the tax based on both its number of employees and leased number of units, lots, or square feet, the business is required to pay the higher of the two calculations. The revised ordinance also provides for an annual adjustment for inflation based on a consumer price index beginning on July 1, 2018, subject to specified limits. Measure G was approved by the voters in November 2016.

Measure B, Local Sales Tax, enacted a ¼ percent sales tax in San José beginning October 1, 2016 for 15 years to fund essential City services, such as: improving public safety (e.g., additional police officers to improve emergency response times, reduce violent and non-violent crimes, increase neighborhood patrols, and increase fire resources to improve fire and emergency medical response times); maintaining and repairing major streets (e.g., increase pavement maintenance funding for major streets to significantly slow the incidence of pothole formation and general pavement deterioration); and increasing neighborhood services (e.g., additional resources for reducing homelessness, increasing youth and senior services, and other high priority neighborhood services, such as blight eradication and gang prevention). Measure B was passed by the voters in June 2016.

Measure B, Library Parcel Tax, authorized the collection of a parcel tax to enhance the City's library services and facilities. The tax is collected twice per year on each parcel of real property and deposited into the Library Parcel Tax Fund. All proceeds, including interest, must be expended for Library

purposes. Measure B was approved by voters in 2014 and will sunset in 2039. This measure follows two prior voter approved measures to support library services. In November 1994, voters approved Measure E (sunset in 2005), and in November 2004 voters approved Measure S (sunset in 2015).

Measure D requires the payment of minimum wages in San José at \$10 per hour with an annual increase, if any, based on the Consumer Price Index beginning January 1, 2014; City enforcement through fines, penalties, civil actions, or revocation or suspension of permits or licenses; voter approval of substantive changes to the ordinance; and allows private enforcement through civil actions. Measure D was passed by the voters in 2012.

Measure B allowed the City Charter to be amended to modify retirement benefits of City employees and retirees by increasing employees' contributions, establishing a voluntary reduced pension plan for current employees, establishing pension cost and benefit limitations for new employees, modifying disability retirement procedures, temporarily suspending retiree Cost of Living Adjustments during emergencies, and requiring voter approval for increases in future pension benefits. This Measure was superseded by Measure F in November 2016. Measure B was passed by the voters in 2012.

Measure K increased the Cardroom Tax rate on gross revenues from 13% to 15%, allowed each cardroom to seek City approval to increase the number of tables from 40 to 49, removed the limit on the number of permissible card games to allow any card game permissible under State law consistent with City regulations, and increased the betting limit from \$200 to that allowed under State law. Measure K was passed by the voters in 2010.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Measure U allowed the City Council to impose a business tax on marijuana businesses in San José at a rate of up to 10% of gross receipts. The revenues from the marijuana business tax are subject to an annual audit. Measure U was passed by the voters in 2010.

Measure V changed the mandatory arbitration process regarding the selection of the Chair of the Board and required all hearings and documents submitted in arbitration to be accessible to the public. Further, it requires that the Arbitration Board consider the City's financial condition and ability to pay; provide consideration to the rate of increase or decrease of compensation approved by the City Council for other bargaining units; be precluded from rendering a decision or issuing an award that increases the projected cost of compensation at a rate that exceeds the rate of increase in certain revenues, retroactively increases or decreases compensation, creates a new or additional unfunded liability, or interferes with the discretion of the Police or Fire Department to make managerial, operational, or staffing decisions. Measure V was passed by the voters in 2010.

Measure W allowed the City Council to adopt an ordinance to exclude future City officers and employees from any existing retirement plans or benefits and establish retirement plans for future employees that do not provide for the current minimum requirements set forth in the San José City Charter. Measure W was passed by the voters in 2010.

Proposition 22 reduces or eliminates the State's authority to delay or redirect the distribution of tax revenues for transportation, redevelopment, or local government projects and services, even during periods of severe fiscal hardship. The proposition requires the State Controller to reimburse local governments or accounts if a court rules that the State violated a provision

of Proposition 22. Proposition 22 was passed by the voters in 2010.

Proposition 26 requires that certain State fees be approved by a two-thirds vote of the State legislature and certain local fees be approved by two-thirds of voters. The proposition broadened the definition of a State or local tax to include some fees and charges that governments previously could impose with a majority vote. Proposition 26 was passed by the voters in 2010.

2000s Initiatives

Measure J replaced the Emergency Communication System Support Fee of \$1.75 per telephone line per month with a tax of \$1.57 per telephone line per month. The City ceased collecting the fee and began collecting the tax on April 1, 2009. The tax is collected from telephone users on their phone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service. Measure J was passed by the voters in 2008.

Measure K reduced the telephone utility rate from 5.0% to 4.5% (10% reduction) in San José. This measure broadened the base for the utility tax and the definition of technologies covered by the tax. The utility company collects the tax from consumers on a monthly basis and is required to remit the tax to the City by the 25th of the following month. The tax is not applicable to State, County, or City agencies. Measure K was passed by the voters in 2008.

Proposition 1A prohibits the State from reducing local governments' property tax revenue. The provisions may be suspended only if the governor declares a fiscal necessity and two-thirds of the State legislature approves the suspension. Suspended funds must be repaid within three years. Proposition 1A also requires local sales tax revenues to remain with local governments and for the State to fund

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

legislative mandates. Proposition 1A was passed by the voters in 2004 and became effective in 2006.

Measure A, the Airport Security and Traffic Relief Act, authorized the City to implement infrastructure improvements at the Airport to meet federally mandated security requirements, improve passenger facilities, and add nine new gates once the Airport street system is within three years of completion and funding has been identified for the implementation of the Airport People Mover transit connection. Measure A was passed by the voters in 2003.

Measure O authorized the issuance of a \$159 million general obligation bond (Neighborhood Security Act Bond Measure) to improve San José's fire, police, and paramedic response times by adding and improving fire stations, police stations, and training facilities and creating state-of-the-art 9-1-1 communications facilities. Measure O was passed by the voters in 2002.

Measure K approved an update to San José's General Plan to modify greenline/urban boundaries. Measure K was passed by the voters in 2000.

Measure O authorized the issuance of \$212 million in bonds over 10 years for the establishment of six new and 14 expanded branch libraries in San José. Measure O was passed by the voters in 2000.

Measure P authorized the issuance of \$228 million in general obligation bonds for the establishment of new and improved existing public parks and facilities in San José. Measure P was passed by the voters in 2000.

1990s Initiatives

Measure I authorized the construction of a new City Hall, located in downtown San José. Measure I was passed by the voters in 1996.

Proposition 218 extended the two-thirds majority vote requirement for any new user fees or new taxes to be levied at the local level. Assessments, fees, and charges must be submitted to property owners for approval or rejection after notice and public hearing. Proposition 218 was passed by the voters in 1996.

Proposition 172 enacted a half-cent sales tax increase. Monies derived from this tax must be utilized solely for public safety services. Revenue is distributed to cities and counties for purposes such as police, sheriffs, fire, district attorneys, and corrections. Proposition 172 was passed by the voters in 1993.

Measure I established term limits for the City. City Council members and the mayor can only serve for two successive four-year terms in office. Measure I was passed by the voters in 1990.

Proposition 8 allowed a property owner to file an assessment appeal when the market value of the property is less than the current assessed value. If the appeal is successful, the assessed valuation is lowered to reflect current market conditions. Proposition 8 also provided that the value of reassessed properties may be increased to previous levels when market values increase. Proposition 8 was passed by the voters in 1990.

Proposition 111 enacted a state-wide traffic congestion relief program and changed the procedures for calculating the Gann Limit by updating the spending limit on state and local government to better reflect the needs of a growing California population. It provided new revenues to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. Proposition 111 was passed by the voters in 1990.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

1980s Initiatives

Measure C authorized the City to use public funds to build low-rent housing. Measure C was passed by the voters in 1988.

Measure H authorized the City to build a sports arena, currently known as the SAP Center at San José. Measure H was passed by the voters in 1988.

1970s Initiatives

Proposition 4, otherwise known as the “Gann Limit,” stipulated that the City must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the City can appropriate annually. The limit is adjusted each year using the following criteria: (1) the percentage change in California Per Capita Income or the change in the City’s Assessed Valuation due to new non-residential construction, whichever is greater and (2) the percentage change in the city-wide population, whichever is greater. Proposition 4 was passed by the voters in 1979.

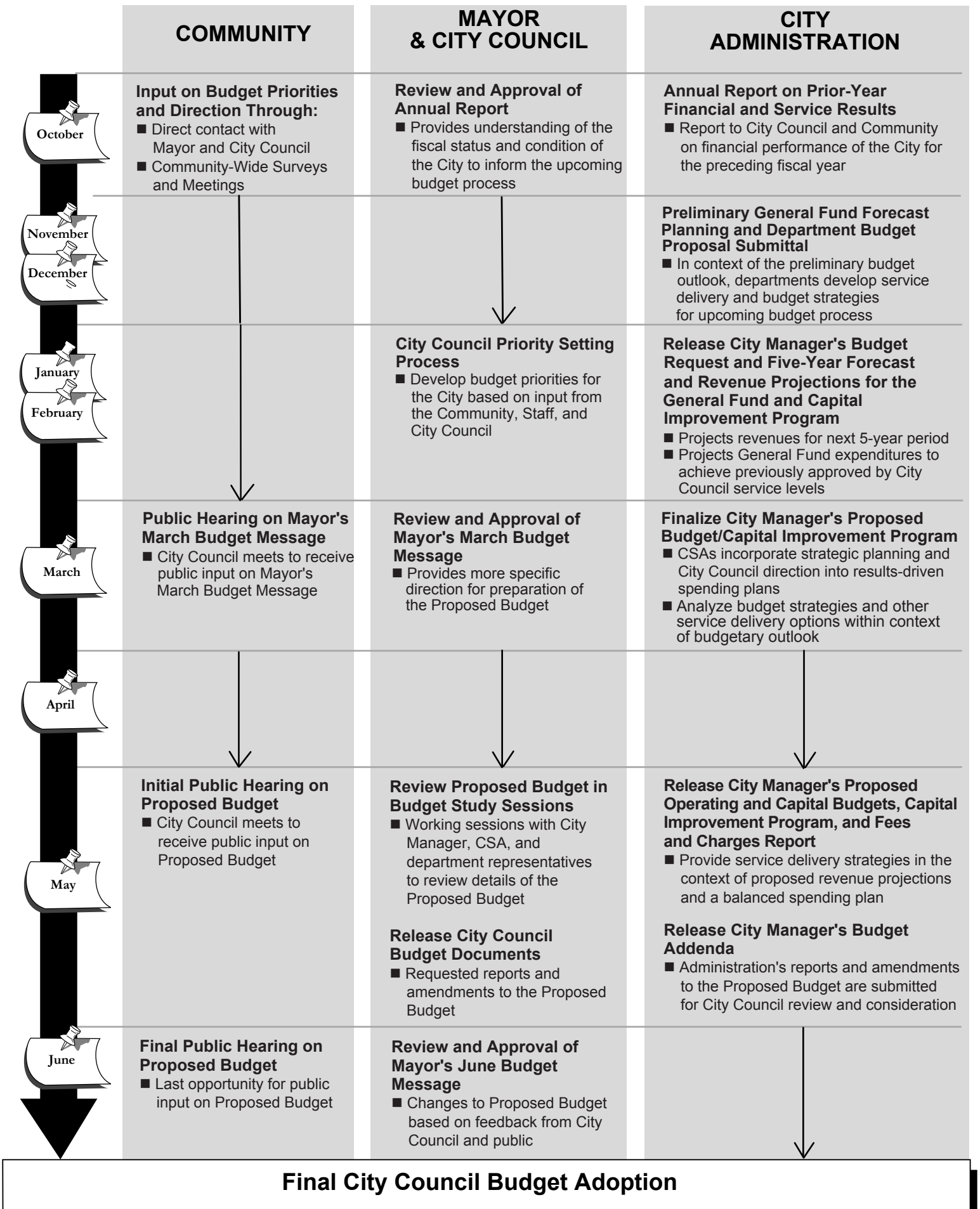
Proposition 13 placed a substantial limitation on the ability of local governments to collect sufficient property taxes commensurate with the historical role this revenue source has played in funding both municipal operations and new public facilities. Proposition 13 specified that an assessed value may increase at the rate of the Consumer Price Index, not to exceed two percent per year based on the 1979 value, unless the property is improved or sold aligning the newly assessed value to the market value. Proposition 13 was passed by the voters in 1979.

1890 – 1970 Initiatives

1965 – Passed by the voters in 1965, the City Charter reaffirms the Council-Manager form of government in San José. The City consists of 10 council members elected by district and a mayor elected at large.

1897 – The City Charter was adopted in 1897. The Charter generally establishes the organization and structure of City government. The Charter also empowers the City Council to make and enforce all ordinances and regulations with respect to municipal affairs, subject only to the limitations specified in the Charter.

CITY OF SAN JOSE ANNUAL BUDGET PROCESS



CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
CITY ORGANIZATION BY CITY SERVICE AREA

Community and Economic Development

Economic Development and Cultural Affairs
 Arts and Cultural Development
 Business Development and Economic Strategy
 Real Estate Services
 Regional Workforce Development

Fire
 Fire Safety Code Compliance

Housing
 Affordable Housing Portfolio Management
 Affordable Housing Production and Preservation
 Neighborhood Capital Investment and Public Services
 Rent Stabilization and Tenant Protection

Planning, Building and Code Enforcement
 Citywide Land Use Planning
 Development Plan Review and Building Construction

Public Works
 Regulate/Facilitate Private Development

Environmental and Utility Services

Community Energy
 Providing Clean Energy to the Community
 Community Energy Customer Support
 Community Energy Community Programming

Environmental Services
 Potable Water Delivery
 Recycled Water Management
 Recycling and Garbage Services
 Stormwater Management
 Sustainability and Environmental Health
 Wastewater Management

Transportation
 Sanitary Sewer Maintenance
 Storm Sewer Maintenance

Neighborhood Services

Housing
 Homelessness Interventions and Solutions

Library
 Access to Information, Library Materials, and Digital Resources
 Literacy and Learning, Formal and Lifelong Self-Directed Education

Parks, Recreation and Neighborhood Services
 Community Facilities Development
 Community Services
 Parks Maintenance and Operations
 Recreation Services

Planning, Building and Code Enforcement
 Code Enforcement

Public Works
 Animal Care and Services

Public Safety

City Manager
 City-Wide Emergency Management

Fire
 Emergency Response
 Fire Prevention

Independent Police Auditor
 Independent Police Oversight

Police
 Crime Prevention and Community Education
 Investigative Services
 Regulatory Services
 Respond to Calls for Service and Patrol Support

Transportation and Aviation Services

Airport
 Airport Marketing and Communications
 Airport Facilities
 Airport Operations
 Airport Planning and Capital Development

Transportation
 Parking Services
 Pavement Maintenance
 Street Landscape Maintenance
 Traffic Maintenance
 Transportation Planning and Project Delivery
 Transportation Safety and Operations

Strategic Support

<p>Finance Debt and Treasury Management Disbursements Financial Reporting Purchasing and Risk Management Revenue Management</p> <p>Human Resources Employee Benefits Employment Services Health and Safety Training and Development</p>	<p>Information Technology Business Solutions San José 311 Technology Infrastructure and Operations</p> <p>Public Works Facilities Management Fleet and Equipment Services Plan, Design, and Construct Public Facilities and Infrastructure</p>
--	--

Mayor, City Council, and Appointees

<p>Mayor and City Council City Council Council General Office of the Mayor</p> <p>City Attorney Legal Services</p> <p>City Auditor Audit Services</p>	<p>City Clerk City Clerk Services</p> <p>City Manager Lead and Manage the Organization</p> <p>Retirement Services Retirement Plan Administration</p>
---	--

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
**CITY ORGANIZATION BY DEPARTMENT/
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

Airport
Transportation and Aviation Services CSA Airport Marketing and Communications Airport Marketing and Communications Airport Facilities Airport Facilities Administration Airport Facilities Parking and Roadways Maintenance Airport Planning and Capital Development Airport Terminals Maintenance Airside Maintenance Airport Operations Airport Parking and Roadways Operations Airside Operations Operations Administration Terminals Operations Strategic Support*

City Manager
Public Safety CSA City-Wide Emergency Management Office of Emergency Management Strategic Support CSA Lead and Manage the Organization Administration, Policy, and Intergovernmental Relations Budget Office Civic Innovation Communications Employee Relations Executive Leadership/City Management Racial Equity Strategic Support*

City Attorney
Strategic Support CSA Legal Services Legal Representation Legal Transactions Strategic Support*

Community Energy
Environmental and Utility Services CSA Providing Clean Energy to the Community Community Energy Conventional Energy Supply Community Energy Hydro Power Supply Community Energy Power Scheduling and Other Supply Community Energy Regulatory Compliance Community Energy Renewable Energy Supply Community Energy Risk Management Community Energy Customer Support Community Energy Data and Call Center Management Community Energy Marketing and Public Affairs Community Energy Community Programming Local Energy Programs Strategic Support*

City Auditor
Strategic Support CSA Audit Services Performance Audits Strategic Support*

City Clerk
Strategic Support CSA City Clerk Services Facilitate the City's Legislative Process Strategic Support*

Economic Development and Cultural Affairs
Community and Economic Development CSA Arts and Cultural Development Arts and Cultural Development Administration Convention and Visitors Bureau Cultural Grants Cultural Facilities Operations and Maintenance Outdoor Events Public Art/Placemaking Business Development and Economic Strategy Business District Management Business Outreach and Assistance Development Attraction and Facilitation Downtown Management Economic Policy Analysis/Communications Real Estate Services City Lease Administration City Property Acquisition and Sales Regional Workforce Development Workforce Development Services Workforce Innovation and Opportunity Act Board Support and Administration Strategic Support*

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

**CITY ORGANIZATION BY DEPARTMENT/
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

Environmental Services

Environmental and Utility Services CSA

Potable Water Delivery

Municipal Water System Operations and Maintenance
Municipal Water System Planning and Capital Project
Delivery

Recycled Water Management

South Bay Water Recycling Operations and
Maintenance
South Bay Water Recycling Planning and Capital
Project Delivery

Recycling and Garbage Services

Civic/Other Solid Waste Collection Services
Commercial Solid Waste Collection Services
Recycling and Garbage Services Administration
Residential Solid Waste Collection Services

Stormwater Management

Stormwater Administration
Stormwater Enforcement
Stormwater Policy and Compliance

Sustainability and Environmental Health

Environmental Compliance and Safety
Policy, Legislative Advocacy, and Education

Wastewater Management

Facility Land Use and Planning
Laboratory Services
Pretreatment
Regulatory Compliance and Safety
San José-Santa Clara Treatment Plant Capital Project
Delivery
San José-Santa Clara Treatment Plant Operations and
Maintenance

Strategic Support*

Finance

Strategic Support CSA

Debt and Treasury Management

Banking Management
Cashiering and Payment Processing
Debt Management
Investment Management

Disbursements

Accounts Payable
Payroll

Financial Reporting

General Accounting
Special Accounting

Purchasing and Risk Management

Purchasing
Risk Management

Revenue Management

Accounts Receivable
Business Tax
Revenue Audit and Compliance
Utility Billing System

Strategic Support*

Fire

Public Safety CSA

Fire Department Emergency Response

Fire and Emergency Medical Services Dispatch
Fire and Emergency Medical Services Response
Fire Stations/Apparatus Operations and Maintenance
Fire Sworn Training
Special Operations Airport Rescue & Fire Firefighting
Special Operations - Hazardous Incident Team
Special Operations - Urban Search and Rescue

Fire Prevention

Fire Cause Investigation
Fire Safety Education, Review, and Inspections

Strategic Support*

Community and Economic Development CSA

Fire Safety Code Compliance

Fire Development Services

Strategic Support*

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

**CITY ORGANIZATION BY DEPARTMENT/
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

Housing

Community and Economic Development CSA
Affordable Housing Portfolio Management
Loan Collections
Loan Compliance
Property Maintenance and Inspection
Affordable Housing Production and Preservation
Affordable Housing Development Loans
Affordable Housing Impact Fees
Homeownership Opportunities
Inclusionary Housing
Rehabilitation Loans and Grants
Neighborhood Capital Investment and Public Services
Community Development Block Grant -
Infrastructure Investments
Neighborhood Stabilization
Non-Profit Service Grants to Support Housing and
Community Development Needs
Place-Based Neighborhood Strategy
Rent Stabilization and Tenant Protection
Apartment Rent Ordinance Administration
Mobilehome Rent Ordinance Administration
Neighborhood Services CSA
Homelessness Interventions and Solutions
Homeless Outreach and Case Management
Interim Supportive Housing Development
Joint Encampment Response Team
Local and Regional Coordination/Policy Development
to End Homelessness
Tenant Based Rental Assistance and Rapid Rehousing
Strategic Support*

Human Resources

Strategic Support CSA
Employee Benefits
Deferred Compensation
Dental Benefits
Medical Benefits
Other Benefits
Employment Services
Classification Services
Recruiting/Hiring
Health and Safety
Employee Health Services
Employee Safety
Workers' Compensation Administration
Training and Development
Employee Training and Development
Strategic Support*

Independent Police Auditor

Public Safety CSA
Independent Police Oversight
Oversight of Police Misconduct Complaints and Public
Outreach
Strategic Support*

Information Technology

Strategic Support CSA
Business Solutions
Advanced Applications and Services
Data Services
Enterprise Resource Management
Productivity and Collaboration Applications
San José 311
City Customer Contact Center
Technology Infrastructure and Operations
Cybersecurity Office
Desktop/Virtual Desktop Infrastructure
IT Customer Care
IT Systems and Operation
Telecommunications Billing
Voice and Data Network Infrastructure
Strategic Support*

Library

Neighborhood Services CSA
**Access to Information, Library Materials, and Digital
Resources**
Access and Borrower Services
Electronic Resources Implementation and Maintenance
Library Facilities and Security
Main Library Operations
Materials Acquisitions and Processing
**Literacy and Learning, Formal and Lifelong Self-
Directed Education**
Early Education and Family Learning
Partners in Reading/Adult Literacy
Strategic Support*

Mayor and City Council

Strategic Support CSA
City Council
Council General
Office of the Mayor

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

**CITY ORGANIZATION BY DEPARTMENT/
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

Parks, Recreation, and Neighborhood Services

Neighborhood Services CSA

Community Facilities Development

- Major Capital Improvement Projects Management
- Minor Parks Capital Improvement Projects

Community Services

- Anti-Graffiti & Anti-Litter
- Illegal Dumping and Homeless Encampment Trash Collection and Abatement Services
- Youth Gang Prevention and Intervention

Parks Maintenance and Operations

- Family Camp
- Happy Hollow Park & Zoo
- Municipal Golf Courses
- Neighborhood Parks and Regional Parks
- Park Rangers
- Parks Administration
- Sports Fields Maintenance & Reservations
- Volunteer, Adopt a Park, and Community Gardens

Recreation Services

- Aquatics
- Community Center Operations
- Neighborhood Center Partners Program
- Park Activation/Placemaking
- RCS Administration (includes Youth Commission)
- Senior Services
- Youth Services

Strategic Support*

Planning, Building and Code Enforcement

Community and Economic Development CSA

Development Plan Review and Building Construction

- Building Development Services
- Development Services Administration
- Planning Development Services

Citywide Land Use Planning

- Citywide Planning
- Planning Administration
- Planning Environmental Review and Historic Preservation

Strategic Support*

Neighborhood Services CSA

Code Enforcement

- Code Enforcement Administration
- Community Code Enforcement
- Multiple Housing Code Enforcement
- Solid Waste Code Enforcement

Strategic Support*

Police

Public Safety CSA

Crime Prevention and Community Education

- Crime Prevention
- Police Activities League
- School Liaison/Truancy Abatement
- School Safety

Investigative Services

- Assaults
- Court Liaison
- Crime Analysis
- Family Violence
- Financial Crimes/Burglary
- Gang Investigations
- Homicide/Crime Scene
- Internal Affairs
- Investigations Administration
- Juvenile/Missing Persons
- Robbery
- Sexual Assaults
- Special Investigations

Regulatory Services

- Cannabis Regulation
- Gaming
- Permits

Respond to Calls for Service and Patrol Support

- 9-1-1 Call Taking & Police Dispatch
- Air Support
- Airport Division
- Downtown Services
- Field Operations Administration
- Field Patrol
- Metro
- Police - Reserves Unit
- Special Operations
- Traffic Enforcement
- Violent Crimes Enforcement

Strategic Support*

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
**CITY ORGANIZATION BY DEPARTMENT/
CITY SERVICE AREA/CORE SERVICE/PROGRAM**

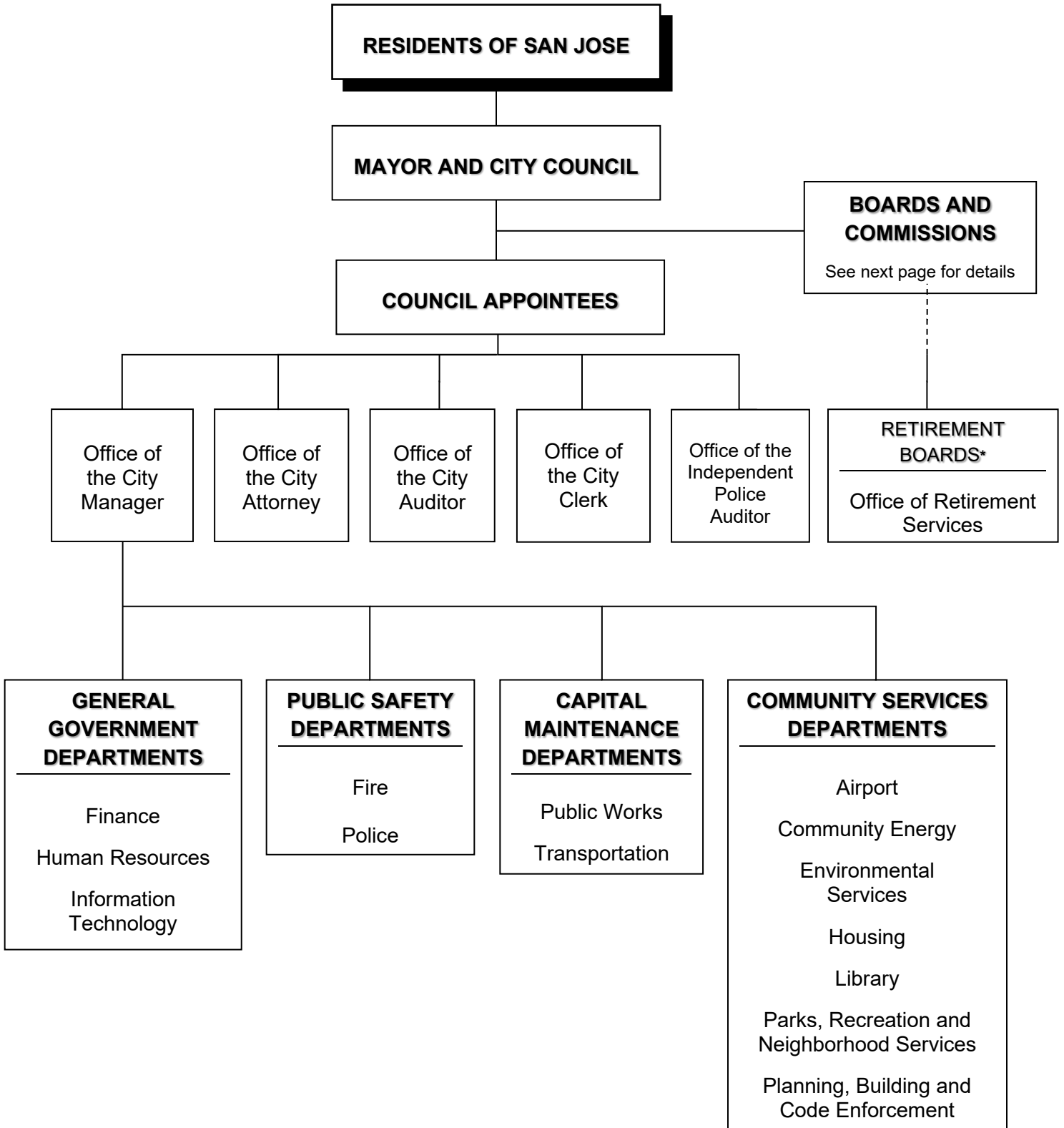
Public Works
Neighborhood Services CSA
Animal Care and Services
Animal Licensing and Customer Services
Animal Services Field Operations
Strategic Support*
Community and Economic Development CSA
Regulate/Facilitate Private Development
Public Works Development Services
Strategic Support*
Strategic Support CSA
Facilities Management
City Facilities Repairs and Minor Capital Improvements
Energy and Water Conservation
Facility Maintenance and Operations - City Hall
Facility Maintenance and Operations – Non-City Hall
Fleet and Equipment Services
Fleet Maintenance and Operations
Fleet Replacement
Radio Communication
Plan, Design, and Construct Public Facilities and Infrastructure
City Facilities Architectural Services and Capital Project Administration
City Facilities Engineering and Inspection Services
Transportation and Storm Sewer Capital
Strategic Support*

Retirement Services
Strategic Support CSA
Retirement Plan Administration
Retirement Benefits
Retirement Investments
Strategic Support*

Transportation
Transportation and Aviation Services CSA
Parking Services
Off-Street Parking
On-Street Downtown Operations
On-Street Parking
Pavement Maintenance
Corrective Pavement Repair
Pavement Maintenance Administration and Capital Project Delivery
Street Landscape Maintenance
Special District Landscape Services
Streetscape Services
Traffic Maintenance
Traffic Signal Maintenance
Traffic Signs and Markings Maintenance
Traffic Streetlights Maintenance
Transportation Planning and Project Delivery
Transportation Capital Project Delivery
Transportation Multi-Modal Alternatives
Transportation Planning and Policy
Transportation Safety and Operations
Neighborhood Traffic
Traffic Safety
Traffic Signals and Systems Management
Strategic Support*
Environmental and Utility Services CSA
Sanitary Sewer Maintenance
Sanitary Sewer System Maintenance
Storm Sewer Maintenance
Storm Sewer Operation and Maintenance
Street Sweeping
Strategic Support*

* Strategic Support General Categories	
Strategic Support Emergency Response and Recovery Financial Management Human Resources Information Technology Management and Administration Strategic Support – Fund Balance & Reserves Ending Fund Balance Reserves	Strategic Support – Other Capital Debt/Financing Costs Gifts Other Departmental – Administration Other Departmental – City-Wide Other Departmental – Grants Overhead Transfers Workers' Compensation

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
CITY ORGANIZATION BY FUNCTION



*Federated City Employees Retirement System Board of Administration and Police and Fire Department Retirement Plan Board of Administration

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BOARDS, COMMISSIONS AND COMMITTEES

Airport Commission
Appeals Hearing Board
Arts Commission
Bicycle Pedestrian Advisory Committee
Board of Fair Campaign and Political Practices
Civil Service Commission
Clean Energy Community Advisory Commission
Community Stabilization and Opportunity Pathways Fund Commission
Council Appointment Advisory Commission
Council Salary Setting Commission
Deferred Compensation Advisory Committee
Downtown Parking Board
Federated City Employees' Retirement Board
Historic Landmarks Commission
Housing and Community Development Commission
Library and Education Commission
Measure T Community Oversight Committee
Neighborhoods Commission
Parks and Recreation Commission
Planning Commission
Planning Director's Hearing
Police and Fire Department Retirement Board
Reimagining Public Safety Community Advisory Committee
San José Arena Authority
San Jose-Santa Clara Clean Water Financing Authority
San José Youth Empowerment Alliance
Small Business Advisory Task Force
Senior Citizens Commission
Smart City Advisory Board
Station Area Advisory Group (SAAG)
Treatment Plant Advisory Committee (TPAC)
Vision Zero Task Force
Voluntary Employees Beneficiary Association (VEBA) Advisory Committee
Work2Future Innovation and Opportunities Act Board
Youth Commission

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
OPERATING BUDGET GUIDE

The Operating Budget document includes the **City Manager’s Budget Message**, outlining major policy issues and changes to City programs, including the General Fund Balancing Strategy Detail, status of Mayor and City Council referrals, and status of City Auditor recommendations with funding impact. The **Community Profile** section includes the roster of elected officials, as well as a listing of State and local legislative highlights. The **Budget Guide** section provides a flow chart of the City of San José’s annual budget process; City organization charts by City Service Area, Function, and Department/Core Service/Program; this operating budget guide; a list of boards, commissions, and committees; fund descriptions; a glossary of terms; and an acronyms index. **Summary Information** of expected revenues, expenditures and staffing is then presented, along with comparative five-year **History and Trend** information on revenues, expenditures, and staffing. The **Budget Policies and Practices** section includes budgeting policies, a City Service Area policy framework, significant accounting practices, and information regarding debt service obligations. The **General Fund Revenue Estimates** section contains assumptions used in budget development, as well as descriptions of major General Fund revenue sources. The remaining Operating Budget document is organized by the following sections as discussed below.

City Service Areas (CSAs) align services provided in individual departments into the City’s six key lines of business as viewed from the community’s perspective. A collection of core services from various partner departments, CSAs show the results of the collaboration among the departments at a higher organizational level:

- Community and Economic Development
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Transportation and Aviation Services
- Strategic Support

Strategic Support represents functions that provide organization-wide guidance and support to enable the delivery of the City’s direct services.

As an introduction to the CSA section, an **Overview** of the CSA concept, structure, and role in strategic planning and cross-departmental management of service delivery is included. Also, a **City Service Area/Core Service Map** is provided.

CITY SERVICE AREAS (CSA)

Individual sections on each of the six CSAs follow. Each individual CSA section begins with a **Cover Page** that lists the **CSA Mission Statement, Outcomes, and Primary Partners**, followed by a **Service Delivery Framework** that maps the linkage between the CSA mission, outcomes, and core services. A **CSA Dashboard** highlights key performance measures for the CSA.

A **Budget Summary** follows, which includes the **CSA’s Expected 2023-2024 Service Delivery and 2023-2024 Budget Actions** for the next year, and a detailed **City Service Area Budget Summary**.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

CITY SERVICE AREAS (CSA)

The CSA Budget Summary is followed by a **CSA Overview** that includes highlights of the CSA's **Service Delivery Accomplishments, Service Delivery Environment, and Priorities/Key Services**. The CSA Overview continues with the **Budget Dollars At Work: Performance Goals** section, which focuses on strategic goals and performance measures by outcome. A chart is displayed under each outcome outlining the current year, subsequent year, and five-year Strategic Goals and associated performance measures. The **Budget Changes** section provides a listing of actions including position and budget changes.

CITY DEPARTMENTS/COUNCIL APPOINTEES

Next, the **City Departments** section, organized alphabetically, reflects technical budget information for each department and provides a full description of budget changes. Each department section begins with a brief synopsis of the department, including the department's **Mission Statement**, listing of the **City Service Areas** supported by the department, and listing and description of the department's **Core Services**. A **Service Delivery Framework** follows, which maps the linkage between the department's **Core Services** and **Programs** and provides program descriptions.

This framework is followed by a **Department Budget Summary**, which includes a summary description of expected 2023-2024 service delivery, impacts of 2023-2024 key budget actions, and a list of operating funds managed by the department (if applicable). A table reflecting funding by core service, category, and funding source for four separate points in time: 2021-2022 Actual Expenditures, 2022-2023 Adopted Budget, 2023-2024 Forecast (Base Budget), and 2023-2024 Proposed Budget, follows. Starting in 2017-2018, the data included in this section has been expanded to include all operating costs managed by the department (e.g., City-Wide Expenses, debt service/financing costs) except Transfers, Reserves and Ending Fund Balances. Total Authorized Positions by Core Service are also provided. This section also includes a Dollars by Program that reflects the budget by Core Service and Budget Program.

Next, the **Budget Reconciliation** is presented, which reconciles the Personal Services and Non-Personal/Equipment budget from the 2022-2023 Adopted Budget to the 2023-2024 Proposed Budget. The significant Base Budget adjustments are described (such as negotiated salary and benefit changes and contractual obligations) from the prior year's Adopted Budget and a listing of Budget Actions for 2023-2024 is included.

The details of **Budget Changes by Department** are provided next. Included for each change is a budget action title; the action's impact on positions, all funds, and the General Fund; a list of the CSAs, core services and programs impacted; followed by a description of what will be added or deleted, the need for the change, and the amount and nature of the funding involved.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
OPERATING BUDGET GUIDE

CITY DEPARTMENTS/COUNCIL APPOINTEES

The **Performance Summary** charts are next. These charts present the measures and data used in evaluating core service results. Most core services include performance measures that describe expected results in four key measurement areas:



Quality – How well is the service doing what it is intended to do?



Cost – What resources are used to achieve results?



Cycle Time – Timeliness of service delivery.



Customer Satisfaction – How customers view the City’s service efforts.

Four Key Budget Performance Measure Measurement Areas			
	★★☆		
Access - How well does a service enable access, participation, visitation, and usage? How well does the service lead to its intended outcome or opportunity pathway?	Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer’s problem? How well does a service deliver its intended experience for a customer?	Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

The **Activity and Workload Highlights** chart shows the scope and extent of the workload demand and the activities completed. For example, while the Performance Summary section focuses on percentages of workload accomplished successfully, the Activity and Workload Highlights section may provide a count of the total workload attempted/completed.

The City Departments section ends with a **Departmental Position Detail** that provides the authorized positions for the department and a one-year history of changes.

CITY-WIDE

The next major section of the budget document includes technical budget information. **City-Wide Expenses** are General Fund allocations that relate to more than one department or are not directly associated with ongoing departmental operations. These expenses are categorized to align to the CSAs to which they primarily contribute. **General Fund Capital, Transfers, and Reserves** includes budget information regarding capital contributions, transfers to other funds, earmarked reserves, and the contingency reserve. Both the City-Wide Expenses and General Fund Capital, Transfers, and Reserves sections include a **Mission Statement**, listing of **City Service Areas** and **Expense Types** supported by these allocations, **Budget Summary**, **Budget Reconciliation**, **Budget Changes by Expense Type**, and **Detail of Costs Description** (a listing of all allocations for each Expense Type).

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

OPERATING BUDGET GUIDE

SOURCE AND USE OF FUNDS STATEMENTS

The **Source and Use of Funds Statements** detail projected revenues, expenditures, and fund balances and are included for all budgeted special funds.

APPENDICES

In the Proposed Budget, the appendices section includes the Mayor's March Budget Message and the Community Development Block Grant (CDBG) Fund 2023-2024 Funding Allocation.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

Airport Capital Funds

These Enterprise Funds account for the Airport's capital expenditures and revenues and consist of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and Airport Passenger Facility Charge Fund.

Airport Operating Funds

These Enterprise Funds account for the operation of the Airport and consist of the following: Airport Revenue Fund; Airport Maintenance and Operation Fund; Airport Surplus Revenue Fund; Airport Customer Facility and Transportation Fee Fund; and the Airport Fiscal Agent Fund.

Affordable Housing Impact Fee Fund

This Special Revenue Fund accounts for funding related to the Affordable Housing Impact Fee for the development of new market rate residential rental units.

American Rescue Plan Fund

This Special Revenue Fund accounts for funding authorized by the federal American Rescue Plan (ARP) Act.

Benefit Funds

These Internal Service Funds account for the provision and financing of benefits to City employees, retirees, and their dependents. It consists of the Dental Insurance Fund, Life Insurance Fund, Unemployment Insurance Fund, Self-Insured Medical Fund, and Benefit Fund.

Branch Libraries Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure O). The use of this fund is restricted to the acquisition of property and the expansion and construction of branch libraries.

Building Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for enforcing building and structures are erected, constructed, enlarged, altered, or repaired in accordance to the City's building, residential, mechanical, plumbing, and electrical codes.

Building and Structure Construction Tax Fund

This Capital Fund accounts for the tax on residential, commercial, and industrial development. The use of these funds, along with grant revenues, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting, and traffic control systems.

Building Homes and Jobs Act Fund

This Special Revenue Fund accounts for state grant monies received from the Department of Housing and Community Development under the Building Homes and Jobs Act (SB2).

Business Improvement District Fund

This Special Revenue Fund accounts for assessments involving Business Improvement District activities.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

Cash Reserve Fund

In the City's Comprehensive Annual Financial Report, this fund is grouped with the City's General Fund. This accounts for the payment of authorized expenditures for any fiscal year in anticipation of and before the collection of taxes and other revenues, and for payment of authorized expenses for any fiscal year that must be paid prior to the receipt of tax payments and other revenues.

City Hall Debt Service Fund

This Special Revenue Fund accounts for the debt service payments for City Hall and the City Hall off-site parking garage. This fund receives transfers from the General Fund, special funds, and capital funds in amounts sufficient to cover the debt service payments.

Citywide Planning Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for activities related to maintain an updated General Plan, zoning code, and other citywide plans and policies to allow development and new construction to occur consistent with the City's development policy and community objectives.

Community Development Block Grant Fund

This Special Revenue Fund accounts for federal grant monies received from the U.S. Department of Housing and Urban Development under Title II Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

Community Facilities and Maintenance Assessment District Funds

These Special Revenue Funds account for the maintenance and administration of assessment districts throughout the City.

Community Facilities Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Hayes Mansion operations and provides for the accumulation and transfer of base rental income to the appropriate debt service funds for repayment of facilities-related debts.

Construction and Conveyance Tax Funds

These Capital Funds account for Construction and Conveyance tax receipts. The Construction Tax is a flat rate assessed to residential, commercial, and industrial development. The Conveyance Tax is a fee imposed at a rate of \$3.30 for each \$1,000 of the value of property conveyed. Construction and Conveyance Tax Funds are dedicated to the Parks and Community Facilities Development, Communications, Public Safety (for Fire capital purposes), Library, and Service Yards Capital Programs.

Construction Excise Tax Fund

This Capital Fund accounts for the tax on the construction of residential, commercial, and mobile home developments (also referred to as the Commercial, Residential, Mobile Home Park Building Tax). This general purpose tax is based on building valuation, with the majority of the revenues in the fund historically being used for traffic improvements.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Contingent Lien District Fund

This Capital Fund accounts for cost sharing agreements through special districts between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Convention and Cultural Affairs Capital Fund

This Capital Fund accounts for transfers received from the Convention Center and Cultural Affairs Fund for the use of capital improvements and repairs to the McEnery Convention Center and other City owned Cultural Facilities.

Convention and Cultural Affairs Fund

This Special Revenue Fund accounts for the costs of managing and operating the San José McEnery Convention Center, California Theatre, Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theatre, Parkside Hall, South Hall, and their related facilities and grounds.

Convention Center Facilities District Project Fund

This Special Revenue Fund accounts for the bond proceeds and construction costs related to the expansion and renovation of the San José McEnery Convention Center.

Convention Center Facilities District Capital Fund

This Capital Fund, supported by transfers from the Convention Center Facilities District Revenue Fund, accounts for capital rehabilitation and improvements to the San Jose McEnery Convention Center.

Convention Center Facilities District Revenue Fund

This Special Revenue Fund accounts for Special Tax revenues collected by the City on behalf of the Convention Center Facilities District No. 2008-1.

Coronavirus Relief Fund

This Special Revenue Fund accounts for funding authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Downtown Property and Business Improvement District Fund

This Special Revenue Fund accounts for revenue collected and expenses related to maintaining and operating any public improvements, which are payable from annual assessments apportioned among the several lots of parcels or property within the Downtown area.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

**Economic Development Administration
Loan Fund**

This Special Revenue Fund accounts for federal funds and loan repayments associated with the economic development administration program, which provides loans to small businesses for business expansion, remodeling, working capital, equipment or other specified uses with the goal of generating additional employment opportunities as a result of such assistance to businesses within the City of San José.

**Edward Byrne Memorial Justice
Assistance Grant Trust Fund**

This Special Revenue Fund accounts for the City's portion of funding from the U.S. Department of Justice through the County of Santa Clara as a fiscal agent. Funds are restricted to law enforcement, prevention and education programs, and planning, evaluation, and technology improvements for front line law enforcement.

Emergency Reserve Fund

This Special Revenue Fund accounts for reserves established from local revenues to meet public emergencies.

Emma Prusch Memorial Park Fund

This Capital Fund accounts for the development and improvement of the Emma Prusch Memorial Park.

Federal Drug Forfeiture Fund

This Special Revenue Fund accounts for federal drug forfeiture monies received pursuant to the drug abuse prevention and control provisions of Title 21, Chapter 13 of the United States Code. Federal guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Fire Development Fee Program Fund

This Special Revenue Fund accounts for construction fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for activities related to fire safety plan reviews and inspections for construction projects.

**Gas Tax Maintenance and Construction
Funds**

These Special Revenue Funds account for the City's portion of the State collected Gas Tax. Revenues are restricted for acquisition, construction, improvement, and maintenance of public streets subject to provisions of the Streets and Highways Code of the State of California and to provide for traffic capital improvements.

General Purpose Parking Capital Fund

This Capital Fund accounts for capital construction of certain parking facilities. The parking system provides parking to the general public. This Fund is supported by a transfer from the General Purpose Parking Fund.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

General Purpose Parking Fund

This Enterprise Fund accounts for the operation of City parking lot facilities and parking meters.

Gift Trust Fund

This Special Revenue Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City.

Home Investment Partnership Program Trust Fund

This Special Revenue Fund accounts for all monies allocated to the City by the U.S. Department of Housing and Urban Development for affordable housing projects pursuant to the HOME Investment Partnership Act.

Homeless Housing, Assistance, and Prevention Fund

This Special Revenue Fund accounts for Homeless Housing, Assistance and Prevention grant funding from the State of California to address immediate homelessness challenges.

Housing Trust Fund

This Special Revenue Fund accounts for funding to assist non-profit service providers and organizations by providing one-time grants for housing-related projects.

Ice Centre Expansion Bond Fund

This Capital Fund accounts for the lease revenue bond proceeds to fund costs related to the expansion of the Solar4America Ice Rink.

Ice Centre Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Ice Centre operations and provides for the accumulation and transfer of base income to the appropriate debt service funds for repayment of facilities-related debts, as well as facility capital repair and renovation.

Improvement District Fund

This Special Revenue Fund accounts for revenues and expenditures related to the acquisition and construction of a variety of public infrastructure projects for which individual improvement districts were formed.

Inclusionary Fee Fund

This Special Revenue Fund accounts for fees, related to the Mitigation Fee Act requirement, for the new program on new housing developments as approved by the City.

Integrated Waste Management Fund

This Special Revenue Fund accounts for activities related to the Integrated Waste Management Program, which includes garbage collection, recycling services, and related billing operations. The fund collects revenues from the City's Recycle Plus program. These funds are expended for programs related to the City's efforts to comply with State law requiring cities to reduce waste sent to landfills along with other integrated waste management services.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

Lake Cunningham Fund

This Capital Fund accounts for the parking fees and lease payment revenues used for the purchase of equipment, maintenance, and operations at Lake Cunningham Park.

Library Parcel Tax Capital Fund

This Capital Fund supports Library Program capital improvements and is funded by a transfer from the Library Parcel Tax Fund revenue.

Library Parcel Tax Fund

This Special Revenue Fund accounts for annual parcel tax revenues used for enhancing the City's library services and facilities.

Low and Moderate Income Housing Asset Fund

This Special Revenue Fund accounts for housing assets and functions related to the Low and Moderate Income Housing Program retained by the City. This fund provides funding for the administrative costs associated with managing the Successor Housing Agency assets and the continuation of affordable housing programs in the future.

Major Collectors and Arterial Fund

This Capital Fund accounts for the collection of monies owed by developers for previously completed street improvements.

Major Facilities Fund

This Capital Fund accounts for fees associated with the connection of municipal water activities for many water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas. These fees are assessed for the future construction of large water mains, reservoirs, and other large projects.

Multi-Source Housing Fund

This Special Revenue Fund accounts for grants, inclusionary fees, and rental dispute mediation fees to support the rental rights and referrals program, to expand the supply of affordable housing for low and very-low income residents by providing both financial and technical assistance to non-profit organizations in the production and operation of affordable housing, and to preserve the existing supply of affordable housing by providing rehabilitation grants and loans to low and moderate income homeowners.

Municipal Golf Course Fund

This Special Revenue Fund accounts for the construction, management, and operation of various City golf courses, including the San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.

Neighborhood Security Act Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the March 2002 ballot (Measure O). This fund is dedicated for the acquisition of real property and construction and rehabilitation of public safety-related facilities.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

Parks and Recreation Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure P). The use of this fund is restricted to acquisition of property, upgrades, and construction of neighborhood parks, community centers, trails, regional parks, and sports complexes.

Planning Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and projects in the City. The use of this fund is restricted to provide for enforcing important economic, social, environmental, or planning goals of the city, public improvements, facilities, or services from which the public will benefit.

Public Safety and Infrastructure Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the November 2018 ballot (Measure T). The use of this fund is for acquisition of property or construction related to improvements in public safety and disaster preparedness. A portion of the fund will be used to pave streets and repair potholes.

Public Works Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for planning application revenue, plan revenue and inspection of public improvements, review of subdivision maps, grading permits, and revocable encroachment permits.

Public Works Program Support Fund

This Internal Service Fund accounts for Public Works administrative costs compensated absences, unfunded activities, and non-personal costs. An annual cost allocation plan is utilized to equitably allocate these costs to capital programs on the basis of service levels received as compensated time-off is earned rather than charging the costs when the time-off is taken. Various capital projects are charged a rate for each hour Public Works' staff spends on the project and corresponding revenue is received by this fund.

Public Works Small Cell Permitting Fee Program Fund

This Special Revenue Fund accounts for fees collected from telecommunication companies to install small cells and fiber on city's property, such as streetlights, traffic lights, and rooftops. The use of this fund is restricted to provide for the permitting and inspection of small cell installations and fiber optic permitting as well as field services.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

Rent Stabilization Program Fee Fund

This Special Revenue Fund accounts for fees, collected in accordance with the Mitigation Fee Act requirements, associated with implementing the Apartment Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and Mobilehome Ordinance programs.

Residential Construction Tax Contribution Fund

This Capital Fund accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The tax is used to reimburse developers who have constructed that portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

Retirement Funds

These Trustee Funds account for the accumulation of resources to be used for retirement annuity payments and consist of the following: Federated Retiree Health Care Trust Fund; Federated Retirement Fund; Fire Retiree Health Care Trust Fund; Police Retiree Health Care Trust Fund; and Police and Fire Retirement Fund.

San José Arena Capital Reserve Fund

This Capital Fund provides funding for repairs and replacements of capital items at the San José Arena, including fixtures, machinery, and equipment. The fund receives revenues from San José Arena Management, the ownership group of the San Jose Sharks, and a General Fund contribution supported by revenue generated from the Arena. The amount of funding and the eligible capital repair items are specified by agreement between the City of San José and the San José Arena Management.

San José Clean Energy Operating Fund

This Enterprise Fund accounts for revenues from the sale of electricity and the costs of the San José Clean Energy Program.

San José Municipal Stadium Capital Fund

This Special Revenue Fund accounts for revenues received pursuant to an agreement with the Baseball Acquisition Company for the use, operation, and management of the Municipal Stadium.

San José-Santa Clara Treatment Plant Capital Fund

This Capital Fund accounts for the construction of improvements to the San José/Santa Clara Water Pollution Control Plant (WPCP), and the purchase of equipment through contributions from the City of Santa Clara and other tributary agencies and transfers from the Sewer Service and Use Charge Operating Fund.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

San José-Santa Clara Treatment Plant Income Fund

This Enterprise Fund accounts for revenues and expenditures not related to the day-to-day operation and maintenance of the WPCP. It contains the City's share of revenue from activities such as land rentals, legal settlements, and purchase of land located at the WPCP.

San José-Santa Clara Treatment Plant Operating Fund

This Enterprise Fund accounts for the revenues and expenditures required for day-to-day operation and maintenance of the WPCP.

Sanitary Sewer Connection Fee Fund

This Capital Fund accounts for connection fees charged to developers for access to the City's sanitary sewer system. Funds are restricted to the construction and reconstruction of the sewer system.

Sewage Treatment Plant Connection Fee Fund

This Enterprise Fund accounts for revenues from new residential, commercial, and industrial connections to the WPCP. These revenues pay the City's share of acquisition, construction, reconstruction or enlargement of the WPCP.

Sewer Service and Use Charge Capital Improvement Fund

This Capital Fund accounts for the reconstruction of the sanitary sewer system and is funded primarily by annual transfers from the Sewer Service and Use Charge Fund.

Sewer Service and Use Charge Fund

This Enterprise Fund accounts for Sewer Service and Use Charge fees collected from San José property owners to be used for financing, construction, and operation of the City's sewage collection system, and the City's share of the WPCP.

South Bay Water Recycling Capital Improvement Fund

This Capital Fund accounts for revenues from the sale of recycled water to South Bay Water Recycling (SBWR) retail customers and supports the expenditures for acquisition, construction, and installation of SBWR capital improvements.

South Bay Water Recycling Operating Fund

This Enterprise Fund accounts for the monies received from the sale of wholesale recycled water produced by the South Bay Water Recycling (SBWR) program for the operations and maintenance of the SBWR system.

St. James Park Management District Fund

This Special Revenue Fund accounts for the donations from developers collected in the Downtown Parks Management District for the activation, operations, and maintenance at St. James Park.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FUND DESCRIPTIONS

State Drug Forfeiture Fund

This Special Revenue Fund accounts for State drug forfeiture monies received whenever the Police Department is involved in asset seizures from convicted drug law violators. City Council guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Storm Drainage Fee Fund

This Capital Fund accounts for fees collected from developers as a result of connections to the storm drainage sewer system, which may be used for expansion or capacity improvements of the storm drainage system or land acquisition for the system.

Storm Sewer Capital Fund

This Capital Fund accounts for the construction and reconstruction of the storm drainage system, and is funded primarily by transfers from the Storm Sewer Operating Fund.

Storm Sewer Operating Fund

This Special Revenue Fund accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for maintenance and operation of the storm drainage system. Expenditures are focused on maintenance and operation of the storm drainage system, as well as non-point source pollution reduction.

Subdivision Park Trust Fund

This Capital Fund accounts for payments of fees in lieu of dedication of land for park and recreation purposes in residential subdivisions. Moneys in the fund, including accrued interest, may be expended solely for the acquisition or development of improvements on parkland to serve the subdivision for which the fees were paid.

Supplemental Law Enforcement Services Fund

This Special Revenue Fund accounts for revenues received from the State of California (AB 3229) to be used for front line municipal police services.

Transient Occupancy Tax Fund

This Special Revenue Fund accounts for receipts generated through the assessment of a percentage of the rental price for transient occupancy lodging charged when the period of occupancy is less than 30 days. The tax rate is currently 10%, 6% of which is placed in this fund and 4% of which is deposited in the General Fund. The uses of revenues from this source are specified by City Ordinance and include grants and rental subsidies for fine arts and cultural programs, and subsidies for the San José Convention and Visitors Bureau, and Convention and Cultural Facilities.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

FUND DESCRIPTIONS

Underground Utility Fund

This Capital Fund accounts for fees collected from developers in lieu of placing utility facilities underground at the time of development. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground. The fund is used to establish Rule 20B Underground Utility Districts.

Workforce Development Fund

This Special Revenue Fund accounts for the administration of a federal program that provides primary employment and training services to dislocated and low-income residents.

Vehicle Maintenance and Operations Fund

This Internal Service Fund accounts for the operation, maintenance, and replacement of City vehicles and equipment.

Water Utility Capital Fund

This Capital Fund accounts for the acquisition, construction, and installation of water system capital improvements for the Municipal Water System. This system provides water service to North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas and is primarily funded through user charges.

Water Utility Fund

This Enterprise Fund accounts for the operation of five water system districts: North San José, Evergreen, Coyote Valley, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Accrual Basis

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Balanced Budget

Budgeted revenue levels are equivalent to budgeted expenditure levels, including use of reserves and fund balance.

Base Budget

The ongoing expense level necessary to maintain service levels previously authorized by the City Council.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Expenditures

Expenditures to acquire, rehabilitate, or construct general fixed assets and major improvements.

Capital Improvement Program (CIP)

On December 18, 1986, the City Council, in order to delineate the purpose of the Five-Year Capital Improvement Plan, adopted the following definition: The Five-Year Capital Improvement Plan (Program) is a long-range study of financial wants, needs, expected revenues, and policy intentions. It provides the necessary information for prudent budget recommendations. It compares the organization's various needs over a period of five years with the various anticipated revenues and puts them into a single focus for analytical purposes. It is not law, such as an annual budget, but a planning tool that provides a collection of facts, trends, and suggestions to the City Administration and Council. After it is adopted by the City Council, it is a non-binding assertion of future intent only. However, when an appropriation for the annual capital budget is adopted as part of the regular budget, it represents the amount which will be used to implement part of the Program in the coming year.

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GLOSSARY OF TERMS

City Service Area (CSA)

City Service Areas integrate Core Services provided by individual departments into the City's key lines of business, as viewed from the community's perspective. CSAs enable the City to plan and show results of the collaboration among the departments at a higher organizational level. There are six CSAs, five of which deliver direct services (Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services). The sixth, Strategic Support, represents functions that provide guidance and support contributing to the delivery of direct services.

CSA Primary Partners

City departments with Core Services most directly responsible for overall CSA service delivery.

CSA Outcome

A desirable overall condition or "Picture of Success." At the CSA level, the specified outcomes are the "ends" toward which the plans, efforts, resources, and results of the CSA are directed.

Contingency Reserve

An appropriation of funds to cover unforeseen events during the budget year, such as emergencies, newly required programs, shortfalls in revenue or other unforeseen eventualities.

Contractual Services

Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, management services, etc.

Core Services

The City departments' key lines of business. Core Services produce the primary deliverables of a department.

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt. A complete discussion of the City's Debt Service Obligations as well as a description of its Debt Management Policy are included in the Budget Policies and Practices section.

Encumbrance

Financial commitments, such as purchase orders or contracts, which are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GLOSSARY OF TERMS

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

General Fund

The primary operating fund used to account for all the revenues and expenditures of the City, which are not related to special or capital funds.

Infrastructure Management System (IMS)

The City's computerized system used to identify the condition of streets, sewers, and other infrastructure, forecast maintenance needs, and project future replacement expenditures.

Mission

A unifying statement of why an organization exists.

Modified Accrual Basis

Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period.

Non-Personal/Equipment Expenses

Operating costs which are not related to personnel, such as supplies, training, contract services, utilities, and vehicles.

Ongoing Cost/Savings

The 12-month value of partial year additions or reductions.

Operating Budget

An annual financial plan for the provision of direct services and support functions to the community. Per the City Charter, it shall begin with a clear general summary of its contents; shall show in detail all estimated income, including the amount proposed to be raised by property taxation, estimated unencumbered balances of funds to be carried over from the preceding year, estimated unencumbered available reserves, and all proposed expenditures, including debt service for the ensuing year.

Operational Services

Elements necessary to accomplish the Core Services of the organization; the "front line" of service delivery.

Overhead

Administrative costs associated with city-wide operations, which cannot be attributed to any specific department (such as Finance or Human Resources). These costs are subject to a city-wide overhead cost allocation plan to distribute costs on an equitable basis to departments and funds that are the beneficiaries of such expenses.

Performance Measure

Measures the results of services delivered to customers. Performance measures fall into the four Key Measurement Areas of Quality, Cost, Cycle Time, and Customer Satisfaction. Performance measures are developed at the CSA, Core Service, and Operational Service levels.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GLOSSARY OF TERMS

Performance Measure Goals and Targets

Quantitative benchmarks for each Performance Measure (PM). **PM Goals** represent the optimum performance level, or the long-range planned level of performance identified in the CSA Overview. **PM Targets**, for CSAs and departmental Core Services, represent the one-year performance level commitment, given allocated resources.

Personal Services

Salary and fringe benefit costs of City employees.

Program

A group of people working together to deliver a discrete service to identifiable users as part of an operational service.

Rebudget

Unspent or unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delayed program implementation.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Special Funds

Funds, exclusive of the General Fund and capital funds, which are separately administered because they are associated with a distinct function or enterprise.

Strategic Goals/Objectives

Represent elements or sub-elements of a strategic plan. The City's planned response to address service delivery needs and priorities. Strategic Goals and Objectives are guided by the related Outcomes but represent only the City's contribution toward those Outcomes. Strategic Goals and Objectives also determine how the City's Core Services, Operational Services, and special projects should be aligned and directed toward producing the planned service delivery response.

Strategic Support

Includes various functions that support and/or guide delivery of direct services. Examples include financial and human resources administration, purchasing and training, as well as strategic leadership and policy development.

Successor Agency

Successor Agency to the former San Jose Redevelopment Agency, a public entity.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

Vision

A guiding statement describing a desirable future state toward which efforts should be directed. An effective vision statement inspires creativity while keeping an organization "on track" for the future by aligning its priorities.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

A

ACT	Acoustical Treatment Program
ACA	Affordable Care Act
ADA	Americans with Disabilities Act
AFR	Automated Field Reporting
AIP	Airport Improvement Program
ARC	Annual Retirement Contribution
ARFF	Airport Rescue and Fire Fighting
ARRA	American Recovery and Reinvestment Act

B

BACWA	Bay Area Clean Water Agencies
BART	Bay Area Rapid Transit
BD	Budget Document (Mayor/City Council)

C

C&C	Construction and Conveyance
CAD	Computer Aided Dispatch System
CAFR	Comprehensive Annual Financial Report
CAP	Community Action and Pride Grant
CAPS	City Administrative Project System
CARES	Coronavirus Aid, Relief, and Economic Security
CBO	Community-Based Organization
CCF	Convention and Cultural Facilities
CDBG	Community Development Block Grant
CDDD	Construction and Demolition Diversion Deposit
CDI	Community Development Improvements
CDLAC	California Debt Limit Allocation Committee
CED	Community and Economic Development CSA
CEQA	California Environmental Quality Act
CFC	Customer Facility Charges
CIO	Chief Information Officer
CIP	Capital Improvement Program
CIS	Customer Information System
CIWMB	California Integrated Waste Management Board
CNEL	Community Noise Equivalent Level
CNG	Compressed Natural Gas
COPS	Citizens Option for Public Safety (State)
CPE	Cost Per Enplaned Passenger
CPMS	Capital Project Management System
CSA	City Service Area
CSMFO	California Society of Municipal Finance Officers
CVB	Convention and Visitors Bureau
CWFA	Clean Water Financing Authority

D

DCAC	Deferred Compensation Advisory Committee
DMV	Department of Motor Vehicles

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

E	<p>EUS Environmental and Utility Services CSA EHS Employee Health Services EIR Environmental Impact Report EMS Emergency Medical Services EOC Emergency Operations Center EPA Environmental Protection Agency</p>
F	<p>FAA Federal Aviation Administration FCERS Federated City Employees' Retirement System FEHA Fair Employment and Housing Act FF&E Fixtures, Furnishings and Equipment FMS Financial Management System FT Full-Time FTE Full-Time Equivalent</p>
G	<p>GAAP Generally Accepted Accounting Principles GASB Government Accounting Standards Board GFOA Government Finance Officers Association GIS Geographic Information System</p>
H	<p>HBRR Highway Bridge Replacement and Rehabilitation Program HHW Household Hazardous Waste HNVF Healthy Neighborhoods Venture Fund HUD Housing and Urban Development HVAC Heating, Ventilation, and Air Conditioning</p>
I	<p>I&I Inflow/Infiltration IBS Integrated Billing System ICC International Code Council ICMA International City/County Management Association IDC International Disposal Corporation IMS Infrastructure Management System IPA Independent Police Auditor ITI Industrial Tool Installation ITS Intelligent Transportation System IWM Integrated Waste Management</p>
J	
K	

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

L

LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design Program
LOCC	League of California Cities
LOI	Letter of Intent
LPT	Library Parcel Tax
LRT	Light Rail Transit

M

MBA	Manager's Budget Addendum
MCA	Master Contract Agreement
MFD	Multi-Family Dwelling
MGPTF	Mayor's Gang Prevention Task Force
MMRS	Metropolitan Medical Response System
MWS	Municipal Water System (San José)

N

NAC	Neighborhood Action Coalition
NDC	Neighborhood Development Center
NEPA	National Environmental Policy Act
NIMS	National Incident Management System
NPDES	National Pollutant Discharge Elimination System
NS	Neighborhood Services CSA

O

O&M	Operating and Maintenance
OBAG	One Bay Area Grant
OES	Office of Emergency Services
OSA	Open Space Authority
OTS	Office of Traffic Safety

P

P&CFD	Parks and Community Facilities Development
P&F	Police and Fire
PAB	Police Administration Building
PAC	Project Area Committee
PBID	Property and Business Improvement District Fund
PCI	Pavement Condition Index
PDO	Parkland Dedication Ordinance
PFC	Passenger Facility Charge
PG&E	Pacific Gas and Electric Company

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

P

PIO	Park Impact Ordinance
PLF	Public Library Fund
PM	Performance Measure
PMMS	Parks Maintenance Management System
PMP	Parking Management Plan
PMP	Plant Master Plan
PS	Public Safety CSA
PT	Part-Time
PWCAP	Public Works Cost Allocation Plan

Q

R

RCTCF	Residential Construction Tax Contribution Fund
RDA	Redevelopment Agency
RECS	Registration and E-Commerce System
RFP	Request for Proposal
RFQ	Request for Quote
RLF	Revolving Loan Fund
RMS	Records Management System
RSBAP	Revised South Bay Action Plan
RWF	Regional Wastewater Facility
RWQCB	Regional Water Quality Control Board

S

SAFER	Staffing for Adequate Fire and Emergency Response
SAN	Storage Area Network
SARA	Successor Agency to the Redevelopment Agency of the City of San José, a public entity
SBAP	South Bay Action Plan
SBWR	South Bay Water Recycling
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus
SCVWD	Santa Clara Valley Water District
SDMS	Storm Drain Management System
SERAF	Supplemental Education Revenue Augmentation Fund
SFD	Single-Family Dwelling
SJC	Norman Y. Mineta San José International Airport
SJDA	San José Downtown Association
SJPD	San José Police Department
SJRA	San Jose Redevelopment Agency
SJSU	San José State University
SRTF	Sunshine Reform Task Force
SS	Strategic Support CSA
SS&UC	Sewer Service and Use Charge
SSMP	Sanitary Sewer Management Plan

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

ACRONYMS INDEX

S

SSO	Sanitary Sewer Overflow
STI	Special Tenant Improvements
SUASI	Super Urban Area Security Initiative
SV-ITS	Silicon Valley Intelligent Transportation Systems
SVRCS	Silicon Valley Regional Communications System
SVRIA	Silicon Valley Regional Interoperability Authority
SVWIN	Silicon Valley Workforce Investment Network
SWRCB	State Water Resources Control Board

T

TAS	Transportation and Aviation Services CSA
TMC	Transportation Management Center
TLC	Technology Leadership Council
TOT	Transient Occupancy Tax
TSA	Transportation Security Administration
TSJ	Team San Jose

U

UAAL	Unfunded Accrued Actuarial Liability
UASI	Urban Area Security Initiative
URMP	Urban Runoff Management Plan
USGBC	United States Green Building Council
USPTO	United States Patent and Trademark Office
UUT	Utility Users Tax

V

VEBA	Voluntary Employee Beneficiary Association
VoIP	Voice over Internet Protocol
VTA	Valley Transportation Authority (Santa Clara)

W

WDF	Workforce Development Fund
WEP	Water Efficiency Program
WIB	Workforce Investment Board (work2future Board)
WPCP	Water Pollution Control Plant (San José/Santa Clara)

X

Y

Z

PAGE INTENTIONALLY LEFT BLANK

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022</u> <u>Adopted</u>	<u>2022-2023</u> <u>Adopted</u>	<u>2023-2024</u> <u>Proposed</u>
GENERAL FUND			
Fund Balance			
Encumbrance Reserve	\$ 46,905,760	\$ 57,027,730	\$ 53,352,941
Carryover	321,188,401	507,133,721	134,817,403
Beginning Fund Balance	\$ 368,094,161	\$ 564,161,451	\$ 188,170,344
General Revenue			
Property Tax	\$ 395,500,000	\$ 427,000,000	\$ 460,400,000
Sales Tax	280,200,000	331,000,000	336,400,000
Transient Occupancy Tax	10,000,000	11,000,000	16,000,000
Franchise Fees	44,651,652	49,168,393	51,825,008
Utility Tax	97,060,000	107,450,000	126,550,000
Telephone Line Tax	74,500,000	20,000,000	87,500,000
Business Taxes	40,000,000	86,000,000	50,000,000
Real Property Transfer Tax	20,000,000	65,000,000	22,000,000
Licenses and Permits	21,002,985	20,993,100	21,920,622
Fines, Forfeitures, and Penalties	8,676,000	12,232,000	15,080,000
Fees, Rates, and Charges	3,684,826	23,914,232	22,377,680
Revenue from the Use of Money/Property	14,832,684	8,779,000	14,864,000
Revenue from Local Agencies	9,304,000	17,107,945	16,946,171
Revenue from the State of CA	18,784,335	26,889,687	17,811,658
Revenue from Federal Government	13,247,111	7,111,452	403,000
Other Revenue	9,242,806	16,823,368	9,980,167
Subtotal General Revenue	\$ 1,060,686,399	\$ 1,230,469,177	\$ 1,270,058,306
Transfers and Reimbursements			
Overhead Reimbursements	\$ 68,557,276	\$ 73,800,407	\$ 78,154,889
Transfers	72,607,412	31,962,064	29,582,087
Reimbursements for Services	16,791,968	16,296,377	17,831,102
Subtotal Transfers and Reimbursements	\$ 157,956,656	\$ 122,058,848	\$ 125,568,078
Total General Fund	\$ 1,586,737,216	\$ 1,916,689,476	\$ 1,583,796,728
Less Transfers, Loans, and Contributions	(272,862,346)	(198,460,534)	(183,369,017)
NET GENERAL FUND TOTAL	\$ 1,313,874,870	\$ 1,718,228,942	\$ 1,400,427,711
SPECIAL FUNDS			
Affordable Housing Impact Fee Fund	\$ 6,511,241	\$ 16,403,489	5,818,254
Airport Customer Facility and Transportation Fee Fund	22,426,540	24,380,612	32,917,906
Airport Fiscal Agent Fund	130,721,113	121,151,014	146,227,830
Airport Maintenance and Operation Fund	148,547,311	155,736,961	168,893,547
Airport Revenue Fund	235,381,628	288,018,382	351,822,651
Airport Surplus Revenue Fund	19,032,581	83,704,771	43,228,196
American Rescue Plan Fund	130,955,000	88,854,302	13,528,268
Benefit Funds - Benefit Fund	86,779,963	87,360,211	92,767,574
Benefit Funds - Dental Insurance Fund	17,332,144	19,392,047	15,870,629
Benefit Funds - Life Insurance Fund	1,963,670	2,087,005	2,341,093
Benefit Funds - Self-Insured Medical Fund	104,308	0	0

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022 Adopted</u>	<u>2022-2023 Adopted</u>	<u>2023-2024 Proposed</u>
SPECIAL FUNDS			
Benefit Funds - Unemployment Insurance Fund	4,038,958	3,696,150	1,620,469
Building Development Fee Program Fund	59,870,263	65,118,942	72,361,450
Building Homes and Jobs Fund	0	11,074,788	6,976,294
Business Improvement District Fund	2,731,274	3,121,706	3,960,328
Cash Reserve Fund	6,231	6,317	6,384
City Hall Debt Service Fund	25,215,000	25,653,262	25,213,000
Citywide Planning Fee Program Fund	7,116,088	7,633,953	9,315,724
Community Development Block Grant Fund	30,212,877	23,842,136	16,390,571
Community Facilities Revenue Fund	356,696	0	0
Convention and Cultural Affairs Fund	11,652,368	13,322,777	16,882,528
Convention Center Facilities District Revenue Fund	26,179,499	31,958,925	43,578,378
Coronavirus Relief Fund	18,042,587	0	0
Downtown Property and Business Improvement District Fund	5,340,141	6,802,354	7,867,924
Economic Development Administration Loan Fund	7,319	7,395	7,483
Edward Byrne Memorial Justice Assistance Grant Trust Fund	963,191	1,124,334	331,650
Emergency Reserve Fund	28,999,879	13,455,706	4,529,869
Federal Drug Forfeiture Fund	9,061	9,416	7,966
Fire Development Fee Program Fund	11,760,658	11,047,004	11,544,247
Gas Tax Maintenance and Construction Fund - 1943	7,200,000	6,300,000	7,900,000
Gas Tax Maintenance and Construction Fund - 1964	3,300,000	3,400,000	3,300,000
Gas Tax Maintenance and Construction Fund - 1990	5,500,000	5,800,000	5,800,000
General Purpose Parking Fund	15,912,257	19,203,462	23,507,068
Gift Trust Fund	1,949,760	1,680,584	1,723,735
Home Investment Partnership Program Trust Fund	25,002,179	20,628,881	21,841,021
Homeless Housing, Assistance, and Prevention Fund	28,540,889	35,680,742	34,808,209
Housing Trust Fund	6,729,257	8,657,102	5,043,676
Ice Centre Revenue Fund	1,667,585	6,242,620	9,181,285
Inclusionary Fee Fund	41,756,175	45,612,691	83,359,989
Integrated Waste Management Fund	206,408,474	221,504,723	234,939,843
Library Parcel Tax Fund	14,437,740	14,719,930	13,476,709
Low and Moderate Income Housing Asset Fund	176,806,461	145,935,335	120,199,307
Multi-Source Housing Fund	118,426,712	53,908,823	47,128,917
Municipal Golf Course Fund	2,827,181	3,074,976	3,466,493
Planning Development Fee Program Fund	8,430,356	12,380,261	11,801,328
Public Works Development Fee Program Fund	18,551,626	19,883,037	20,893,293
Public Works Program Support Fund	22,779,823	23,590,664	24,948,934
Public Works Small Cell Permitting Fee Program Fund	4,689,809	3,127,683	860,519
Rent Stabilization Program Fee Fund	6,008,081	5,725,921	5,342,457
San José Arena Capital Reserve Fund	6,519,511	8,608,654	6,833,329
San José Clean Energy Operating Fund	341,773,840	513,589,394	702,989,937
San José Municipal Stadium Capital Fund	39,000	0	0
San José-Santa Clara Treatment Plant Income Fund	713,868	857,982	1,116,705
San José-Santa Clara Treatment Plant Operating Fund	\$ 146,626,080	\$ 174,532,106	\$ 214,051,718
Sewage Treatment Plant Connection Fee Fund	21,948,871	24,214,235	25,090,914
Sewer Service and Use Charge Fund	258,379,168	281,537,886	283,413,275

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022 Adopted</u>	<u>2022-2023 Adopted</u>	<u>2023-2024 Proposed</u>
SPECIAL FUNDS			
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	743,456	657,569	816,984
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,188,865	2,963,638	3,219,108
Community Facilities District No. 8 (Communications Hill) Fu	1,222,180	1,417,825	1,781,235
Community Facilities District No. 11 (Adeline - Mary Helen) F	142,602	145,214	84,361
Community Facilities District No. 12 (Basking Ridge) Fund	655,550	508,232	376,216
Community Facilities District No. 13 (Guadalupe Mines) Fund	416,718	433,283	433,387
Community Facilities District No. 14 (Raleigh - Charlotte) Fun	1,363,687	1,555,556	1,875,432
Community Facilities District No. 15 (Berryessa - Sierra) Fund	781,023	713,523	850,000
Community Facilities District No. 16 (Raleigh - Coronado) Fu	1,267,495	1,177,704	1,704,628
Community Facilities District No. 17 (Capitol Expy - Evergree	160,693	247,811	394,622
Maint. District No. 1 (Los Paseos) Fund	669,252	756,427	906,820
Maint. District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	296,603	329,522	295,458
Maint. District No. 5 (Orchard Parkway - Plumeria Dr.) Fund	219,397	250,651	270,659
Maint. District No. 8 (Zanker - Montague) Fund	258,723	195,626	162,150
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	478,860	496,236	455,273
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	167,714	240,766	275,557
Maint. District No. 13 (Karina - O'Nel) Fund	213,371	234,345	252,546
Maint. District No. 15 (Silver Creek Valley) Fund	1,653,394	1,724,977	1,984,062
Maint. District No. 18 (The Meadowlands) Fund	206,008	253,160	305,396
Maint. District No. 19 (River Oaks Area Landscaping) Fund	451,033	353,328	400,672
Maint. District No. 20 (Renaissance - N. First Landscaping) Fu	202,768	182,242	146,164
Maint. District No. 21 (Gateway Place - Airport Parkway) Fun	267,823	304,396	347,944
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.)	268,702	191,013	162,437
Southbay Water Recycling Fund	18,155,160	23,093,091	43,141,482
St. James Park Management District Fund	2,160,901	5,018,684	4,533,854
State Drug Forfeiture Fund	522,126	435,523	1,048,907
Storm Sewer Operating Fund	55,866,915	51,217,217	54,543,568
Supplemental Law Enforcement Services Fund	3,806,280	5,833,167	3,691,034
Transient Occupancy Tax Fund	16,431,902	20,573,848	29,248,012
Vehicle Maintenance and Operations Fund	32,264,846	33,170,321	38,357,133
Water Utility Fund	72,834,454	80,290,798	88,349,257
Workforce Development Fund	12,890,727	12,165,117	11,728,169
Total Special Funds	\$ 2,755,411,520	\$ 3,012,492,461	\$ 3,299,171,401
Less Transfers, Loans, and Contributions	(514,406,784)	(674,178,873)	(692,442,475)
NET SPECIAL REVENUE FUNDS TOTAL	\$ 2,241,004,736	\$ 2,338,313,588	\$ 2,606,728,926

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022 Adopted</u>	<u>2022-2023 Adopted</u>	<u>2023-2024 Proposed</u>
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Beginning Fund Balance	\$ 669,380,243	\$ 915,561,029	\$ 658,294,315
Commercial Paper Proceeds/Sale of Bonds	338,542,000	480,265,000	79,700,000
Taxes, Fees, and Charges	92,165,000	107,425,000	101,810,000
Revenue from Other Agencies	\$ 250,414,488	\$ 202,266,182	\$ 199,992,617
Transfers, Loans, and Contributions	203,792,666	229,068,232	177,599,000
Interest Income	12,769,000	11,818,240	18,896,000
Miscellaneous Revenue	1,606,000	534,000	1,260,000
Development Contribution	1,055,500	963,000	489,000
Total Capital Improvement Program Funds	\$ 1,569,724,897	\$ 1,947,900,683	\$ 1,238,040,932
Less Transfers, Loans, and Contributions	(5,259,000)	(13,065,000)	(4,030,000)
NET CAPITAL FUNDS TOTAL	\$ 1,564,465,897	\$ 1,934,835,683	\$ 1,234,010,932
NET CITY SOURCE OF FUNDS	\$ 5,119,345,503	\$ 5,991,378,213	\$ 5,241,167,569
GENERAL FUND EXPENDITURES			
City Attorney	\$ 16,830,419	\$ 17,719,807	\$ 17,796,689
City Auditor	2,505,488	2,775,838	2,922,493
City Clerk	2,650,692	3,289,189	3,857,447
City Manager	21,671,366	22,021,692	22,076,825
Community Energy	300,000	0	0
Economic Development and Cultural Affairs	5,638,221	5,903,054	6,214,746
Environmental Services	3,491,975	5,337,414	5,540,638
Finance	20,215,451	21,781,539	22,198,989
Fire	267,922,459	271,113,754	279,283,310
Housing	538,773	617,658	580,951
Human Resources	10,448,308	12,572,164	14,671,012
Independent Police Auditor	1,530,503	1,599,974	1,628,604
Information Technology	25,794,917	29,768,282	30,825,185
Library	37,238,915	40,945,754	46,319,083
Mayor and City Council	18,338,288	17,369,004	14,802,245
Parks, Recreation and Neighborhood Services	87,279,938	104,521,534	121,825,078
Planning, Building and Code Enforcement	15,413,888	17,641,914	16,771,400
Police	481,146,688	486,732,157	497,591,966
Public Works	38,480,325	42,885,678	48,460,867
Transportation	37,517,002	43,854,486	45,275,313
Subtotal Departmental Charges	\$ 1,094,953,616	\$ 1,148,450,892	\$ 1,198,642,841
City-Wide Expenses	\$ 120,724,042	\$ 213,412,689	\$ 126,550,650
Capital Contributions	84,117,000	50,932,732	27,900,000
Transfers	30,391,452	25,468,954	30,841,041
Earmarked Reserves	169,645,346	380,396,479	99,509,258
Contingency Reserve	40,000,000	41,000,000	47,000,000
Encumbrance Reserve	46,905,760	57,027,730	53,352,941
Subtotal Non-Departmental Charges	\$ 491,783,600	\$ 768,238,584	\$ 385,153,890
Total General Fund Expenditures	\$ 1,586,737,216	\$ 1,916,689,476	\$ 1,583,796,728

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022</u> <u>Adopted</u>	<u>2022-2023</u> <u>Adopted</u>	<u>2023-2024</u> <u>Proposed</u>
SPECIAL FUNDS			
Affordable Housing Impact Fee Fund	\$ 6,511,241	\$ 16,403,489	\$ 5,818,254
Airport Customer Facility and Transportation Fee Fund	22,426,540	24,380,612	32,917,906
Airport Fiscal Agent Fund	130,721,113	121,151,014	146,227,830
Airport Maintenance and Operation Fund	148,547,311	155,736,961	168,893,547
Airport Revenue Fund	235,381,628	288,018,382	351,822,651
Airport Surplus Revenue Fund	19,032,581	83,704,771	43,228,196
American Rescue Plan Fund	130,955,000	88,854,302	13,528,268
Benefit Funds - Benefit Fund	86,779,963	87,360,211	92,767,574
Benefit Funds - Dental Insurance Fund	17,332,144	19,392,047	15,870,629
Benefit Funds - Life Insurance Fund	1,963,670	2,087,005	2,341,093
Benefit Funds - Self-Insured Medical Fund	104,308	0	0
Benefit Funds - Unemployment Insurance Fund	4,038,958	3,696,150	1,620,469
Building Development Fee Program Fund	59,870,263	65,118,942	72,361,450
Building Homes and Jobs Fund	0	11,074,788	6,976,294
Business Improvement District Fund	2,731,274	3,121,706	3,960,328
Cash Reserve Fund	6,231	6,317	6,384
City Hall Debt Service Fund	25,215,000	25,653,262	25,213,000
Citywide Planning Fee Program Fund	7,116,088	7,633,953	9,315,724
Community Development Block Grant Fund	30,212,877	23,842,136	16,390,571
Community Facilities Revenue Fund	356,696	0	0
Convention and Cultural Affairs Fund	11,652,368	13,322,777	16,882,528
Convention Center Facilities District Revenue Fund	26,179,499	31,958,925	43,578,378
Coronavirus Relief Fund	18,042,587	0	0
Downtown Property and Business Improvement District Fund	5,340,141	6,802,354	7,867,924
Economic Development Administration Loan Fund	7,319	7,395	7,483
Edward Byrne Memorial Justice Assistance Grant Trust Fund	963,191	1,124,334	331,650
Emergency Reserve Fund	28,999,879	13,455,706	4,529,869
Federal Drug Forfeiture Fund	9,061	9,416	7,966
Fire Development Fee Program Fund	11,760,658	11,047,004	11,544,247
Gas Tax Maintenance and Construction Fund - 1943	7,200,000	6,300,000	7,900,000
Gas Tax Maintenance and Construction Fund - 1964	3,300,000	3,400,000	3,300,000
Gas Tax Maintenance and Construction Fund - 1990	5,500,000	5,800,000	5,800,000
General Purpose Parking Fund	15,912,257	19,203,462	23,507,068
Gift Trust Fund	1,949,760	1,680,584	1,723,735
Home Investment Partnership Program Trust Fund	25,002,179	20,628,881	21,841,021
Homeless Housing, Assistance, and Prevention Fund	28,540,889	35,680,742	34,808,209
Housing Trust Fund	6,729,257	8,657,102	5,043,676
Ice Centre Revenue Fund	1,667,585	6,242,620	9,181,285
Inclusionary Fee Fund	41,756,175	45,612,691	83,359,989
Integrated Waste Management Fund	206,408,474	221,504,723	234,939,843
Library Parcel Tax Fund	14,437,740	14,719,930	13,476,709
Low and Moderate Income Housing Asset Fund	176,806,461	145,935,335	120,199,307
Multi-Source Housing Fund	118,426,712	53,908,823	47,128,917
Municipal Golf Course Fund	2,827,181	3,074,976	3,466,493
Planning Development Fee Program Fund	8,430,356	12,380,261	11,801,328
Public Works Development Fee Program Fund	18,551,626	19,883,037	20,893,293
Public Works Program Support Fund	22,779,823	23,590,664	24,948,934

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022 Adopted</u>	<u>2022-2023 Adopted</u>	<u>2023-2024 Proposed</u>
SPECIAL FUNDS			
Public Works Small Cell Permitting Fee Program Fund	4,689,809	3,127,683	860,519
Rent Stabilization Program Fee Fund	6,008,081	5,725,921	5,342,457
San José Arena Capital Reserve Fund	6,519,511	8,608,654	6,833,329
San José Clean Energy Operating Fund	341,773,840	513,589,394	702,989,937
San José Municipal Stadium Capital Fund	39,000	0	0
San José-Santa Clara Treatment Plant Income Fund	713,868	857,982	1,116,705
San José-Santa Clara Treatment Plant Operating Fund	146,626,080	174,532,106	214,051,718
Sewage Treatment Plant Connection Fee Fund	21,948,871	24,214,235	25,090,914
Sewer Service and Use Charge Fund	258,379,168	281,537,886	283,413,275
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	743,456	657,569	816,984
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	3,188,865	2,963,638	3,219,108
Community Facilities District No. 8 (Communications Hill) I\$	1,222,180	\$ 1,417,825	\$ 1,781,235
Community Facilities District No. 11 (Adeline - Mary Helen) F	142,602	145,214	84,361
Community Facilities District No. 12 (Basking Ridge) Fund	655,550	508,232	376,216
Community Facilities District No. 13 (Guadalupe Mines) Fund	416,718	433,283	433,387
Community Facilities District No. 14 (Raleigh - Charlotte) Fun	1,363,687	1,555,556	1,875,432
Community Facilities District No. 15 (Berryessa - Sierra) Fund	781,023	713,523	850,000
Community Facilities District No. 16 (Raleigh - Coronado) Fu	1,267,495	1,177,704	1,704,628
Community Facilities District No. 17 (Capitol Expy - Evergree	160,693	247,811	394,622
Maint. District No. 1 (Los Paseos) Fund	669,252	756,427	906,820
Maint. District No. 2 (Trade Zone - Lundy Ave.) Fund	296,603	329,522	295,458
Maint. District No. 5 (Orchard Parkway - Plumeria Drive) Fun	219,397	250,651	270,659
Maint. District No. 8 (Zanker - Montague) Fund	258,723	195,626	162,150
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	478,860	496,236	455,273
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	167,714	240,766	275,557
Maint. District No. 13 (Karina - Onel) Fund	213,371	234,345	252,546
Maint. District No. 15 (Silver Creek Valley) Fund	1,653,394	1,724,977	1,984,062
Maint. District No. 18 (The Meadowlands) Fund	206,008	253,160	305,396
Maint. District No. 19 (River Oaks Area Landscaping) Fund	451,033	353,328	400,672
Maint. District No. 20 (Renaissance - N. First Landscaping) Fu	202,768	182,242	146,164
Maint. District No. 21 (Gateway Place - Airport Parkway) Fun	267,823	304,396	347,944
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.)	268,702	191,013	162,437
Southbay Water Recycling Fund	18,155,160	23,093,091	43,141,482
St. James Park Management District Fund	2,160,901	5,018,684	4,533,854
State Drug Forfeiture Fund	522,126	435,523	1,048,907
Storm Sewer Operating Fund	55,866,915	51,217,217	54,543,568
Supplemental Law Enforcement Services Fund	3,806,280	5,833,167	3,691,034
Transient Occupancy Tax Fund	16,431,902	20,573,848	29,248,012
Vehicle Maintenance and Operations Fund	32,264,846	33,170,321	38,357,133
Water Utility Fund	72,834,454	80,290,798	88,349,257
Workforce Development Fund	12,890,727	12,165,117	11,728,169
Total Special Funds	\$ 2,755,411,520	\$ 3,012,492,461	\$ 3,299,171,401

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

TOTAL CITY SOURCE AND USE OF FUNDS

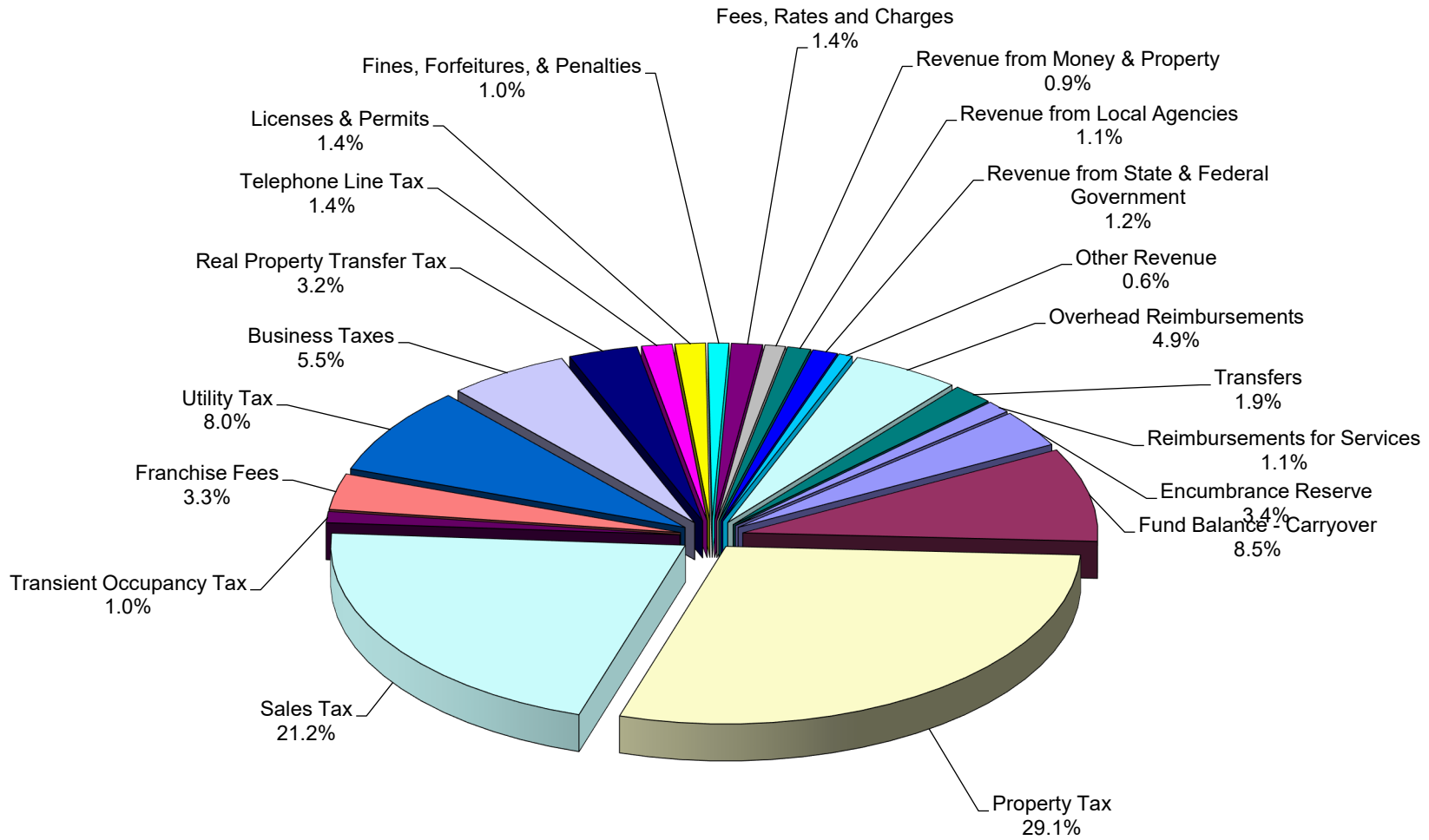
	<u>2021-2022</u> <u>Adopted</u>	<u>2022-2023</u> <u>Adopted</u>	<u>2023-2024</u> <u>Proposed</u>
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Airport Capital Improvement Fund	\$ 38,270,052	\$ 37,361,941	\$ 32,482,404
Airport Passenger Facility Charge Fund	25,025,448	32,834,114	50,496,279
Airport Renewal and Replacement Fund	41,322,319	88,058,857	42,082,925
Airport Revenue Bond Improvement Fund	933,704	23,000,000	0
Branch Libraries Bond Projects Fund	3,708,586	5,350,517	3,457,672
Building and Structure Construction Tax Fund	161,240,643	182,652,165	150,928,534
Construction and Conveyance Tax Funds:			
Communications C&C Tax Fund	9,256,986	8,325,799	5,521,789
District 1 Parks C&C Tax Fund	4,981,704	7,087,821	3,255,905
District 2 Parks C&C Tax Fund	2,727,441	2,782,534	1,984,475
District 3 Parks C&C Tax Fund	1,790,705	2,874,454	1,473,379
District 4 Parks C&C Tax Fund	2,832,320	4,214,865	1,300,030
District 5 Parks C&C Tax Fund	7,020,398	7,760,829	4,037,973
District 6 Parks C&C Tax Fund	4,250,826	6,357,428	4,297,434
District 7 Parks C&C Tax Fund	5,010,648	8,206,111	4,262,753
District 8 Parks C&C Tax Fund	4,504,835	4,746,057	3,237,154
District 9 Parks C&C Tax Fund	\$ 4,773,189	\$ 6,720,219	\$ 4,973,097
District 10 Parks C&C Tax Fund	2,184,139	2,189,313	1,372,931
Fire C&C Tax Fund	12,101,020	14,669,093	8,319,751
Library C&C Tax Fund	12,878,503	18,759,684	19,683,987
Park Yards C&C Tax Fund	4,651,333	5,580,341	4,154,064
Parks Central C&C Tax Fund	25,905,327	35,275,865	29,593,099
Parks City-Wide C&C Tax Fund	30,401,179	30,798,185	20,662,843
Service Yards C&C Tax Fund	15,100,228	18,300,168	16,268,289
Construction Excise Tax Fund	189,615,724	188,264,144	176,328,989
Contingent Lien District Fund	3,659,660	2,184,621	2,211,039
Convention and Cultural Affairs Capital Fund	1,270,745	923,527	197,249
Convention Center Facilities District Capital Fund	228,983	1,411,748	173,738
Emma Prusch Fund	560,179	623,639	411,953
General Fund Capital Improvement	84,117,000	50,932,732	27,900,000
General Purpose Parking Capital Fund	27,586,967	27,248,210	15,038,311
Ice Center Expansion Bond Fund	58,430,000	17,688,620	354
Improvement District Fund	0	189	20,322
Lake Cunningham Fund	1,445,436	1,473,849	1,829,231
Library Parcel Tax Capital Fund	1,550,000	1,800,636	0
Major Collectors and Arterial Fund	1,777,537	1,512,998	1,029,615
Major Facilities Fund	8,238,361	6,371,455	4,167,085
Neighborhood Security Act Bond Fund	3,386,000	0	0
Parks and Recreation Bond Projects Fund	16,967,230	17,024,019	15,588,951
Public Safety and Infrastructure Bond Fund - Municipal Improve	7,740,608	6,456,235	443,105
Public Safety and Infrastructure Bond Fund - Parks	6,459,893	7,001,701	3,432,404
Public Safety and Infrastructure Bond Fund - Public Safety	115,705,502	99,915,030	83,950,900
Public Safety and Infrastructure Bond Fund - Storm Sewer	36,008,247	34,821,148	30,368,878
Public Safety and Infrastructure Bond Fund - Traffic	90,673,624	70,504,596	10,568,827
Residential Construction Tax Contribution Fund	2,559,379	2,760,935	2,955,431
San José-Santa Clara Treatment Plant Capital Fund	285,975,807	619,529,987	173,616,510
Sanitary Sewer Connection Fee Fund	3,032,201	3,019,506	2,761,910

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

TOTAL CITY SOURCE AND USE OF FUNDS

	<u>2021-2022 Adopted</u>	<u>2022-2023 Adopted</u>	<u>2023-2024 Proposed</u>
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Sewer Service and Use Charge Capital Improvement Fund	63,711,383	82,591,087	103,221,998
South Bay Water Recycling Capital Fund	4,024,443	3,967,914	4,097,802
Storm Drainage Fee Fund	863,350	707,407	650,928
Storm Sewer Capital Fund	31,552,778	24,325,605	16,278,848
Subdivision Park Trust Fund	73,989,760	95,710,573	70,008,980
Underground Utility Fund	9,466,057	9,573,429	10,240,601
Water Utility Capital Fund	18,256,510	15,648,783	66,700,204
Total Capital Improvement Program Funds	\$ 1,569,724,897	\$ 1,947,900,683	\$ 1,238,040,932
GRAND TOTAL (Gross City Use of Funds)	\$ 5,911,873,633	\$ 6,877,082,620	\$ 6,121,009,061
Less Transfers, Loans, and Contributions	(792,528,130)	(885,704,407)	(879,841,492)
NET CITY USE OF FUNDS	\$ 5,119,345,503	\$ 5,991,378,213	\$ 5,241,167,569

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES**



TOTAL GENERAL FUND SOURCES \$1,583,796,728

For a more detailed discussion on General Fund Sources, please refer to the section entitled "General Fund Revenue Estimates"

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES

SOURCE OF FUNDS	1 2021-2022 Actuals	2 2022-2023 Adopted Budget	3 2022-2023 Modified Budget*	4 2023-2024 Forecast Budget	5 2023-2024 Proposed Budget	2 TO 5 % Increase/ (Decrease)
FUND BALANCE						
Encumbrance Reserve	\$ 57,027,730	\$ 57,027,730	\$ 53,352,941	\$ 53,352,941	\$ 53,352,941	(6.4%)
Carryover	558,987,400	507,133,721	558,987,400	76,351,447	134,817,403	(73.4%)
Total Fund Balance	\$ 616,015,130	\$ 564,161,451	\$ 612,340,341	\$ 129,704,388	\$ 188,170,344	(66.6%)
GENERAL REVENUE						
Property Tax	\$ 414,123,282	\$ 427,000,000	\$ 437,000,000	\$ 460,400,000	\$ 460,400,000	7.8%
Sales Tax	323,143,574	331,000,000	331,000,000	336,400,000	336,400,000	1.6%
Transient Occupancy Tax	10,515,117	11,000,000	11,000,000	16,000,000	16,000,000	45.5%
Franchise Fees	48,378,348	49,168,393	49,168,393	50,808,393	51,825,008	5.4%
Utility Tax	103,591,802	107,450,000	114,450,000	126,550,000	126,550,000	17.8%
Business Taxes	85,375,289	86,000,000	86,000,000	87,500,000	87,500,000	1.7%
Real Property Transfer Tax	110,015,391	65,000,000	65,000,000	50,000,000	50,000,000	(23.1%)
Telephone Line Tax	21,313,810	20,000,000	20,000,000	22,000,000	22,000,000	10.0%
Licenses and Permits	22,032,078	20,993,100	20,778,200	20,361,969	21,920,622	4.4%
Fines, Forfeitures, and Penalties	14,959,847	12,232,000	12,232,000	15,080,000	15,080,000	23.3%
Fees, Rates, and Charges	22,110,063	23,914,232	23,914,232	22,145,907	22,377,680	(6.4%)
Revenue from Use of Money/Property	9,126,202	8,779,000	13,279,000	14,864,000	14,864,000	69.3%
Revenue from Local Agencies	24,755,916	17,107,945	20,414,379	16,946,171	16,946,171	(0.9%)
Revenue from the State of California	26,241,795	26,889,687	31,835,841	12,900,000	17,811,658	(33.8%)
Revenue from Federal Government	3,096,138	7,111,452	11,599,714	0	403,000	(94.3%)
Other Revenue	329,257,694	16,823,368	293,133,446	9,768,544	9,980,167	(40.7%)
Total General Revenue	\$ 1,568,036,346	\$ 1,230,469,177	\$ 1,540,805,205	\$ 1,261,724,984	\$ 1,270,058,306	3.2%

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES

SOURCE OF FUNDS (Cont'd.)	1 2021-2022 Actuals	2 2022-2023 Adopted Budget	3 2022-2023 Modified Budget*	4 2023-2024 Forecast Budget	5 2023-2024 Proposed Budget	2 TO 5 % Increase/ (Decrease)
TRANSFERS AND REIMBURSEMENTS						
Overhead Reimbursements	\$ 70,493,558	\$ 73,800,407	\$ 73,800,407	\$ 76,748,280	\$ 78,154,889	5.9%
Transfers	84,446,673	31,962,064	34,509,356	29,582,087	29,582,087	(7.4%)
Reimbursements for Services	16,552,061	16,296,377	16,296,377	17,831,102	17,831,102	9.4%
Total Transfers and Reimbursements	\$ 171,492,292	\$ 122,058,848	\$ 124,606,140	\$ 124,161,469	\$ 125,568,078	2.9%
TOTAL SOURCE OF FUNDS	\$ 2,355,543,768	\$ 1,916,689,476	\$ 2,277,751,686	\$ 1,515,590,841	\$ 1,583,796,728	(17.4%)

* As of March 31, 2023

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES

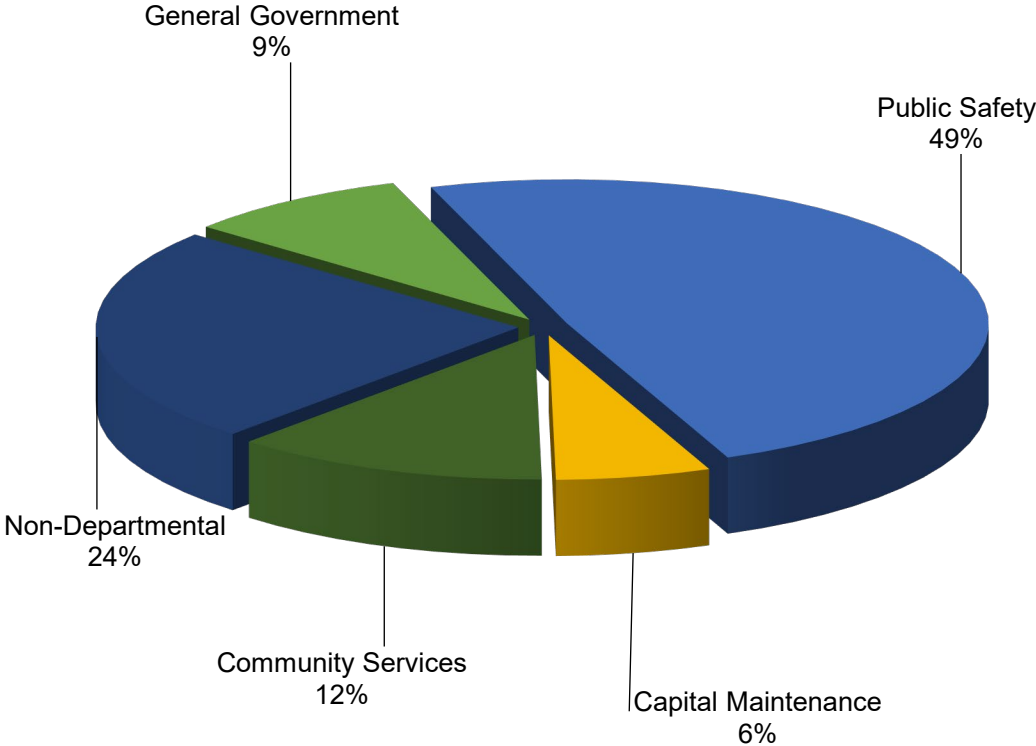
Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Public Works and Transportation Departments.

Community Services Departments - provide programs that affect citizens on a daily basis, such as Environmental Services, Community Energy, Housing, Parks, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Economic Development and Cultural Affairs, Information Technology, Finance, Independent Police Auditor, City Manager, City Auditor, City Clerk, Mayor and City Council, and City Attorney.

Non-Departmental - include City-Wide expenses, capital contributions, transfers and reserves.



TOTAL GENERAL FUND USES \$1,583,796,728

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

SUMMARY OF GENERAL FUND USES

USE OF FUNDS	1 2021-2022 Actuals	2 2022-2023 Adopted Budget	3 2022-2023 Modified Budget*	4 2023-2024 Forecast Budget	5 2023-2024 Proposed Budget	2 TO 5 % Increase/ (Decrease)
GENERAL GOVERNMENT DEPARTMENTS						
City Attorney's Office	\$ 17,740,776	\$ 17,719,807	\$ 18,338,619	\$ 17,229,778	\$ 17,796,689	0.4%
City Auditor's Office	2,256,379	2,775,838	2,802,888	2,721,181	2,922,493	5.3%
City Clerk's Office	3,465,133	3,289,189	3,314,376	3,311,479	3,857,447	17.3%
City Manager's Office	19,245,472	22,021,692	22,738,512	20,613,185	22,076,825	0.3%
City Manager - Office of Economic Development and Cultural Affairs	5,425,192	5,903,054	6,101,846	5,900,658	6,214,746	5.3%
Finance Department	19,689,511	21,781,539	22,068,760	20,754,240	22,198,989	1.9%
Human Resources Department	10,792,036	12,572,164	13,203,241	12,135,043	14,671,012	16.7%
Independent Police Auditor's Office	1,499,771	1,599,974	1,615,831	1,630,958	1,628,604	1.8%
Information Technology Department	22,439,878	29,768,282	29,774,230	27,462,409	30,825,185	3.6%
Mayor and City Council	15,458,618	17,369,004	17,885,772	14,802,245	14,802,245	(14.8%)
Total General Government Departments	\$ 118,012,765	\$ 134,800,543	\$ 137,844,075	\$ 126,561,175	\$ 136,994,234	1.6%
PUBLIC SAFETY DEPARTMENTS						
Fire Department	\$ 267,567,246	\$ 271,113,754	\$ 276,139,913	\$ 276,880,365	\$ 279,283,310	3.0%
Police Department	482,462,200	486,732,157	500,771,605	490,585,249	497,591,966	2.2%
Total Public Safety Departments	\$ 750,029,446	\$ 757,845,911	\$ 776,911,518	\$ 767,465,614	\$ 776,875,276	2.5%
CAPITAL MAINTENANCE DEPARTMENTS						
Public Works Department	\$ 39,378,669	\$ 42,885,678	\$ 44,652,385	\$ 46,229,190	\$ 48,460,867	13.0%
Transportation Department	36,445,943	43,854,486	44,142,871	44,607,825	45,275,313	3.2%
Total Capital Maintenance Departments	\$ 75,824,612	\$ 86,740,164	\$ 88,795,256	\$ 90,837,015	\$ 93,736,180	8.1%

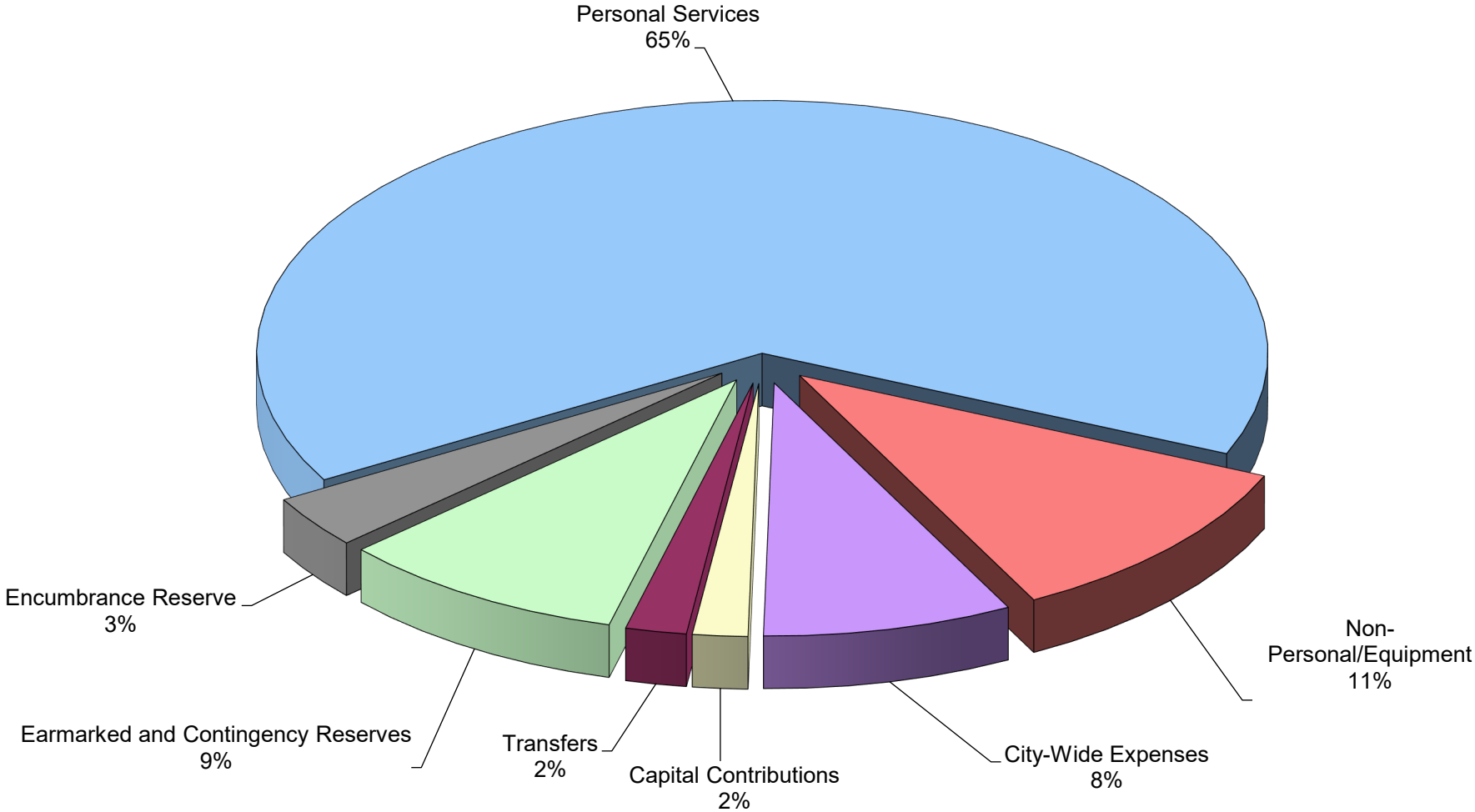
As of March 31, 2023

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES (CONT'D.)

USE OF FUNDS (Cont'd.)	1 2021-2022 Actuals	2 2022-2023 Adopted Budget	3 2022-2023 Modified Budget*	4 2023-2024 Forecast Budget	5 2023-2024 Proposed Budget	2 TO 5 % Increase/ (Decrease)
COMMUNITY SERVICES DEPARTMENTS						
Community Energy Department	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Environmental Services Department	2,823,628	5,337,414	5,525,046	4,676,252	5,540,638	3.8%
Housing Department	428,868	617,658	623,374	580,951	580,951	(5.9%)
Library Department	38,344,421	40,945,754	41,624,422	43,249,227	46,319,083	13.1%
Parks, Recreation and Neighborhood Services Department	82,101,880	104,521,534	104,443,950	106,264,161	121,825,078	16.6%
Planning, Building and Code Enforcement Department	13,545,150	17,641,914	17,583,935	16,741,913	16,771,400	(4.9%)
Total Community Services Departments	\$ 137,243,947	\$ 169,064,274	\$ 169,800,727	\$ 171,512,503	\$ 191,037,149	13.0%
Total Departmental Uses	\$ 1,081,110,771	\$ 1,148,450,892	\$ 1,173,351,576	\$ 1,156,376,307	\$ 1,198,642,840	4.4%
NON-DEPARTMENTAL						
City-Wide Expenses	\$ 403,013,608	\$ 213,412,689	\$ 629,615,320	\$ 81,077,796	\$ 126,550,650	(40.7%)
Capital Contributions	35,349,634	50,932,732	56,991,022	5,832,000	27,900,000	(45.2%)
Transfers	30,393,345	25,468,954	37,810,639	26,841,041	30,841,041	21.1%
Earmarked Reserves	N/A	380,396,479	280,630,188	109,847,590	99,509,258	(73.8%)
Contingency Reserve	N/A	41,000,000	46,000,000	47,000,000	47,000,000	14.6%
Encumbrance Reserve	53,352,941	57,027,730	53,352,941	53,352,941	53,352,941	(6.4%)
Total Non-Departmental Uses	\$ 522,109,528	\$ 768,238,584	\$ 1,104,400,110	\$ 323,951,368	\$ 385,153,890	(49.9%)
TOTAL USE OF FUNDS	\$ 1,603,220,299	\$ 1,916,689,476	\$ 2,277,751,686	\$ 1,480,327,675	\$ 1,583,796,728	(17.4%)

As of March 31, 2023

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES BY CATEGORY**



TOTAL GENERAL FUND USES \$1,583,796,728

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES BY CATEGORY

USE OF FUNDS	1 2021-2022 Actuals	2 2022-2023 Adopted Budget	3 2022-2023 Modified Budget*	4 2023-2024 Forecast Budget	5 2023-2024 Proposed Budget	2 TO 5 % Increase/ (Decrease)
DEPARTMENTAL						
Personal Services	\$ 953,333,203	\$ 994,883,820	\$ 1,012,899,749	\$ 1,009,491,605	\$ 1,026,698,316	3.2%
Non-Personal/Equipment	127,777,568	153,567,072	160,451,827	146,884,702	171,944,522	12.0%
Departmental Total	\$ 1,081,110,771	\$ 1,148,450,892	\$ 1,173,351,576	\$ 1,156,376,307	\$ 1,198,642,838	4.4%
NON-DEPARTMENTAL						
City-Wide Expenses	\$ 403,013,608	\$ 213,412,689	\$ 629,615,320	\$ 81,077,796	\$ 126,550,650	(40.7%)
Capital Contributions	35,349,634	50,932,732	56,991,022	5,832,000	27,900,000	(45.2%)
Transfers	30,393,345	25,468,954	37,810,639	26,841,041	30,841,041	21.1%
Earmarked Reserves	N/A	380,396,479	280,630,188	109,847,590	99,509,258	(91.9%)
Contingency Reserve	N/A	41,000,000	46,000,000	47,000,000	47,000,000	14.6%
Encumbrance Reserve	53,352,941	57,027,730	53,352,941	53,352,941	53,352,941	(6.4%)
Total Non-Departmental	\$ 522,109,528	\$ 768,238,584	\$ 1,104,400,110	\$ 323,951,368	\$ 385,153,890	(49.9%)
TOTAL EXPENDITURES	\$ 1,603,220,299	\$1,916,689,476	\$2,277,751,686	\$1,480,327,675	\$1,583,796,728	(17.4%)

* As of March 31, 2023

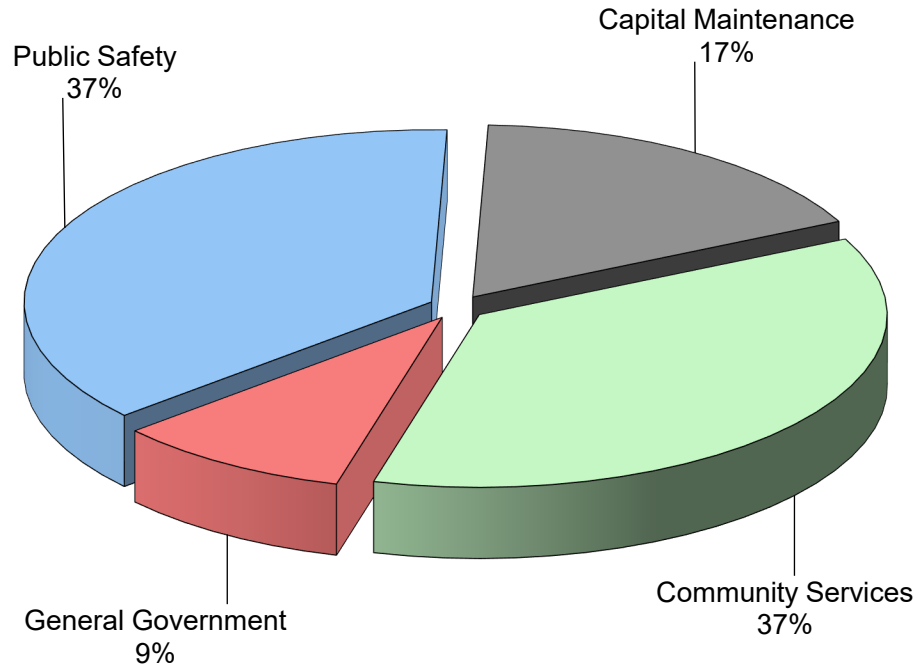
CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
SUMMARY OF TOTAL STAFFING BY DEPARTMENT

Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Transportation and Public Works Departments.

Community Services Departments - provide for programs that affect citizens on a daily basis, such as Airport, Community Energy, Environmental Services, Housing, Parks, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Finance, Economic Development and Cultural Affairs, Independent Police Auditor, Information Technology, Retirement Services, City Attorney, City Manager, Mayor and City Council, City Auditor, and City Clerk.



TOTAL STAFFING BY DEPARTMENT 7,032.55

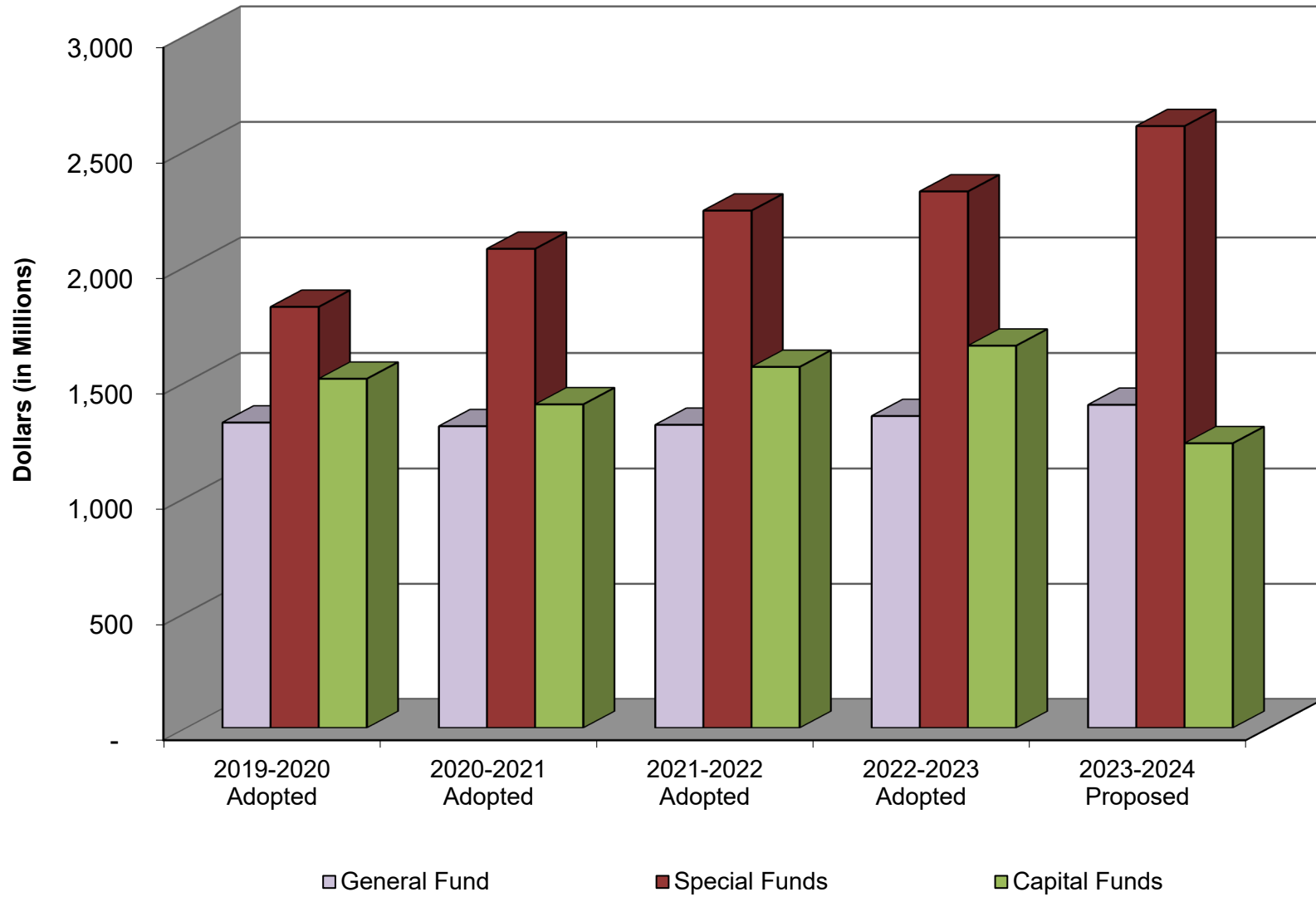
**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

SUMMARY OF TOTAL STAFFING BY DEPARTMENT

	2022-2023 Adopted	Changes in 2023-2024 Forecast	Net-Zero Inter-department Transfers	Changes in 2023-2024 Proposed	Total Changes	2023-2024 Proposed
GENERAL GOVERNMENT DEPARTMENTS						
City Attorney	86.50	(2.00)	0.00	4.00	2.00	88.50
City Auditor	14.00	0.00	0.00	0.00	0.00	14.00
City Clerk	18.00	(1.00)	0.00	1.00	0.00	18.00
City Manager	84.50	(7.00)	0.00	14.00	7.00	91.50
City Manager - Office of Economic Development and Cultural Affairs	60.00	0.00	0.00	1.00	1.00	61.00
Finance	133.99	(7.00)	0.00	8.00	1.00	134.99
Human Resources	51.50	(3.00)	0.00	13.00	10.00	61.50
Independent Police Auditor	7.00	0.00	0.00	0.00	0.00	7.00
Information Technology	109.00	(2.00)	0.00	8.00	6.00	115.00
Mayor and City Council	27.00	0.00	0.00	0.00	0.00	27.00
Retirement Services	43.00	0.00	0.00	0.00	0.00	43.00
Total General Government Departments	634.49	(22.00)	0.00	49.00	27.00	661.49
PUBLIC SAFETY DEPARTMENTS						
Fire	852.48	0.00	0.00	3.00	3.00	855.48
Police	1,740.17	(2.00)	0.00	11.00	9.00	1,749.17
Total Public Safety Departments	2,592.65	(2.00)	0.00	14.00	12.00	2,604.65
CAPITAL MAINTENANCE DEPARTMENTS						
Public Works	647.27	4.00	0.00	17.00	21.00	668.27
Transportation	524.50	(1.00)	0.00	14.00	13.00	537.50
Total Capital Maintenance Departments	1,171.77	3.00	0.00	31.00	34.00	1,205.77
COMMUNITY SERVICES DEPARTMENTS						
Airport	223.00	0.00	0.00	5.00	5.00	228.00
Community Energy	40.00	3.00	0.00	10.00	13.00	53.00
Environmental Services	582.00	(2.00)	0.00	11.00	9.00	591.00
Housing	105.50	(10.00)	0.00	14.00	4.00	109.50
Library	396.47	(1.00)	0.00	9.70	8.70	405.17
Parks, Recreation and Neighborhood Services	826.21	(7.00)	0.00	33.76	26.76	852.97
Planning, Building and Code Enforcement	312.00	(3.00)	0.00	12.00	9.00	321.00
Total Community Services Departments	2,485.18	(20.00)	0.00	95.46	75.46	2,560.64
TOTAL DEPARTMENT STAFFING	6,884.09	(41.00)	0.00	189.46	148.46	7,032.55

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF TOTAL CITY SOURCE AND USE OF FUNDS



**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF TOTAL CITY SOURCE AND USE OF FUNDS

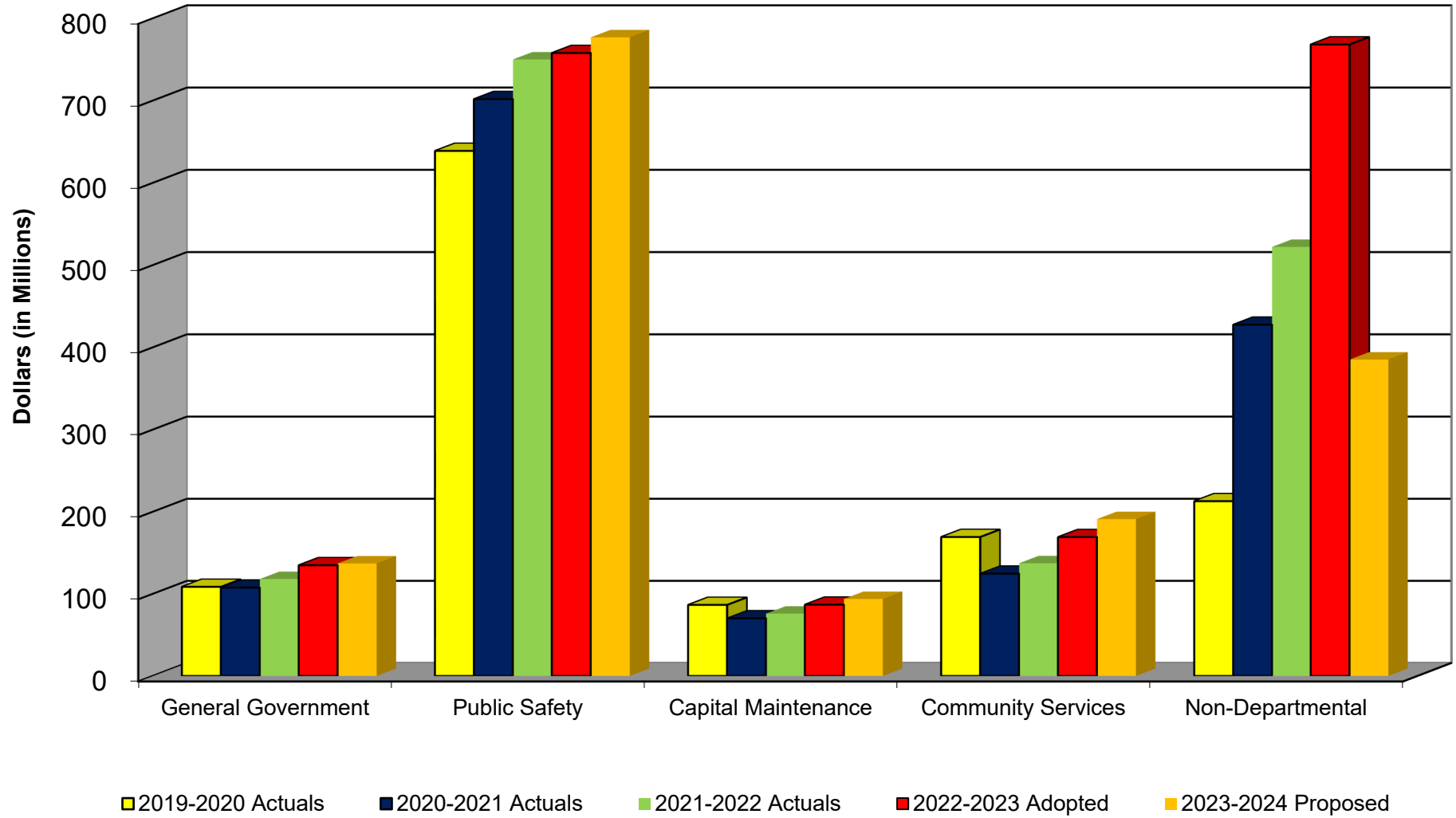
	1	2	3	4	5
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	PROPOSED
GENERAL FUND	\$ 1,510,135,437	\$ 1,547,689,229	\$ 1,586,737,216	\$ 1,916,689,476	\$ 1,583,796,728
SPECIAL FUNDS	2,532,532,607	2,644,236,028	2,755,411,520	3,012,492,461	3,299,171,401
<Less: Operating Transfers>	(894,663,225)	(808,424,841)	(787,269,130)	(872,639,407)	(875,811,492)
Net Operating Funds	\$ 3,148,004,819	\$ 3,383,500,416	\$ 3,554,879,606	\$ 4,056,542,530	\$ 4,007,156,637
CAPITAL FUNDS	\$ 1,520,183,753	\$ 1,406,431,266	\$ 1,569,724,897	\$ 1,947,900,683	\$ 1,238,040,932
<Less: Capital Transfers>	(7,024,000)	(4,095,000)	(5,259,000)	(13,065,000)	(4,030,000)
Net Capital Funds	\$ 1,513,159,753	\$ 1,402,336,266	\$ 1,564,465,897	\$ 1,934,835,683	\$ 1,234,010,932
NET CITY SOURCE AND USE OF FUNDS	\$ 4,661,164,572	\$ 4,785,836,682	\$ 5,119,345,503	\$ 5,991,378,213	\$ 5,241,167,569

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF GENERAL FUND SOURCES

SOURCE OF FUNDS	1 2019-2020 ACTUALS	2 2020-2021 ACTUALS	3 2021-2022 ACTUALS	4 2022-2023 ADOPTED	5 2023-2024 PROPOSED
FUND BALANCE					
Encumbrance Reserve	\$ 46,555,359	\$ 46,905,760	\$ 57,027,730	\$ 57,027,730	\$ 53,352,941
Carryover	400,283,991	369,180,430	558,987,400	507,133,721	134,817,403
Total Fund Balance	\$ 446,839,350	\$ 416,086,190	\$ 616,015,130	\$ 564,161,451	\$ 188,170,344
GENERAL REVENUE					
Property Tax	\$ 369,506,527	\$ 390,896,950	\$ 414,123,282	\$ 427,000,000	\$ 460,400,000
Sales Tax	260,558,394	284,020,471	323,143,574	331,000,000	336,400,000
Transient Occupancy Tax	14,103,867	5,409,142	10,515,117	11,000,000	16,000,000
Franchise Fees	44,435,817	45,628,289	48,378,348	49,168,393	51,825,008
Utility Tax	99,518,300	106,970,843	103,591,802	107,450,000	126,550,000
Business Taxes	70,822,027	70,035,779	85,375,289	86,000,000	87,500,000
Real Property Transfer Tax		50,530,828	110,015,391	65,000,000	50,000,000
Telephone Line Tax	20,694,877	20,872,785	21,313,810	20,000,000	22,000,000
Licenses and Permits	64,520,529	19,388,370	22,032,078	20,993,100	21,920,622
Fines, Forfeitures, and Penalties	14,383,145	9,760,327	14,959,847	12,232,000	15,080,000
Fees, Rates, and Charges	48,568,307	7,442,173	22,110,063	23,914,232	22,377,680
Revenue from Use of Money/Property	13,523,097	8,778,301	9,126,202	8,779,000	14,864,000
Revenue from Local Agencies	15,659,671	20,411,974	24,755,916	17,107,945	16,946,171
Revenue from the State of California	22,511,983	20,734,690	26,241,795	26,889,687	17,811,658
Revenue from Federal Government	2,638,902	3,733,619	3,096,138	7,111,452	403,000
Other Revenue	34,504,998	166,871,618	329,257,694	16,823,368	9,980,167
Total General Revenue	\$ 1,095,950,441	\$ 1,231,486,159	\$ 1,568,036,346	\$ 1,230,469,177	\$ 1,270,058,306
TRANSFERS AND REIMBURSEMENTS					
Overhead Reimbursements	\$ 57,003,787	\$ 68,109,800	\$ 70,493,558	\$ 73,800,407	\$ 78,154,889
Transfers	35,629,474	39,190,393	84,446,673	31,962,064	29,582,087
Reimbursements for Services	16,145,354	16,657,685	16,552,061	16,296,377	17,831,102
Total Transfers and Reimbursements	\$ 108,778,615	\$ 123,957,878	\$ 171,492,292	\$ 122,058,848	\$ 125,568,078
TOTAL SOURCE OF FUNDS	\$ 1,651,568,406	\$ 1,771,530,227	\$ 2,355,543,768	\$ 1,916,689,476	\$ 1,583,796,728

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF GENERAL FUND USES**



**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF GENERAL FUND USES

USE OF FUNDS	1 2019-2020 ACTUALS	2 2020-2021 ACTUALS	3 2021-2022 ACTUALS	4 2022-2023 ADOPTED	5 2023-2024 PROPOSED
GENERAL GOVERNMENT DEPARTMENTS					
City Attorney	\$ 17,077,413	\$ 16,680,889	\$ 17,740,776	\$ 17,719,807	\$ 17,796,689
City Auditor	2,138,891	2,252,200	2,256,379	2,775,838	2,922,493
City Clerk	2,382,932	2,576,615	3,465,133	3,289,189	3,857,447
City Manager	16,545,924	16,362,985	19,245,472	22,021,692	22,076,825
City Manager - Office of Economic Development and Cultural Affairs	5,174,200	5,555,761	5,425,192	5,903,054	6,214,746
Finance	17,995,756	18,015,500	19,689,511	21,781,539	22,198,989
Human Resources	10,079,387	9,479,217	10,792,036	12,572,164	14,671,012
Independent Police Auditor	1,254,258	1,367,698	1,499,771	1,599,974	1,628,604
Information Technology	23,521,642	21,598,583	22,439,878	29,768,282	30,825,185
Mayor and City Council	12,299,950	13,614,003	15,458,618	17,369,004	14,802,245
Total General Government Departments	\$ 108,470,354	\$ 107,503,451	\$ 118,012,765	\$ 134,800,543	\$ 136,994,234
PUBLIC SAFETY DEPARTMENTS					
Fire	\$ 197,304,769	\$ 239,598,923	\$ 267,567,246	\$ 271,113,754	\$ 279,283,310
Police	441,511,375	462,194,653	482,462,200	486,732,157	497,591,966
Total Public Safety Departments	\$ 638,816,144	\$ 701,793,576	\$ 750,029,446	\$ 757,845,911	\$ 776,875,276
CAPITAL MAINTENANCE DEPARTMENTS					
Public Works	\$ 51,074,257	\$ 35,705,576	\$ 39,378,669	\$ 42,885,678	\$ 48,460,867
Transportation	35,409,149	34,404,117	36,445,943	43,854,486	45,275,313
Total Capital Maintenance Departments	\$ 86,483,406	\$ 70,109,693	\$ 75,824,612	\$ 86,740,164	\$ 93,736,180
COMMUNITY SERVICES DEPARTMENTS					
Community Energy	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Services	3,163,381	4,022,446	2,823,628	5,337,414	5,540,638
Housing	241,262	231,294	428,868	617,658	580,951
Library	35,423,538	33,940,890	38,344,421	40,945,754	46,319,083
Parks, Recreation and Neighborhood Services	78,959,493	72,268,402	82,101,880	104,521,534	121,825,078
Planning, Building and Code Enforcement	51,422,190	14,105,939	13,545,150	17,641,914	16,771,400
Total Community Services Departments	\$ 169,209,864	\$ 124,568,971	\$ 137,243,947	\$ 169,064,274	\$ 191,037,149
Total Departmental	\$ 1,002,979,767	\$ 1,003,975,691	\$ 1,081,110,771	\$ 1,148,450,892	\$ 1,198,642,840
NON-DEPARTMENTAL					
City-Wide Expenses	\$ 83,912,805	\$ 254,599,668	\$ 403,013,608	\$ 213,412,689	\$ 126,550,650
Capital Contributions	33,044,021	35,045,816	35,349,634	50,932,732	27,900,000
Transfers	48,967,078	80,825,604	30,393,345	25,468,954	30,841,041
Earmarked Reserves	N/A	N/A	N/A	380,396,479	99,509,258
Contingency Reserve	N/A	N/A	N/A	41,000,000	47,000,000
Encumbrance Reserve	46,905,760	57,027,730	53,352,941	57,027,730	53,352,941
Total Non-Departmental	\$ 212,829,664	\$ 427,498,818	\$ 522,109,528	\$ 768,238,584	\$ 385,153,890
TOTAL USE OF FUNDS	\$ 1,215,809,432	\$ 1,431,474,509	\$ 1,603,220,299	\$ 1,916,689,476	\$ 1,583,796,728

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET**

FIVE-YEAR COMPARISON OF GENERAL FUND USES BY CATEGORY

USE OF FUNDS	2019-2020 ACTUALS	2020-2021 ACTUALS	2021-2022 ACTUALS	2022-2023 ADOPTED	2023-2024 PROPOSED
DEPARTMENTAL					
Personal Services	\$ 879,313,596	\$ 889,491,667	\$ 957,077,061	\$ 994,883,820	\$ 994,883,820
Non-Personal/Equipment	123,666,171	114,484,024	124,033,710	153,567,072	153,567,072
Total Departmental	\$ 1,002,979,767	\$ 1,003,975,691	\$ 1,081,110,771	\$ 1,148,450,892	\$ 1,148,450,892
NON-DEPARTMENTAL					
City-Wide Expenses	\$ 83,912,805	\$ 254,599,668	\$ 403,013,608	\$ 213,412,689	\$ 213,412,689
Capital Contributions	33,044,021	35,045,816	35,349,634	50,932,732	50,932,732
Transfers	48,967,078	80,825,604	30,393,345	25,468,954	25,468,954
Earmarked Reserves	N/A	N/A	N/A	380,396,479	380,396,479
Contingency Reserve	N/A	N/A	N/A	41,000,000	41,000,000
Encumbrance Reserve	46,905,760	57,027,730	53,352,941	57,027,730	57,027,730
Total Non-Departmental	\$ 212,829,665	\$ 427,498,818	\$ 522,109,528	\$ 768,238,584	\$ 768,238,584
TOTAL EXPENDITURES	\$ 1,215,809,432	\$ 1,431,474,509	\$ 1,603,220,299	\$ 1,916,689,476	\$ 1,916,689,476

CITY OF SAN JOSE

2023-2024 PROPOSED OPERATING BUDGET

BUDGET POLICIES

The Operating and Capital Budgets and the Capital Improvement Program are prepared and administered in accordance with several sources of policy direction. First, the City Charter requires that the budget be balanced, include a complete financial plan for all City funds, and meet certain legal deadlines for submittal. Second, the City Council has established two budget policies: (1) the http://www.sanjoseca.gov/clerk/cp_manual/CPM_1_18.pdf Operating Budget and Capital Improvement Program Policy (Council Policy 1-18), which includes guidelines, standards, and requirements for preparation and monitoring of both the Operating and Capital Budgets; and (2) the Estimating Construction Costs and Development of Project Budget Policy (Council Policy 8-12), which establishes guidelines for estimating construction project costs and developing project budgets (the complete text of the adopted policies is presented below). Third, the budget is developed in accordance with the Mayor's budget priorities and direction as approved by the City Council in March and June of each year. Fourth, recommendations of special studies by Council-appointed task forces, boards, commissions, and committees may be considered upon the direction of the City Council. Finally, public input is considered throughout the process, with scheduled public hearings at key City Council decision points.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

1. General

The budget should be a performance, financing, and spending plan agreed to by the Mayor, City Council, City Manager, and other Council Appointees. It should contain information and data regarding expected revenues and resources (inputs), expected expenditures, and expected performance (outcomes). During the fiscal year, actual experience (revenues, expenditures, and performance) will be periodically measured against the plan.

The City will prepare and annually refine written goals and policies to guide the preparation of financing, spending, and performance plans for the City budget. Proposed budgets will comply with the adopted budget policies and Council priorities.

The City uses a performance-based budget. The core service is the lowest level in the organization for which budgets are prepared. Each core service budget will include financing and spending plans. Each core service will also propose an annual performance plan. The plan must identify ongoing performance targets and corresponding indicators, which measure performance. The plan should also include specific performance targets, which will have results during the budget year. All performance at the core service level must be consistent with the mission statements at the department level and the outcomes of the City Service Area at the City level, meeting the performance as well as budget goals and policies established by the Mayor and City Council.

Department and program managers will not exceed the Council-approved appropriations in any fund. Appropriations for departmental operations are approved by the City Council in two categories: Personal Services and Non-Personal/Equipment.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

1. General (Cont'd.)

These appropriations are shown in the departmental budgets. In addition, appropriations are approved for Capital Projects, City-Wide projects, and other targeted functions with special and capital funds.

The City Council may approve modifications to these appropriations throughout the year as warranted by revenue collections and activity demands.

2. Fiscal Integrity

The City will maintain the fiscal integrity of its operating, debt service, and capital improvement budgets, which provide services and maintain public facilities, streets, and utilities.

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. Interfund loans will not be used as a funding mechanism to address ongoing gaps between revenues and costs. If a new program is added on an ongoing basis, an ongoing revenue source will be identified to fund the program costs. Any available carryover balance will only be used to offset one-time costs.

3. Contingency Funds or Accounts

Several different contingency funds or accounts are established:

a) General Purpose Reserves

Within the General Fund, unrestricted reserves shall be set aside as a safety net for general city operations. Currently, the Contingency Reserve, Budget Stabilization Reserve, and Workers' Compensation/General Liability Catastrophic Reserve are available for general purposes. The combined funding goal for these reserves in the aggregate shall be 10 percent of General Fund Operating Budget expenditures. Within capital and special funds, reserves may be set aside as a safety net for city operations pertaining to the respective fund or to provide stability for customer rates when there are fluctuations to revenue and expenditures.

1) Contingency Reserve

Within the General Fund, a contingency reserve, which is a minimum of 3% of the General Fund operating budget, is established. The purpose of this reserve is to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

3. *Contingency Funds or Accounts (Cont'd.)*

Any use of the General Fund Contingency Reserve shall require two-thirds vote of approval by the City Council. The Contingency Reserve shall be budgeted at a minimum of 3% of the General Fund operating budget in the annual Adopted Budget. This allocation will include replenishment of any amounts expended or appropriated to another fund during the previous year.

Appropriate levels of contingency funds will be determined and maintained in the capital and special funds as part of the City Council's adoption of the annual Capital Budget or the Operating Budget, as applicable.

2) Budget Stabilization Reserve

Within the General Fund, a Budget Stabilization Reserve may be maintained at a level as determined by the City Council to be adequate. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. Any use of the General Fund Budget Stabilization reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually as part of the City Council's adoption of the Operating Budget. The replenishment or use of this reserve shall be incorporated into the annual Adopted Operating Budget as resources are available to replenish and/or increase this reserve, or as funds are needed to address a budget shortfall.

Appropriate levels of Budget Stabilization Reserve funds will be determined and maintained in the capital and special funds, as applicable.

3) Workers' Compensation/General Liability Catastrophic Reserve

Within the General Fund, a Workers' Compensation/General Liability Catastrophic Reserve may be maintained at a level as determined by the City Council to be adequate. The purpose of this reserve is to provide funding for potential workers' compensation or general liability claims that exceed the budgeted amounts as the City, for the most part, is self-insured.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

3. *Contingency Funds or Accounts (Cont'd.)*

Any use of the General Fund Workers' Compensation/General Liability Catastrophic Reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually as part of the City Council's adoption of the Operating Budget. The replenishment of this reserve shall be incorporated into the annual Adopted Operating Budget as resources are available to replenish and/or increase this reserve.

Appropriate levels of Workers' Compensation and/or General Liability Catastrophic Reserves will be determined and maintained in the capital and special funds, as applicable.

b) Cash Reserve Fund

An adequate revolving fund (Cash Reserve Fund 002), as mandated by the City Charter, shall be determined and maintained at an adequate level as determined by the City Council. The purpose of this reserve fund is for the payment of any authorized expenditures of the City for any fiscal year in anticipation of and before the collection of taxes and other revenues of the City for such fiscal year.

c) Emergency Reserve Fund

An adequate emergency reserve fund (Emergency Reserve Fund 406), as mandated by the City Charter, shall be determined and maintained at an adequate level as determined by the City Council. The purpose of this reserve fund is to meet any public emergency involving or threatening the lives, property, or welfare of the people of the City or property of the City.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

4. *Fund Balance*

The appropriation of carryover fund balances must be approved judiciously. This should ensure that ongoing expenditures will be budgeted only to the extent that proven revenue streams exist.

In the annual budget, and in subsequent reports, there will be a presentation on fund balances and their anticipated uses.

- a) The first increment of any General Fund “Ending Fund Balance” identified in the City Manager’s Annual Report shall be allocated to offset any projected deficit for the following fiscal year, after necessary appropriation adjustment actions to re-budget funds, correct errors, or reflect updated cost information have been accounted for in the fund balance reconciliation.
- b) After setting aside funding to address the projected deficit for the following year, if applicable, the remaining funds shall be allocated for the following uses:
 - 1) Budget Stabilization Reserve and/or Contingency Reserve.
 - 2) Unmet/deferred infrastructure and maintenance needs.
 - 3) Other one-time urgent funding needs.
- c) Annual surplus funds shall not be used for ongoing expenditures, unless those expenditures can be accommodated in Year Two and possibly Year Three of the five-year financial forecast. Any available carryover balance should only be used to offset one-time costs or to increase revenues.

5. *Mid-Year Adjustments*

Mid-Year budget adjustments recommended by Council Committees, task forces, or the full Council, should be referred to the Mid-Year Budget Review or the annual budget process for consideration along with other competing budgets needs and priorities. In general, ongoing budget changes should be dealt with during the annual budget process while one-time budget changes may be considered during either the Mid-Year Budget Review or during the annual budget process.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

5. *Mid-Year Adjustments (Cont'd.)*

The authority to make expenditures in accordance with a City Council-approved spending plan is only valid as long as revenue for the budgets is equal to or greater than estimated expenditures.

All appropriation amendments and revenue estimate changes will be reported in the monthly financial report.

6. *Overhead Cost Allocation*

All overhead costs shall be allocated to the appropriate program within the limits of local, State, and federal laws. The City utilizes a two step method (double step down method) where costs are first allocated among the central service support programs to arrive at the total cost of the central service programs. These total costs are then allocated down in priority order to the departments and funds that are benefitting from their services. The allocating support program costs are charged to the associated departmental funding source and corresponding revenue is received by the General Fund.

7. *Budget System*

The City will maintain a budget control system to adhere to the budget.

There will be delivery of a Proposed Budget, in accordance with the Adopted Budget schedule, that accurately depicts the financial condition and goals of the City. This budget should be in a form that enables decision makers to set the direction and policy of the City.

The Proposed Budget will illustrate the General Fund, special funds, and capital funds so that the entire resources of the City may be viewed comprehensively for decision-making.

Decision-making for capital improvements will be coordinated with the operating budget to make effective use of the City's overall resources for operating and maintaining facilities.

The adoption of the annual appropriations ordinance will coincide with the adoption of the resolution setting forth the annual revenue estimates.

Budget detail shall contain line-item detail for the core service spending plan, a personnel summary report listing the types of positions for each department, and a corresponding core service performance plan. It shall also contain department and fund summaries for spending and personnel as well as a detailed financing plan for the core service.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

8. Debt

The City Council adopted a Debt Management Policy (Council Policy 1-15) that establishes the following equally important objectives:

- a) Minimize debt service and issuance costs.
- b) Maintain access to cost-effective borrowing.
- c) Achieve the highest practical credit rating.
- d) Full and timely repayment of debt.
- e) Maintain full and complete financial disclosure and reporting.
- f) Ensure compliance with applicable State and Federal laws.

As described in Council Policy 1-15, prior to bringing forward a lease financing (financing the acquisition, construction, or improvement by the City of real property or equipment) to the City Council for approval, the Finance Department shall perform initial due diligence on the project to be financed. The due diligence will include identifying the revenue source for repayment and performing a feasibility study to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections, including worst/best case scenarios and the impact on any repayment source identified as the backstop to the project revenues. In order to proceed with the preparation of the documents necessary for the lease financing, two-thirds majority approval by the City Council of the proposed plan of finance is required. When the lease financing is brought forward for City Council approval, the Finance Department will provide the City Council with an update to the due diligence report and any feasibility study. Approval of the lease financing will require two-thirds majority approval by the City Council. These provisions do not apply to a refunding of a lease financing transaction.

In order to reduce principal on outstanding debt and minimize debt service costs, one-time savings generated from debt restructurings and refundings should be used to pay down the outstanding principal of other existing City debt, whenever possible, taking into consideration any fund restrictions.

9. Self Insurance

The budget will provide for the adequate funding for the City's self-insurance programs.

10. Capital and Equipment Maintenance

The budget will provide for the adequate maintenance and orderly replacement of capital, plant, and equipment.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

11. Retirement

The budget will provide for the adequate funding of all retirement systems.

12. Monthly Report

The Administration will prepare regular monthly reports comparing actual revenues and expenditures to budgeted amounts.

The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely monthly report.

All budget amendments, both for revenues and expenditures, will be noted in the monthly report.

13. Multi-Year Estimates

Each year the City will update expenditure and revenue projections for the next five years. Projections will include estimated maintenance and operating costs of future capital improvements that are included in the capital budget.

This budget data will be presented to elected officials in a form that will facilitate annual budget decisions, based on a multi-year strategic planning perspective.

14. Performance and Productivity

The City will integrate performance measurement and productivity indicators within the budget. Prior to implementation, performance objectives and service levels will be submitted for all new and existing programs established during the budget process. The selection of performance standards should be made on the basis of information reliability, relevance to current year budget change proposals, value to Mayor/City Council decision making, and utility for program management.

The City will promote the understanding that City employees are the most valuable resource of the City and that their understanding and involvement in the budget process is crucial to the City's continuing success on behalf of the community.

The City will employ good management practices when planning for service delivery by including money in budget requests to pursue activities such as:

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

14. Performance and Productivity (Cont'd.)

- a) office automation and computer applications that increase productivity;
- b) equipment modernization;
- c) work-flow simplification;
- d) risk management, exposure reduction, and employee safety;
- e) preventive maintenance;
- f) energy conservation;
- g) life-cycle costing in purchasing of equipment;
- h) lease-purchase options for high-cost equipment and purchases that reduce operating expenses;
- i) performance planning, reporting, and evaluation; and
- j) employee training.

The City will prepare and evaluate program performance plans that relate to financing and spending plans in the annual City budget.

15. Public Involvement

Public involvement shall be encouraged in the annual budget decision making process through public hearings, public outreach and information, and informal meetings.

For ballot measures approved by the voters that result in increased tax revenues available to be spent for any governmental purpose, the Neighborhoods Commission shall serve as the primary resident oversight body over how such revenues are allocated by the City Council within the General Fund on an annual basis. Subsequent to the release of the City Manager's Annual Report, the Neighborhoods Commission will perform the following tasks for each ballot measure identified by the City Council to be reviewed by the Neighborhoods Commission:

- a) Compare the actual revenue received with the budgeted estimate.
- b) If the City Council approved specific uses for the revenue through a budget action, compare actual expenditures with the budgeted amount.
- c) If the City Council did not approve specific uses of the revenue through a budget action, provide a high-level review of the General Fund budget to assess how the increased revenues from the ballot measure were allocated to support and make a positive impact on community priorities.
- d) Produce a report to the City Council summarizing all findings and stating whether and how the revenues were used to support previously identified uses and/or community priorities.

As deemed appropriate, the City Council may designate a separate commission or other body of San Jose residents to provide oversight of ballot measures that increase City revenues.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

16. “Distinguished Budget” Presentation

The approved budget shall be submitted to the Government Finance Officers Association and the California Society of Municipal Finance Officers for consideration for professional awards and recognition for Distinguished Budget Presentation.

17. Fees

Fees shall be set to cover 100% of the cost of service delivery, unless such amount prevents residents from obtaining an essential service. Fees or service charges should not be established to generate money in excess of the costs of providing services.

Fees may be less than 100% if Council determines that other factors (e.g., market forces, competitive position, etc.) need to be recognized.

18. Non-Profit Organizations

Future funding decisions regarding non-profit organizations will be based on guidelines, policies and priorities determined by the Mayor/City Council and availability of funding based on spending priorities.

The City shall execute performance contracts with those agencies that receive City funding.

19. Master Plans

Master plans for specific service areas brought forward for Council consideration shall include options for capital and operating financing. Master plans shall be required to propose funding mechanisms for all recommendations.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

20. Office of the Mayor and City Council District Office Budgets in Transition Years

For fiscal years in which the term of office of the Mayor or Councilmember(s) will expire and, as a result, the official may leave office due to election results or term limits (a “Transition Year”), two separate appropriations to maintain separate budget allocations for the outgoing and incoming elected officials shall be established. The total budget allocation will include: (a) office general budget; (b) constituent outreach budget; and (c) any carryover available from the prior fiscal year, from both office general and constituent outreach budgets. The first appropriation shall be for the July through December period for the Mayor and Councilmember(s) whose terms expire in December of that year, representing 50% of the total allocation. The second appropriation shall be for the January through June period for the newly elected Mayor and Councilmember(s), representing the remaining 50% of the total allocation. Outgoing Mayor and Councilmember(s) shall take into account the costs associated with any contracts entered into and all of their office’s personnel costs, including leave balance payouts for their staff so as not to reduce the amount budgeted for the incoming official. Any remaining budget allocation at the conclusion of the first appropriation shall be reappropriated to the second appropriation for that specific office as part of the annual Mid-Year Budget Review process. Should an election result in no change in the office holder, as part of the Mid-Year Budget Review process, the second appropriation shall be combined into the first for continuity of operations.

21. Interfund Loans

Interfund loans are loans from one City fund to another City fund for a designated purpose. To ensure that all interfund loans are appropriate, properly documented, and not established to the detriment of the fund issuing the loan, the following interfund loan eligibility and documentation requirements are established.

- a) Interfund Loan Eligibility Requirements – Interfund loans may not be used to solve ongoing structural budget problems. Interfund loans must have an identified repayment source and date; include an interest component that equals the investment earnings the fund would have received had the loan not occurred; and be immediately due and payable if needed by the fund that provided the loan.
- b) Interfund Loan Documentation Requirements – Loan amount, term, and repayment source will be identified any time a loan is recommended. Loans will be coordinated with the City Attorney’s Office to ensure compliance with the Municipal Code and will be approved by the City Council. Payments made on outstanding loans shall be reflected in the Proposed and Adopted Budget and Annual Report, as applicable. A summary of all outstanding loans will also be included in the annual Proposed and Adopted Operating Budget and the Comprehensive Annual Financial Report (CAFR). The CAFR will also consistently include the loan term, rate of interest, and the interest amount due in its calculation of the total liability associated with the loan.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

22. Real Property Transfer Tax Revenues

On March 3, 2020, the voters of San José passed Measure E to enact a new real property transfer tax (“Transfer Tax”) on the transfer of certain real property in the City. The provisions of this section shall apply to the budgeting of Transfer Tax revenues. The Transfer Tax is a general tax and the revenues derived from the tax are unrestricted, which means the City can use the Transfer Tax revenues for any governmental purpose. While these revenues are deposited in the General Fund and can be used for any governmental purpose, the City Council intends for the revenues to be allocated towards addressing the homelessness crisis and the City’s most urgent issues including, but not limited to, homeless prevention and developing new affordable housing. The approach for estimating and budgeting Transfer Tax revenues is described below.

- a) Estimating Revenue from the Transfer Tax – Due to the volatile nature of a real property transfer tax such as the Transfer Tax, the City will conservatively estimate revenue from the Transfer Tax as part of the Proposed Budget process. During the course of the fiscal year, revisions to the Transfer Tax revenue estimate may be recommended to the City Council to align with the pace of actual collections.

- b) Spending Allocations of Transfer Tax – The spending priorities for the Transfer Tax are listed below.
 - 1) Up to 5% of the revenues may be allocated for the administration of funding related to increased workload resulting from more robust homeless prevention efforts and the creation of more affordable housing, including, but not limited to, financial, legal, or administrative and policy programmatic support.

 - 2) The remaining revenue is allocated as follows:
 - i. 10% for homelessness prevention, gender-based violence programs, legal services, and rental assistance;

 - ii. 40% for creation of new affordable housing for Extremely Low-Income (ELI) households earning less than 30% of area median income (AMI) as defined by the U.S. Department of Housing and Urban Development;

 - iii. 30% for creation of new affordable housing for Low-Income households earning less than 80% of AMI households as defined by the U.S. Department of Housing and Urban Development;

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

22. Real Property Transfer Tax Revenues (Cont'd.)

- iv. 5% for creation of new affordable housing for moderate-income rental housing up to and including 120% AMI, including but not limited to, rent-restricted Accessory Dwelling Units (ADU) forgivable loans, down payment assistance, land trusts, shared equity programs, and first-time homeownership opportunities for households up to 120% AMI; and
 - v. 15% primarily for homeless support programs, shelter construction and operations, that may include, but is not limited to, case management, outreach teams, encampment services, safe parking, homeless shelters and interim housing construction and operations. In addition, should the City Manager's Five-Year General Fund Forecast determine that sufficient resources are available to support the aforementioned programs in accordance with prior City Council direction over the five-year forecast horizon, any residual funds are eligible for homelessness prevention.
- c) Modifications to Spending Allocation – Any revisions to the revenue estimate, as well as a reconciliation of year-end actuals to budgeted estimates, will be proportionally applied to the spending categories described above. Modifying the percentage allocations during the Proposed Budget process or during the year requires:
- 1) A 60-day notice in advance of the effective date of the proposed allocation change posted on the City's website and at least two public hearings prior to City Council action on the proposed allocation change, with a notice of each public hearing posted on the City's website at least 10 days in advance of the public hearing; and
 - 2) A two-thirds vote of the City Council.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

1. *Fiscal Policies*

- a) Capital project proposals should include complete, reliable, and attainable cost estimates. Based upon a thorough analysis of the project, project cost estimates for the Five-Year Capital Improvement Plan will vary in reliability depending upon whether they are to be undertaken in the first or fifth year of the Plan. Project estimates for the Five-Year Capital Improvement Plan should include the basis on which the project costs were prepared (conceptual design, master plan, etc.), and the relative reliability of those estimated costs.
- b) Capital project proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources needed to complete any given phase of a project in addition to the total project. The City Manager's Office is responsible and accountable for providing Council with an accurate, comprehensive resource plan.
- c) Changes in project estimates for the comprehensive resource plan shall be fully reported to the City Council for review and approval.
- d) Project proposals should indicate the project impact on the operating budget. Each project that is proposed in any year of the Five-Year Capital Improvement Program shall have an estimate of the costs for furniture, fixtures, equipment, and technology and the annual operations and maintenance costs in the appropriate year of the Operating Budget or in the Five-Year Forecast and Revenue Projections.
- e) During the annual Capital Budget process for multi-year budgeted projects, the City Manager will provide the Council with more information regarding the project including the original budget, budget addendums, and the projected schedule in spreadsheet format.
- f) At the time of award of the construction contract, each project shall include reasonable provision for contingencies.
- g) At the time of award of the construction contract, each project shall include reasonable provisions for furniture, fixtures, equipment, and technology that are separately identified in a line item or items in the construction budget and those costs shall be noted in the staff report to the Council.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

- h) At the time of award of the construction contract, each project's estimated annual operating and maintenance costs shall be identified in the staff report to the Council and shall be included in the Operating Budget or in the Five Year Forecast and Revenue Projections for projects expected to be completed after the end of the budget year.
- i) The contingency amounts to be used for various types of projects were approved by the City Council on December 3, 2002 and amended on December 15, 2009, and are as follows:
 - 5% of the total contract for street, sidewalk and park projects;
 - 10% of the total contract amount for trails, utilities and building projects;
 - 15% of the total contract amount for building renovation projects; or
 - Such other amounts as approved by the Mayor/City Council for a particular project.
- j) Project contingencies may, unless otherwise determined by the City Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.
- k) For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project's budgeted appropriation, including contingency, will be replaced with a new appropriation equal to the approved project contract contingency developed in the manner described above.
- l) The City Administration shall seek ways of ensuring that administrative costs of carrying out the Capital Improvement Program are kept at appropriate levels.
- m) The Annual Capital Budget shall include only those projects that can reasonably be accomplished in the indicated timeframe. Multi-year budgeting of projects shall be used to ensure a reasonable timeframe for projecting costs. The detail sheet for each budgeted capital project should include a projected schedule.
- n) The status of all capital projects, and the entire Capital Budget, will be monitored by the Mayor/Council as part of the Mid-Year Budget Review. Large projects of crucial importance may be monitored on a more frequent basis as determined by the City Council.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

- o) Capital projects that are not encumbered or completed during the fiscal year will be re-budgeted to the next fiscal year except as reported to and subsequently approved by the City Council. All re-budgeted capital projects should be so noted in the Proposed Capital Budget.

2. Capital Improvement Plan Policies

Public participation in the Capital Improvement Program is a priority concern for the City. Among the activities conducted to address this need are the following:

- a) The Capital Improvement Plan shall be provided to the City Council in a timely manner as required by the City Charter to allow for Council members to review the proposal with constituents before it is considered for adoption.
- b) Council budget review study sessions on the Capital Improvement Plan shall be open to the public and advertised sufficiently in advance of the meetings to allow for public attendance.
- c) Prior to the adoption of the Capital Improvement Plan, the City Council shall hold noticed public hearings to provide an opportunity for residents to express their opinions on the proposed plan.
- d) The City Planning Commission shall review the proposed Capital Improvement Plan and provide their comments on its contents before the Council considers the plan for final adoption.
- e) All projects included in the Capital Improvement Program shall be consistent with the City's General Plan and the City's Energy and Water Policies. The goals and policies within the General Plan relating to community development, housing, services and facilities, transportation, solid waste, aesthetic, cultural and recreational resources, natural resources and hazards should be followed in the development of the Capital Improvement Plan. The General Plan service-level goals will be clearly stated in the Capital Improvement Program.
- f) Capital projects shall be financed to the greatest extent possible through user fees and benefit districts where construction of the project results in direct benefit to users.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

2. *Capital Improvement Plan Policies (Cont'd.)*

- g) The Council will annually review and establish criteria for measuring proposed capital improvement projects. Among the factors that will be considered for priority ranking are the following:
- Projects that have a positive impact on the operating budget, such as reduced expenditures or increased revenues.
 - Projects that are programmed in the Five-Year Operating Budget Forecast.
 - Projects that can be completed or significantly advanced during the Five-Year Capital Improvement Plan.
 - Projects that can realistically be accomplished during the year they are scheduled.
 - Projects that implement prior Council-adopted reports and strategies.
- h) Projects that involve inter-governmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.

3. *Debt*

The City Council has adopted a Debt Management Policy (Council Policy 1-15) that establishes the following equally important objectives:

- a) Minimize debt service and issuance costs.
- b) Maintain access to cost-effective borrowing.
- c) Achieve the highest practical credit rating.
- d) Full and timely repayment of debt.
- e) Maintain full and complete financial disclosure and reporting.
- f) Ensure compliance with applicable state and federal laws.

As described in Council Policy 1-15, prior to bringing forward a lease financing (financing the acquisition, construction, or improvement by the City of real property or equipment) to the City Council for approval, the Finance Department shall perform initial due diligence on the project to be financed. The due diligence will include identifying the revenue source for repayment, and performing a feasibility study to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections, including worst/best case scenarios and the impact on any repayment source identified as the backstop to the project revenues. In order to proceed with the preparation of the documents necessary for the lease financing, two-thirds majority approval by the City Council of the proposed plan of finance is required. When the lease financing is brought forward for City Council approval, the Finance Department will provide the City Council with an update to the due diligence report and any feasibility study.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

3. Debt (Cont'd.)

Approval of the lease financing will require two-thirds majority approval by the City Council. These provisions do not apply to a refunding of a lease financing transaction.

In order to reduce the principal on outstanding debt and minimize debt service costs, one-time savings generated from debt restructurings and refundings should be used to pay down the outstanding principal of other existing City debt, whenever possible, taking into consideration any fund restrictions.

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

The City Council adopted on August 22, 2000, an Estimating Construction Costs and Development of Project Budget Policy (Council Policy 8-12) to improve the quality and effectiveness of the City's Capital Budget Process and accuracy of capital project construction by assuring that:

1. Capital projects have realistic budgets.
2. The City Council has enough information and data to establish the budget once a project is approved.
3. The public is clearly informed about project "budgets".

This policy improves the Capital planning and budgeting process by setting definitions of project estimation relative to the degree of project design definition and level of completion. The policy establishes a consistent and uniform approach for estimating and reporting construction project costs and establishing realistic construction project budgets.

POLICY

"Program" and "Preliminary" level estimates are useful tools in a long-term capital budget planning process. However, an estimate must have a level of certainty provided by a "Budget" level estimate to realistically establish a final project.

From project initiation as a concept through the award of a construction contract, there are six essential milestones or steps in the development of a project. These steps are shown below.

At various points within these steps, four different kinds of estimates that are prepared as the project progresses from start to finish. As more detail, specificity and definition are developed through the stages of design, these estimates become more certain and realistic as noted below.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

POLICY

The six milestones or steps in a project and the point at which these estimates are prepared are as follows:

<u>Project Milestone/Phase</u>	<u>Type of Estimate</u>
1. Project Initiation	Program Estimate
2. Planning/Programming	Preliminary Estimate
3. Design	
Conceptual Design	
Schematic Design	Budget Estimate
4. Construction Documents/ Bidding/Contract Award	Engineer's Estimate
5. Construction	
6. Occupancy/Opening	

The four estimates are defined by this policy as follows:

- **The “Program Estimate”** is created in the Project Initiation Phase for the long-term, multi-year planning and for initial feasibility studies. It is based on a general description of the project as a concept and does not include any design, architectural work or detailed scope. It may typically include components for land acquisition, design, construction, and construction management.
Level of Certainty: ± 35%
- **The “Preliminary Estimate”** is prepared during the Planning/Programming Phase and is based on an initial program containing building and site square footages and general site work. It is typically not based on any formal engineering or architectural work, which usually has not yet occurred. The Preliminary Estimate is most commonly used to develop the next year's budget or to add a project to a current year budget to allow for further design development. For smaller projects of shorter duration and minimal complexity, the Program Estimate step may be eliminated in favor of the Preliminary Estimate.
Level of Certainty: ± 20%

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
BUDGET POLICIES

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

POLICY

- **The “Budget Estimate”** is prepared during the Schematic Design Phase and is based on a defined scope and schematic design work. It is prepared using estimated material quantities and unit prices taken from the plans and applying a general unit cost to each item. This estimate includes all changes in definition and scope that have been identified and incorporated into the project design since the Preliminary Estimate. Items associated with the commencement of construction such as bonds, insurance, mobilization and overhead costs are also included. This estimate is used for evaluating project alternatives, value engineering, and evaluation of the project budget established by the Preliminary Estimate in the Planning/Programming Phase. For projects of a multi-year duration, the Budget Estimate should include an inflationary factor that escalates the cost to the dollar value at the mid-point of the construction schedule.
Level of Certainty: ± 10%
- **The “Engineer’s Estimate”** is a detailed estimate prepared using the final construction documents prior to bidding and contract award. It is prepared using unit prices for exact quantities of materials and labor taken from the plans. The Engineer’s Estimate is used to establish the final funding within the budget and to evaluate bids received.
Level of Certainty: ± 5%

Smaller projects of shorter duration may not require all four levels of estimates. In most cases, however, a larger project would require as a minimum “Preliminary”, “Budget”, and “Engineer’s” estimates.

To support the establishment and implementation of this policy, a set of detailed administrative procedures to be followed for project managers and staff engaged in capital construction projects will be developed. These procedures are to provide specific and detailed instructions and guidelines on how and when estimates are prepared, reviewed and approved in accordance with this Council Policy.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
CITY SERVICE AREA POLICY FRAMEWORK

A variety of master plans, strategic plans, regulations, and City Council direction comprise a City Service Area policy framework that guides City operations and the development of the Capital and Operating Budgets. A listing of the framework's major components is provided below.

- Airline Master Lease Agreements
- Airport Master Plan
- Airport Public Art Master Plan (2005)
- Airport Security and Traffic Relief Act (ASTRA) Ballot Measure A
- Aquatics Master Plan (2007)
- Blue Ribbon Report (2008)
- Business Process Transformation/Infrastructure Optimization Information Technology 10 Year Investment Roadmap
- City Charter and Municipal Code
- City Council Policies
- City Council Priorities
- City of San José Consolidated Plan
- City of San José Traffic Calming Policy and Traffic Signal Warrant Policy
- City of San José Transportation Impact Policy
- Cultural Connection: San José's Cultural Plan for 2011-2020
- Deferred Maintenance and Infrastructure Backlog Status Report
- Destination: Home Community Plan to End Homelessness (2015)
- Economic Development Strategy
- Environmental Management Policies as set by regulatory agencies including CalTrans Aeronautics Program, California Air Resources Board, Bay Area Air Quality Management District, Regional Water Quality Control Board, California Department of Fish and Game, Santa Clara Valley Water District, and Santa Clara County Department of Environmental Health
- Envision San José 2040 General Plan
- Federal Aviation Administration and Transportation Security Administration Policies and Mandates
- Framework for Evaluating Proposed Conversions of Industrial Lands (updated 2007)
- Greenprint: A 20-Year Strategic Plan for Parks and Community Facilities and Programs (2009)
- Information Technology Operations – Green Technology Initiatives
- Investment and Debt Management Policies
- Local Area Development Policies (i.e. North San José, Edenvale, and Evergreen)
- Mayor's Gang Prevention Task Force Strategic Plan (2015-2017)
- National Pollutant Discharge Elimination System Stormwater Permit (2015)
- National Pollutant Discharge Elimination System Wastewater Permit (2014)
- Neighborhood Security Bond Act (2002)
- "One Voice" Development Services
- Parks and Library Bond Measures (2000)
- Priority Street Network (2012)

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
CITY SERVICE AREA POLICY FRAMEWORK

- Public Art Master Plan (2007)
- Public Art Policy
- San José Greater Downtown Strategy for Development: Downtown Parking Management Plan (2007)
- San José Green Vision (2007)
- San José Public Library Master Plan and Branch Facilities Master Plan (2008)
- San José City Roadmap (2021)
- San José Smart City Vision
- Santa Clara County Emergency Medical Services Contract (2010)
- Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan (2013)
- Schools and City Collaborative Policy
- Strategic Plan for Persons with Disabilities (2000)
- Sustainable City Major Strategy
- Taxi Regulatory and Service Model Study
- Ten-Year Strategic Plan to Advance the Well-Being of Older Adults in Santa Clara County
- Trail Master Plans
- Transportation 2035 Plan for the San Francisco Bay Area (Metropolitan Transportation Commission)
- Transportation Level of Service Policy
- Tree Preservation Policy
- Urban Environmental Accords
- Urban Runoff Management Plan (URMP)
- Use of Plant Buffer Lands Policy
- Valley Transportation Plan 2040 (VTA)
- Vision Zero San Jose
- Water Pollution Control Plant Master Plan (2013)
- Various City of San José policies, ordinances, and studies
- Zero Waste Strategic Plan 2022

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

**SIGNIFICANT ACCOUNTING PRACTICES AND BUDGET
PRODUCTION TOOLS**

The following information summarizes the significant accounting practices of the City of San José.

BUDGETARY BASIS

The budget is prepared in accordance with Generally Accepted Accounting Principles, except for encumbrances being recognized as expenditures. The budget for governmental funds has been prepared on a modified accrual basis. The modified accrual basis recognizes expenditures when the related fund liability is incurred. Revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

FUND STRUCTURE AND BASIS OF ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Under the modified accrual basis of accounting, revenues are recognized only to the extent that they are susceptible to accrual, which means “when they become both measurable and available to be used to finance expenditures of the fiscal period.” Revenue is considered to be available when it is “collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.” If accrued revenues are not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue, and revenue recognition occurs only when the revenue becomes available. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. The various funds are grouped into three broad fund categories (governmental, proprietary, and fiduciary). A general description of each follows:

- ***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City’s expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental funds include the General Fund, Special Revenue, Debt Service, and Capital Project funds of the City. These funds are maintained on a modified accrual basis where the measurement focus is on the current financial resources and the recognition of revenue in the period when the revenue becomes both measurable and available to finance expenditures of the fiscal period.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

**SIGNIFICANT ACCOUNTING PRACTICES AND BUDGET
PRODUCTION TOOLS**

FUND STRUCTURE AND BASIS OF ACCOUNTING

- ***Proprietary Fund Types***

Proprietary funds, which include Enterprise and Internal Service funds, are used to account for the City's business-type activities. Proprietary funds use the economic resources measurement focus and accrual basis of accounting, which are the same as used for private-sector business enterprises. These funds are used where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

- ***Fiduciary Fund Types***

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds; therefore, these funds cannot be used to support the City's own programs and are not included in the government-wide financial statements. Fiduciary funds include pension (and other post-employment benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds. Investment trust funds are used to report on the external portion of investment pools. Private-purpose trust funds are used to report on trust arrangements under which principal and income benefit individuals, private organizations, or other governments, and to report the assets and liabilities of the dissolved Redevelopment Agency. Agency funds are used to account for resources held in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

OVERHEAD COST ALLOCATION

All overhead costs are allocated to the appropriate program within the limits of local, state, and federal laws. The City utilizes a two-step method (double-step-down method) where costs are first allocated among the central service support programs to arrive at the total cost of the central service programs. These total costs are then allocated down to the departments and funds that are benefiting from these expenses. The Finance Department uses this process to develop overhead rates that recover these central support program costs borne by the General Fund from various funds and fee programs. The corresponding revenue is collected by the General Fund.

BUDGET PRODUCTION TOOLS

The City uses a variety of software tools to develop and monitor the budget. Hyperion is an integrated budgeting platform to develop, monitor and adjust the capital budget, including an interface with the City's Financial Management System, which houses all of the City's financial transactions. Hyperion allows for detailed budgeting and tracking by cost element, revenue source, and operations and maintenance costs associated with the projects once they are completed. Nearly all of the detailed tables produced in this budget document are produced from Hyperion.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

**SIGNIFICANT ACCOUNTING PRACTICES AND BUDGET
PRODUCTION TOOLS**

The Capital Program Management System (CPMS) is a web-based project management system that serves both City staff and members of the public. It provides project tracking, reporting, and communication tools that allow project managers to effectively coordinate and manage resources across large, complex capital improvement projects, while keeping City staff and members of the public informed. The system has three core functional components: Project Life-Cycle Management, Cost/Resource Management, and File Management. Overseen by the Public Works Department, CPMS is accessible at <https://www.sanjoseca.gov/your-government/departments-offices/public-works/resources/construction-projects-records-search>.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

OVERVIEW

The City debt service obligations include general obligation bonds, lease revenue bonds, enterprise revenue bonds, subordinate wastewater revenue notes, commercial paper notes, and tax and revenue anticipation notes. The City of San José Financing Authority has issued lease revenue bonds and lease revenue commercial paper notes for which the City is responsible to make lease payments, and also has issued enterprise revenue bonds and revenue notes.

- **General Obligation Bonds (GO Bonds)** are issued to finance various public improvements in the City for which the source for repayment is the levy of additional ad valorem tax on property within the City.
- **Enterprise Revenue Bonds** are issued by the City or one of its related entities to acquire or construct assets owned or co-owned by the City whereby the City or a related entity pledges revenues derived from the asset or enterprise to pay the debt service.
- **City of San José Financing Authority Lease Revenue Bonds (CSJFA)** are secured by the CSJFA pledge of lease revenues received by the CSJFA under a Project Lease of a leased asset between the City and the CSJFA. The City makes lease payments to the CSJFA, in exchange for use of the leased property, and covenants to appropriate funds annually while the City has beneficial use of the leased asset. These payments are included in the City budget as part of the annual appropriation process.
- **Commercial Paper Notes (CP Notes)** is a short-term promissory note issued by the City or its related entities with a maturity of 270 days or less. Commercial Paper is used principally as interim financing for projects. Maturing CP Notes are repaid from the proceeds of the sale of new commercial paper notes or bonds, or from other funds provided by the City.
- **Subordinate Wastewater Revenue Note** is an interim financing facility that can be outstanding at any one time in an amount not to exceed \$300 million to finance capital improvements at the Treatment Plant.
- **Tax and Revenue Anticipation Note** is a short-term promissory note that is issued for cash flow purposes and repaid by the City from ad valorem property tax revenues or other tax and revenues anticipated to be received by the City within the same fiscal year.
- **Successor Agency to the Redevelopment Agency of the City of San José (SARA)** debt was issued to finance redevelopment activities within, or of benefit to, the Agency's Merged Redevelopment Project Area in accordance with California Community Redevelopment Law. The principal source of repayment for SARA debt is property tax increment revenues. No further debt can be issued per State legislation except for refunding bonds.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

CITY CHARTER AND COUNCIL POLICIES

The City of San José Charter establishes the following requirements associated with debt limitations:

- Section 1216 sets the bonded debt limit for General Obligation bonds at fifteen percent (15%) of the total assessed valuation of all the real and personal property within the City.
- Section 1220 establishes the power of the City Council to issue revenue bonds to finance the acquisition, construction, establishment, expansion, improvement, maintenance, operation, and administration of off-street vehicular parking facilities within the City or of municipal airport facilities. No additional voter authorization is necessary to issue bonds under this section of the City Charter.
- Section 1221 provides that no revenue bonds may be issued by the City for the purpose of supplying its inhabitants, or any portion thereof, with water, light, heat, power, railroad, motor vehicle transportation services (other than airport service), telephone, telegraph, or wireless communication service unless authorized by the affirmative vote of a majority of the electors voting on such a proposition in each case.
- Section 1222 states that revenue bonds may be issued by the City for purposes other than those specified in Sections 1220 and 1221 only under and pursuant to the laws of the State of California.

The City Council has adopted a general debt management policy that allows flexibility when opportunities arise but at the same time establishes parameters for entering into debt obligations. In addition, the City Council has approved two supplemental financing policies: (1) *Multi-Family Housing Revenue Bond Policy* and (2) *Criteria and Guidelines for Bond Financing of Residential Development Policy*.

The Debt Management Policy (Council Policy 1-15) for the City was adopted by the City Council on May 21, 2002, and recently amended on March 21, 2023. The first set of program-specific financing policies for debt issued for multi-family housing projects in the City (Council Policy 1-16) was adopted by the City Council on June 11, 2002, amended on December 6, 2005, and reaffirmed by the City Council on March 27, 2018.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

DEBT STATUS AND CAPACITY

The City of San José Charter limits bonded indebtedness for GO Bonds to fifteen percent (15%) of the total assessed valuation of all real and personal property within the City. As of June 30, 2022, the total assessed value of taxable property was \$230.3 billion, which results in a total debt limit capacity of approximately \$34.5 billion. As of June 30, 2023, the City estimates \$548.6 million in GO debt outstanding, representing 1.6% of the debt limit and leaving a debt margin of \$34.0 billion (debt limit less outstanding GO debt).

On January 24, 2012, the City Council affirmed its decision to serve as the SARA effective February 1, 2012. SARA has total principal debt outstanding of \$1.19 billion, consisting of three series of Merged Area Tax Allocation Bonds, as of June 30, 2023.

Tables A through C in the following pages illustrate the debt service obligations of the City and its related entities, excluding Multi-Family Housing Revenue conduit debt and debt issued by SARA. As shown in Table A, the City had additions in long-term debt of \$268.4 million and repaid and/or refunded \$61.1 million of long-term debt in 2022-2023, resulting in an estimated total long-term debt balance of \$2.5 billion as of June 30, 2023. Table B summarizes the City's and related entities' long-term (by issuance and final maturity) and short-term debt (commercial paper notes). The combined outstanding debt balance is estimated to be over \$2.6 billion as of June 30, 2023. It should be noted that long-term lease obligations are not considered indebtedness under the State Constitution; however long-term lease obligations have been included in this listing for transparency. Table C summarizes the City and related entities' annual requirements to amortize principal and pay interest due on all long-term debt outstanding for each of the next five fiscal years and thereafter.

Descriptions of the City of San José and related entity debt activity for 2022-2023, as well as debt planned for 2023-2024, are provided in the following sections.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
DEBT SERVICE OBLIGATIONS

FISCAL YEAR 2022-2023 DEBT ISSUANCE/PLANNED

The following debt issuances were completed in Fiscal Year 2022-2023:

- **2022 Tax and Revenue Anticipation Note.** On July 1, 2022, the City issued a \$275 million short-term Tax and Revenue Anticipation Note (2022 Note) to facilitate the prefunding, in combination with \$146.4 million of cash, of certain employer retirement contributions in 2022-2023. The 2022 Note was purchased by Bank of America, N.A. Security for repayment of the 2022 Note is the City's 2022-2023 secured property tax plus all other legally available General Fund Revenue, if required.
- **City of San José Financing Authority Wastewater Revenue Bonds.** On December 15, 2022, the City issued \$268.4 million in CSJFA Wastewater Revenue Bonds, Series 2022B to: (a) repay the Authority's Subordinate Wastewater Revenue Notes, Series A which financed certain improvements at the Treatment Plant; and (b) pay the costs of issuing the 2022B Bonds.

The following debt issuances are planned for the remainder of Fiscal Year 2022-2023:

- **City of San José Financing Authority Lease Revenue Commercial Paper Notes.** The CSJFA anticipates issuing \$2.7 million of previously authorized Taxable CP Notes for the Parks, Recreation & Neighborhood Services Department's flood improvement projects in June 2023.
- **City of San José Financing Authority Subordinate Wastewater Revenue Note.** The CSJFA anticipates issuing \$40 million of the Subordinate Wastewater Revenue Note to finance capital improvements at the Treatment Plant in June 2023.

FISCAL YEAR 2023-2024 PLANNED DEBT ISSUANCE

The following debt issuances are planned for Fiscal Year 2023-2024:

- **City of San José Financing Authority Lease Revenue Commercial Paper Notes.** The City is forecasting to issue \$30.2 million of CP Notes for the construction of a Water Resources Administration & Operations facility, implementation of advanced metering infrastructure throughout the entire Muni Water service area, and flood improvement projects.
- **City of San José Financing Authority Subordinate Wastewater Revenue Note, Series A.** The current agreement for the interim financing facility with Wells Fargo Bank expires on October 18, 2023. Staff anticipates extending the short-term facility for another three years to provide interim financing for capital improvements of the Regional Wastewater Facilities.
- **San José Mineta International Airport Commercial Paper.** The Airport is forecasting to issue CP under Series A-1 (Non-AMT) to finance the design and building of the Facilities Division Building. The staff is currently evaluating the spending of the project to determine the CP issuance schedule and amounts.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

(A) Summary of Changes in Long-Term Debt for the Year Ending June 30, 2023
(In Thousands of Dollars)

	<u>Balance June 30, 2022</u>	<u>Additions to Long-Term Obligations</u>	<u>Current Maturities and Retirements</u>	<u>Balance June 30, 2023</u>
GENERAL LONG-TERM DEBT				
General Obligation Bonds	\$ 582,110	-	\$ 33,515	\$ 548,595
Special Assessment and Special Tax Bonds with Limited Governmental Commitment	3,525	-	3,525	-
CITY OF SAN JOSE FINANCING AUTHORITY				
Lease Revenue Bonds, Series 2013B	23,835	-	985	22,850
Lease Revenue Bonds, Series 2020A	320,590	-	16,580	304,010
Lease Revenue Bonds, Series 2020B	146,535	-	2,815	143,720
Lease Revenue Bonds, Series 2021A	22,825	-	1,415	21,410
Lease Revenue Bonds, Series 2022A	165,815	-	-	165,815
CITY OF SAN JOSE ENTERPRISE FUNDS				
Airport Revenue Bonds	1,047,025	-	2,225	1,044,800
City of San José Financing Authority				
Wastewater Revenue Bonds Series 2022B	-	268,355	-	268,355
TOTAL	<u>\$ 2,312,260</u>	<u>\$ 268,355</u>	<u>\$ 61,060</u>	<u>\$ 2,519,555</u>

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

B) Summary of Bonds and Notes Outstanding at June 30, 2023 by Individual Issue

	Due To	Effective	(\$ Thousands)
CITY OF SAN JOSE			
General Obligation Bonds, Series 2019A-1	2050	5.0%	\$ 140,360
General Obligation Bonds, Series 2019B	2028	2.35-2.60%	66,500
General Obligation Bonds, Series 2019C	2036	5.0%	153,795
General Obligation Bonds, Series 2019D	2025	2.3%	38,090
General Obligation Bonds, Series 2021A	2052	5.0%	149,850
Total City of San José			\$ 548,595
CITY OF SAN JOSE FINANCING AUTHORITY			
Lease Revenue Bonds, Series 2013B	2039	3.50-5.00%	\$ 22,850
Lease Revenue Bonds, Series 2020A	2039	0.84-2.88%	304,010
Lease Revenue Bonds, Series 2020B	2051	0.99-3.52%	143,720
Lease Revenue Bonds, Series 2021A	2035	4.0%	21,410
Lease Revenue Bonds, Series 2022A	2052	2.92-4.86%	165,815
Commercial Paper Notes	Short Term	Variable	48,415
Total City of San José Financing Authority			\$ 706,220
ENTERPRISE FUNDS			
San José Mineta International Airport			
Revenue Bonds, Series 2014A (AMT)	2026	3.00-5.00%	\$ 18,240
Revenue Bonds, Series 2014B (Non-AMT)	2028	3.10-5.00%	28,010
Revenue Bonds, Series 2014C (Non-AMT)	2031	3.63-5.00%	40,285
Revenue Bonds, Series 2017A (AMT)	2047	4.00-5.00%	405,350
Revenue Bonds, Series 2017B (Non-AMT)	2047	4.00-5.00%	128,960
Revenue Bonds, Series 2021A (AMT)	2034	4.00-5.00%	85,860
Revenue Bonds, Series 2021B (Non-AMT)	2034	4.00-5.00%	48,200
Revenue Bonds, Series 2021C (Taxable)	2041	0.65-3.29%	289,895
Commercial Paper Notes	Short Term	Variable	-
City of San José Financing Authority			
Wastewater Revenue Bonds, Series 2022B	2053	5.0%	268,355
Subordinate Wastewater Revenue Note	Short Term	Variable	40,000
Total Enterprise Funds			\$ 1,353,155
GRAND TOTAL			\$ 2,607,970

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

DEBT SERVICE OBLIGATIONS

**(C) Annual Requirements to Amortize Principal and Interest Due
on All Long-Term Debt Outstanding as of June 30, 2023**

(In Thousands of Dollars)

Year Ending June 30	City of San José	City of San José Financing Authority	Enterprise Funds
2024	50,159	45,028	86,674
2025	49,206	45,894	88,681
2026	48,428	46,406	90,256
2027	47,477	47,801	91,424
2028	46,446	47,809	91,406
Thereafter	649,339	704,486	1,736,164
Total	\$ 891,055	\$ 937,424	\$ 2,184,604

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND OVERVIEW

Introduction

For 2023-2024, General Fund revenue estimates (excluding Fund Balance) total \$1.4 billion, representing a 3.2% increase from the 2022-2023 Adopted Budget level. When the Fund Balance-Carryover is included, General Fund resources total \$1.5 billion, which is 17.7% below the prior year. This comparison, however, is misleading as the Proposed Budget does not yet contain estimates for carryover rebudget funding, which was a significant portion of the 2022-2023 Adopted Budget Fund Balance total. Rebudgets for the 2023-2024 budget will be brought forward later in the budget process.

Estimates for the 2023-2024 Beginning Fund Balance and for over 450 separate General Fund revenue accounts were formulated as part of the 2024-2028 Five-Year Forecast that was released at the end of February 2023. These estimates have been reviewed continually since the Forecast document was released and have been revised, as appropriate, in the Proposed Budget based on updated information. Estimates for each account are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Most estimates involve two projections: an estimate for the amount to be collected in 2022-2023; and an estimate for the increase or decrease in activity, resulting in the anticipated receipts for 2023-2024. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The 2023-2024 General Fund revenue estimates are summarized below and discussed in detail in the material that follows.

Revenue Category	1 2021-2022 Actuals	2 2022-2023 Adopted	3 2023-2024 Forecast	4 2023-2024 Proposed	2 to 4 % Change	% of Total
Property Tax	\$ 414,123,282	\$ 427,000,000	\$ 460,400,000	\$ 460,400,000	7.8%	30.1%
Sales Tax	323,143,574	331,000,000	336,400,000	336,400,000	1.6%	22.0%
Transient Occupancy Tax	10,515,117	11,000,000	16,000,000	16,000,000	45.5%	1.0%
Franchise Fees	48,378,348	49,168,393	50,808,393	51,825,008	5.4%	3.4%
Utility Taxes	103,591,802	107,450,000	126,550,000	126,550,000	17.8%	8.3%
Business Taxes	85,375,289	86,000,000	87,500,000	87,500,000	1.7%	5.7%
Real Property Transfer Tax	110,015,391	65,000,000	50,000,000	50,000,000	(23.1%)	3.3%
Telephone Line Tax	21,313,810	20,000,000	22,000,000	22,000,000	10.0%	1.4%
Licenses and Permits	22,032,078	20,993,100	20,361,969	21,920,622	4.4%	1.4%
Fees, Rates, and Charges	22,110,063	23,914,232	22,145,907	22,377,680	(6.4%)	1.5%
Fines, Forfeitures and Penalties	14,959,847	12,232,000	15,080,000	15,080,000	23.3%	1.0%
Rev. from Money and Property	9,126,202	8,779,000	14,864,000	14,864,000	69.3%	1.0%
Rev. from Local Agencies	24,755,916	17,107,945	16,946,171	16,946,171	(0.9%)	1.1%
Rev. from State of California	26,241,795	26,889,687	12,900,000	17,811,658	(33.8%)	1.2%
Rev. from Federal Government	3,096,138	7,111,452	0	403,000	(94.3%)	0.0%
Other Revenue	329,257,694	16,823,368	9,768,544	9,980,167	(40.7%)	0.7%
Transfers and Reimbursements	171,492,292	122,058,848	124,161,469	125,568,078	2.9%	8.2%
Subtotal	\$ 1,739,528,638	\$ 1,352,528,025	\$ 1,385,886,453	\$ 1,395,626,384	3.2%	91.3%
Fund Balance-Carryover ⁽¹⁾	558,987,400	507,133,721	76,351,447	134,817,403	(73.4%)	8.7%
Total General Fund Sources	\$ 2,298,516,038	\$ 1,859,661,746	\$ 1,462,237,900	\$ 1,530,443,787	(17.7%)	100.0%

⁽¹⁾ The Fund Balance figure does not include the Reserve for Encumbrances.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

GENERAL FUND OVERVIEW

Economic Performance

The following is a discussion of both the national and local economic outlooks used to develop the 2023-2024 revenue estimates. Various economic forecasts and models were reviewed in the development of the 2023-2024 revenue estimates. The City also uses an economic forecasting consultant and consultants that focus on particular revenue categories, such as Sales Tax and Transient Occupancy Tax, to assist in the development of the revenue estimates and provide information on the future outlook in these areas. A more detailed discussion on forecasted economic conditions can be found in the 2024-2028 Five-Year General Fund Forecast

National Outlook

Prior to the pandemic, the United States economy had been steadily expanding for almost a decade. The pandemic created not only a public health crisis, but an economic crisis as well. As a result of the pandemic, employment levels fell and the Gross Domestic Product (GDP) experienced its steepest quarterly drop on record. The crisis ended quickly, with the economy swiftly rebounding in 2021, as could be seen with several key economic indicators: GDP rose, unemployment dropped, and consumer confidence rose. Beginning in mid-2022, discussion began about the possibility of a looming recession due to prolonged soaring inflation rates, coupled with high interest rates that had begun to impact some sectors of the economy, including housing. However, while a recession is possible to occur in 2023, it is important to note that as of early 2023, many economic indicators remain positive, with very little economic data showing any significant signs of decline, with the exception of the housing market data.

The United States economy ended 2022 with the Gross Domestic Product (GDP) reaching an annualized growth rate of 2.9% in the 4th quarter. The increase in GDP reflected increases in consumer spending, private inventory investment, and federal, state, and local government spending. While the 4th quarter growth was slightly higher than anticipated, due to a looming mild recession, the GDP is estimated to have three quarters of negative growth in 2023-2024 before the economy recovers and grows again beginning in 2024-2025.

As of January 2023, per the U.S. Bureau of Labor Statistics, the national unemployment rate of 3.4% has shown little net movement since early 2022. If a recession does occur, unemployment is forecasted to hit 5.5% in 2022-2023 and 6.0% in 2023-2024 on a national level. High unemployment rates would impact the economy as personal consumption, which is a driving force of the economy, would likely decrease.

On a national level, consumer confidence dropped in both January and February 2023. According to Lynn Franco, Senior Director of Economic Indicators at The Conference Board, “While consumers’ view of current business conditions worsened in February, the Present Situation Index (consumers’ assessment of current business and labor market conditions) still ticked up slightly based on a more favorable view of the availability of jobs. In fact, the proportion of consumers saying jobs are ‘plentiful’ climbed to 52.0% – back to levels seen in the spring of last year. However, the outlook appears considerably more pessimistic when looking ahead. And, while 12-month inflation expectations improved (falling to 6.3% from 6.7% last month) consumers may be showing early sighs of pulling back spending in the face of high prices and rising interest rates”⁴

⁴ The Conference Board, Consumer Confidence Survey, February 28, 2023

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND OVERVIEW**

Economic Performance

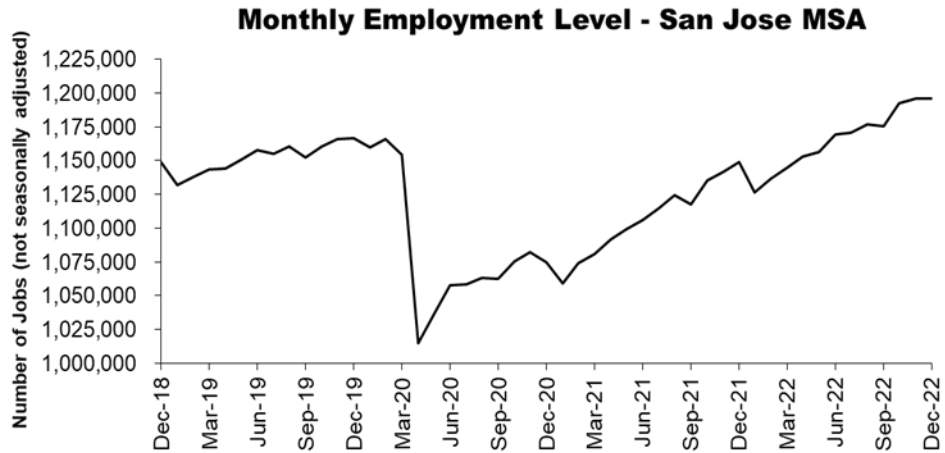
National Outlook

In order to continue combatting soaring inflation rates being experienced in the United States, the Federal Reserve is expected to continue raising interest rates in 2023. By continuing to raise interest rates, borrowing money becomes even more expensive, which should reduce spending and curb inflation.

City of San José Outlook

Despite recent well-publicized layoff notices in the technology sector that is a potential indicator of future economic weakening, Silicon Valley continues to show overall positive economic performance through the first half of the fiscal year. Key economic areas remain strong, including robust employment figures, rebounding hotel occupancy and room rates, and growing sales tax activity levels. However, while many local economic indicators remain positive, the local real estate market has continued to falter. In addition, employment information was last updated by the State of California as of December 2022. The impact of layoffs at local companies, which began in the fall of 2022, are anticipated to impact employment data in the second half of 2022-2023.

The December 2022 employment level of 1.20 million in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) grew by 47,100 jobs, or 4.1%, from the December 2021 level of 1.15 million. This increase includes professional and business services



adding 12,200 jobs; private educational and health services growing by 9,800 jobs; leisure and hospitality increasing by 8,600 jobs; and the information sector adding 6,800 jobs.¹

¹ State of California Employment Development: Labor Market Information Division Press Release, January 20, 2023

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND OVERVIEW

Economic Performance

City of San José Outlook

Unemployment Rate (Unadjusted)			
	Dec. 2021	Nov. 2022	Dec. 2022**
San José Metropolitan Statistical Area*	2.9%	2.4%	2.1%
State of California	4.8%	4.0%	3.7%
United States	3.7%	3.4%	3.3%

* San Benito and Santa Clara Counties Source: California Employment Development Department.

** December 2022 estimates are preliminary and may be updated.

The local unemployment rate for December 2022 was 2.1%, which is slightly lower than the November 2022 rate of 2.4% and is below the prior year unemployment rate of 2.9%. Additionally, the December 2022 San José Metropolitan Statistical Area unemployment rate continues to be lower than the unadjusted unemployment rate for the State (3.7%) and the nation (3.3%). As previously mentioned, unemployment information has not been received by the State of California since December 2022. Updated

information will be received in March 2023, which will reflect updated unemployment rates for January 2023.

Overall construction activity through December 2022 increased 22.2% from prior-year levels, primarily due to activity for the commercial and industrial land use categories. The 2022-2023 Adopted Budget was developed with the expectation that development activity would increase slightly from the levels experienced in 2021-2022. If current trends continue, construction activity would moderately outperform the activity projected by the Planning, Building and Code Enforcement Department in the 2023-2027 Five-Year Forecast, which was released in February 2022.

Through December, residential permit valuation has decreased 18.6% from prior year levels (\$121.4 million in 2022-2023 from \$149.2 million in 2021-2022). Residential activity through December included 461 multi-family units and 216 units of single-family construction for a total of 677 units. Commercial valuation through December 2022 was 54.2% higher than the 2021-2022 level (\$363.6 million in 2022-2023 from \$235.8 million in 2021-2022). New construction accounted for almost 75% of the commercial activity for November and December (\$133.1 million) due to an especially high value of commercial permits in December (\$98.3 million). A notable project for November and December includes a permit issued for the finished interior of a 199,125 square foot office building located on Orchard Parkway.

Private Sector Construction Activity (Valuation in \$ Millions)			
	YTD December 2021	YTD December 2022	% Increase
Residential	\$ 149.2	\$ 121.4	(18.6%)
Commercial	\$ 235.8	\$ 363.6	54.2%
Industrial	\$ 163.1	\$ 184.7	13.3%
	\$ 548.1	\$ 669.8	22.2%

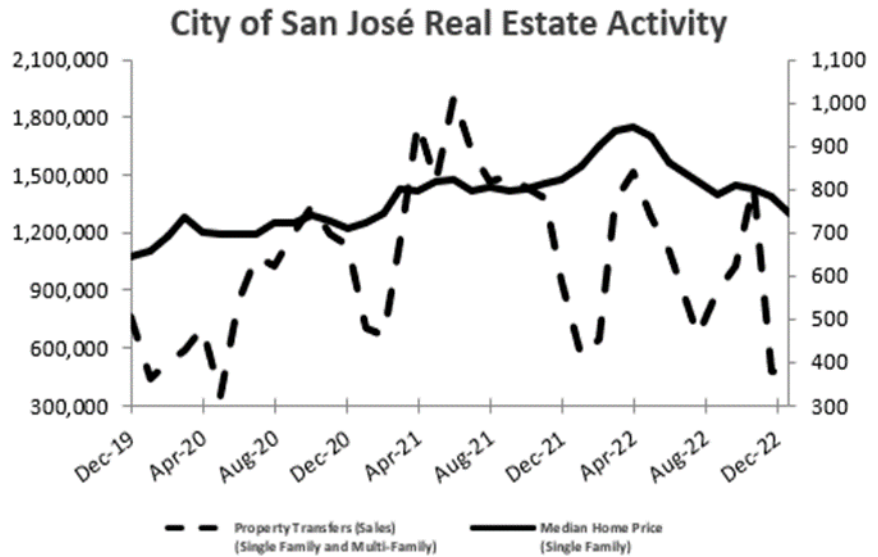
Industrial construction valuation through December was 13.3% higher than prior-year levels, with receipts totaling \$184.7 million in 2022-2023 and \$163.1 million in 2021-2022. Alterations accounted for almost 50% of all the industrial activity in November and all the activity in December. A notable project for November and December includes a permit issued for a new 225,000 square foot warehouse located on King Road.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND OVERVIEW

Economic Performance

City of San José Outlook

According to data from the Santa Clara County Association of Realtors, in December 2022, the median single-family home price totaled \$1.3 million, which is 11.9% lower than the December 2021 price of \$1.5 million. Homes are also staying on the market for longer periods of time before selling: the average days-on-market through December 2022 totaled 25 days, which is significantly



above the average of 16 days experienced year-to-date through December 2021. In addition, property sales activity has been declining. Property sales for the first half of the fiscal year dropped almost 32% compared to the prior-year sales. Local real estate activity will continue to be closely monitored with updates being provided in future bi-monthly financial reports.

Economically Sensitive and Non-Economically Sensitive Revenue Drivers

Economic conditions are the primary drivers for a number of the City’s revenues, with the most significant impacts in the Property Tax, Sales Tax, Business Taxes, Real Property Transfer Tax, and Transient Occupancy Tax revenue categories. Collectively, in 2023-2024 these revenue sources constitute almost 70% of total total General Fund revenue. Although the economically sensitive revenues make up a large portion of the General Fund, there are also many revenue categories that are considered non-economically sensitive and are typically driven by outside factors. For example, the Utility Tax and Franchise Fees categories have historically been more heavily impacted by utility rate changes, energy prices, and weather-based consumption levels. As a result, in the past these General Fund revenues have experienced no significant net gain or loss in times of an economic expansion or slowdown.

Revised General Fund Forecast

Between the issuance of the Five-Year Forecast in February 2023 and the release of the Proposed Budget in May 2023, revenue collections for 2023-2024 continued to be reviewed and updated. Based on this analysis, several of the revenue estimates presented in the February Forecast were revised in this budget to reflect more recent information. These adjustments resulted in a \$2.2 million net decrease to the General Fund Forecast, decreasing the revenue estimate from \$1.464 billion to \$1.462 billion (including fund balance). Below is a summary table of the changes incorporated into the Revised Forecast, which were used as the starting point in preparing the 2023-2024 Proposed Budget.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND OVERVIEW

Revised General Fund Forecast

Category	\$ Change	Description
Property Tax	\$ 1,700,000	Increase of \$1.7 million reflects updated information received in April 2022 from the County of Santa Clara regarding Successor Agency to the Redevelopment Agency Property Tax revenue.
Beginning Fund Balance	351,447	Increase of \$351,447 to reflect the liquidation of three reserves; Vehicle Abatement Program Enhancements Reserve (\$177,000) and East San Jose Small Business Corridor Staffing Reserve (\$174,447). These reserves are being liquidated as the staffing associated with the programs were added in the respective departments 2023-2024 Base Budget.
Licenses and Permits	136,408	Net increase of \$136,408 aligns revenues with estimated base costs and activity levels for Planning, Building and Code Enforcement Department, Police Department, Public Works Department, and Transportation Department permits.
Revenue from Local Agencies	25,000	Increase of \$25,000 reflects an updated revenue estimate for payments from other agencies for Animal Care services.
Other Revenue	(1,720)	Net decrease of \$1,720 aligns revenues with the estimated base costs and activity levels for Transportation Department revenues.
Fines, Forfeitures, and Penalties	(50,000)	Decrease of \$50,000 aligns revenues with estimated base costs and activity levels for Public Works Department fines.
Fees, Rates, and Charges	(177,821)	Net decrease of \$177,821 aligns revenues with estimated base costs and activity levels for Miscellaneous fees (-\$179,611), and Transportation Department fees (\$1,790).
Revenue from the State of California	(900,000)	Net decrease of \$900,000 reflects updated information from the State of California regarding Tobacco Settlement funds (-\$1.1 million) and Vehicle License Fee revenue (\$200,000).
Transfers and Reimbursements	(2,974,020)	Net decrease of \$3.0 million reflects updated overhead reimbursements from capital and operating funds based on the final 2023-2024 base budget and overhead rates (-\$2.8 million) and lower transfers and reimbursements to the General Fund (-\$191,837).
Total	(\$ 1,890,706)	

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

GENERAL FUND OVERVIEW

Changes from Revised Forecast to Proposed Budget

From the Revised Forecast of \$1.46 billion, a net increase of \$68.2 million to the General Fund revenue estimates are included in the Proposed Budget, bringing the 2023-2024 revenue estimate to \$1.53 billion (including fund balance). The components of this change include an increase to the estimate for 2022-2023 Ending Fund Balance/2023-2024 Beginning Fund Balance (\$58.5 million) and an increase to various revenue categories (\$9.7 million). The revenue changes are summarized in the table below.

Category	\$ Change	Description
Beginning Fund Balance	\$ 58,465,956	Net increase of \$58.5 million reflects: the liquidation of various reserves (\$23.5 million), which includes various Measure E Reserves (\$17.5 million), Fire Station FF&E Reserve (\$3.8 million), 2023-2024 Recruitment Centralization Pilot Program Reserve (\$1.1 million), Solid Waste Code Enforcement Reserve (\$600,000), and Climate and Seismic Resilience Planning Reserve (\$463,000); and fund balance from additional revenue and expenditure savings that is anticipated to be received in 2022-2023 and be available for use in 2023-2024 (\$35.0 million).
Revenue from the State of California	4,911,658	Increase of \$4.9 million reflects three new State grants; the CaliforniansForAll Youth Workforce Development Program (\$2.9 million), 280 Almaden Avenue Beautification Improvement Project (\$1.85 million), and Regional Early Action Planning (REAP) Program (\$163,154).
Transfers and Reimbursements	1,406,609	Net increase of \$1.4 million reflects additional overhead from the budget actions that change the staffing levels funded by special and capital funds.
Licenses and Permits	1,558,653	Net increase of \$1.6 million reflects various license and permit changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Planning, Building, and Code Enforcement Department (\$943,364), Fire Department (\$610,000), Police Department (\$5,269), and Finance Department (\$20).
Franchise Fees	1,016,615	Increase of \$1.0 million reflects an increase in the Commercial Solid Waste fees by 7.8% based on cost changes including a Consumer Price Index adjustment.
Revenue from Federal Government	403,000	Increase of \$403,000 reflects a grant from the Urban Areas Security Initiative (UASI) for the Office of Emergency Management.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET

GENERAL FUND OVERVIEW

Changes from Revised Forecast to Proposed Budget

Category	\$ Change	Description
Fees, Rates, and Charges	\$ 231,773	Net increase of \$231,773 reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for Miscellaneous fee revenue (\$236,834), Parks, Recreation and Neighborhood Services department fee revenue (\$101,901), Police Department fee revenue (\$168), and Transportation Department fee revenue (-\$107,130).
Other Revenue	211,623	Net increase of \$180,000 reflects a grant from Destination Home Silicon Valley (\$180,000) and reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Transportation Department (\$31,623).
Total	\$ 68,205,887	

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

PROPERTY TAX

2021-2022 Actual	\$ 414,123,282
2022-2023 Adopted	\$ 427,000,000
2022-2023 Estimate*	\$ 443,902,000
2023-2024 Forecast**	\$ 460,400,000
2023-2024 Proposed	\$ 460,400,000
% of General Fund	30.1 %
% Change from 2022-2023 Adopted	7.8 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

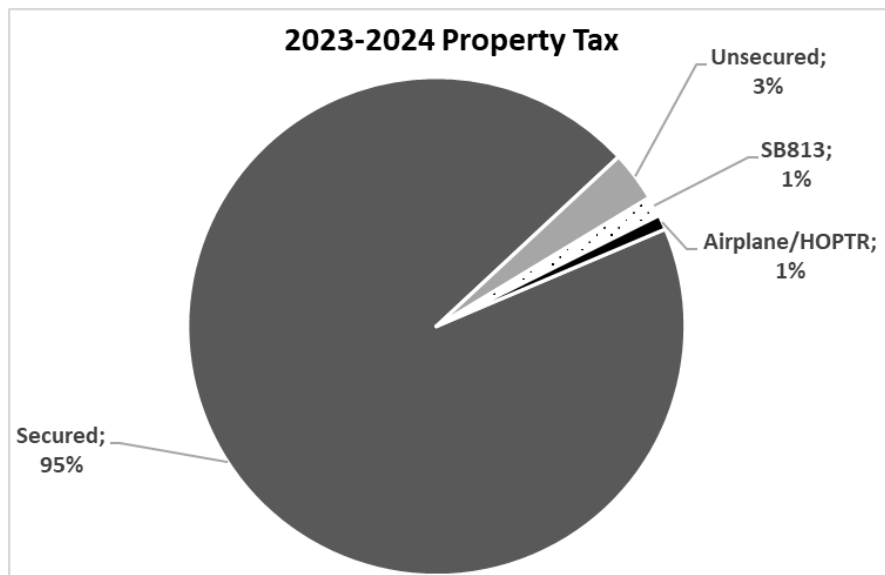
** The 2023-2024 Forecast was increased \$1.7 million from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Property Tax Category	2023-2024 Proposed Budget
Secured Property Tax	\$ 435,000,000
Unsecured Property Tax	15,000,000
SB 813 Property Tax	6,000,000
Aircraft Property Tax	3,500,000
Homeowner’s Property Tax Relief	900,000
Total	\$ 460,400,000

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), Aircraft Property Tax, and Homeowner’s Property Tax Relief.

In 2022-2023 Property Tax receipts of \$443.9 million are projected, which are 7.2% above the 2021-2022 actual collection level of \$414.1 million. In 2023-2024, Property Tax receipts are anticipated to grow by approximately 4% from estimated 2022-2023 levels and reach \$460.4 million. Additional information about each of the Property Tax sub-categories is provided on the following pages.

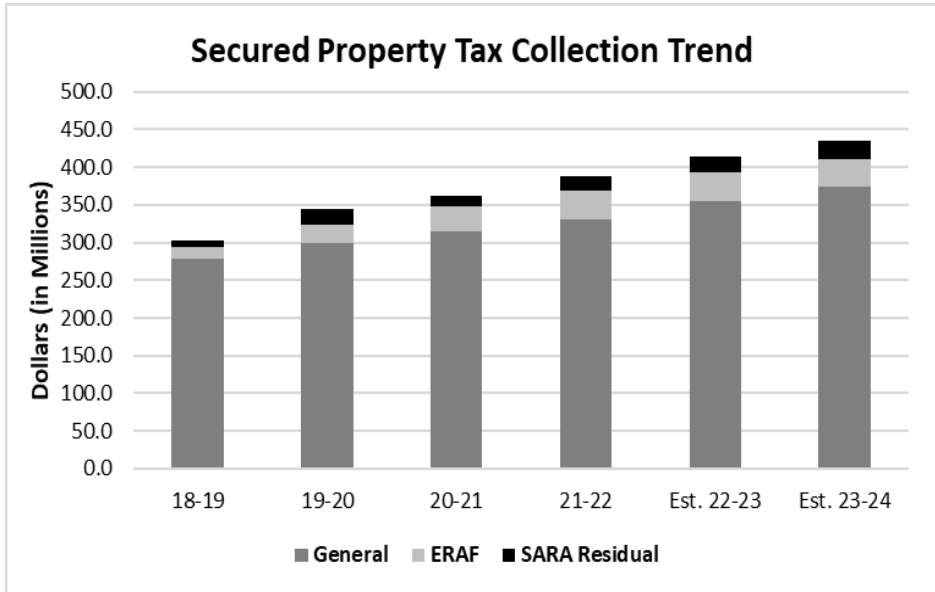


CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

Secured Property Tax

Secured Property Taxes account for over 90% of the revenues in this category. The Secured Property Tax category includes general Secured Property Tax, Educational Revenue Augmentation Fund (ERAF) revenues, and Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax. In 2022-2023, Secured Property Tax



receipts are anticipated to total \$415.1 million, including \$355.3 million in general Secured Property Taxes, \$37.7 million in ERAF revenue, and \$22.0 million from SARA Residual Property Tax receipts. In 2023-2024, Secured Property Tax receipts, which generally will be based on real estate activity through January 1, 2023, are expected to increase by 5% to \$435.0 million.

The general Secured Property Tax receipts are estimated at \$355.3 million in 2022-2023, which is 7.4% above the 2021-2022 collection level. This growth reflects an increase in assessed value due to the California Consumer Price Index (CCPI) increase of 2%, and increased valuation due to changes in ownership or new construction. Under Proposition 13, assessed values of all real property adjust with the CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustment. On a County-wide basis, the 2022-2023 roll growth was driven primarily by changes in ownership (57.0%), changes in the CCPI (25.1%), and new construction (13.7%).

In 2023-2024, the general Secured Property Tax receipts are estimated to grow by 5.5%, reflecting a 2.0% CCPI and 3.5% increased valuation. The CCPI adjustment for the 2023-2024 tax roll is 2%, which is consistent with the prior year level. In addition, even though the local real estate market has cooled down, sales prices continue to be high, which will continue to be a positive factor driving growth in this category, albeit at a more moderate level. In calendar year 2022 the median single-family home price in the City of San José totaled \$1.5 million, which was 17.5% above the calendar year 2021 median single-family home price of \$1.3 million. Further, the number of single-family and multi-family sales transactions grew 1.0% in calendar year 2022, up by 84 sales from 2021's level of 8,504 sales. As discussed earlier in the budget, significant growth in the local real estate market is not expected to continue in calendar year 2023. While property sales have begun to experience year-over-year declines, home prices are likely to remain high, resulting in the real estate market continuing to be a strong sector of the local economy in future years.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

PROPERTY TAX

Secured Property Tax (Cont'd.)

In addition to the changes in assessed value, Secured Property Tax collections are impacted by excess ERAF revenue. Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it, which generally occurs in March of each fiscal year. Based on the most recent information provided by the State of California and Santa Clara County, 2022-2023 ERAF receipts are estimated at \$37.7 million, which is below the 2021-2022 collection level of \$38.9 million. In 2023-2024, ERAF receipts are anticipated to decline slightly again to \$36.0 million. It is important to note that due to litigation from school districts disputing the calculation methodology used by the counties to allocate ERAF distributions, approximately 30% (\$10 - \$11 million annually) is considered at risk for not being distributed; however, a decision for the litigation is not likely to occur this fiscal year.

The final component of the Secured Property Tax category is the SARA Residual Property Tax receipts. As a result of the SARA bond refunding that occurred in December 2017, the City receives a residual property tax distribution. In 2022-2023, SARA Residual Property Tax receipts are estimated to total \$22.0 million, which is \$3.7 million above the 2021-2022 receipts. In 2023-2024, SARA Residual Property Tax receipts are anticipated to grow 9% from 2022-2023 estimated collections and total \$24.0 million.

It should be noted that final data on the actual tax levy for 2023-2024 is not yet available as adjustments are made through June 30, 2023. Each month, the County of Santa Clara provides information on the status of the property tax roll for the upcoming year. Some of the adjustments, however, are not reflected until the latter months of a given fiscal year, such as the reassessments of commercial property. As updated information becomes available, refinements to the Property Tax estimates may be brought forward during future budget processes.

Unsecured Property Tax

Unsecured Property Taxes are the second largest revenue source in this category. Changes in this category are driven primarily by increases or decreases in the value of personal property (e.g. equipment and machinery used by business and industry for manufacturing and production). During the last decade, performance in this category has been volatile with annual growth or declines reaching double-digit levels based primarily on the strength of the local business sector. Based on actual collections and information provided by Santa Clara County, Unsecured Property Tax receipts are estimated at \$15.5 million in 2022-2023, which is 4.5% above the prior year collection level of \$14.8 million. In 2023-2024 Unsecured Property Taxes are estimated to remain fairly consistent and total \$15.0 million.

Other Property Taxes

For the other Property Tax categories, collections are estimated at \$13.4 million in 2022-2023 and \$10.4 million in 2023-2024. SB 813 Property Tax receipts are estimated at \$8.6 million in 2022-2023 and \$6.0 million in 2023-2024; Aircraft Property Tax receipts are estimated at \$3.9 million in 2022-2023 and \$3.5 million in 2023-2024; and Homeowners Property Tax Relief revenue are anticipated to total approximately \$900,000 in 2022-2023 and 2023-2024.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

SALES TAX

2021-2022 Actual	\$ 323,143,574
2022-2023 Adopted	\$ 331,000,000
2022-2023 Estimate*	\$ 346,400,000
2023-2024 Forecast	\$ 336,400,000
2023-2024 Proposed	\$ 336,400,000
% of General Fund	22.0 %
% Change from 2022-2023 Adopted	1.6 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time

Distribution of Sales Tax

As shown in the following table, the City receives 1.25% of the 9.375% Sales Tax collected for items sold in San José. The distribution percentage includes a 0.25% local transaction and use tax enacted by the City of San José effective October 1, 2016 (limited to 15 years). The City also receives a portion of the Public Safety Fund (Proposition 172) Sales Tax collected State-wide.

Agency	Distribution Percentage
State of California	5.500%
City of San José (Bradley Burns)	1.000%
City of San José (Local Tax)	0.250%
Public Safety Fund (Proposition 172)	0.500%
Santa Clara County (Including VTA)	2.000%
Peninsula Corridor Joint Powers Board (Caltrain)	0.125%
Total	9.375%

Revenue Estimates

The Sales Tax category includes General Sales Taxes, Local Sales Taxes, and Proposition 172 Sales Taxes. Information related to Sales Tax payments are distributed from the California Department of Tax and Fee Administration (CDTFA) four times throughout the year: November (representing July-September activity); February (representing October-December activity); May (representing January-March activity); and August (representing April-June activity). Based on information received through February 2023 (which reflects two quarters of Sales Tax activity; from July 2022 through December 2022), it is anticipated that 2022-2023 Sales Tax revenue will total \$346.4 million. This robust growth parallels the strong economy through the first half of the fiscal year and high inflation rates that are driving up the prices of goods. As the economy is expected to slow down, Sales Tax revenue is anticipated to be impacted. In 2022-2023, growth is anticipated to slow significantly in the spring and early summer of 2023. Further, in 2023-2024, Sales Tax is anticipated to decline in the first

Sales Tax Category	2023-2024 Proposed Budget
General Sales Tax	\$271,000,000
Local Sales Tax	57,000,000
Proposition 172 Sales Tax	8,400,000
Total	\$336,400,000

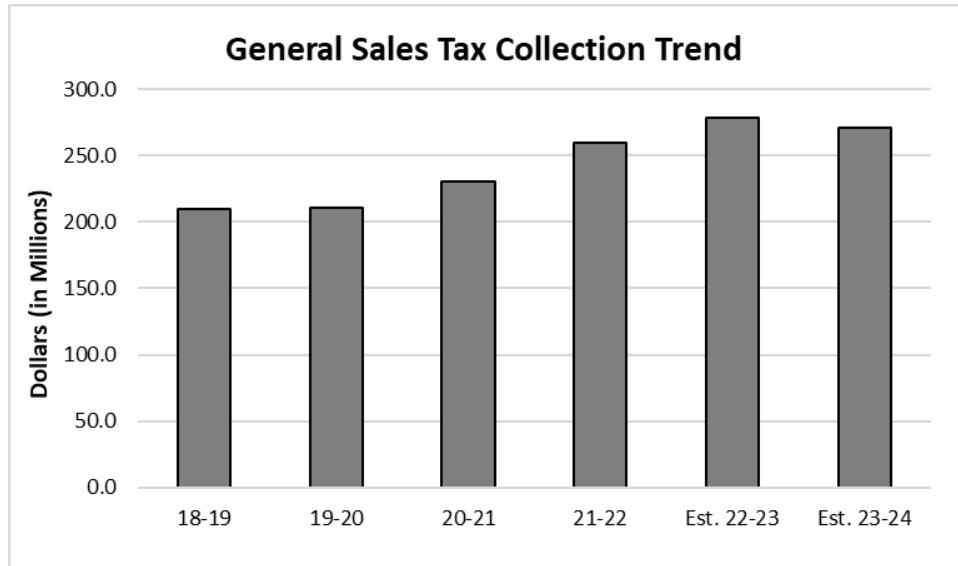
CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

SALES TAX

quarter (representing July-September 2023 activity), then flatten for two quarters before resuming very slight growth of 1% at the end of 2023-2024. Overall, in 2023-2024, Sales Tax revenue is estimated at \$336.4 million; reflecting a decline of approximately 3% from estimated 2022-2023 collections. Additional information about each of the Sales Tax sub-categories is provided below.

General Sales Tax

General Sales Tax is the largest driver of the Sales Tax category and accounts for approximately 80% of all Sales Tax receipts. General Sales Tax receipts for the first quarter (sales tax activity for July-September) and second quarter (sales tax activity for October-December) were received in November 2022 and



February 2023 and continue to reflect strong growth (11% and 15%, respectively). Due to economy anticipated to begin slowing, third quarter receipts (which will be received in May 2023) are estimated to show growth of only 5%, and the final quarter of 2022-2023 (which will be received in August 2023) is anticipated to be consistent with the 2021-2022 collection level. Based on these assumptions, General Sales Tax collections are anticipated to total \$279.0 million in 2022-2023, which reflects an overall increase of 7.4% from the 2021-2022 collection level.

All General Sales Tax categories have experienced year-over-year growth in 2022-2023 through December 2022 collections resulting from the strong local economy in the first half of the fiscal year and high inflation rates. In 2023-2024, General Sales Tax revenue is anticipated to decline by 10% in the first quarter, then remain flat for two quarters before growing slightly (1%) in the final quarter of the fiscal year. Based on these assumptions, 2023-2024 General Sales Tax revenue is estimated at \$271.0 million, which reflects an overall decline of approximately 3% from the estimated 2022-2023 collection level.

The City's Sales Tax consultant, Avenu Insights & Analytics, has provided performance data for General Sales Tax revenue, as displayed on the chart on the following page. This analysis measures the first and second quarter General Sales Tax receipts for 2021-2022 and 2022-2023, excluding Sales Tax associated with the Revenue Capture Agreement.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

SALES TAX

General Sales Tax (Cont'd.)

General Sales Tax Revenue Economic Performance
First – Second Quarter Payments

Category	2022-2023 % of Total Revenue	2021-2022 % of Total Revenue	% Change by Category
General Retail	18.9%	19.8%	6.1%
Business-to-Business	18.3%	15.7%	30.0%
Transportation	18.0%	18.1%	10.9%
Food Products	13.2%	13.1%	12.2%
Construction	9.0%	9.4%	7.1%
Miscellaneous	0.5%	0.7%	(11.5%)
County Pool	22.1%	23.2%	6.3%
Total	100.0%	100.0%	

As can be seen in the table above, almost all categories have experienced year-over-year growth, the largest of which include General Retail (apparel stores, department stores, furniture/appliance stores, drug stores, recreation products, and florists/nurseries), Business-to-Business (office equipment, electronic equipment, business equipment, energy sales), Transportation (auto parts, auto sales, service stations), Food Products (restaurants, markets, liquor stores), and Construction (wholesale and retail building materials).

In addition, the County Pool, which is where the majority of online transactions are captured, has continued to grow. This growth is attributable to the pandemic’s sustained impact of redirecting a significant amount of activity to online sales. The recent growth in County Pool receipts has been fueled by online purchases during the pandemic and is facilitated by the South Dakota vs. Wayfair, Inc. Supreme Court decision in 2018, which provided states with the authority to require online retailers to collect sales tax even without a local presence in that State. The County Pool revenue is distributed to all cities within Santa Clara County based on a distribution formula administered by the CDTFA. This formula is based each quarter on each jurisdiction’s total General Sales Tax receipts divided by the Total General Sales Tax receipts for the entire County. The City typically receives between 45% - 50% of the total County Pool.

Local Sales Tax

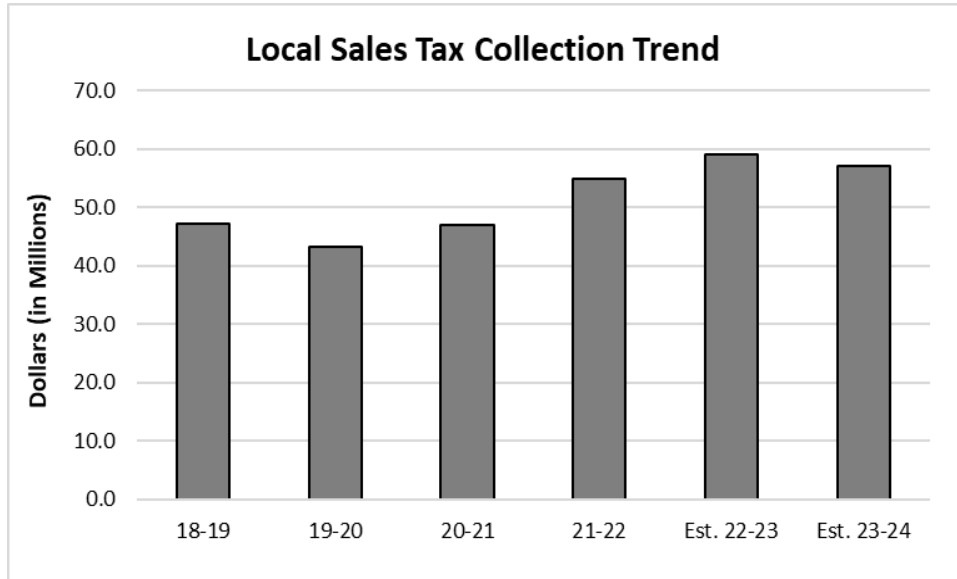
In June 2016, San José voters approved a ¼ cent Local Sales Tax, which was implemented in October 2016. Local Sales Tax is generated based on the destination of the purchased product; therefore, all out-of-state online retailers (including marketplace facilitators) sales tax collections are directly distributed to the City of San José, versus the General Sales Tax revenue that is deposited in the County Pool, where the City only receives approximately 45% - 50% of the proceeds. Due to this distinction, Local Sales Tax revenue may not always experience the same growth and decline rates as General Sales Tax receipts.

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

SALES TAX

Local Sales Tax (Cont'd.)

Similar to General Sales Tax, Local Sales Tax receipts for the first quarter (sales tax activity for July-September) and for the second quarter (sales tax activity from October-December) were received in November 2022 and February 2023 and continue to reflect strong year-over-year growth of approximately 10% per quarter. Due to a



slowing economy, third quarter receipts (which will be received in May 2023) are estimated to show growth of only 3%, and the final quarter of 2022-2023 (which will be received in August 2023) is anticipated to be consistent with the 2021-2022 collection level. Based on these assumptions, Local Sales Tax collections are anticipated to total \$59.0 million in 2022-2023, which reflects an overall increase of 7.5% from the 2021-2022 collection level. In 2023-2024, Local Sales Tax revenue is anticipated to decline by 7% in the first quarter, then remain flat for two quarters before growing slightly (1%) in the final quarter of the fiscal year. Based on these assumptions, 2023-2024 Local Sales Tax revenue is estimated at \$57.0 million, which reflects an overall decline of approximately 3.5% from the estimated 2022-2023 collection level.

Public Safety (Proposition 172) Sales Tax

Proposition 172 Sales Tax collections (representing the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs) are expected to total \$8.4 million in 2022-2023 and 2023-2024.

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

TRANSIENT OCCUPANCY TAX	
2021-2022 Actual	\$ 10,515,117
2022-2023 Adopted	\$ 11,000,000
2022-2023 Estimate*	\$ 16,000,000
2023-2024 Forecast	\$ 16,000,000
2023-2024 Proposed	\$ 16,000,000
% of General Fund	1.0 %
% Change from 2022-2023 Adopted	45.5 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

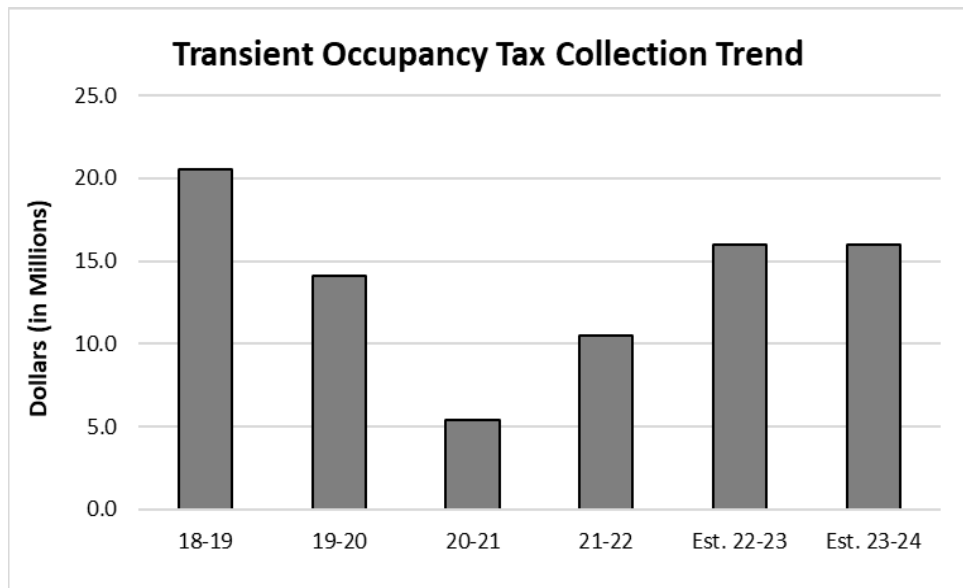
Distribution of Transient Occupancy Tax

The City of San José assesses a 10% Transient Occupancy Tax (TOT) on the rental price for transient lodging. Of this 10%, 6% is placed in the Transient Occupancy Tax Fund and 4% is deposited in the General Fund. This discussion addresses the portion of the Transient Occupancy Tax that is allocated to the General Fund.

Revenue Estimates

In 2022-2023, Transient Occupancy Tax (TOT) receipts in the General Fund (which represent 40% of the total tax) are estimated to reach \$16.0 million, reflecting a 52.2% increase from the 2021-2022 collection level of \$10.5 million, but is still below the pre-pandemic level of approximately \$20 million annually.

Overall room demand and revenues have continued to improve in 2022-2023, with occupancy and room rates peaking at 68.81% and \$160.77 in August 2022 – the second highest monthly performance levels to date since April 2020 and the height of the pandemic’s impacts, only surpassed by June



2022 performance of 72.35% and \$162.92. Although performance declined in November and December, incremental gains were experienced in January and February, following the normal

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TRANSIENT OCCUPANCY TAX

Revenue Estimates (Cont'd.)

holiday and seasonal pattern. Through February 2023, the average hotel occupancy rate reported for the San José market was 62.40%, compared to 54.46% through February 2022. Additionally, the average room rates increased by 31.5%, from \$120.36 to \$158.25, and the year-to-date average revenue-per-available room (RevPAR) increased by 50.63%, from \$65.55 to \$98.74, relative to the same period in 2021-2022.

Reported hotel performance through February 2023 highlights a consistent growth pattern, building on the gains seen during 2021-2022. However, impacts related to a possible upcoming recession introduces new uncertainty into this already volatile revenue source. Therefore, revenue in 2023-2024 are estimated to be consistent with 2022-2023 receipts of \$16.0 million, which reflects a higher RevPAR, offset by lower activity levels.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FRANCHISE FEES	
2021-2022 Actual	\$ 48,378,348
2022-2023 Adopted	\$ 49,168,393
2022-2023 Estimate*	\$ 45,015,393
2023-2024 Forecast	\$ 50,808,393
2023-2024 Proposed	\$ 51,825,008
% of General Fund	3.4 %
% Change from 2022-2023 Adopted	5.4 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

Franchise Category	2023-2024 Proposed Budget
Electric	\$ 22,000,000
Gas	7,500,000
Commercial Solid Waste	14,020,008
Cable Television	8,000,000
Great Oaks Water	240,000
Nitrogen Gas Pipeline Fees	65,000
Total	\$ 51,825,008

Franchise Fees are collected in the Electricity, Gas, Commercial Solid Waste, Cable, City-Generated Tow, Water, and Nitrogen Gas Pipeline categories. Overall, collections are projected at 45.0 million in 2022-2023, which are approximately 7% below the prior year receipts of \$48.4 million. Pacific Gas and Electric (PG&E) recently notified the City that they are changing the timing of Electric and Gas Franchise Fee payments, which impacts 2022-2023 receipts. Previously, PG&E provided 3 advance payments and then a clean-up payment for these franchise fees; however, under the new system PG&E will only provide one payment per year, based on the calendar year. As a result of this timing change, the April 2023 payment only includes a clean-up payment for the 2022 calendar year and no quarterly progress payment will be received in June 2023; instead, the next payment received by the City after April 2023 will not be until April 2024, which will be attributable to activity levels for the 2023 calendar year. In 2023-2024, Franchise Fees are expected to return to normal levels and total \$51.4 million. The 2023-2024 level reflects increased revenue of \$1.0 million related to a Consumer Price Index (CPI) adjustment for the Commercial Solid Waste Franchise Fee. Additional information about each of the Franchise Fees sub-categories is provided below.

Electricity Franchise Fee

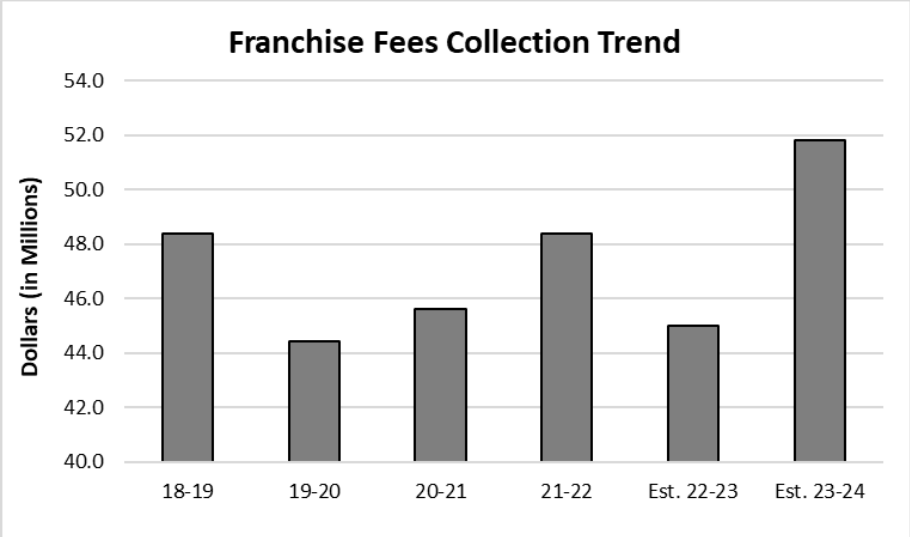
In the Electricity Franchise Fee category, collections in 2022-2023 are anticipated to reach \$16.9 million, which is \$3.9 million below the prior year receipt of \$20.8 million. This decrease is due to the changing of the timing of PG&E's franchise fee payments. In 2023-2024, the Electricity Franchise Fee category is estimated to return to a normal level and total \$22.0 million.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FRANCHISE FEES

Gas Franchise Fee

In the Gas Franchise Fee category, collections in 2022-2023 are anticipated to reach \$6.8 million, which is slightly higher than the prior year receipt of \$6.6 million. However, due to rate increases over the past year, 2022-2023 receipts would have been significantly higher if the timing of PG&E's franchise fee payments hadn't changed.



In 2023-2024, the Gas Franchise Fee category is estimated to grow to \$7.5 million. It is important to note, however, that receipts can fluctuate significantly due to consumption changes associated with the weather and future rate changes.

Commercial Solid Waste Fee

Commercial Solid Waste (CSW) Franchise Fee collections are estimated to reach \$13.0 million in 2022-2023, 4.7% above the prior year collections, which is primarily due to the 2022-2023 CPI-based increase. Collections reflect the revised methodology for assessing this fee that became effective July 1, 2012. On October 19, 2010, the City Council amended the CSW fee to charge franchises based on geographic collection districts rather than volume. The fee structure is a base of \$5 million per year for each of two geographic collection districts plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and the South District. This revised structure is subject to an annual increase to reflect an amount not to exceed the percentage increase in the annual CPI. It should be noted that this increase is not automatic and is subject to City Council approval each year. Therefore, the 2023-2024 Forecast estimate of \$13.0 million does not automatically assume an adjustment. However, the 2023-2024 Proposed Budget includes an action to increase the CSW revenue by 7.8%, which will generate an additional \$1.0 million, bringing the budget estimate to \$14.0 million in 2023-2024.

Cable Television Fee

In the Cable Franchise Fee category, collections in 2022-2023 and 2023-2024 are estimated at \$8.0 million, which is slightly below the \$8.2 million received in the prior year.

Other Franchise Fees

Remaining franchise fees include the City Generated Tow, Great Oaks Water, and Nitrogen Gas Pipeline categories. City Generated Tow receipts are estimated at \$0 in 2022-2023 and 2023-2024, Great Oaks Water receipts are estimated at \$230,000 in 2022-2023 and \$240,000 in 2023-2024, and Nitrogen Gas Pipeline receipts are estimated at \$65,000 in 2022-2023 and 2023-2024.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

UTILITY TAXES

2021-2022 Actual	\$ 103,591,802
2022-2023 Adopted	\$ 107,450,000
2022-2023 Estimate*	\$ 120,950,000
2023-2024 Forecast	\$ 126,550,000
2023-2024 Proposed	\$ 126,550,000
% of General Fund	8.3 %
% Change from 2022-2023 Adopted	17.8 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

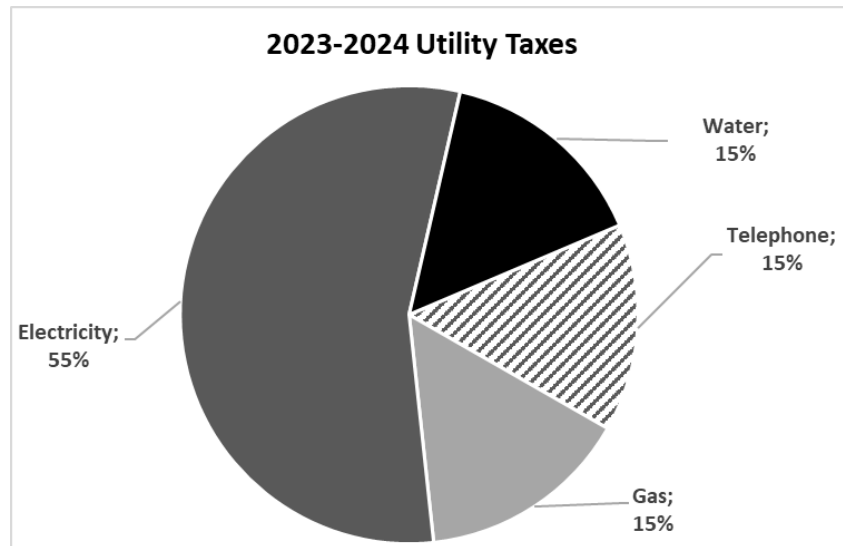
Revenue Estimates

Utility Taxes Category	2023-2024 Proposed Budget
Electricity	\$ 70,000,000
Gas	19,000,000
Water	19,000,000
Telephone	18,550,000
Total	\$ 126,550,000

Utility Taxes are imposed on electricity, gas, water, and telephone usage. Collections in 2022-2023 are anticipated to total \$121.0 million, which is significantly above the 2021-2022 collection level of \$103.6 million. This increase is due to higher usage and increased rates, primarily related to the Electricity and Gas Utility Tax categories. In 2023-2024, Utility Tax collections are projected at \$126.6 million. Additional information about each of the Utility Tax sub-categories is provided below.

Electricity Utility Tax

The Electricity Utility Tax is anticipated to generate \$66.0 million in 2022-2023 and grow by approximately 6% to \$70.0 million in 2023-2024. This increase is anticipated due to electricity rate increases and estimated higher usage activity, which will drive up Electricity Utility Tax receipts.



CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

UTILITY TAXES

Gas Utility Tax

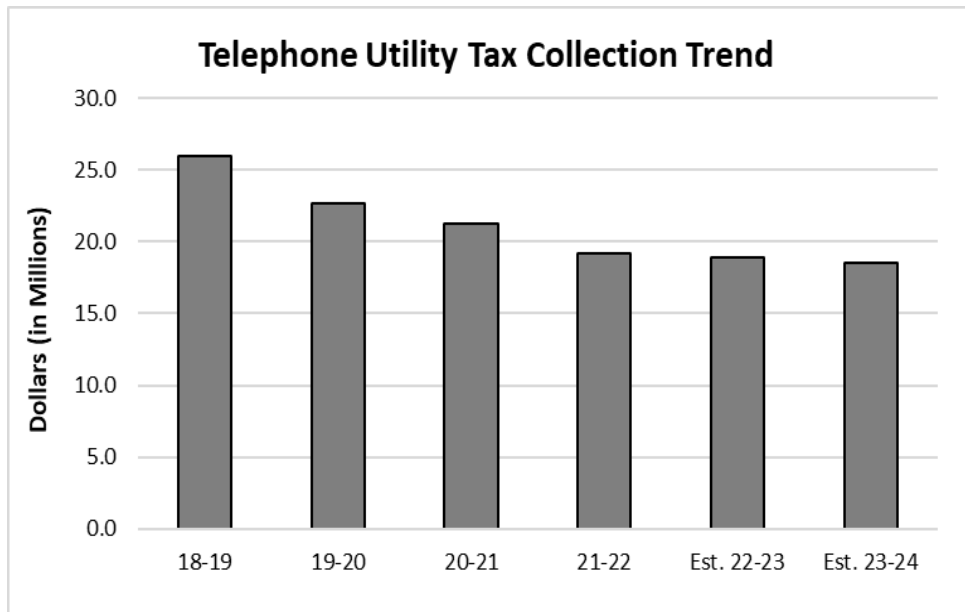
The Gas Utility Tax is anticipated to generate \$18.0 million in 2022-2023 and grow by approximately 5.5% to \$19.0 million in 2023-2024. This increase is anticipated due to gas rate increases and higher usage activity, which will drive up Gas Utility Tax receipts.

Water Utility Tax

Based on current year collection levels, Water Utility Tax receipts of \$18.0 million are anticipated to be received in 2022-2023. In 2023-2024, water rates are anticipated to rise, therefore Water Utility Tax receipts are estimated at \$19.0 million, which reflects a 5.5% increase from the 2022-2023 anticipated collection level.

Telephone Utility Tax

In the Telephone Utility Tax category, revenues are collected on landlines, wireless, VoIP, and prepaid wireless services sold at retail locations. Receipts in 2022-2023 are projected at \$19.0 million, a 1.5% drop from the 2021-2022 collection level. In 2023-2024, receipts are projected to drop slightly again and total \$18.6 million. The



The Telephone Utility Tax category has experienced continuous declines as a result of wireless consumers shifting to less expensive prepaid wireless plans, competition with cellular companies that keep prices down, and that the data component of wireless plans not being taxable.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

BUSINESS TAXES

2021-2022 Actual	\$ 85,375,289
2022-2023 Adopted	\$ 86,000,000
2022-2023 Estimate*	\$ 86,800,000
2023-2024 Forecast	\$ 87,500,000
2023-2024 Proposed	\$ 87,500,000
% of General Fund	5.7 %
% Change from 2022-2023 Adopted	1.7 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

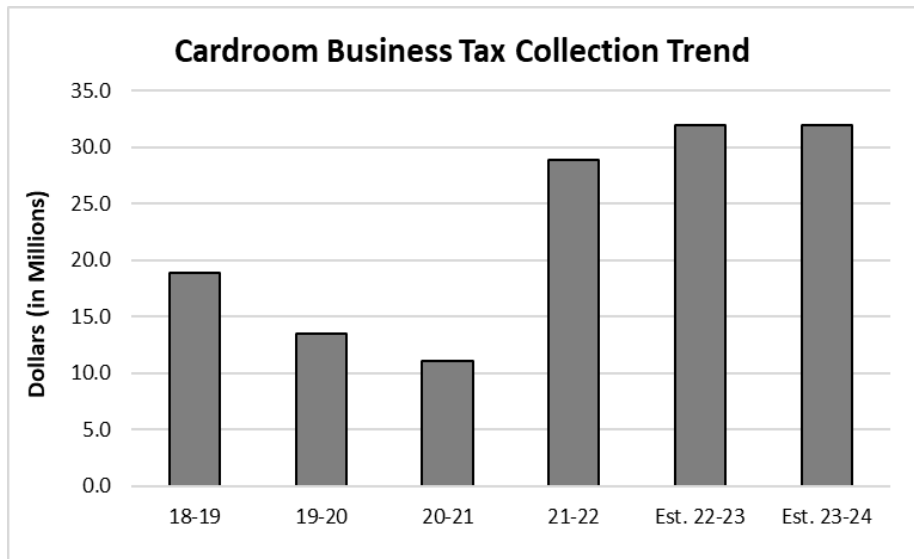
Revenue Estimates

Business Taxes Category	2023-2024 Proposed Budget
Cardroom Business Tax	\$ 32,000,000
General Business Tax	27,500,000
Cannabis Business Tax	15,000,000
Disposal Facility Tax	13,000,000
Total	\$ 87,500,000

This category includes Cannabis Business Tax, Cardroom Business Tax, Disposal Facility Tax, and General Business Tax. Business Taxes are estimated to reach \$86.8 million in 2022-2023, a 1.7% increase from 2021-2022 collections, which is primarily due to increased Cardroom Business Tax revenue, partially offset by lower Cannabis Business Tax receipts. In 2023-2024, Business Taxes revenues are anticipated to grow slightly and total \$87.5 million. Additional information about each of the Business Taxes sub-categories is provided below.

Cardroom Business Tax

Cardroom Business Tax receipts are estimated at \$32.0 million in 2022-2023 and 2023-2024, a 10.9% increase from prior year collections of \$28.9 million. The estimates for Cardroom Tax receipts are inclusive of the ballot measure approved by voters in November 2020 that increased taxes on cardroom operators beginning in January 2021.

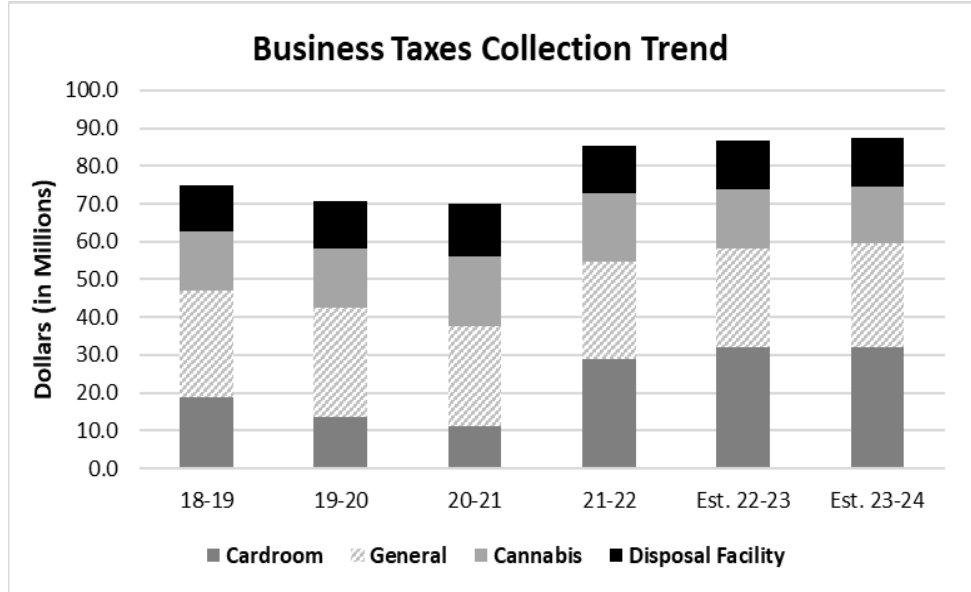


**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

BUSINESS TAXES

General Business Tax

Beginning in 2017-2018, General Business Tax collections reflect the modernization of the San José business tax, which was approved by San José voters on November 8, 2016 and took effect on July 1, 2017. The adjustments to the business tax included increasing the base tax, increasing the incremental tax and



making it more progressive, increasing the cap (the maximum amount of the tax affecting large businesses), updating the application of the tax to more classes of business, and adding inflation-based adjustments for future tax rates. In 2022-2023, General Business Tax proceeds are anticipated to reach \$26.0 million, which is 1% above the 2021-2022 collection level of \$25.7 million. In 2023-2024, General Business Tax revenue is anticipated to grow to \$27.5 million, which reflects a Consumer Price Index (CPI) increase and slightly higher activity levels.

Cannabis Business Taxes

Cannabis Business Tax collections began after San José voters approved Ballot Measure U on November 2, 2010, which allowed the City to tax marijuana businesses. Further, in November 2016, the California Marijuana Legalization Initiative (Proposition 64) was approved by voters, which legalized recreational marijuana use in California. As a result, the sale of recreational cannabis at the 16 licensed dispensaries in San José began in January 2018. Based on current collection trends, it is anticipated Cannabis Business Tax receipts will total \$15.8 million in 2022-2023, which is 12.5% below the prior year level. In 2023-2024 receipts are projected to remain fairly consistent and total \$15.0 million.

Disposal Facility Tax

Disposal Facility Taxes (DFT) are business taxes based on the tons of solid waste disposed at landfills within the City. This revenue stream can vary due to factors that affect the amount of waste generated and how it is disposed including: economic activity, weather, diversion programs, and price sensitivity to disposal rates. Based on current collection trends, 2022-2023 DFT collections are estimated at \$13.0 million, which is slightly above the 2021-2022 collection level of \$12.7 million. In 2023-2024, receipts are anticipated to remain consistent at \$13.0 million.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

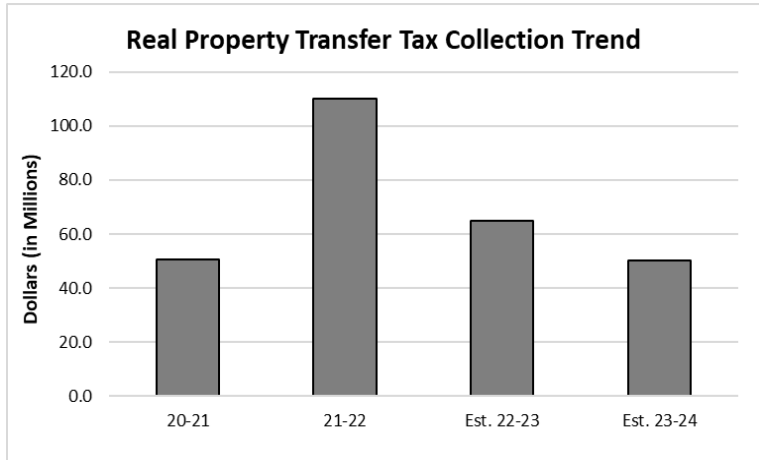
REAL PROPERTY TRANSFER TAX	
2021-2022 Actual	\$ 110,015,391
2022-2023 Adopted	\$ 65,000,000
2022-2023 Estimate*	\$ 65,000,000
2023-2024 Forecast	\$ 50,000,000
2023-2024 Proposed	\$ 50,000,000
% of General Fund	3.3 %
% Change from 2022-2023 Adopted	(23.1 %)

* Based on current collection trends, it is not anticipated the 2022-2023 estimate will be reached. However, as this tax has only been received since 2020-2021, and therefore limited historical collection trends are known, a refined 2022-2023 estimate is not known. In addition, reductions to the 2022-2023 estimate would require offsetting reductions to corresponding Measure E expenditure allocations. A final reconciliation will be included in the 2022-2023 Annual Report.

Revenue Estimates

On March 3, 2020, San José voters approved Measure E, the Real Property Transfer Tax. This new tax, which became effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over \$2.0 million. In accordance with City Policy 1-18, Section 22, this tax revenue is allocated for the development of new affordable housing, homeless prevention, and homelessness support programs.

The 2022-2023 budgeted estimate for Real Property Transfer Tax collections totals \$65.0 million, which is significantly below the prior year collections of \$110.0 million. The high 2021-2022 collection level is due to several factors. First, due to the timing of when a payment from Santa Clara County was processed, funding of \$9.7 million was reflected in 2021-2022 but was attributable to 2020-2021 activity. In addition, in comparison to the currently constrained real estate market, a



larger amount of high-value property transfers occurred in the prior year. In 2023-2024 Real Property Transfer Tax collections are anticipated to further drop to \$50.0 million, due to the continued slow-down in the local real estate market. As this revenue source is significantly impacted by high dollar commercial property transactions, if those sales decrease, the tax revenue will be impacted. Real Property Transfer Tax collections began in 2020, therefore limited historical collection information is known. As a result, a conservative estimate of \$50.0 million is anticipated in 2023-2024. Additional information regarding the use of funds related to the Real Property Transfer Tax is provided in the *General Fund Capital, Transfers, and Reserves* section of this document and in Attachment D to the City Manager’s Transmittal Memorandum.

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

TELEPHONE LINE TAX

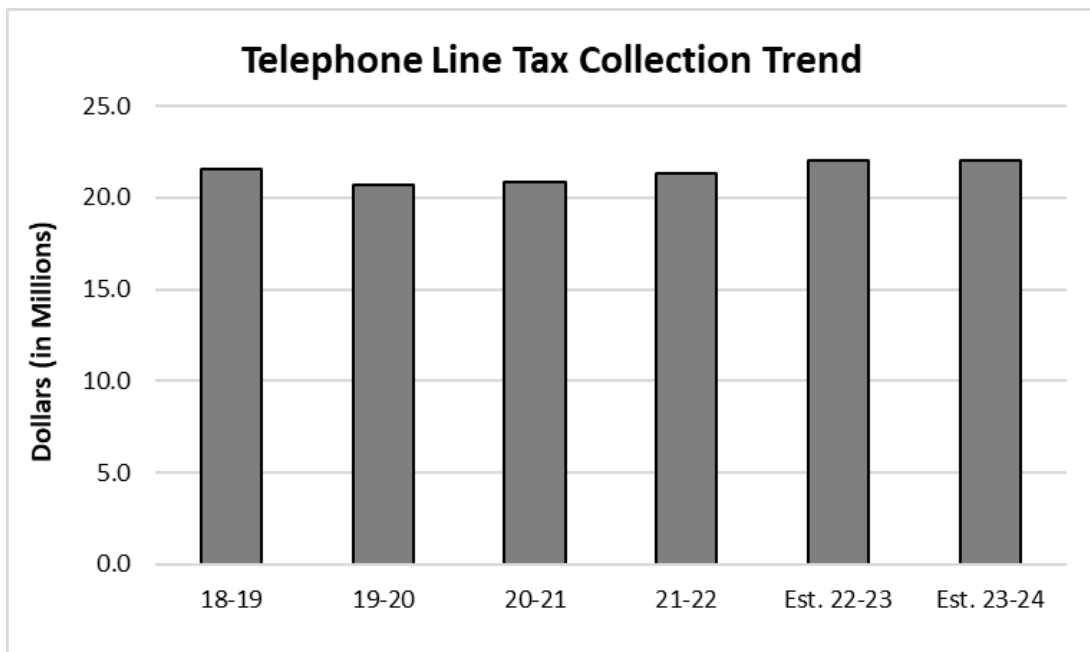
2021-2022 Actual	\$ 21,313,810
2022-2023 Adopted	\$ 20,000,000
2022-2023 Estimate*	\$ 22,000,000
2023-2024 Forecast	\$ 22,000,000
2023-2024 Proposed	\$ 22,000,000
% of General Fund	1.4 %
% Change from 2022-2023 Adopted	10.0 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

In November 2008, voters approved Measure J, a tax that is collected from telephone users on their telephone bills. The tax amount, which does not grow with inflation, is \$1.57 per telephone line per month and \$11.82 per commercial type trunk line. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service.

Based on the current collection trend, receipts (excluding compliance revenue) in 2022-2023 and 2023-2024 are estimated to total \$22.0 million, which is consistent with the 2021-2022 actuals. Given the steady nature of collections in this category, receipts are anticipated to remain flat in the out-years of the Forecast as well.



CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

LICENSES AND PERMITS	
2021-2022 Actual	\$ 22,032,078
2022-2023 Adopted	\$ 20,993,100
2022-2023 Estimate*	\$ 20,013,581
2023-2024 Forecast**	\$ 20,361,969
2023-2024 Proposed	\$ 21,920,622
% of General Fund	1.4 %
% Change from 2022-2023 Adopted	4.4 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2023-2024 Forecast was increased \$136,408 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Licenses and Permits Category	2023-2024 Proposed Budget
Fire Permits	\$6,710,000
Other Licenses and Permits	15,210,622
Total	\$ 21,920,622

The Licenses and Permits category contain non-development fees and charges collected by various City departments, the largest of which are Fire Permits. Licenses and Permits are projected based on City Council-approved cost-recovery policies with the goal of a net-zero impact on the General Fund.

The Licenses and Permits category is estimated to total \$20.0 million in 2022-2023 and grow to \$21.9 million in 2023-2024. The 2023-2024 Proposed Budget includes actions to increase the Fire Department Non-Development Fee revenue by \$610,000 (from \$6.1 million to \$6.7 million) which reflects a 10% fee increase to all Fire Department Non-Development fees to maintain cost recovery levels. In addition, the 2023-2024 Proposed Budget includes actions to increase the Other Licenses and Permits category by \$948,653 (from \$14.3 million to \$15.2 million) to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels. Licenses and permits changes are reflected for the Planning Building and Code Enforcement Department, which includes Multi-Housing Occupancy Permits (\$943,364), Police Department (\$5,269), and Finance Department (\$20).

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

FEES, RATES, AND CHARGES

2021-2022 Actual	\$ 22,110,063
2022-2023 Adopted	\$ 23,914,232
2022-2023 Estimate*	\$ 21,046,997
2023-2024 Forecast**	\$ 22,145,907
2023-2024 Proposed	\$ 22,377,680
% of General Fund	1.5 %
% Change from 2022-2023 Adopted	(6.4 %)

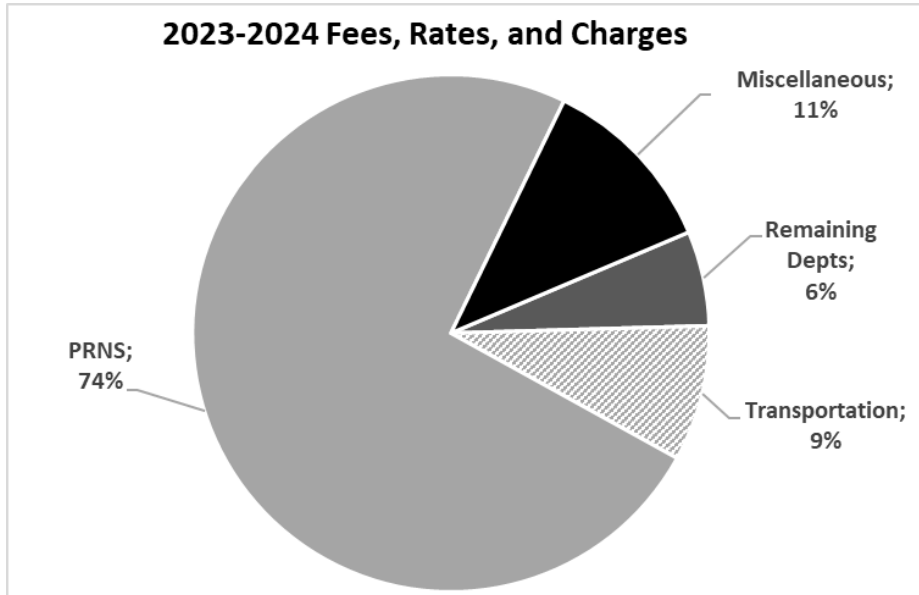
* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2023-2024 Forecast was decreased \$177,821 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Fees, Rates, and Charges Category	2023-2024 Proposed Budget
Parks, Recreation and Neighborhood Services	\$ 16,601,901
Transportation	1,898,955
Police	1,256,329
Library	71,000
Miscellaneous	2,549,495
Total	\$ 22,377,680

The Fees, Rates, and Charges revenue category includes various fees and charges levied to recover costs of services provided by several City departments, the largest of which are Parks, Recreation, and Neighborhood Services (PRNS) Department Fees. All fees and charges are projected based on City Council-approved cost-recovery policies with the overall goal of a net-zero impact on the General Fund, though exceptions of lower cost recovery levels for a number of fees also exist. In 2022-2023, the Fees, Rates, and Charges category is estimated at \$21.0 million, which is slightly lower than the 2021-2022 collection level of \$22.1 million, but is significantly higher than pandemic impacted receipts in 2020-2021 of \$7.4 million.



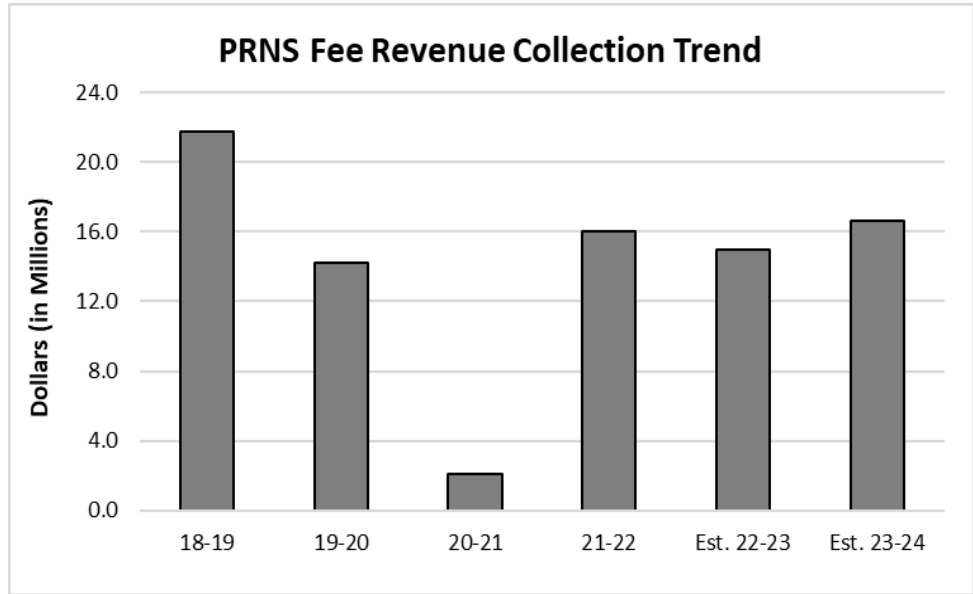
CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FEES, RATES, AND CHARGES

In 2023-2024, the Fees, Rates, and Charges category is estimated at \$22.4 million. The 2023-2024 Proposed Budget includes actions to increase Miscellaneous Fee revenue (\$236,834, which includes an increase to the Solid Waste Enforcement fee of \$177,030), increase the Police Department fee revenue (\$168), and decrease Transportation Department fee revenue (\$107,130) to align various revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels. The 2023-2024 Proposed Budget also includes an action to increase PRNS fee revenue by \$101,901 related to Happy Hollow Park and Zoo, which is further described below.

Parks, Recreation and Neighborhood Services Fees

PRNS fee collections are estimated at \$15.0 million in 2022-2023 and \$16.6 million in 2023-2024. While these collections are significantly above the pandemic-impacted receipts in 2020-2021 of \$2.1 million; collections remain significantly below pre-pandemic levels of \$21 - \$22 million annually. PRNS



program delivery and revenue generation fee categories include: Happy Hollow Park and Zoo; Fee Activity (classes, camps, and after-school activities); Facility Rentals; Sports Facilities Reservations; Lake Cunningham Action Sports Park; Gym and Fitness; Parking; Park Permits; Arcadia Ball Park; Family Camp; and Aquatics Program. The 2023-2024 Proposed Budget includes an action to add 1.0 Office Specialist position and associated non-personal/equipment funding for Happy Hollow Park and Zoo. This action is offset by additional PRNS fee revenue (\$101,901) that is anticipated to be received in 2023-2024 from the face painting camp program, puppet theater camp program, and proposed fee increases at Happy Hollow Park and Zoo. Additional detail on this budget action is provided in the Parks, Recreation and Neighborhood Services Department under the *City Departments* section of this document.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

FINES, FORFEITURES, AND PENALTIES

2021-2022 Actual	\$ 14,959,847
2022-2023 Adopted	\$ 12,232,000
2022-2023 Estimate*	\$ 15,014,000
2023-2024 Forecast**	\$ 15,080,000
2023-2024 Adopted	\$ 15,080,000
% of General Fund	1.0 %
% Change from 2021-2022 Adopted	23.3 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

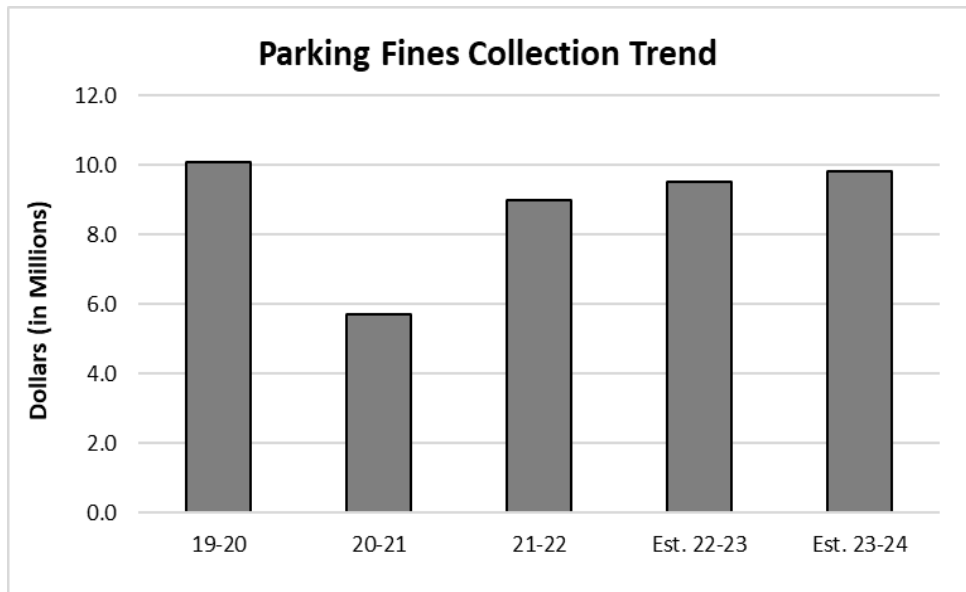
** The 2023-2024 Forecast was decreased \$50,000 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Fines, Forfeitures, and Penalties category in 2022-2023 is estimated at \$15.0 million, which is consistent with the 2021-2022 actual collection level. In 2023-2024, Fines, Forfeitures, and Penalties are anticipated to grow slightly to \$15.1 million. This minimal growth is primarily attributable to slightly stronger Parking Fines, which are further discussed below.

Parking Fines

Parking Fines are the largest driver in the Fines, Forfeitures, and Penalties revenue category. The 2022-2023 estimate for Parking Fines totals \$9.5 million and revenue is anticipated to grow to \$9.8 million in 2023-2024. This collection level has grown from the significantly low collection level received in 2020-



2021 (\$5.7 million) due to the pandemic impacting this category; however, receipts remain far below historical Parking Fine collections of approximately \$11 million - \$12 million annually.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

REVENUE FROM USE OF MONEY AND PROPERTY	
2021-2022 Actual	\$ 9,126,202
2022-2023 Adopted	\$ 8,779,000
2022-2023 Estimate*	\$ 15,292,000
2023-2024 Forecast	\$ 14,864,000
2023-2024 Proposed	\$ 14,864,000
% of General Fund	1.0 %
% Change from 2022-2023 Adopted	69.3 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

The Revenue from the Use of Money and Property category consists of revenue associated with the rental of City-owned property, subrogation recovery efforts, interest income, and small cell lease revenue. Overall revenue in this category is anticipated to generate \$13.8 million in 2022-2023 and grow to \$14.9 million in 2023-2024, primarily due to higher anticipated interest earnings. Additional information about the largest Revenue from Use of Money and Property components is provided below.

Rental of City-Owned Property

Collections reflected in the Rental of City-Owned Properties category include revenue related to the City Hall lease to the United States Patent and Trademark Office (USPTO), rental of communications facilities, and rental of various City-owned properties. Rental of City-Owned Property revenue is anticipated at \$2.5 million in 2022-2023, growing slightly to \$2.6 million in 2023-2024.

General Fund Interest Earnings

The interest earnings collection on the General Fund in 2022-2023 is estimated at \$9.5 million. In 2023-2023, General Fund interest earnings are estimated to grow to \$10.5 million due to higher interest rates and higher assumed cash balances as the City will no longer pre-pay retirement contributions, with the exception of Public Safety positions.

Small Cell Lease Revenue

Lease revenue received for small cells represents revenue for lease of City-owned light poles from wireless carriers including Verizon, Mobilitie, and AT&T. In 2023-2024 revenues are anticipated to total \$756,000, which is set aside in the Digital Inclusion Fund allocation in *City-Wide Expenses* section of this document.

**CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES**

REVENUE FROM LOCAL AGENCIES

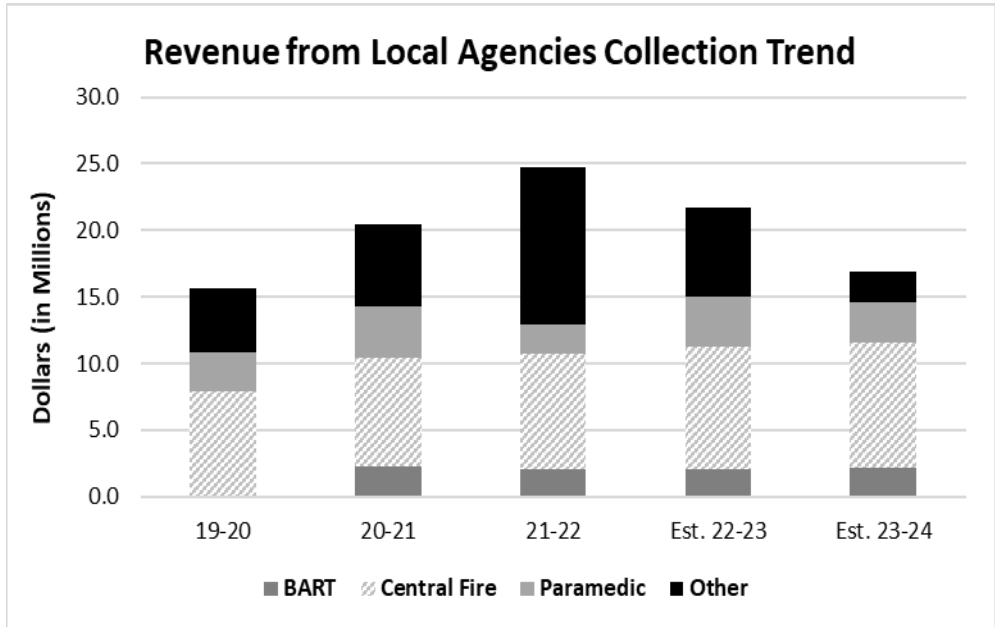
2021-2022 Actual	\$ 24,755,916
2022-2023 Adopted	\$ 17,107,945
2022-2023 Estimate*	\$ 21,706,638
2023-2024 Forecast**	\$ 16,946,171
2023-2024 Proposed	\$ 16,946,171
% of General Fund	1.1 %
% Change from 2022-2023 Adopted	(0.9 %)

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2023-2024 Forecast was increased \$25,000 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

In 2022-2023, revenue of \$21.7 million is projected from other local agencies, such as the Central Fire District payment for fire services provided to County residents by the San José Fire Department, the County of Santa Clara payments for the Paramedic Program and Senior Nutrition,



and the Valley Transportation Authority (VTA) reimbursement for police services at the Berryessa BART station. In 2023-2024, revenue in this category is projected at \$16.9 million, which is \$4.8 million below the 2022-2023 estimate. The decrease in 2023-2024 revenue is primarily due to reimbursements and grants that are not secured on an ongoing basis being eliminated. Additional information about the largest Revenue from Local Agencies components is provided below.

Berryessa BART Station Police Services

Beginning in 2020-2021, reimbursement revenue is received annually from the VTA for supplemental law enforcement support services at the Berryessa/North San José BART Station. Reimbursement revenue of \$2.1 million is anticipated in 2022-2023 and \$2.2 million in 2023-2024 from the VTA.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

REVENUE FROM LOCAL AGENCIES

Central Fire District

The City receives reimbursement from the Central Fire District for the County areas covered by the San José Fire Department. These payments are based on the property tax assessments for fire services collected in those areas, which are passed on to the City. Based on information provided by the Central Fire District, payments of \$9.2 million are anticipated in 2022-2023 and receipts of \$9.4 million are anticipated in 2023-2024.

Paramedic Program

A reimbursement from the County of Santa Clara for the first responder advanced life support program (Paramedic Program) is estimated at \$3.0 million in 2023-2024, which includes the equipment reimbursement component (Annex B, Category A funds; \$1.45 million) and service-related component (Annex B, Category B; \$1.55 million).

Other Local Agency

In 2022-2023, the remaining local agency funding is anticipated to total \$6.7 million. This funding primarily reflects one-time grant or reimbursements anticipated from various local agencies. In 2023-2024, funding of \$2.4 million is anticipated, the largest of which includes payments from other agencies related to Animal Care services (\$1.3 million), reimbursement revenue associated with the Child Interview Center (\$264,302), and the Cambrian 36 Agreement (\$230,000).

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

REVENUE FROM STATE OF CALIFORNIA	
2021-2022 Actual	\$ 26,241,795
2022-2023 Adopted	\$ 26,889,687
2022-2023 Estimate*	\$ 31,035,841
2023-2024 Forecast**	\$ 12,900,000
2023-2024 Proposed	\$ 17,811,658
% of General Fund	1.2 %
% Change from 2022-2023 Adopted	(33.8 %)

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2023-2024 Forecast was decreased \$900,000 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Funding reflected in the Revenue from the State of California category includes Tobacco Settlement funds, State grant revenue, and other State reimbursements. Collections in this category are estimated to reach \$31.0 million in 2022-2023 and \$17.8 million in 2023-2024. The decrease in 2023-2024 revenue is primarily due to reimbursements and grants that are not secured on an ongoing basis being eliminated. Additional information about the largest Revenue from the State components is provided below.

Tobacco Settlement Revenue

Beginning in 2010-2011, Tobacco Settlement revenue from the State has been deposited in the General Fund. This payment is received from the State of California in April of each year. The 2022-2023 payment was recently received and totaled \$10.7 million, which is \$1.1 million below the 2021-2022 receipts of \$11.8 million. The 2023-2024 budget assumes collections will remain flat at \$10.7 million.

State Grants/Reimbursements

The City receives several reimbursements from the State on an annual basis, which total \$2.2 million in 2023-2024, which is consistent with the 2022-2023 estimated collection levels. These ongoing revenues include: Auto Theft reimbursement (\$600,000); Abandoned Vehicle Abatement (\$500,000); and Highway Maintenance Charges reimbursement (\$100,000). In addition, funding received from the State for Vehicle License Fees Collection in Excess is included in this revenue category. This funding, which is estimated at \$1.0 million in 2023-2024, accounts for the Vehicle License Fee revenues that are collected by the Department of Motor Vehicles as a result of certain compliance procedures that are equally apportioned to counties and cities on a population basis.

The 2023-2024 Proposed Budget includes actions to recognize grant funding totaling \$4.9 million from the State for three grant programs, including the CaliforniansForAll Youth Workforce Development Program (\$2.9 million), 280 Almaden Avenue Beautification Project (\$1.9 million), and Regional Early Action Planning (REAP) Program (\$163,154). Additional detail on these budget actions are provided in the *City Departments* section of this document.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

REVENUE FROM FEDERAL GOVERNMENT	
2021-2022 Actual	\$ 3,096,138
2022-2023 Adopted	\$ 7,111,452
2022-2023 Estimate*	\$ 11,599,714
2023-2024 Forecast	\$ 0
2023-2024 Proposed	\$ 403,000
% of General Fund	0.0 %
% Change from 2022-2023 Adopted	(94.3 %)

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

The Revenue from the Federal Government category accounts for grants and reimbursements that are received from the Federal Government. Collections in this category are estimated to reach \$11.6 million in 2022-2023 and \$403,000 in 2023-2024. The decrease in 2023-2024 revenue is primarily due to reimbursements and grants that are not secured on an ongoing basis being eliminated.

The 2023-2024 Proposed Budget includes an action to recognize funding totaling \$403,000 from the Federal Government for a new grant anticipated to be received for the Urban Areas Security Initiative (UASI) for the Office of Emergency Management (\$403,000). Additional detail on this budget action is provided in the *City Departments* section of this document.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

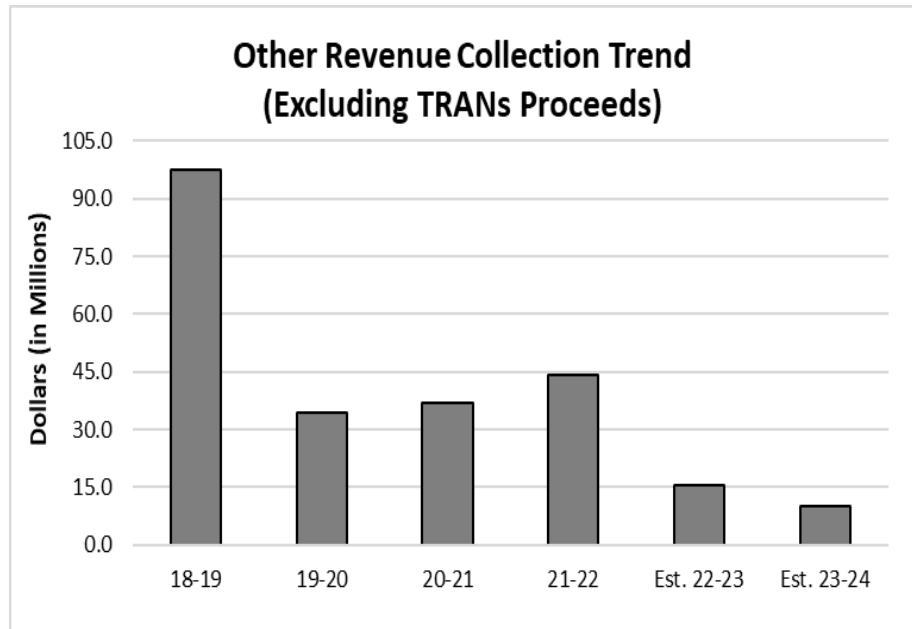
OTHER REVENUE	
2021-2022 Actual	\$ 329,257,694
2022-2023 Adopted	\$ 16,823,368
2022-2023 Estimate*	\$ 290,662,158
2023-2024 Forecast**	\$ 9,768,544
2023-2024 Proposed	\$ 9,980,167
% of General Fund	0.7 %
% Change from 2022-2023 Adopted	(40.7 %)

* The 2022-2023 Estimate includes revenues associated with the issuance of a \$275 million TRANs based on cash flow needs. The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2023-2024 Forecast was decreased \$1,720 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

The Other Revenue category consists of miscellaneous revenues received from a variety of sources, including payments from Comcast and AT&T required under the Franchise Agreement, cost reimbursements for the Investment Program, proceeds from the Sale of Surplus Property, Sidewalk Repair and Tree Maintenance Activities, and Miscellaneous Other Revenue.



In 2022-2023, the Other Revenue category is expected to generate \$290.7 million. The 2022-2023 estimate includes several one-time allocations, the largest of which reflects borrowing proceeds from the Tax and Revenue Anticipation Notes (TRANs; \$275.0 million) issued for cash flow purposes to facilitate the annual prefunding of employer retirement contributions for pension benefits that are brought forward for City Council approval at the beginning of each fiscal year along with the associated expenditures.

In 2023-2024, Other Revenue collections are estimated at \$10.0 million include includes actions to recognize a grant for Destination Home Silicon Valley (\$180,000). Additional detail on this budget action is provided in the *City Departments* section of this document. In addition, several

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

OTHER REVENUE

actions are included in 2023-2024 in the Transportation Department (\$31,623) to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels .

The major ongoing components of the Other Revenue category are described below.

Investment Program Reimbursement

The 2023-2024 revenue estimate for Investment Program Reimbursements is \$1.1 million based on the estimated costs of Investment Program in the Finance Department that will be reimbursed from investment earnings. This reimbursement amount is consistent with the 2022-2023 estimated level of \$1.1 million.

Public, Education, and Government (PEG) Access Facilities

In 2023-2024, payments from Comcast and AT&T required under the Franchise Agreement are estimated at \$1.6 million, which is consistent with the 2022-2023 estimate of \$1.6 million. As defined in the Franchise Agreement, these funds will be used to support the Public, Education, and Government (PEG) Access Facilities. There is an associated City-Wide Expenses allocation for this purpose, which is further described in the *City-Wide Expenses* section of this document.

Sale of Surplus Property

The proceeds from the sale of surplus properties are estimated to generate \$500,000 in 2023-2024 based on City assets that are anticipated to be sold.

Sidewalk Repair

When the City performs sidewalk repair services for non-owner occupied residences, the property owners reimburse the City for those costs. The 2023-2024 revenue estimate for this category is \$2.5 million, which is consistent with the 2022-2023 budgeted estimate of \$2.5 million. There is a corresponding City-Wide Expenses allocation to fund the contractual sidewalk repairs, which is further described in the *City-Wide Expenses* section of this document.

Tree Maintenance Activities

Property owners are also assessed for the costs of tree services provided by the City. If the City performs emergency tree services, such as removing a tree that has fallen in the street, the property owner is assessed a fee to cover the cost of this service. In 2023-2024 this fee revenue is estimated at \$500,000, which is lower than the 2022-2023 budgeted estimate of \$773,000. There is a corresponding City-Wide Expenses allocation to provide this service, which is further described in the *City-Wide Expenses* section of this document.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

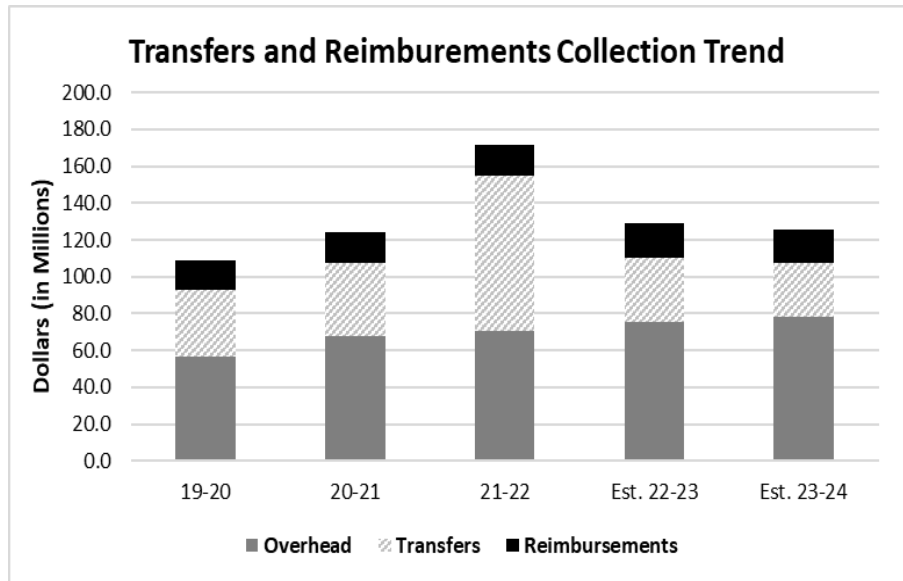
2021-2022 Actual	\$ 171,492,292
2022-2023 Adopted	\$ 122,058,848
2022-2023 Estimate*	\$ 128,760,013
2023-2024 Forecast**	\$ 124,161,469
2023-2024 Proposed	\$ 125,568,078
% of General Fund	8.2 %
% Change from 2022-2023 Adopted	2.9 %

* The 2022-2023 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2023-2024 Forecast was decreased by \$3.0 million from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

The Transfers and Reimbursements revenue category accounts for funds received by the General Fund from other City funds through a combination of means, including overhead charges, reimbursements for services rendered, or transfers. In total, Transfers and Reimbursements are anticipated to generate approximately \$125.6 million in 2023-2024. The following is a discussion of the three major



subcategories included in the Transfers and Reimbursements revenue category: Overhead Reimbursements; Transfers; and Reimbursements for Services.

Overhead Reimbursements

The Overhead Reimbursements category includes overhead reimbursements from both operating and capital funds. In 2023-2024, a total of \$78.2 million in overhead reimbursements are projected based on 2023-2024 overhead rates prepared by the Finance Department applied against the budgeted 2023-2024 applicable salaries. This figure reflects the following: a decrease of \$2.8 million incorporated into the Revised Forecast based on final overhead rates and updated allocations of staff across funds; and an increase of \$1.4 million incorporated into the 2023-2024 Proposed Budget generated from various budget actions that changed the staffing

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

Overhead Reimbursements (Cont'd.)

levels funded by capital and special funds. Descriptions of the budget actions that generate these overhead reimbursement changes can be found in the *City Departments* Section of this document. A summary of the overhead reimbursement between the Revised Forecast and the Proposed Budget by fund is detailed below.

Fund	Overhead Adjustment
Capital Funds	\$ 653,594
San José Clean Energy Fund (501)	344,803
Public Works Development Fee Program Fund (241)	160,172
Integrated Waste Management Fund (423)	152,256
Sewer Service and Use Charge Fund (541)	109,356
Home Investment Partnership Program Fund (445)	89,328
San José/Santa Clara Treatment Plant Operating Fund (513)	87,540
Building Development Fee Program Fund (237)	84,520
Airport Maintenance and Operation Fund (523)	66,109
Low and Moderate Income Housing Asset Fund (346)	54,558
Planning Development Fee Program Fund (238)	46,391
Public Works Program Support Fund (150)	35,892
Vehicle Maintenance and Operations Fund (552)	27,928
Rent Stabilization Program Fee Fund (450)	25,740
South Bay Water Recycling Operating Fund (570)	17,928
City-Wide Planning Fee Program Fund (239)	6,324
Community Development Block Grant Fund (441)	2,784
Maintenance Assessment District Funds	2,412
Water Utility Fund (515)	1,584
Storm Sewer Operating Fund (446)	(14,916)
Homeless Housing, Assistance, and Prevention Fund (454)	(23,808)
Fire Development Fee Program Fund (240)	(33,371)
General Purpose Parking Fund (533)	(39,078)
Public Works Small Cell Permitting Fee Program Fund (242)	(451,437)
Total Adjustments	\$ 1,406,609

Transfers

The Transfers category is projected at \$29.6 million in 2023-2024. The largest component of this category is a transfer from the Airport Maintenance and Operating Fund totaling \$19.8 million to reimburse the General Fund for police and aircraft rescue and firefighting services provided by the Police and Fire Departments. These reimbursements have been built to cover the 2023-2024 direct and indirect costs associated with these emergency services. Additional large 2023-2024 revenue include transfers from Construction and Conveyance Tax Funds (\$4.0 million) for park maintenance costs and methane monitoring, interest earnings from various funds (\$2.6 million), and Construction Excise Tax Fund (\$1.8 million).

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

TRANSFERS AND REIMBURSEMENTS

Reimbursements for Services

The largest single source of revenue in the Reimbursement for Services category is reimbursements from the Gas Tax Funds for the cost of City street-related expenses. In 2022-2023 Gas Tax receipts are estimated at \$17.4 million, which is higher than the 2021-2022 actual collections of \$15.8 million. Revenue received from the Gas Tax Fund is heavily reliant on activity levels, therefore, as pandemic-related restrictions lifted and gas prices dropped, people have been driving more, which positively impacted consumption levels. In 2023-2024, Gas Tax receipts are estimated to remain fairly flat at \$17.0 million. In addition, a portion of the Gas Tax revenue is allocated to cover various State-wide expenses, which affects net receipts as well.

The Reimbursements for Services category reimburses the City for actual costs associated with the Deferred Compensation Program, Voluntary Employee Beneficiary Association (VEBA) Fund, and the Maintenance Assessment District Funds. These amounts have been set to recover costs in 2023-2024 of \$831,102.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE ESTIMATES

BEGINNING FUND BALANCE	
Rebudget: Contingency Reserve	\$ 46,000,000
Unexpended Earmarked Reserves*	\$ 23,817,403
2022-2023 Ending Fund Balance Reserve*	\$ 9,400,000
2022-2023 Expenditure Savings/Additional Revenue*	\$ 55,100,000
Liquidation of Prior Year Encumbrances*	\$ 500,000
Fund Balance Subtotal:	\$ 134,817,403
Reserve for Encumbrances	\$ 53,352,941
Fund Balance Total:	\$ 188,170,344
% of General Fund**	8.7%

* Used for 2023-2024 Proposed Budget balancing purposes.

** Excludes Reserve for Encumbrances.

Estimates for both the unrestricted and restricted (reserve for encumbrances) portions of the 2022-2023 Ending Fund Balance/2023-2024 Beginning Fund Balance, totaling \$188.2 million, are included as part of the 2023-2024 Proposed Budget. The estimate for the encumbrance reserve is set at the 2021-2022 actual level (\$53.4 million). The Proposed Budget includes a matching expenditure amount intended to reflect the corresponding encumbrances that are estimated for 2023-2024.

The estimate for unrestricted Beginning Fund Balance is set at \$134.8 million in 2023-2024, which represents a \$58.5 million increase from the 2023-2024 Forecast level of \$76.4 million. When the Forecast was initially developed, the Beginning Fund Balance projection totaled \$76.0 million and included the following: an unexpended (rebudgeted) Contingency Reserve estimate of \$46.0 million; a combination of excess revenues and expenditure savings totaling \$29.5 million; and the liquidation of prior year encumbrances (\$500,000). After the release of the Five-Year Forecast in February 2023, the Beginning Fund Balance was increased by \$351,447, to reflect the liquidation of reserve funding from the Vehicle Abatement Program Enhancements Reserve (\$177,000) and the East San Jose Small Business Corridor Staffing Reserve (\$174,447). As a result of these actions, the 2023-2024 Revised Forecast Beginning Fund Balance totaled \$76.4 million.

In the Proposed Budget, Beginning Fund Balance adjustments totaling \$58.5 million are included, which is primarily attributable to increased estimated revenue and expenditure savings (\$35.0 million) and the liquidation of various reserves (\$23.5 million). As a result of these actions, the Beginning Fund Balance increased from the Revised Forecast level of \$76.4 million to \$134.8 million (excluding the Reserve for Encumbrances). Details on the recommended Beginning Fund Balance adjustments included in the Proposed Budget are summarized below.

- Anticipated fund balance of \$35.0 million generated from additional 2022-2023 revenue and expenditure savings that is anticipated to be available for use in 2023-2024; and
- Liquidation of various reserves totaling \$23.5 million, including various Measure E Reserves (\$17.5 million), Fire Station FF&E Reserve (\$3.8 million), Recruitment Centralization Pilot Program Reserve (\$1.1 million), Solid Waste Code Enforcement Reserve (\$600,000), Climate and Seismic Resilience Planning Reserve (\$463,000).

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

PROPERTY TAX

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the State Constitution and placed restrictions on the valuation of real property and on the imposition of ad valorem property tax. Under current law, all taxable real and personal property is subject to a tax rate of one percent of the assessed value. (In June 1986, California voters approved a Constitutional Amendment, which provides for an exception to the one-percent limitation. The Amendment allows local governments and school districts to raise property taxes above one percent to finance general obligation bond sales. A tax increase can only occur if two-thirds of those voting in a local election approve the issuance of bonds.) The assessed value of real property that has not changed ownership adjusts by the change in the California Consumer Price Index up to a maximum of two percent per year. Property which changes ownership, property which is substantially altered, newly-constructed property, State-assessed property, and personal property are assessed at the full market value in the first year and subject to the two percent cap, thereafter.

In 1979, in order to mitigate the loss of property tax revenues after approval of Proposition 13, the State Legislature approved Assembly Bill 8 (AB 8). This action was approved to provide a permanent method for allocating the proceeds from the 1% property tax rate, by allocating revenues back to local governments based on their historic shares of property tax revenues. AB 8 shifted approximately \$772 million of school district property tax revenue to local governments and backfilled schools' lost revenue with subsidies from the State General Fund. Actions taken by the State in order to balance the 1992-1993 and 1993-1994 State budgets partially reversed the AB 8 formula. The 1992-1993 action reduced the City's Property Tax proceeds by nine percent, and shifted this funding to schools in order to reduce the amount of State backfill required. As part of the State's 1993-1994 Budget, the AB 8 formula was again altered requiring another ongoing shift in City Property Tax revenue to K-12 schools and community colleges.

In November 1993, the City Council elected to participate in the Teeter Plan, which is an alternative method for County property tax apportionment. Under this alternative method authorized by the State Legislature in 1949, the County apportions property tax on the basis of the levy without regard for delinquencies. With the adoption of the Teeter Plan in 1993-1994, the City received a one-time buy out of all current, secured property tax delinquencies as of June 30, 1993, which totaled \$3.5 million. Under this system, the City's current secured tax payments are increased for amounts that typically were delinquent and flowed to the secured redemption roll, but the City gave up all future penalties and interest revenue derived from the delinquencies.

In 2004-2005, the State budget included a permanent reduction of the Motor Vehicle In-Lieu (MVLIF) tax rate from 2% to 0.65% (its current effective rate). As part of the State budget action, the loss of MVLIF was approved to be replaced with a like amount of property tax revenue, on a dollar-for-dollar basis, which now grows based on assessed valuations.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

SALES TAX

The Sales Tax is an excise tax imposed on retailers for the privilege of selling tangible personal property. The Use Tax is an excise tax imposed on a person for the storage, use, or other consumption of tangible personal property purchased from any retailer. The local Sales and Use Tax is collected and administered by the California Department of Tax and Fee Administration and is authorized by the Uniform Local Sales and Use Tax Law and the Bradley-Burns Uniform Local Sales and Use Tax Law. The proceeds of sales and use taxes imposed within the boundaries of San José are distributed by the State to various agencies, with the City of San José receiving one percent.

On November 2, 1993, Proposition 172 (Public Safety Fund) was approved allowing for the permanent extension of the half-cent State sales tax that was originally imposed on July 15, 1991, and was to sunset on June 30, 1993. (On July 1, 1993, a six-month extension of the tax was granted by the State in order to provide a source of one-time funding for cities and counties to partially offset 1993-1994 ongoing property tax reductions.) The passage of the Proposition 172 legislation, effective January 1, 1994, required that the proceeds from the 0.5% tax be diverted from the State to counties and cities on an ongoing basis for funding public safety programs.

The current distribution of the sales tax proceeds is outlined below, which includes a voter-approved 1/4 percent local transaction and use tax enacted by the City of San José effective October 1, 2016 (limited to 15 years) to fund essential City services such as: improving police response to reduce violent crimes and burglaries; improving 911/emergency medical and fire response times; repairing potholes and streets; expanding gang prevention; and maintaining the City’s long-term financial stability.

Sales Tax Rates	
State – General Fund	3.9375%
State – Local Revenue Fund	1.5625
State – County Transportation Funds	0.2500
State – City of San José	1.0000
Public Safety Fund (Proposition 172) ⁽¹⁾	0.5000
Sub-Total Statewide Sales and Use Tax	7.2500
Local – City of San José ⁽²⁾	0.2500
Santa Clara County Transit District ⁽³⁾	0.5000
Santa Clara County Valley Transportation Authority ⁽⁴⁾	0.5000
Santa Clara VTA BART Operating and Maintenance Transactions and Use Tax ⁽⁵⁾	0.1250
Santa Clara County Retail Transactions and Use Tax ⁽⁶⁾	0.1250
Silicon Valley Transportation Solutions Tax ⁽⁷⁾	0.5000
Peninsula Corridor Joint Powers Board (Caltrain) ⁽⁸⁾	0.1250
Total Sales and Use Tax	9.3750%
⁽¹⁾ City of San José receives a portion of this Sales and Use Tax revenue that varies from year to year. ⁽²⁾ Approved by voters in June 2016, and effective October 1, 2016, (limited to 15 years) to fund essential City services. ⁽³⁾ Approved by voters in 1976; does not expire. Imposed by VTA. ⁽⁴⁾ Approved by voters in November 2000, and effective April 1, 2006 (limited to 30 years). Imposed by VTA. ⁽⁵⁾ Approved by voters in November 2008 to support BART and effective on July 1, 2012 (limited to 30 years). Imposed by VTA. ⁽⁶⁾ Approved by voters in November 2012 and effective April 1, 2013 (limited to 10 years). ⁽⁷⁾ Approved by voters in June 2016, and effective April 1, 2017 (limited to 30 years). Imposed by VTA. ⁽⁸⁾ Approved by voters in November 2020, and effective July 1, 2021 (limited to 30 years). Imposed by Peninsula Corridor Joint Powers Board, which owns and operates Caltrain.	

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

SALES TAX

Major items, such as services, are exempt from the tax code. As part of a 1991-1992 legislative action, tax exemptions were removed from candy and snack foods, bottled water, newspapers and periodicals, and fuel and petroleum products sold to certain carriers. The removal of these exemptions became effective July 1991. On November 3, 1992, however, the voters approved Proposition 163, which partially repealed the prior action, re-establishing the exemption for snack foods, candy, and bottled water effective December 1, 1992.

TRANSIENT OCCUPANCY TAX

The Transient Occupancy Tax is assessed as a percentage of the rental price for transient lodging charged when the period of occupancy is 30 days or less. The combined tax rate is currently 10%, of which 6% is placed in the Transient Occupancy Tax Fund and 4% is deposited in the General Fund. The General Fund portion (4% of rent) of the tax is authorized by Title 4 of the Municipal Code, Section 4.74, Ordinance number 21931. The Transient Occupancy Tax Fund portion of the revenues (6% of rent) is authorized by Title 4 of the Municipal Code, Section 4.72, Ordinance number 23481, with the use of funds restricted to the following uses:

- 1) Approximately 50% shall support the City's operating subsidy to the convention and cultural facilities of the City of San José.
- 2) The remaining 50% shall support the following uses, with respective funding levels determined by the City Council:
 - a. Funding of the Convention and Visitors Bureau (historically, approximately 25%); and
 - b. Funding for the cultural grant program and fine arts division programs, including funding of cultural grants and expenses of the fine arts division, including, but not limited to, personal and non-personal/equipment expenses, fringe benefits, and overhead (historically, approximately 25%).

The General Fund portion, or 40% of the Transient Occupancy Tax, was enacted as a general tax. The other 60% of the Transient Occupancy Tax is restricted for the support of arts and cultural development, operation of a convention and visitors bureau and the convention and cultural facilities of San José. Although not specifically related to the Transient Occupancy Tax, many hotels in San José also belong to the Convention Center Facilities District, which assesses an additional special tax on daily room rates of 4%. Revenues from the Convention Center Facilities District are restricted for debt service payments or capital improvements related to the Convention Center. Of the approximately 14% total tax assessed on room rates at most hotels, only the 4% portion of the Transient Occupancy Tax is deposited into the General Fund.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

FRANCHISE FEES

The City collects compensation from Pacific Gas and Electric Company (PG&E) for the use of City streets in the distribution of natural **gas** and **electricity**. PG&E is assessed 2.0% of the gross receipts representing its sale of electricity and natural gas for a calendar year within the City limits. The taxes are authorized by Title 15 of the Municipal Code, Chapter 15.32, and no authorized exemptions exist.

On February 9, 2010, the City Council approved ordinances amending the franchises with PG&E for the sale of natural gas and the sale of electricity. These amendments added a franchise fee surcharge of 0.3%, resulting in a total franchise fee remitted to the City of 2.3% of gross receipts from the sale of gas and electricity in the City through 2021. The 0.3% surcharge was approved by the California Public Utilities Commission (CPUC) effective May 5, 2010. Implementation of the surcharge began in September 2010.

From the sale of **nitrogen gas**, the City collects an annual fee of \$0.119/linear foot of gas-carrying pipe installed within public streets. In addition, each customer is required to pay an annual per connection fee of \$118.76 multiplied by the inside diameter of pipe expressed in inches at the property line. A minimum of \$1,000 total franchise fees per calendar year is required. The fee is authorized by City Ordinance number 20822 and amended by Ordinance number 25054; there are no authorized exemptions.

On July 1, 1996, **Commercial Solid Waste** (CSW) collection franchise fees were converted to a volume basis. This revision amended the previous structure (which had been in effect since January 1, 1995) that assessed a franchise fee equal to 28.28% of gross receipts in excess of \$250,000. With that change, fees were set at \$1.64 per cubic yard per collection for cubic yards in excess of 43,000 (the cubic yard basis is tripled if the waste has been compacted) in a fiscal year, and were assessed on any commercial business engaged in the collection, transportation, or disposal of garbage and/or rubbish (solid waste) accumulated or generated in the City of San José. In December 1997, the City Council increased the rate to \$2.41 effective on January 1, 1998. In 1999-2000, this fee was increased to \$2.84 per cubic yard. In 2002-2003, a three-year gradual shift in the revenue distribution between the CSW and AB 939 fees (also known as the “commercial source reduction and recycling fee” collected and deposited in the Integrated Waste Management Fund) was approved, which increased the amount collected for CSW to \$3.34 per cubic yard in 2004-2005. In 2005-2006, the City Council increased the fee by 4.5% (\$0.15 per cubic yard) to \$3.49 per cubic yard.

In 2006-2007, an additional 5.0% increase was approved by the City Council, which brought the fee to \$3.67 per cubic yard. In 2009-2010, the elimination of the fee exclusion for the first 20,000 cubic yards hauled in the fiscal year was approved.

On October 19, 2010, the City Council amended the CSW franchise fee to a fee for franchises based on geographic collection districts rather than volume. The volume-based fee remains for franchisees that do not have a franchise based on geographic collection district, such as non-exclusive franchise holders that collect construction and demolition and residential clean-out material. However, this fee is Zero Dollars (\$0.00) per cubic yard, or fraction thereof, of construction and demolition debris or residential clean-out material with twenty percent (20%) or

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

FRANCHISE FEES

less incidental contamination. The base fee of \$5.0 million per year for each of two geographic collection districts, plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and the South District became effective July 1, 2012, and is subject to an annual adjustment not to exceed the percentage increase in the annual Consumer Price Index (CPI). The CSW fee is authorized by Title 9 of the Municipal Code, Chapter 9.10.1710.

The City collects a **Cable Television Franchise Fee** from any company that provides cable television (Municipal Code, Title 15, Chapter 15.34). The current fee requires each State video franchise holder to pay the city a franchise fee that is 5% of gross revenues derived from subscriptions. Excluded from the gross receipts are amounts derived from installation, late charges, advertising, taxes, line extensions, and returned check charges.

The **Water Franchise Fee** was established in 1995-1996 (effective July 27, 1995, Title 15 of the Municipal Code, Section 15.40). The assessment of the fee is allowable under State law, which asserts that a city can collect a franchise fee from a water utility company for laying pipelines and operating them in public right-of-ways. The fee is equal to the greater of either: 1) 2% of the utility's gross annual receipts arising from the use, operation, or possession of facilities located in public streets within the City limits established on or after October 10, 1911, or 2) 1% of all gross receipts derived from the sale of water within the City limits. Those portions of the water company's system that are established in private right-of-ways or utility easements granted by private developers are exempted from the franchise fee assessment. It should be noted that the City is not assessing a Water Franchise Fee on the San Jose Water Company due to a Santa Clara County Superior Court ruling that states San José cannot impose a franchise fee on that company.

UTILITY TAX

The Utility Tax is charged to all users of a given utility (gas, electricity, telephone, and water) other than the corporation providing the utility (i.e., a utility company's consumption of all utilities used in the production or supply of their service is not taxed). For the electricity, gas, and water categories, consumers pay 5% of their utility charges to the utility company that acts as a collection agent for the City. For the telephone utility tax, consumers pay 4.5% on all intrastate, interstate, and international communication services regardless of the technology used to provide such services. Private communication services, voice mail, paging, and text messaging are treated the same as traditional telephone services. In November 2008, voters approved Measure K that reduced the telephone utility rate from 5.0% to 4.5% and broadened the base for the tax and the definition of technologies covered by the tax. The tax is not applicable to State, County, or City agencies. Also, per State regulations, insurance companies and banks are exempted from the tax. This tax is authorized by Title 4 of the Municipal Code, Section 4.68.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

The **General Business Tax** was first adopted on July 15, 1963. The methodology used for calculating the Business Tax (Chapter 4.76 of the San José Municipal Code) was adopted in 1984 and adjusted in 1986. In November 1996, the rates were increased to reflect an annual inflation factor as part of the New Realities Task Force recommendations contingent on voter approval. Because the voters did not approve the continuation of the increase in November 1998, the rates were returned to the levels prior to November 1996. Those rates stayed in effect until San José voters approved the Business Tax Modernization measure on November 8, 2016. In addition to expanding the application of tax to more business classes, the Business Tax Modernization measure increased the base tax, the incremental tax, and the cap (the maximum amount of tax affecting large businesses). The Business Tax Modernization measure rates went into effect July 1, 2017, and will be adjusted annually on July 1st for inflation changes.

The following charts present the business tax rate structure after the Business Tax Modernization, along with the inflation adjusted rates for the periods listed.

Employee Count

Every person engaged in business in the City shall pay a business tax based on employee count, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Businesses: Employee Count¹	July 2022 - June 2023	Effective July 1, 2023³
Base Tax: 1-2 employees	\$210.00	\$213.15
Incremental Tax: 3-35 ²	\$34.21	\$35.24
Incremental Tax: 36-100 ²	\$45.61	\$46.98
Incremental Tax: 101-500 ²	\$57.01	\$58.72
Incremental Tax: 501+ ²	\$68.47	\$70.52
Cap	\$171,300.69	\$176,439.71

¹ Businesses choose between calculating the number of employees based on full-time equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

² Incremental tax rates are applicable per employee.

³ As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2022 to February 2023, the CPI grew by 5.3%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 3.0%, in line with the prescribed limits.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

Residential Rental Property Units

Every person in the City engaged in the business of renting or leasing any residential real estate shall pay a business tax based on the number of rental units held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Residential Landlords: Rental Units	July 2022 - June 2023	Effective July 1, 2023²
Base Tax: 1-2 units	\$210.00	\$213.15
Incremental Tax: 3-35 ¹	\$11.40	\$11.74
Incremental Tax: 36-100 ¹	\$17.10	\$17.61
Incremental Tax: 101-500 ¹	\$22.80	\$23.48
Incremental Tax: 501+ ¹	\$28.50	\$29.36
Cap	\$171,300.69	\$176,439.71

¹ Incremental tax rates are applicable per unit.

² As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2022 to February 2023, the CPI grew by 5.3%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 3.0%, in line with the prescribed limits.

Commercial (Non-Residential) Rental Property Units

Every person in the City engaged in the business of renting or leasing any non-residential real estate shall pay a business tax based on the square footage of space held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Commercial Landlords	July 2022 - June 2023	Effective July 1, 2023²
Base Tax	\$210.00	\$213.15
Flat Incremental Tax: per Square Foot ¹	\$0.0284	\$0.0293
Cap	\$171,300.69	\$176,439.71

¹ Incremental tax rates are applicable per square foot.

² As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2022 to February 2023, the CPI grew by 5.3%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 3.0%, in line with the prescribed limits.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

Mobile Home Parks Rental Units

Every person in the City engaged in the business of renting or leasing any mobile home parks shall pay a business tax based on the number of lots held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Mobile Home Parks – Rental Lot	July 2022 - June 2023	Effective July 1, 2023 ²
Base Tax: 1-2 lots	\$210.00	\$213.15
Incremental Tax: 3+ lots ¹	\$11.40	\$11.74
Cap	\$171,300.69	\$176,439.71

¹ Incremental tax rates are applicable per unit.

² As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2022 to February 2023, the CPI grew by 5.3%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 3.0%, in line with the prescribed limits.

Water Meter Connections

Every person engaged in the business of a public water utility in the City shall pay a business tax based upon the number of active metered connections within the city, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Water Companies	July 2022 - June 2023	Effective July 1, 2023 ²
Base Tax	\$210.00	\$213.15
Flat Incremental Tax: per connection ¹	\$1.13	\$1.16
Cap	\$171,300.69	\$176,439.71

¹ Incremental tax rates are applicable per connection.

² As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2022 to February 2023, the CPI grew by 5.3%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 3.0%, in line with the prescribed limits.

Out of Town Businesses

Every person engaged in business in the City shall pay a business tax based on an employee count, unless the basis of tax is otherwise prescribed in the San José Municipal Code.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

Out of Town Businesses

Out of Businesses:	Effective July 1, 2023 ³				
Employee Count ¹	120+ days	90-119 Days	30-89 days	6-29 days	5 or less days ⁴
Base Tax: 1-2 employees	\$213.15	\$106.58	\$79.93	\$53.29	\$0.00
Incremental Tax: 3-35 ²	\$35.24	\$17.62	\$13.22	\$8.81	\$0.00
Incremental Tax: 36-100 ²	\$46.98	\$23.49	\$17.62	\$11.75	\$0.00
Incremental Tax: 101-500 ²	\$58.72	\$29.36	\$22.02	\$14.68	\$0.00
Incremental Tax: 501+ ²	\$70.52	\$35.26	\$26.45	\$17.63	\$0.00
Cap	\$176,439.71	\$176,439.71	\$176,439.71	\$176,439.71	\$0.00

¹ Businesses choose between calculating the number of employees based on full-time equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

² Incremental tax rates are applicable per employee.

³ As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2022 to February 2023, the CPI grew by 5.3%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 3.0%, in line with the prescribed limits.

⁴ For businesses in San José only 5 or less days, there is no fee, but the business is still required to submit registration. They will receive an account number, but a certificate will not be issued. These accounts automatically expire annually.

Exclusions and Exemptions

There are several exclusions (by Federal or State regulations) or exemptions (by the City Council) from the General Business Tax. The major types of exempt organizations include banks and insurance companies, charitable and non-profit organizations, interstate commerce, and low revenue generation businesses.

Specialty Business Taxes

On May 26, 1987, the City Council enacted a new **Disposal Facility Tax**, which became effective July 1, 1987. The rate structure is based on the weight of solid waste disposed. On July 1, 1992, the City Council increased the Disposal Facility Tax from \$3.00 per ton of disposed waste to \$13.00 per ton. This tax is assessed on landfills located in the City of San José. Beginning 2002-2003, waste previously classified as alternate daily cover was made subject to the Disposal Facility Tax. After a legal challenge, the City reinstated the alternate daily cover exemption in August 2005.

During 1991-1992, the City Council approved a cardroom ordinance, which contained the provision of a **Cardroom Business Tax** to tax gross receipts from cardrooms located in the City.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

BUSINESS TAXES

Specialty Business Taxes

On June 9, 1992, the City Council amended the cardroom ordinance, increasing the tax rate schedule and expanding the permissible games authorized. A gross receipt monthly tax schedule was established with taxes ranging from 1% to 13% of gross receipts. In 1993-1994, the City Council approved a revision to the cardroom ordinance, instituting a flat 13% gross receipts tax for all cardrooms located in the City with annual gross revenues in excess of \$10,000. In June 2010, voters approved a ballot measure that increased the tax rate from 13% to 15% and increased the maximum number of card tables from 80 to 98. In November 2020 voters approved a ballot measure to increase the tax rate from 15% to 16.5%, increase the maximum number of card tables from 98 to 128, and extend the cardroom tax to those businesses providing Third-Party Proposition Player Services in the cardrooms.

On November 2, 2010, San José voters approved Ballot Measure U, which allowed the City to tax all marijuana businesses (medical and non-medical; legal and illegal) at a rate of up to 10% of gross receipts. On December 13, 2010, the City Council approved an ordinance that set the **Cannabis Business Tax** (formerly Marijuana Business Tax) at 7%, and on June 4, 2013, the City Council increased the rate to 10% effective on July 1, 2013. On May 21, 2019, the City Council approved an ordinance that amended Chapter 4.66 to rename the Marijuana Business Tax to the Cannabis Business Tax (CBT) and to establish a tiered CBT rate structure for various categories of cannabis business activities. Effective July 1, 2019, the following CBT rates are applicable on the gross receipts:

Business Activity	July 2013 - June 2019	Effective July 1, 2019
Cultivation	10%	4%
Manufacturing	10%	3%
Distribution	10%	2%
Laboratory Testing	10%	0%
Retail / Delivery Sales	10%	10%

REAL PROPERTY TRANSFER TAX

On March 3, 2020, San José voters approved Measure E, Real Property Transfer Tax. This new tax, which becomes effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over \$2.0 million. The Real Property Transfer Tax is a general tax, which means the City of San José can use the revenue for any governmental purpose.

The rate for the Real Property Transfer Tax is as follows:

- 1) Under \$2.0 million – Exempt;¹
- 2) \$2.0 million to \$5.0 million – 0.75% of the transferred property value;
- 3) \$5.0 million to \$10.0 million – 1.0% of the transferred property value; and
- 4) Over \$10.0 million – 1.5% of the transferred property value

¹ Beginning July 1, 2025, the exemption threshold of under \$2,000,000 will automatically adjust based on a consumer price index every five years. The Finance Director will publish the exemption threshold as adjusted no later than April 30 prior to the July 1 date on which the adjustment to the exemption threshold becomes effective.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

TELEPHONE LINE TAX

In November 2008, voters approved Measure J that replaced the Emergency Communication System Support (ECSS) Fee with a tax in an amount that is 10% less than the ECSS Fee. The tax amount is \$1.57 per telephone line per month and \$11.82 per commercial type trunk line. The City ceased collecting the fee and began collecting the tax by April 1, 2009. The tax is collected from telephone users on their telephone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service.

LICENSES AND PERMITS

The City requires payment for the issuance of various health and safety-related licenses and permits. For most licenses and permits, the various fees charged by a given department are based on full recovery of the estimated costs for providing each service. For example, the City requires fire safety inspections of all commercial property. The fee provides for inspection charges and a number of special charges. Authorized exceptions include the addition and/or alteration of under 20 sprinkler heads and the installation of portable extinguishers. The fee is authorized by Title 17 of the Municipal Code, Chapter 17.12. Where appropriate, license and permit fees take into consideration approved exceptions to the City Council's full cost recovery policy, as well as applicable State laws. Specific prices and rates are determined by ordinance and each of the charges is fully explained in the City's Fees and Charges Report, which is released in May of each year.

Prior to 2020-2021, this category included development-fee revenue related to the Fire Department and Planning, Building and Code Enforcement Department. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs are no longer captured in the General Fund, and are instead allocated to specific Development Fee Program Funds. As before, the Development Fee Programs remain at 100% cost recovery.

FEES, RATES, AND CHARGES

Fees, Rates, and Charges are comprised of fees charged for services, which are primarily provided by the following departments: Police; Transportation; Library; and Parks, Recreation and Neighborhood Services. Prior to 2020-2021, this category included development-fee revenue related to the Planning, Building and Code Enforcement Department and Public Works Department. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs are no longer captured in the General Fund, and are instead allocated to specific Development Fee Program Funds. As before, the Development Fee Programs remain at 100% cost recovery.

The fees in this category are determined by ordinance and described in the City's annual Fees and Charges Report, which is released in May of each year. In addition, it should be noted that the fees assessed by the Parks, Recreation and Neighborhood Services Department can be found on the internet (www.sanjoseca.gov/your-government/departments/parks-recreation-neighborhood-services).

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

FINES, FORFEITURES AND PENALTIES

The City receives a portion of the fines collected in connection with violations of the State Vehicle Code on city streets. Various fines may be assessed in addition to those imposed by the Santa Clara County bail schedule and judges' sentences. The County court system collects the fines as authorized by the State Vehicle Code and makes monthly remittances to the City. Only "on call" emergency vehicles are exempt from Vehicle Code street laws. State legislative action in 1991-1992 reduced the amount (by approximately 50%) of Vehicle Code fine and forfeiture revenue forwarded to the City. On October 10, 1997, however, the Governor signed Assembly Bill 233 (AB 233), which became effective on July 1, 1998. AB 233 changed how the State and its counties and cities share in traffic citation fine revenues. This legislation essentially resulted in the doubling of the City's revenue collections in this area, reversing the impact of the 1991-1992 State legislative action.

The City receives fines and forfeitures of bail resulting from violation of State Health and Safety Codes and City Ordinances. These fees, authorized by the State Criminal Code and City Ordinances, are collected by the County and remitted to the City on a monthly basis. The City also receives revenue collected in connection with violations of the City's vehicle parking laws. These fines vary according to the nature of the violation. The City pays an agency to process and collect the fines. The only authorized exemption is for "on call" emergency vehicles.

REVENUE FROM USE OF MONEY AND PROPERTY

The City invests idle funds in order to earn interest. The total income varies with the market rates for interest and the funds available to invest. The City has established a formalized and conservative investment policy with objectives emphasizing safety and liquidity. This policy provides guidelines for the type, size, maturity, percentage of portfolio, and size of security issuer (among others) of each investment. In addition, the policy statement outlines several responsibilities of the City Council, City Manager, City Auditor, and Finance Director. These policy and monitoring units interact and produce investment performance reports and an annually updated investment policy. All reports and policies must be reviewed and approved by both the City Manager and City Council. Investment of funds is authorized by the City Charter, Section 8066. Revenue is also received from the rental of City-owned property.

REVENUE FROM LOCAL AGENCIES

This revenue category includes revenue received from a variety of other local government agencies. For example, the City receives payments from Santa Clara County/Central Fire District for fire services provided to District residents by the San José Fire Department, reimbursement from Santa Clara County for the first responder of advanced life support (Paramedics Program), and reimbursement from the Valley Transportation Authority (VTA) for police services at the Berryessa Bay Area Rapid Transit (BART) station.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

REVENUE FROM THE STATE OF CALIFORNIA

The City receives revenue from the State of California in a number of different forms. While the State provides the City with funds through grants and contracts for services, by far the largest source of funds is the Tobacco Settlement payments.

On November 23, 1998, the attorneys general of most states and the major United States tobacco companies signed a Master Settlement Agreement (MSA) to settle more than 40 pending lawsuits brought by states against the tobacco industry. In exchange for the states dropping their lawsuits, and agreeing not to sue in the future, the tobacco companies agreed to pay, in perpetuity, various annual payments to the states to compensate them for some of the medical costs of caring for persons with smoking-related illnesses. Further, the companies have restricted their marketing activities and established new efforts to curb tobacco consumption. The City, along with the other states and local government entities, joined in the settlement. In the MSA, the Original Participating Manufacturers agreed to pay a minimum of \$206 billion over the first twenty-five years of the agreement.

The City has also previously received Motor Vehicle In-Lieu (MVLFF) Tax revenues, which are license fees collected by the California Department of Motor Vehicles (DMV). Until 1998-1999, the annual license fee was 2% of the market value of the vehicle as determined by the DMV.

In 1998-1999, the State reduced the license fees by 25%, but agreed to backfill local jurisdictions for the loss in revenue, which represented 67.5% of MVLFF revenues received by the City at the time. In 2004-2005, as part of State budget actions, the MVLFF rate was permanently reduced from 2% to 0.65% and all future receipts of the backfill were approved to be in the form of increased Property Tax receipts and are reflected in that category. Thus, the backfill amount due to the City has permanently become property tax revenue that now grows based on assessed valuations. The State withholds a portion of these fees for the support of the DMV. The remaining fees are divided equally between counties and cities, and their aggregate shares are distributed in proportion to the respective populations of the cities and counties of the State. The exemptions authorized by the State Constitution, Article 13, include vehicles owned by insurance companies and banks, publicly owned vehicles, and vehicles owned by certain veterans with disabilities. The tax is authorized by the State Revenue and Taxation Code. In late June 2011, the State Legislature approved SB 89, which shifted over \$130 million in annual General Fund Motor Vehicle In-Lieu revenue from cities to support State law enforcement grants effective July 1, 2011. State legislative action in 1992-1993 eliminated local Trailer Coach In-Lieu Tax revenues. These funds were shifted to the State General Fund.

REVENUE FROM THE FEDERAL GOVERNMENT

Federal grants account for a significant portion of federal revenues. Grant programs must be specifically outlined and proposed for federal sponsorship. Due to the grant process, the volume of grants and level of revenue has been and will be sporadic.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

OTHER REVENUE

This revenue category contains revenue received from a variety of miscellaneous sources. Significant sources of revenue include reimbursement related to Finance Department staff in the Investment Program, sale of surplus property receipts, one-time and/or varied levels of reimbursements, and miscellaneous revenues associated with the Office of the City Attorney.

TRANSFERS AND REIMBURSEMENTS

The Transfers and Reimbursements revenue category is used to account for funds received by the General Fund from other City funds through a combination of means, including operating and capital fund overhead charges, transfers, and reimbursements for services rendered.

Overhead charges are assessed to recover the estimated fair share of indirect General Fund support services costs (staff and materials) that benefit other City program and fund activities. Examples of support activities included in the charges are services provided by the following departments: Finance, Human Resources, Information Technology, Mayor and City Council, the Office of the City Attorney, and the Office of the City Manager. Each year the charges are calculated using Finance Department developed overhead rates applied to projected salary costs in most City funds. The most significant sources of overhead reimbursements are the Treatment Plant Operating Fund, the Sewer Service and Use Charge Fund, the Airport Maintenance and Operation Fund, and the Integrated Waste Management Fund.

Transfers consist of both one-time and ongoing revenue sources to the General Fund. Ongoing transfers include capital fund transfers for maintenance and operating expenses incurred by the General Fund. One-time transfers occur on a sporadic basis and have included the disposition of uncommitted fund balances in several special funds and the transfer of monies to fund a variety of City projects.

Reimbursements from other funds represent the cost to the General Fund for services provided on behalf of the other City funds. This category also includes the State Gas Tax funds that are used to reimburse the General Fund for eligible expenditures. The State Gas Tax is described in the following section.

CITY OF SAN JOSE
2023-2024 PROPOSED OPERATING BUDGET
GENERAL FUND REVENUE DESCRIPTIONS

STATE GAS TAX

A portion of the State Gas Tax is shared with cities and counties under separate sections of the Streets and Highways Code. The 1964 Gas Tax (Section 2106) provides for a \$0.0104 charge on every gallon of gasoline. Revenue is then allocated according to the following formula:

County Allocation : **a** No. of Registered Vehicles in County
 ÷ b No. of Registered Vehicles in State
 x c \$0.0104
 x d Gallons of Gas Sold

City Allocation: **a** Incorporated Assessed Value in County
 ÷ b Total Assessed Value in County
 x c County Allocation

Individual City Allocation: **a** Population in City
 ÷ b Population of all Cities in County
 x c City Allocation

The 1943 Gas Tax (Section 2107) authorized a per gallon charge of \$0.00725. The State allocates part of these revenues for snow removal; the balance is distributed by calculating the portion of the State population represented by the city's population.

As a result of the passage of Proposition 111, gas and diesel taxes were increased \$0.05 per gallon on August 1, 1990, and increased by \$0.01 per gallon each January 1 until and including January 1, 1994. For the 1990 Gas Tax (Section 2105), cities are apportioned a sum equal to the net revenues derived from 11.5% of highway users taxes in excess of \$0.09 per gallon in the proportion that the total city population bears to the total population of all cities in the State.

PAGE INTENTIONALLY LEFT BLANK

INTRODUCTION

CITY SERVICE AREAS

What is a City Service Area?

City Service Areas (CSAs) integrate services provided in individual departments into the City's five key lines of business – Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services. An additional CSA, referred to as "Strategic Support," represents the internal functions that enable the other five CSAs to provide services to the community. These cross-departmental CSAs provide a forum for strategic planning and investment decisions within the context of the Mayor and City Council policy priorities. Plans, policies, and investment decisions at the CSA level are then carried out through departmental core and operational services.

Each CSA is guided by a Mission Statement, which is informed by the City's Mission Statement. The City's Mission Statement can be found on the City Service Area – Core Service Map at the end of this section.

The following pages present an overview of the CSA framework and how it is used in San José's operating and capital budgets and in performance reporting to the City Council and the public.

CITY SERVICE AREAS

COMMUNITY AND ECONOMIC DEVELOPMENT

ENVIRONMENTAL AND UTILITY SERVICES

NEIGHBORHOOD SERVICES

PUBLIC SAFETY

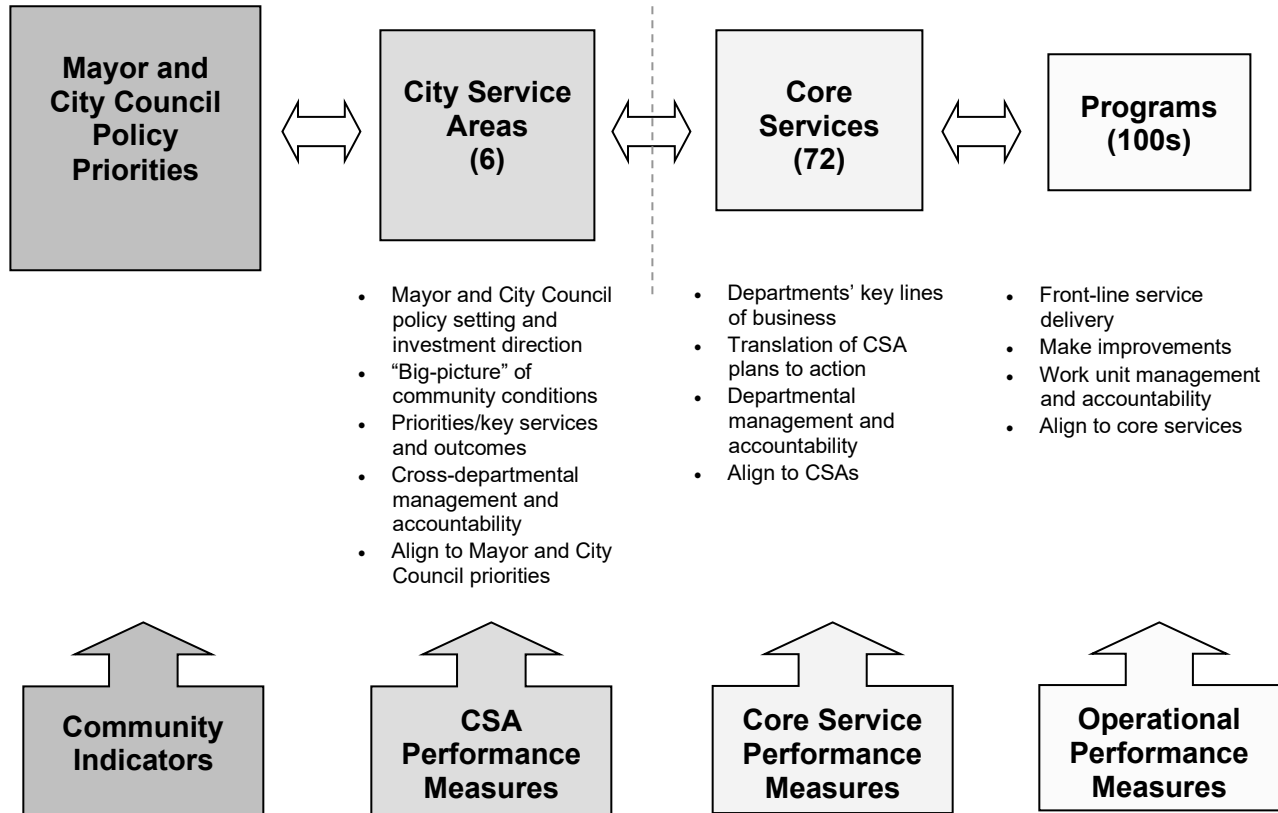
TRANSPORTATION AND AVIATION SERVICES

STRATEGIC SUPPORT

INTRODUCTION

CITY SERVICE AREAS

City of San José's Service Delivery Framework for Performance-Driven Government



The City of San José's Service Delivery Framework for Performance-Driven Government aligns front line services (or programs) to the Mayor and City Council Policy Priorities. This structure acknowledges the complexity of the organization and the wide variety of services delivered and provides tools at all levels of the organization to plan, manage, and measure the results that customers experience.

The 2002-2003 Operating Budget was San José's first performance-based budget developed by City Service Area (CSA). CSAs enable the City to strategically plan and show results of the collaboration among departments. Each CSA aligns the efforts of a number of core services (each with its own set of performance measures) into the City's key lines of business. In 2017-2018, programs were identified and aligned to the Core Services.

Both the operating and capital budget documents are aligned to the CSA framework. A CSA-based capital project reporting system has been implemented along with consistent performance measures to ensure that the City meets its on-time and on-budget goals for project delivery.

INTRODUCTION

CITY SERVICE AREAS

CSA Alignment for the Budget Document

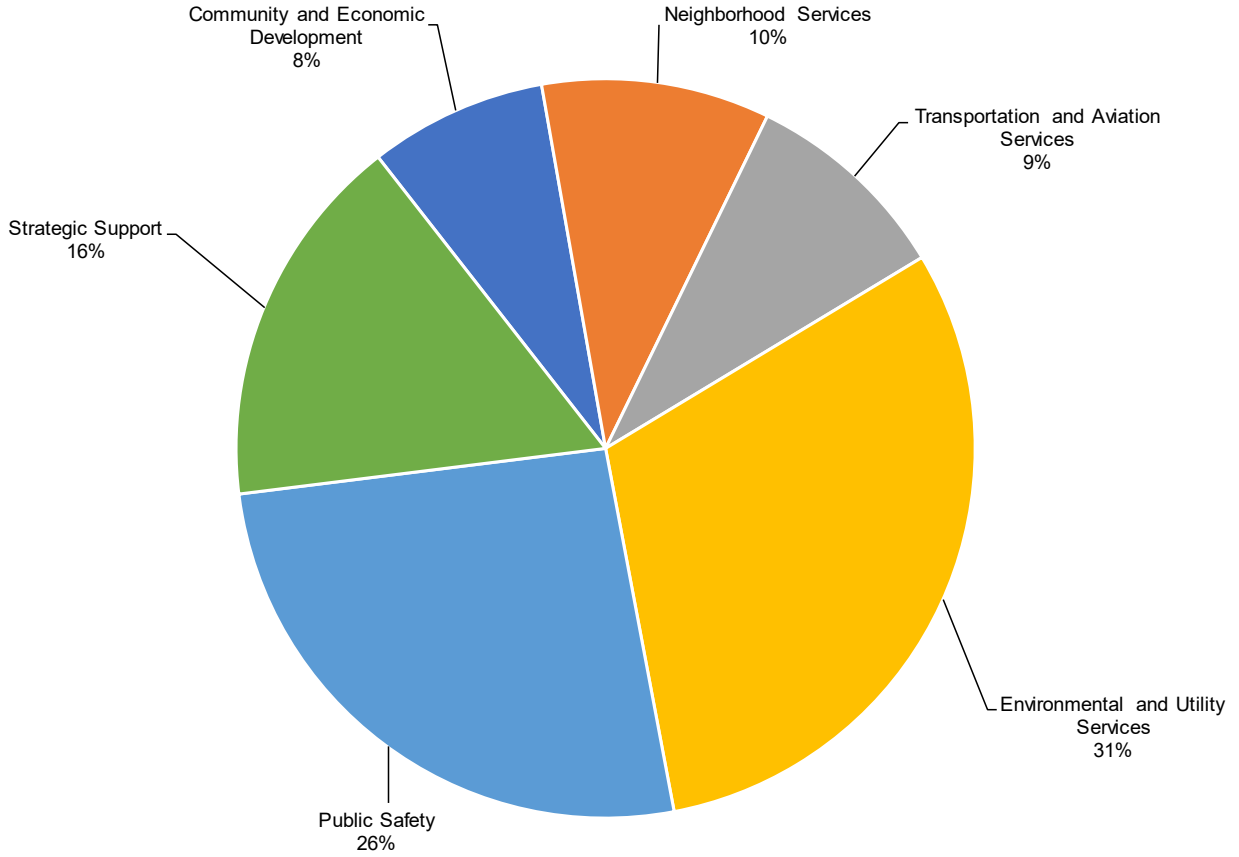
The operating budget document reflects San José's service delivery-based framework for performance-driven government. In that framework, each of the 72 departmental core services are aligned to one of six CSAs to which it contributes. A "map" detailing the alignment of the 72 core services to the six CSAs, including a description of the CSA mission and a listing of the CSA outcomes (the "ends" to which the plans, efforts, resources, and results of the CSA are directed) is provided at the end of this Introduction.

Each of the CSA overview sections that follow includes a description of the CSA's mission, partner departments, and a CSA outcome listing. The Service Delivery Framework displays the CSA's mission, outcomes, and the Core Services for each of the partner departments. A CSA Dashboard is also included to highlight key performance measures for the CSA.

INTRODUCTION

CITY SERVICE AREA – CORE SERVICE MAP

City Service Area Budget Summary



	2021-2022 Actuals 1	2022-2023 Adopted 2	2023-2024 Forecast 3	2023-2024 Proposed 4	% Change (2 to 4)
--	---------------------------	---------------------------	----------------------------	----------------------------	-------------------------

Dollars by CSA*

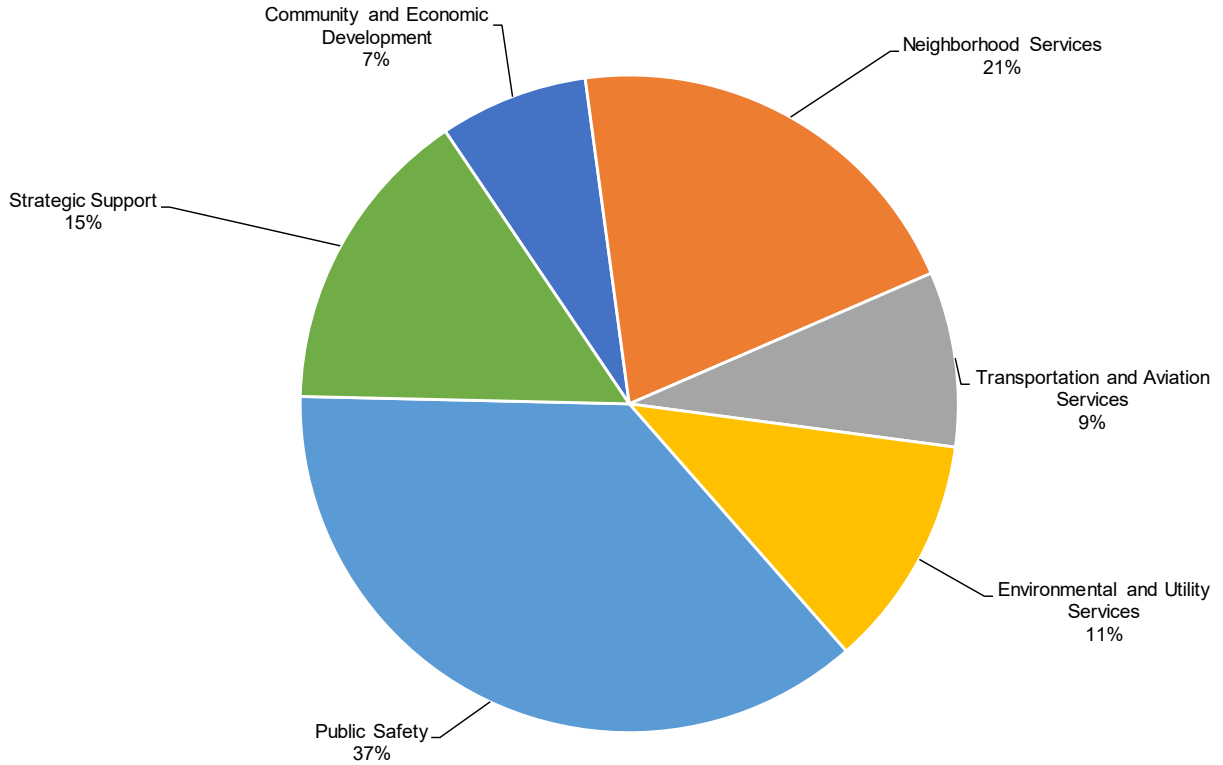
Community and Economic Development	\$ 253,492,446	\$ 330,928,040	\$ 237,768,110	\$ 243,365,259	-26.46%
Neighborhood Services	248,764,347	335,398,601	260,465,412	312,589,125	-6.80%
Transportation and Aviation Services	264,623,793	268,078,230	282,718,798	286,021,535	6.69%
Environmental and Utility Services	731,998,674	804,896,000	943,920,073	959,386,765	19.19%
Public Safety	798,657,811	816,330,383	796,828,013	813,358,263	-0.36%
Strategic Support	806,923,066	523,966,765	471,597,233	513,558,474	-1.99%
Total	\$ 3,104,460,136	\$ 3,079,598,019	\$ 2,993,297,639	\$ 3,128,279,420	1.58%

* Fund Balance, Transfers, Reserves, and Capital Project expenditures for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

INTRODUCTION

CITY SERVICE AREAS

City Service Area Budget Summary



	2021-2022 Actuals*	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	% Change (2 to 4)
	1	2	3	4	

Staffing by CSA

Community and Economic Development	478.11	514.01	502.01	513.67	-0.07%
Neighborhood Services	714.11	1,392.33	1,389.33	1,451.39	4.24%
Transportation and Aviation Services	483.75	588.94	587.94	605.26	2.77%
Environmental and Utility Services	632.81	780.56	781.56	804.24	3.03%
Public Safety	2,255.03	2,576.25	2,571.25	2,589.30	0.51%
Strategic Support	858.23	1,032.00	1,011.00	1,068.69	3.56%
Total	5,422.04	6,884.09	6,843.09	7,032.55	2.16%

* The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

INTRODUCTION

CITY SERVICE AREAS

COMMUNITY AND ECONOMIC DEVELOPMENT CSA

Mission: To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of housing and employment opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings.

Outcomes:

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks

Core Services

- ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS
- Arts and Cultural Development
 - Business Development and Economic Strategy
 - Real Estate Services
 - Regional Workforce Development
- FIRE
- Fire Safety Code Compliance
- HOUSING
- Affordable Housing Portfolio Management
 - Affordable Housing Production and Preservation
 - Neighborhood Capital Investment and Public Services
 - Rent Stabilization and Tenant Protection
- PBCE
- Citywide Land Use Planning
 - Development Plan Review and Building Construction Inspection
- PUBLIC WORKS
- Regulate/Facilitate Private Development

ENVIRONMENTAL AND UTILITY SERVICES CSA

Mission: Provide environmental leadership through policy development, program design, and reliable utility services.

Outcomes:

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- “Clean and Sustainable” Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply

Core Services

- COMMUNITY ENERGY
- Providing Clean Energy to the Community
 - Community Energy Customer Support
 - Community Energy Community Programming
- ENVIRONMENTAL SERVICES
- Potable Water Delivery
 - Recycled Water Management
 - Recycling and Garbage Services
 - Storm Water Management
 - Sustainability and Environmental Health
 - Wastewater Management
- TRANSPORTATION
- Sanitary Sewer Maintenance
 - Storm Sewer Maintenance

NEIGHBORHOOD SERVICES CSA

Mission: To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving and stewarding healthy neighborhoods.

Outcomes:

- Safe and Clean Neighborhoods and Public Spaces
- Welcoming and Vibrant Neighborhoods and Public Life
- Equitable Access to Community Opportunities to Flourish

Core Services

- HOUSING
- Homelessness Interventions and Solutions
- LIBRARY
- Access to Information, Library Materials, and Digital Resources
 - Literacy and Learning, Formal and Life-Long Self-Directed Education
- PRNS
- Community Facilities Development
 - Community Services
 - Parks Maintenance and Operations
 - Recreation Services
- PBCE
- Code Enforcement
- PUBLIC WORKS
- Animal Care and Services

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

INTRODUCTION

CITY SERVICE AREA – CORE SERVICE MAP

PUBLIC SAFETY CSA

Mission: Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations.

Outcomes:

- The Public Feels Safe Anywhere, Anytime in San José
- Residents Share the Responsibility for Public Safety

Core Services

CITY MANAGER

- City-Wide Emergency Management

FIRE

- Fire Department Emergency Response
- Fire Prevention

INDEPENDENT POLICE AUDITOR

- Independent Police Oversight

POLICE

- Crime Prevention and Community Education
- Investigative Services
- Regulatory Services
- Respond to Calls for Service and Patrol Support

TRANSPORTATION AND AVIATION SERVICES CSA

Mission: To provide the community with safe, secure, and efficient surface and air transportation systems that support San José’s livability and economic vitality.

Outcomes:

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

Core Services

AIRPORT

- Airport Marketing and Communications
- Airport Facilities
- Airport Operations

TRANSPORTATION

- Parking Services
- Pavement Maintenance
- Street Landscape Maintenance
- Traffic Maintenance
- Transportation Planning and Project Delivery
- Transportation Safety and Operations

STRATEGIC SUPPORT CSA

Mission: To effectively develop, manage, and safeguard the City’s fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects.

Outcomes:

- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Safe and Functional Public Infrastructure, Facilities, and Equipment
- Technology and Data Tools that Enable a Collaborative, Responsive, and Productive City
- Sound Fiscal Management that Facilitates Meeting the Needs of the Community

Core Services

FINANCE

- Debt and Treasury
- Disbursements
- Financial Reporting
- Purchasing and Risk Management
- Revenue Management

HUMAN RESOURCES

- Employee Benefits
- Employment Services
- Health and Safety
- Training and Development

INFORMATION TECHNOLOGY

- Business Solutions
- San José 311
- Technology Infrastructure and Operations

PUBLIC WORKS

- Facilities Management
- Fleet and Equipment Services
- Plan, Design, and Construct Public Facilities and Infrastructure

MAYOR, CITY COUNCIL AND APPOINTEES

MISSION: The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services. Council Appointees support and advance the collective work of the City organization through leadership, communication, and coordination.

MAYOR AND CITY COUNCIL

- Office of the Mayor
- City Council
- Council General

CITY ATTORNEY

- Legal Services

CITY AUDITOR

- Audit Services

CITY CLERK

- City Clerk Services

CITY MANAGER

- Lead and Manage the Organization

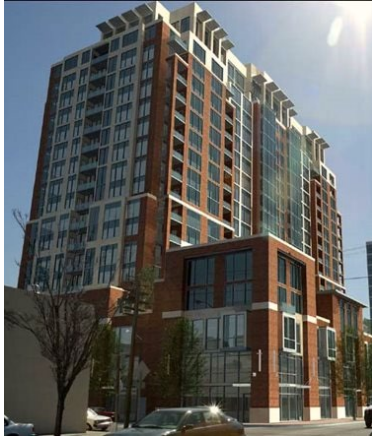
RETIREMENT

- Retirement Plan Administration

PAGE INTENTIONALLY LEFT BLANK

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT



MISSION

To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of housing and employment opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings

Primary Partners

Economic Development and Cultural Affairs

Fire

Housing

Planning, Building and Code Enforcement

Public Works

CSA OUTCOMES

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

SERVICE DELIVERY FRAMEWORK

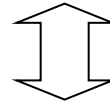
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
Why the CSA exists

Community & Economic Development CSA

Mission:

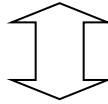
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



Outcomes:

CSA OUTCOMES
The high-level results of service delivery sought by the CSA partners

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks



PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

City Manager - Office of Economic Development and Cultural Affairs

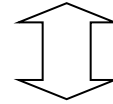
Core Services:

Arts and Cultural Development

Business Development and Economic Strategy

Real Estate Services

Regional Workforce Development



Fire Department

Core Services:

Fire Safety Code Compliance

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

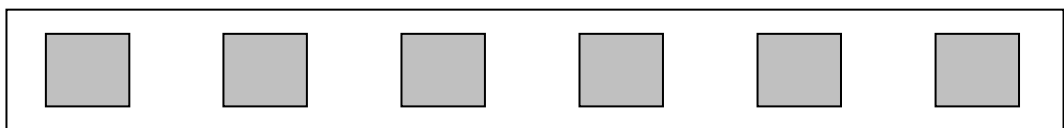
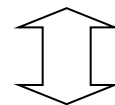
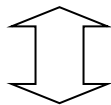
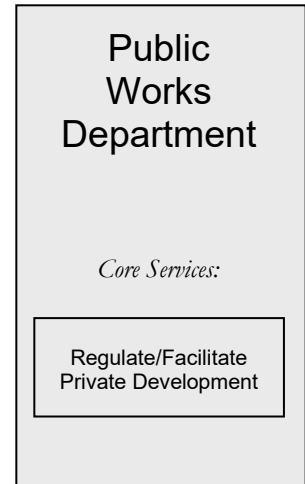
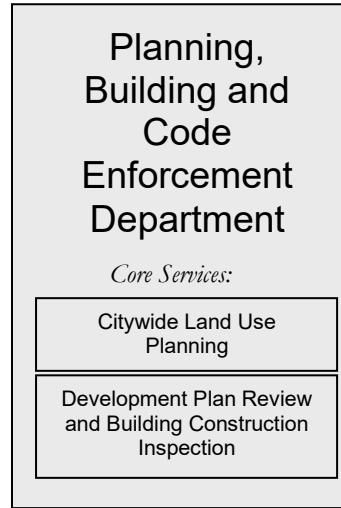
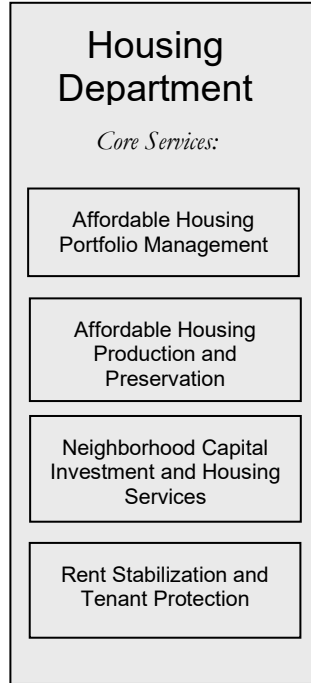
SERVICE DELIVERY FRAMEWORK

PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

PROGRAMS
Elements of Core Services; the "front-line" of service delivery

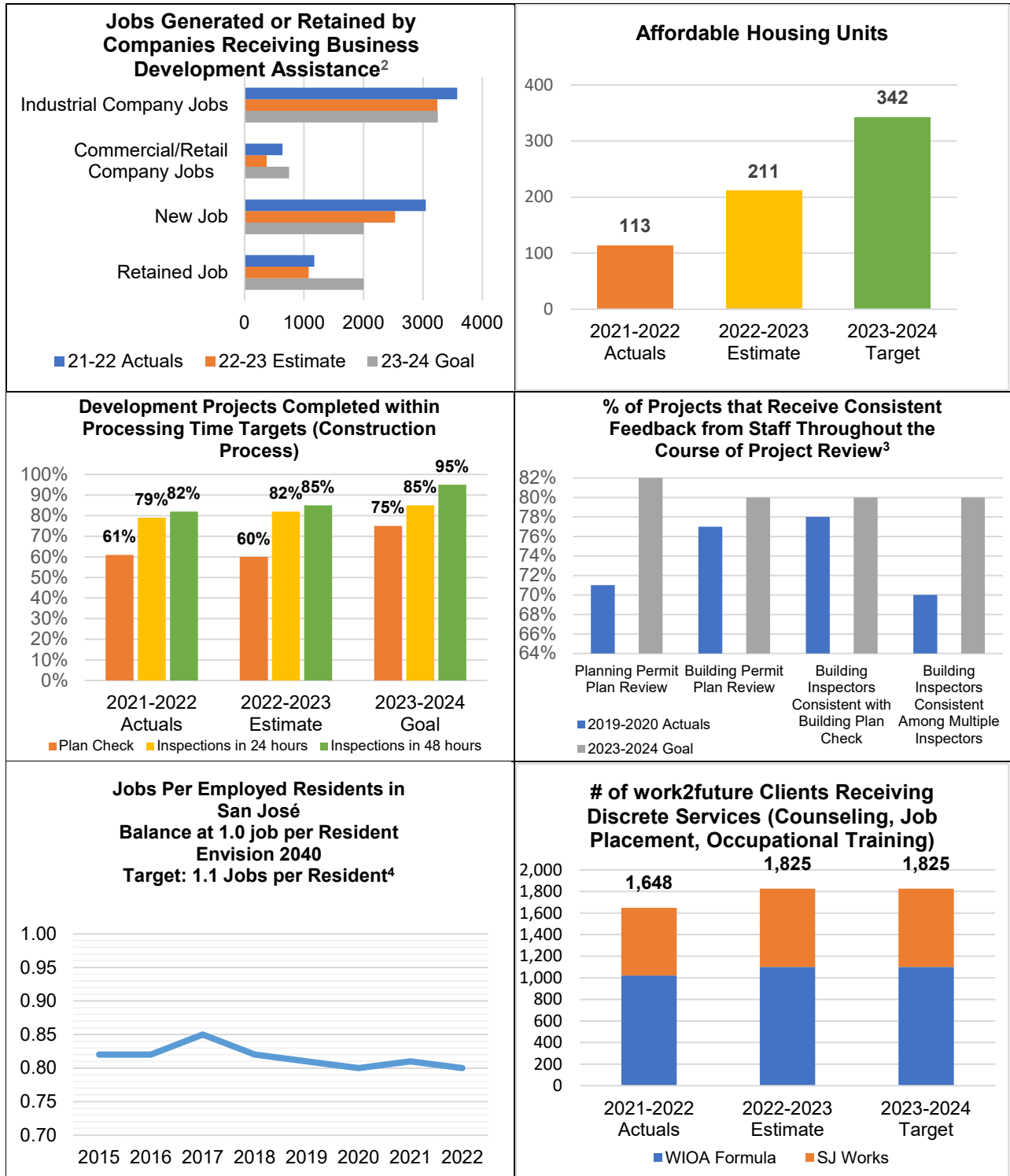
STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery



CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

DASHBOARD¹



¹ Modernization of the performance measures for Housing Department's Homelessness Interventions and Solutions Core Service will be completed in 2023-2024. To access the Homelessness Program Dashboard, please visit [Homelessness Program Dashboard | City of San José \(sanjoseca.gov\)](https://sanjoseca.gov/homelessness-program-dashboard).

² The Goal for jobs attracted and retained in 2023-2024 is optimistic due to slowing growth in the tech industry.

³ The Customer Satisfaction Survey was not completed in 2020-2021 and 2021-2022. It is anticipated that the performance measure data will be available for inclusion in the 2023-2024 Adopted Budget.

⁴ Data for the jobs-to-employed-resident ratio comes from proprietary data purchased from the California Employment Development Department. This may differ from other data sources (including the American Community Survey which is utilized by the Office of the City Auditor for its annual City Services Report) but is considered a more accurate representation of the City's jobs base.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- The Office of Economic Development and Cultural Affairs (OEDCA) will preserve current staff and add new staff to address the growing needs for economic and cultural development services, business communications, and economic and cultural policy support that will arise as certain important sectors of the city's economic and cultural fabric and its geography continue to recover from the impact of the pandemic. The OEDCA Business Development Unit will continue to build upon the small-business support programs, services and initiatives implemented with the allocation of funding from the American Rescue Plan Act.
- The Planning, Building, and Code Enforcement (PBCE) Department will complete General Plan amendments on all 55 mobile home parks in San Jose to a Mobile Home Park land use designation to further protect these parks from conversion to other uses.
- Co-create the first interdepartmental Housing Catalyst Work Plan on housing production, preservation and protections based on the approved 2023-2031 Housing Element and begin implementation on short-term strategies.
- Continue to digitally transform the Development Services operations with an upgraded portal to allow customers to start their applications online, integrate electronic plan submission and review for the building permits, improve permit fee payment process, and provide additional self-administered permits on the public portal.

2023-2024 Key Budget Actions

- Adds 1.0 Senior Executive Analyst position, in OEDCA, through June 30, 2025, to focus on citywide business recruitment, engaging in active recruitment efforts with prospective businesses, evaluating permitting processes, related fees, and potential simplification for new entrants into Downtown as well as pop-ups that could easily open in vacant space.
- Realigns the Downtown Management Team in OEDCA, by converting 1.0 temporary Senior Executive Analyst position to permanent status. This staffing will comprise a team focused on San Jose's urban core, working across various City departments and with Downtown stakeholders by expanding Downtown marketing efforts, helping to coordinate responses to safety concerns, and otherwise facilitating a greater collective impact.
- In OEDCA, deletes 1.0 vacant Senior Executive Analyst position that was supporting the Airport Air Service Development Manager. The role subsequently transitioned to legislative affairs and strategic planning on behalf of the Airport Department. Duties have been reassigned through the addition of a Division Manager in 2021-2022, and broader reorganization within the Airport Department.
- In the Housing Department, adds 1.0 Senior Supervisor Administration to supervise, coordinate and oversee the performance of specialized clerical staff and manage the day-to-day operations; adds 1.0 Senior Development Officer to manage eviction prevention efforts and to continue implementation of the Rent Stabilization (RSP) Strategic Plan.
- Realigns PBCE staff resources by adding 11.0 permanent positions and continuing 1.0 temporary position through June 30, 2024, to maintain the department's ability to support critical functions such as Permit Center, Best Prepared Installer (Inspections) program, Best Prepared Designer (Plan Review) program, Community Outreach, Environmental Review of Private Development or Public Projects, and various key service delivery expectations throughout the department.
- In the Public Works Department, eliminates 5.0 positions in the Public Works Development Fee Program to realign staffing levels with anticipated workload and revenue collections.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET SUMMARY

City Service Area Budget Summary**

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service *				
<i>City Manager - Office of Economic Development and Cultural Affairs</i>				
Strategic Support - Other - Community & Economic Development	3,974,574	17,213,056	531,506	832,864
Strategic Support - Community & Economic Development	4,708,991	12,603,581	2,461,843	2,610,828
Arts and Cultural Development	21,715,472	33,335,595	36,011,736	37,011,736
Business Development and Economic Strategy	6,430,222	8,329,337	8,537,144	9,902,737
Regional Workforce Development	8,802,067	12,448,861	11,902,082	11,902,082
Real Estate Services	2,929,538	2,914,886	3,047,728	3,047,238
<i>Fire Department</i>				
Fire Safety Code Compliance	8,383,418	8,118,957	8,501,561	8,298,183
Strategic Support - Other - Community & Economic Development	802,640	0	0	0
Strategic Support - Community & Economic Development	608,186	28,900	100	100
<i>Housing Department</i>				
Strategic Support - Other - Community & Economic Development	10,053,768	34,076,053	4,810,117	4,955,935
Strategic Support - Community & Economic Development	56,987,513	43,184,451	9,103,606	9,630,407
Rent Stabilization and Tenant Protection	2,261,831	3,214,854	3,240,696	3,450,336
Neighborhood Capital Investment and Public Services	13,853,651	39,052,511	28,463,251	28,463,251
Affordable Housing Portfolio Management	3,397,081	5,272,017	4,395,550	4,199,441
Affordable Housing Production and Preservation	40,481,488	31,216,176	42,261,491	43,276,684
<i>Planning, Building and Code Enforcement Department</i>				
Strategic Support - Other - Community & Economic Development	7,383,066	9,924,979	7,308,021	8,041,194
Strategic Support - Community & Economic Development	5,254,960	2,665,537	2,627,433	2,840,045
Development Plan Review and Building Construction Inspection	32,678,249	39,289,367	38,732,132	40,029,278
Citywide Land Use Planning	5,741,363	8,901,908	7,305,388	7,722,598
<i>Public Works Department</i>				
Strategic Support - Other - Community & Economic Development	127,956	1,993,950	593,319	593,319
Strategic Support - Community & Economic Development	91,304	0	0	0
Regulate/Facilitate Private Development	16,825,107	17,143,064	17,933,404	16,556,999
Total CSA	\$253,492,446	\$330,928,040	\$237,768,110	\$243,365,259
 Authorized Positions	 478.11	 514.01	 502.01	 513.67

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Service Delivery Accomplishments

- OEDCA maintained a multi-pronged small-business-support program to facilitate economic resiliency, inform business owners of available resources, fund business organization capacity building, and provide technical assistance services, including the hiring of bi-lingual staff to communicate with business owners in Spanish, Vietnamese, and Mandarin. OEDCA's Business Development team's small-business-support activities included conducting 19 business walks, making contact with an estimated 380- businesses, and hosting 12 webinars which reached an estimated 600 attendees on a variety of subjects including accessibility, rent relief programs, marketing and promotions, access to capital, crime prevention, real estate and childcare. In addition, the team conducted roughly 540 business meetings, including approximately 60 permit facilitations and 300 engagements focused on business retention, expansion, or attraction.
- Delivered a multi-pronged cultural development recovery strategy through the OEDCA's Office of Cultural Affairs' suite of programs and services including: 114 arts and culture grants; coordination of 121 outdoor special events over 378 event days; production of CityDance; Cornerstone of the Arts, Make Music San José, and #WeCreate408 virtual festival; public art, artist support, capacity building and trainings for the arts sector, and stewardship of City-owned cultural facilities.
- OEDCA's work2future program continues to provide work experience and training opportunities to its youth and adult clients in areas related to high wage, high growth careers, Examples include its successful Building Trades pre-apprenticeship program that enrolled over 90 individuals this past year, in addition work2future continues to provide digital media training to young adults, while providing paid internships for these individuals to work with a small business. Other on-going skill building initiatives include those related to careers in medical and dental assisting, phlebotomy electrocardiogram, coding and data analytics, cybersecurity and project management, Google Suite/Microsoft 365 and sales and customer service.
- A Notice of Funding Availability for \$150 million for development of affordable housing was issued by the Housing Department in December 2021, with nearly half of these funds supplied by Measure E revenues. After receiving a strong response from developers, staff is recommending moving forward with awards for 11 developments totaling 1,288 new affordable housing units to be brought forward to the City Council for formal funding commitments.
- The Development Review team processed over 300 applications with 80 land use entitlements for residential, commercial, industrial, and mixed-use projects. This included 11 ministerial affordable housing permits. On December 6, 2022, the City Council approved the proposed parking and transportation demand management (TDM) ordinance in 2022 that removes the parking minimum requirements and establishes TDM requirements for new development citywide. In June 2023, the City Council will consider for adoption the updated Housing Element in the Envision San José 2040 General Plan.
- Successful digital improvements to the customer experience and staff processes including: 1) piloting the Best Prepared Installer program with the inspection team, 2) deployed new Planning permit type on SJePlans review platform, and 3) expanded online appointment scheduling and virtual meetings to Fire Prevention, Public Works, Planning and Finance.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Service Delivery Environment

- **Workforce Development:** work2future will provide a wide range of training and employment services to youths and adults, primarily located in low resource census tracts, and will outreach to the community through the Mayor and Council offices, libraries, community centers, non-profits, community colleges, and adult education centers. These programs include Career Pathways and Occupational Skills Training, in Health Care, short-term training Digital Literacy and Information Technology workshops leading to a nationally recognized certificate, state licensure, competency, or skill recognized by an employer. In addition, work2future has recently celebrated one year since moving to the East Side on Las Plumas Avenue where it is offering an array of work readiness and entrepreneurship workshops, job counseling, trainings, and job fairs. Work2future is also partnering with the Promotores Program to provide the most recent information regarding work2future services for the community.
- **Rental Market:** San José rents continue to rise, albeit at a lower rate. Market rents in San José remain among the highest in the nation and unaffordable to lower-income residents. According to CoStar, rents in San José stand at \$2,364 for a one-bedroom apartment and \$2,939 for a two-bedroom in the fourth quarter of 2022. Average rents increased 5% over the prior year. Class A apartments have higher vacancy rates (7.6%) than the overall market whose vacancy stands at 5.5% in the fourth quarter of 2022. Assuming that no more than 30% of income is spent on housing costs, a household would need to earn \$94,560 annually to afford a one-bedroom apartment and \$107,560 to afford a two-bedroom apartment in San José.
- **Housing Affordability:** San José's for-sale market remains strong but has been affected by high interest rates. According to the Santa Clara County Association of Realtors, the median sales price of a single-family home in San José as of December 2022 was \$1,300,000, a decrease of 12% year over year. Home prices have dropped 10% from prior quarter. Assuming buyers spend a reasonable 30% of their income on housing costs, a household would need to earn an income of \$308,422 to afford a median-priced single-family home in San José. As of the third quarter 2022, only 12% of San José's households could afford to buy a median-priced home, compared to the national average rate of 42%.
- **Business Development:** Businesses continue to manage the economic side-effects of the pandemic, including a labor shortage, supply chain issues, and inflation. Consumer spending recovered its momentum during the fiscal year, though some sectors (such as hospitality and restaurants) were the slowest to recover. Sales tax generated in San José overall is now higher than pre-pandemic levels. Major federal sources of emergency funding relief ended, and loans have higher repayment terms, creating a vacuum for those businesses that are still in need of financial assistance. While the office sector experienced lackluster occupancy, rental rates stabilized, and the industrial sector continued to experience strong demand.

CSA Priorities/Key Services

- Complete significant housing policy initiatives including the 2023-2031 Housing Element, the Assessment of Fair Housing Plan, the Affordable Housing Siting Policy, the Housing Emergency Annex Plan, the Moderate-Income Housing Strategy, and begin the Diridon Affordable Housing Implementation Plan.
- Continue to provide high quality land-use development and permitting services for all customers.
- Ensure that the City speaks with "one voice" on development issues while improving the speed, consistency, and predictability of the development review process.
- Support art organizations and artists and their recovery, economic resiliency and sustainability.
- Engage and assist businesses that can create jobs, promote increased prosperity for San Jose residents and expand the City's tax base, with a focus on small business recovery and resiliency, anchor employers and revenue-generators and continuing to strengthen the availability of opportunities for commercial/industrial investment and expansion in the City. Facilitate development projects that can generate property tax and sales tax revenue.
- Continue to provide timely real estate transaction services in support of all City Departments and manage the City's real estate assets with a focus on revenue generation and cost minimization.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Development Services Budget Summary

	Revenue	Cost	% Cost Recovery*	Positions	Ending Fund Balance/Works-in-Progress Funding**
2022-2023 Modified					
Building	\$ 33,626,338	\$ 42,851,424	78.5%	165.48	\$ 25,141,456
Fire	7,817,700	10,169,938	76.9%	37.60	609,539
Planning	8,310,858	8,212,950	101.2%	38.44	4,464,157
Public Works	13,750,000	15,381,204	89.4%	67.10	5,217,779
Total	\$ 63,504,896	\$ 76,615,516	82.9%	308.62	\$ 35,432,931
2023-2024 Proposed					
Building	\$ 38,428,697	\$ 42,703,156	90.0%	173.34	\$ 29,179,737
Fire	8,940,600	10,471,522	85.4%	36.55	669,039
Planning	7,720,152	8,815,381	87.6%	39.82	2,978,157
Public Works	15,300,000	16,836,658	90.9%	71.26	3,996,780
Total	\$ 70,389,449	\$ 78,826,717	89.3%	320.97	\$ 36,823,713

* In 2022-2023 and in 2023-2024, all programs reach 100% cost recovery once the use of Ending Fund Balance/ Works-in-Progress funding are incorporated.

** The Ending Fund Balance/Works-in-Progress Funding for 2023-2024 are the estimated levels and will be tried up once 2022-2023 revenues and expenditures are reconciled and 2022-2023 balancing actions are included.

Development Services is a \$78.8 million business for the City of San José, providing integrated technical plan review and inspection services across Planning, Building, Public Works, and Fire (Development Services Partners). Businesses, homeowners, and other customers use Development Services when remodeling, building new structures, or making other investments to their properties. These investments bring tax revenue, jobs, and other direct benefits to the City. Development Services are provided in an efficient, thorough, and quality-driven manner. While each partner’s budget is discussed within their Department section, all partners are committed to working closely together to provide “one voice” to Development Services customers.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2021-2022 Actuals	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OEDCA assistance by:					
	Type of Company:					
	- Industrial	3,577	3,000	3,241	3,250	4,000
	- Commercial/Retail	640	1,000	370	750	1,500
	Type of Job:					
	- New	3,046	2,500	2,531	2,000	2,000
	- Retained	1,171	1,500	1,080	2,000	3,500
Stimulate Revenue for City Services	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social ¹	549,810	500,000	635,333	688,800	4,024,110
	- Out of Town ¹	18,986	28,000	32,162	38,260	277,770
	- Exhibitors ¹	3,748	3,900	4,691	5,020	31,470
	2. Estimated increases in sales and business taxes from attracted or expanding businesses which previously received assistance from the City (excludes property and utility taxes) ² :					
	- Taxes from new companies	\$1.0M	\$1.0M	\$0.66M	\$1.0M	\$2.0M
	- Taxes from retained companies	\$0.85M	\$2.0M	\$.94M	\$1.5M	\$2.0M
Total	\$1.85M	\$3.0M	\$1.6M	\$2.5M	\$4.0M	

¹ Attendance was impacted as a result of the COVID-19 pandemic, and the 2022-2023 Target assumes the continued impact.

² Revenue is expected to be lower than anticipated in 2022-2023 as several significant projects experienced delays in occupancy, pushing out tax generation capability until next year. In addition, Business Development's focus on small-business support resulted in less engagement with major revenue drivers; in 2023-2024, the department anticipates a renewed strategy to engage with major employers.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Retain Industrial Jobs, Suppliers and Industrial Land Uses	1. Jobs gained/(lost) in areas with "heavy" and "light" Industrial General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	0 jobs (0 acres)	0 jobs ¹ (0 acres)	0 jobs (0 acres)	0 jobs (0 acres)
	2. Jobs gained/(lost) in areas with "Industrial Park" and "Campus Industrial," and other R&D General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	0 jobs (0 acres)	0 jobs (-1,251 acres) ²	0 jobs (0 acres)	0 jobs (0 acres)
	3. Estimated ratio of San José jobs to employed residents	0.81 ¹	0.85	0.81	0.90	1.00
Facilitate Small Business Expansion	1. # of Business Owner Space participants receiving assistance, access to capital, technical or human resources support or information	12,541	13,000	15,000	13,000	14,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	1,021	1,100 ³	1,100	1,100	N/A ⁴
	- Adults	570	600 ³	700	600	N/A ⁴
	- Dislocated Workers	304	300	200	300	N/A ⁴
	- Youth	147	200	200	200	N/A ⁴
	2. Estimated % of clients employed 6 months after initial placement					
	- Adults	62%	65%	65%	TBD ⁵	N/A ⁴
	(% of target met)	104%	100%	100%	TBD ⁵	N/A ⁴
	- Dislocated Workers	65%	68%	68%	TBD ⁵	N/A ⁴
	(% of target met)	95%	100%	100%	TBD ⁵	N/A ⁴
	- Youth	71%	71%	71%	TBD ⁵	N/A ⁴
	(% of target met)	109%	100%	100%	TBD ⁵	N/A ⁴
	3. Estimated % of clients employed 12 months after initial placement					
	- Adults	61%	62%	62%	TBD ⁵	N/A ⁴
(% of target met)	119%	100%	100%	TBD ⁵	N/A ⁴	
- Dislocated Workers	67%	65%	67%	TBD ⁵	N/A ⁴	
(% of target met)	102%	100%	100%	TBD ⁵	N/A ⁴	
4. San Jose Works (work2future clients)	627	700	725	725	N/A ⁴	

¹ No heavy or light industrial land was converted, consistent with the General Plan's goals and policies to preserve industrial land or planned to be converted. No industrial land was added in this reporting period either.

² As part of the Four-Year Review of the General Plan, the City Council approved changing the land use designation of North Coyote Valley from Industrial Park to Agriculture or Open Space. This change resulted in the removal of 1,251 acres of employment land from the General Plan. There was no development and jobs on this land and therefore no actual jobs were lost through this conversion. The capacity of 35,000 jobs that had existed in North Coyote Valley was moved to Downtown/Diridon as part of the approval of the Diridon Station Area Plan and the Downtown West project.

³ The 2022-2023 Target is restated from what was published in the 2022-2023 Adopted Budget due to an inadvertent error. In the 2022-2023 Adopted Budget, the 2022-2023 Target for Number of work2future clients receiving discrete services was recorded as 950 and 450 for Adults.

⁴ There is no 5-Year Goal for this measure. The goal is set by the Employment Development Department yearly.

⁵ Goals set annually by the State of California, with numbers available by Fall 2023.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: SAFE, HEALTHY, ATTRACTIVE, AND VITAL COMMUNITY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Quality Living and Working Environment	1. % of residents surveyed who rate the quality of architecture and landscaping design/maintenance in new development in their neighborhood as good or better	N/A ¹	N/A ¹	N/A ¹	N/A ¹	70%
Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	0 ²	0 ²	0 ²	0 ²	0 ²
	2. San José housing production compared to regional fair share number target (in parenthesis)	1,887 units (4,385)	1,900 units (4,385)	1,800 units (4,385)	1,875 units (4,385)	12,200 units (21,925)
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	43% (1,887 units)	43% (1,900 units)	41% (1,800 units)	42% (1,875 units)	56% (12,200 units)
Provide Seamless and Effective Development Review Including Implementation of Environmental Regulations, in a Customer Friendly Fashion	1. % of projects receiving consistent feedback from staff throughout the course of the project review:					
	- Planning Permit Plan Review	N/A ⁶	80%	N/A ⁶	80%	80%
	- Public Works Permit Plan Review	N/A ⁶	79%	N/A ⁶	79%	85%
	- Building Permit Plan Check	N/A ⁶	80%	N/A ⁶	80%	85%
	- Fire Permit Plan Check	N/A ⁶	84%	N/A ⁶	84%	90%
	2. Ratio of current year fee revenue to fee program cost (includes use of reserves)	100%	100%	100%	100%	100%
	3. Development projects completed within processing time targets:					
	- Entitlement Process	62%	85%	66%	85%	85%
	- Construction Process:					
	- Plan Check	61% ³	85%	60% ³	85%	88%
	- Inspections in 24 hours	79% ³	70%	82% ³	70%	85%
	- Inspections in 48 hours	82% ³	90%	85% ³	90%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)	N/A	80%	N/A%	80%	80%
5. % of customers surveyed rating service as good or better						
- Discretionary ⁴	N/A ⁶	75%	N/A ⁶	75%	80%	
- Ministerial ⁵	N/A ⁶	80%	N/A ⁶	80%	80%	
6. % of customers surveyed who indicate the City has improved customer service in the past 12 months						
- Discretionary ⁴	N/A ⁶	70%	N/A ⁶	70%	80%	
- Ministerial ⁵	N/A ⁶	80%	N/A ⁶	80%	80%	

¹ Staffing vacancies have reduced capacity for soliciting feedback on new development projects.

² The Envision San José 2040 General Plan includes capacity/plans for 120,000 new dwelling units. No additional dwelling units were added or are planned to be added to the overall capacity of the General Plan.

³ The 2023-2024 Target and the 5 Year goal are based on projections developed within the Development Activity Trends and Five Year(2024-2028) Forecast Report, prepared by the Planning Division and the Office of Economic Development.

⁴ Discretionary projects are those that require a public hearing (e.g. zoning change, General Plan amendment).

⁵ Ministerial projects are administrative in nature and do not require a public hearing (e.g. water heater replacement).

⁶ A Request for Proposal for a consultant for the Development Survey was in progress in 2020-2021 and did not conclude in time for a survey to be completed. It is anticipated that the performance measure data for 2022-2023 will be available for inclusion in the 2023-2024 Adopted Budget.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: DIVERSE RANGE OF HOUSING OPTIONS

5 Year Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of target achieved for completion of affordable housing (housing units)	77% (133)	100% (211)	77% (503)	100% (342)	15% (1,500)
	2. % of City's 10,000 unit affordable target with funding commitment (pending construction)	3% (720)	64% (1,288)	3% (330)	64% (601)	20% (2,000)
	3. % of City's 10,000 unit affordable target under construction	4% (627)	14% (275)	4% (785)	14% (683)	20% (2,000)
	4. % of City's 10,000 unit affordable target completed	2% (133)	14% (211)	2% (576)	14% (211)	15% (1,500)
Direct Significant Affordable Housing Resources to Lower-Income Households	1. % of Housing Department funds reserved by income levels over 5 years ¹ :					
	- Extremely Low (<=30% of median)	51%	45%	45%	45%	45%
	- Very Low (31-50% of median)	28%	N/A ¹	37%	N/A ¹	N/A ¹
	- Low (51-80% of median)	18%	N/A ¹	17%	N/A ¹	N/A ¹
	- Moderate (81-120% of median)	3%	N/A ¹	N/A ¹	N/A ¹	N/A ¹

¹ This measure was expanded in 2021-2022 to include additional income levels. Targets for 2022-2023 and 5-Year Goal have not yet been established for all of the income levels as those reflect the estimated allocations as of 2022-2023, and projects are still being determined.

OUTCOME 4: RANGE OF QUALITY EVENTS, CULTURAL OFFERINGS, AND PUBLIC ARTWORKS

5 Year Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Provide a diverse range of arts and cultural offerings for residents and visitors	1. % of residents rating the availability of a diverse range of quality arts and cultural activities in their local neighborhood City as good or excellent	29% ¹	34%	34%	35%	40%
Encourage a full range of outdoor special events that serve diverse communities and visitors	1. % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	40%	N/A ²	N/A ²	40%	40%

¹ This question on the survey was recently revised to ask for a rating on the quality of arts and cultural activities in people's neighborhoods, rather than the City in general.

² Data for this measure is collected through the bi-annual Citywide Community Survey. The 2022-2023 Target is restated to N/A as 35% was originally published in the 2022-2023 Adopted Budget in anticipation of a 2023-2024 survey. Due to the Pandemic, the latest survey was conducted in 2022-2023, changing the regular bi-annual schedule, which means the next survey will not be conducted until 2024-2025 on track with the bi-annual schedule. Since the next expected survey will be conducted in 2024-2025, the 2022-2023 Estimate is not measured or stated in this 2023-2024 Proposed Budget.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
CITY MANAGER - OFFICE OF ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS			
• Downtown Management and Citywide Business Development Staffing	2.00	318,473	318,473
• Airport Strategic Growth Initiatives Staffing	(1.00)	(178,159)	0
• California Network and Telecommunications (CalNet) Program Savings		(4,384)	(4,384)
<i>Subtotal</i>	1.00	135,930	314,089
FIRE			
• Fire Development Fee Program Staffing Alignment	(1.00)	(198,179)	0
• Fire Accounts Payable/Receivable and Timekeeping Staffing Reorganization	(0.05)	(4,378)	0
• California Network and Telecommunications (CalNet) Program Savings		(821)	0
<i>Subtotal</i>	(1.05)	(203,377)	0
HOUSING			
• Housing Grants Management Staffing	5.00	766,862	0
• Housing Pre-Development Consultant Services		250,000	0
• Housing Policy and Procedures Staffing	1.00	209,640	0
• Rent Stabilization & Eviction Prevention Staffing	1.00	209,640	0
• Fiscal and Contractual Oversight Staffing (Grants and Homeless Programs)	1.00	165,371	0
• Administrative Services Program Staffing	1.00	152,616	0
• Property Management Staffing	(1.00)	(195,894)	0
• California Network and Telecommunications (CalNet) Program Savings		(2,710)	0
<i>Subtotal</i>	8.00	1,555,525	0
PLANNING, BUILDING AND CODE ENFORCEMENT			
• Market Ready Urban Villages (CEQA Pre-Clearance)		300,000	0
• Permit Center Team - Customer Services General Support Staffing	4.00	279,954	0
• Preapproved Vendors for Inspections (Best Prepared Installer) and Plan Review (Best Prepared Designer)	3.00	262,498	0
• SJ Permits (Smart Guide) Software Upgrade		192,000	10,000
• AMANDA - Geocortex Software Upgrade		150,000	21,000
• Permit Center - Supervision Staffing	1.00	145,338	0
• Policy Support Staffing	1.00	144,149	0
• Environmental Review - Capital Improvement Planning Staffing	1.00	141,443	0
• Re-Zone Land Use Streamline Resources		117,210	0
• Environmental Review Process Consultant Services		110,000	0

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
<ul style="list-style-type: none"> • Planning, Building, and Code Enforcement Community Outreach Staffing 	0.40	79,527	0
<ul style="list-style-type: none"> • City Planning Post-Secondary Fellowship Program 		50,000	
<ul style="list-style-type: none"> • Destination: Home Silicon Valley Staffing 	1.00	0	0
<ul style="list-style-type: none"> • Planning Review - Zoning Conformance Staffing 	0.00	(24,085)	0
<ul style="list-style-type: none"> • California Network and Telecommunications (CalNet) Program Savings 		(8,404)	(8,404)
<i>Subtotal</i>	11.40	1,939,628	22,596
PUBLIC WORKS			
<ul style="list-style-type: none"> • Workers' Compensation, Health and Safety Staffing 	0.25	24,880	0
<ul style="list-style-type: none"> • Information Technology Services Support Staffing 	0.16	16,994	0
<ul style="list-style-type: none"> • Administration Division Staffing 	0.10	14,948	0
<ul style="list-style-type: none"> • Public Works Department Staffing Plan - Development Fee Program 	(7.00)	(1,243,522)	0
<ul style="list-style-type: none"> • Public Works Department Staffing Plan - Capital Improvement Program 	(1.20)	(189,705)	0
<i>Subtotal</i>	(7.69)	(1,376,406)	0
Subtotal Departments	11.66	2,051,302	336,685
CITY-WIDE EXPENSES			
<ul style="list-style-type: none"> • 4th of July Celebration 		250,000	250,000
<ul style="list-style-type: none"> • Arena Peddler Mitigation Pilot Program 		100,000	100,000
<ul style="list-style-type: none"> • CaliforniansForAll Youth Workforce Program – Administration 		50,649	50,649
<ul style="list-style-type: none"> • Creating Helpful Incentives to Produce Semiconductors Act Facilitation 		200,000	200,000
<ul style="list-style-type: none"> • Destination: Home Silicon Valley Staffing 		180,000	180,000
<ul style="list-style-type: none"> • Economic Development Pre-Development Activities (Highway 237) 		100,000	100,000
<ul style="list-style-type: none"> • Mobile Home Park Protection 		240,000	240,000
<ul style="list-style-type: none"> • Regional Early Action Planning Grant 		163,154	163,154
<ul style="list-style-type: none"> • San José State University/City Downtown Co-Branding Pilot Campaign 		100,000	100,000
<ul style="list-style-type: none"> • Small Business Recovery - Supplemental Arts + Cultural Funding 		1,000,000	1,000,000
<ul style="list-style-type: none"> • Sports Authority (2023-2024 U.S. Gymnastics Championships) 		150,000	150,000
<ul style="list-style-type: none"> • Storefront Activation Grant Program 		750,000	750,000

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Earmarked Reserves: 2024-2025 Citywide Business Development Staffing Reserve		173,712	173,712
• Measure E - 30% Low-Income Households Reserve		(14,250,000)	(14,250,000)
• Measure E - 40% Extremely Low-Income Households Reserve		(19,000,000)	(19,000,000)
• Measure E - 5% Moderate-Income Households Reserve		(2,375,000)	(2,375,000)
• Measure E - Homeless Prevention and Rental Assistance Reserve		4,750,000	4,750,000
• Measure E - Revenue Stabilization Reserve		15,102,956	15,102,956
Subtotal Other Changes	0.00	(12,314,529)	(12,314,529)
Total Proposed Budget Changes	11.66	(10,263,228)	(11,977,843)

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES



MISSION

Provide environmental leadership through policy development, program design, and reliable utility services

Primary Partners

Community Energy
Environmental Services
Transportation

CSA OUTCOMES

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- “Clean and Sustainable” Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

SERVICE DELIVERY FRAMEWORK

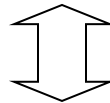
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
Why the CSA exists

Environmental & Utility Services CSA

Mission:

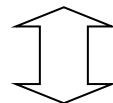
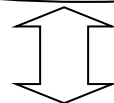
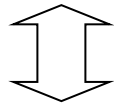
Provide environmental leadership through policy development, program design, and reliable utility services.



Outcomes:

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- "Clean and Sustainable" Air, Land, and Energy
- Safe, Reliable, and Sufficient Water Supply

CSA OUTCOMES
The high-level results of service delivery sought by the CSA partners



PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

Community Energy Department

Core Services:

Providing Clean Energy to the Community

Community Energy Customer Support

Community Energy Community Programming

Environmental Services Department

Core Services:

Potable Water Delivery

Recycled Water Management

Recycling and Garbage Services

Stormwater Management

Sustainability and Environmental Health

Wastewater Management

Transportation Department

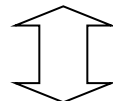
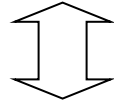
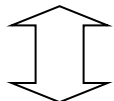
Core Services:

Sanitary Sewer Maintenance

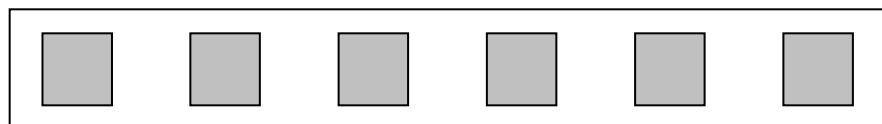
Storm Sewer Maintenance

CORE SERVICES
Primary deliverables of the organization

PROGRAMS
Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery

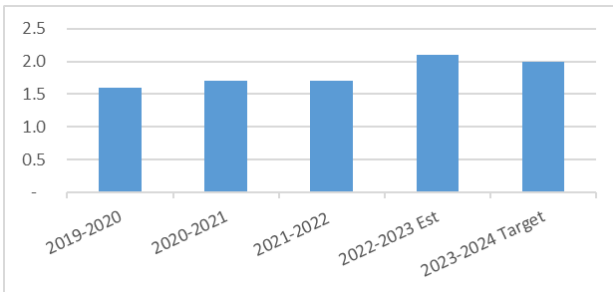


CITY SERVICE AREA

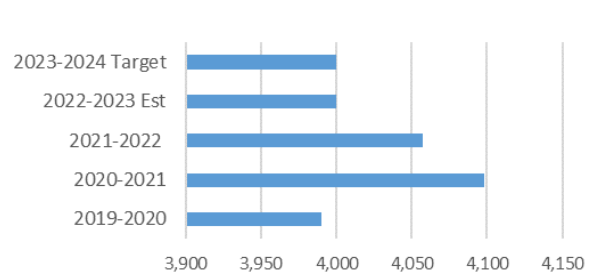
ENVIRONMENTAL AND UTILITY SERVICES

DASHBOARD

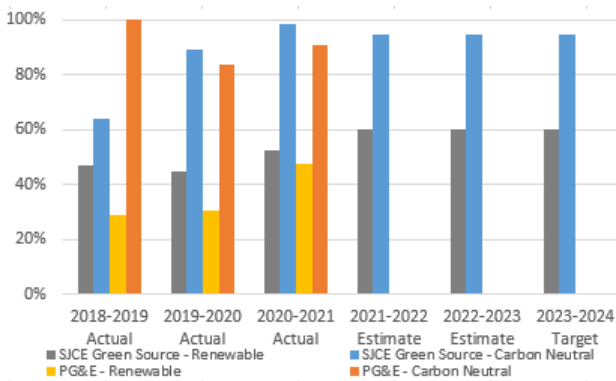
Number of Sanitary Sewer Overflows per 100 Miles of Sanitary Sewer Lines



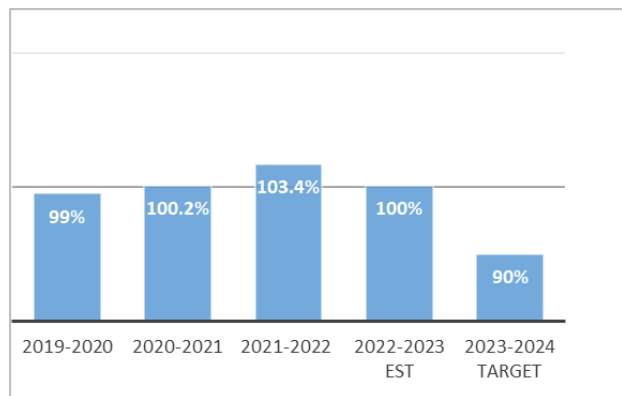
Millions of Gallons of Recycled Water Delivered to Customers Annually



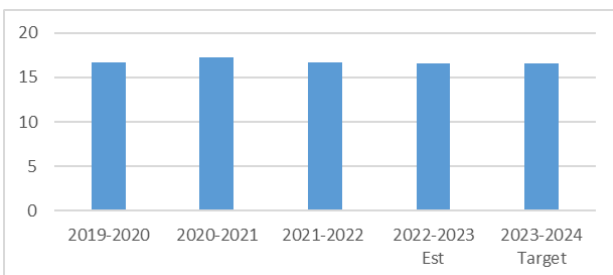
San José Clean Energy and PG&E Power Content¹



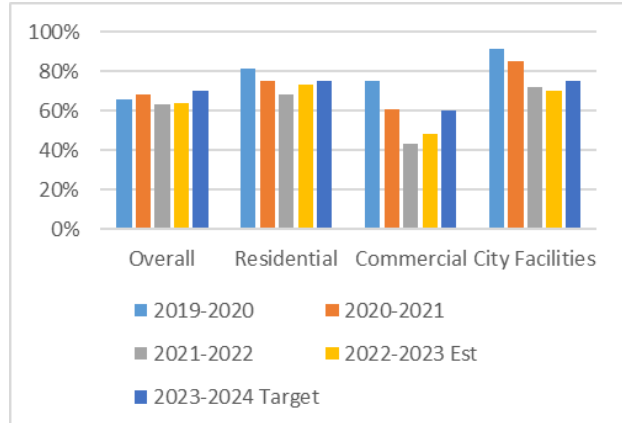
% of Trash Reduced from the Storm Sewer System²



Millions of Gallons per Day Diverted from Flow to the Bay for Beneficial Purposes during the Dry Weather Period



% of Waste Diverted from Landfills



¹ Information not available from PG&E. Data is reported to become available in July 2023.

² Reduction greater than 100% represents the amount of credit given to implement control actions. The new stormwater permit, effective July 1, 2022, refers to a goal of 90% TLW or no adverse impact to receiving waters from trash by June 30, 2023. TLR reduction expected to increase slightly due to planned installation of small and large trash capture devices

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- Utility Infrastructure Management – Build, operate, and maintain the City’s wastewater, stormwater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- Solid Waste Diversion – Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Promote Climate Action in the Community – Provide leadership on climate action through policy, measures, or programs that reduce greenhouse gases and ensure a long-term water supply. Support environmentally sustainable practices throughout the community through education, public-private partnerships, and the implementation of the Climate Smart San José plan.
- San José Clean Energy – Continue operating the City’s Community Choice Aggregation program with the goals of providing residents and businesses with a choice of electricity providers while progressing towards meeting greenhouse gas emissions reduction goals.

2023-2024 Key Budget Actions

- Utility Rates
 - Storm Sewer Service Rates – Maintains current rates in 2023-2024.
 - Sanitary Sewer Service Rates – Maintains current rates in 2023-2024.
 - Residential Garbage and Recycling Rates – A maximum 4% increase in single family dwelling and a 2% increase in multi-family dwelling rates will maintain cost recovery as contract expenditures increase due to annual cost-of-living adjustments for solid waste haulers. Additionally, a maximum increase of 18% (or an additional \$1.05 per month) for the optional single-family subscription yard trimmings cart will cover the increased cost of providing the service.
 - Municipal Water System – A 14% budgeted revenue increase adjustment for 2023-2024, primarily to account for the increased cost of wholesale water.
- Community Energy Staffing Actions – Adds 10.0 positions for a variety of strategic roles within the Community Energy Department. These roles will engage in key functional areas ranging from accounting, to energy risk management, to energy procurement.
- South Bay Water Recycling System Maintenance and Operations – Adds one-time non-personal funding of \$3.4 million to support South Bay Water Recycling operational improvements including metering and pressure monitoring (Phase II), truck fill station relocation, communication improvements, valve replacement and pipe modifications, and data management system upgrades.
- Water Supply Resiliency Staffing - Adds a Senior Environmental Program Manager to directly oversee and lead the South Bay Water Recycling program and lead the recycled water utility in new focus areas in addition to water supply resiliency initiatives.
- Climate Smart San José Implementation Funding – Add one-time non-personal funding in the General Fund for the Climate Smart and Carbon Neutrality program. Funding will be used for consultant services to support initiatives such as the Carbon Neutrality goal by 2030, workforce development, outreach, and building electrification.
- Regional Wastewater Facility Biosolids P3 Fertilizer Facility Planning – Adds non-personal funding for feasibility planning, legal, and environmental review of a proposed public-private partnership biosolids fertilizer facility at the Regional Wastewater Facility.
- Stormwater Direct Discharge Program and Trash Load Reduction Staffing – Adds 1.0 Environmental Program Manager to support the City’s efforts to meet increasing regulatory requirements to comply with 100% trash load reductions on land and 136 miles of local waterways.
- Adds 1.0 Engineer I/II for Sanitary Sewer Engineering to conduct fieldwork and analysis related to sanitary sewer overflows and overflow prevention.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

City Service Area Budget Summary**

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service *				
<i>Community Energy Department</i>				
Strategic Support - Other - Environmental & Utility Services	4,629,110	6,525,910	25,511,718	25,826,056
Strategic Support - Environmental & Utility Services	4,126,277	7,114,013	4,995,778	5,509,801
Providing Clean Energy to the Community	317,013,929	297,560,320	426,379,182	427,432,821
Community Energy Customer Support	7,292,942	7,924,692	8,086,043	8,302,563
Community Energy Community Programming	845,134	5,687,411	3,420,728	3,887,248
<i>Environmental Services Department</i>				
Strategic Support - Other - Environmental & Utility Services	22,689,098	22,460,518	21,827,382	23,005,149
Strategic Support - Environmental & Utility Services	17,021,781	15,891,669	16,480,499	16,952,758
Recycling & Garbage Services	171,581,975	192,735,588	198,248,095	200,063,563
Potable Water Delivery	45,502,819	51,177,362	52,502,432	53,202,695
Recycled Water Management	11,522,893	15,824,392	24,273,392	27,865,532
Wastewater Management	82,129,856	124,898,608	101,665,020	103,310,646
Stormwater Management	8,801,351	10,532,484	10,013,648	10,283,253
Sustainability and Environmental Health	4,843,265	7,904,256	7,251,436	7,651,436
<i>Transportation Department</i>				
Sanitary Sewer Maintenance	19,645,185	22,001,589	24,161,712	26,426,506
Storm Sewer Maintenance	6,926,444	8,390,113	8,291,540	8,291,540
Strategic Support - Other - Environmental & Utility Services	5,348,438	6,118,668	8,488,929	8,963,976
Strategic Support - Environmental & Utility Services	2,078,176	2,148,407	2,322,538	2,411,222
Total CSA	\$731,998,674	\$804,896,000	\$943,920,073	\$959,386,765
Authorized Positions	632.81	780.56	781.56	804.24

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Service Delivery Accomplishments

- Since Council adoption of the Green Infrastructure Plan in September 2019, the River Oaks Regional Stormwater Capture Project is anticipated to start construction by the summer of 2023 and completed by the summer of 2024. This project is required to meet Stormwater Permit compliance requirements. It is estimated to cost roughly \$13.7 million with \$3.2 million to be funded by a state grant.
- Climate Smart San José continued its leading-edge efforts on climate action by finalized its Framework for *Existing Building Electrification* and *Pathway to Carbon Neutrality by 2030 plans*; helping to acquire over \$3 million in direct external funding and/or resources; installing an estimated 19 miles of new bikeways in 2023; developed and received approval for the Transportation Demand Management and Parking Ordinance and Policy Update making San José the largest city in the nation to remove parking minimums city-wide; completed outreach, neighborhood selection, and community co-created design for the first phase of a Zero Emissions Neighborhood pilot to install neighborhood-prioritized Climate Smart measures in a disadvantaged neighborhood; completed a first cohort of over 20 GoGreen Teams of residents who completed 168 climate-savings actions with 242 in-progress, resulting in 122 tons of annual CO₂ savings and over \$30,000 in estimated utility bill savings; lowered electricity bills and offered 100% renewable electricity to more than 800 low-income residents in disadvantaged communities through the CPUC-funded Solar Access program; launched residential and commercial California Public Utilities Commission-funded energy efficiency programs that offer significant discounts on efficient electric appliances including HVAC, refrigeration, and water heating components; launched an in-house demand response program for large businesses; dispersed nearly \$1.9 million in incentive funds for EV charger projects as part of the CALeVIP program; began planning for an EV fast charging hubs pilot program; signed at least nine long-term contracts for new renewable energy, energy storage, and resource adequacy to meet state regulatory requirements and supply San José with clean and reliable energy; and released a final Natural and Working Lands element for the Climate Smart San José plan.
- Regional Wastewater Facility (RWF) team completed many maintenance projects including Plant Air Blower and Variable Frequency Drive upgrades and installation, Secondary Blower upgrade from gas to electric blowers, completed digester and Daft Tank heat exchanger cleaning, replaced diffusers on secondary treatment – A side, completed Filter Influent Pumps transformer replacement, and received a new dredge for the Residual Solids Management operations.
- In 2023, San José Clean Energy (SJCE) increased its SJ Cares discount from 5% to 10% for customers with low incomes. SJCE also launched two new energy efficiency programs in 2022 to help customers improve efficiency while also lowering their energy bill. The Home Appliance Savings program offers qualifying residents 50% to 70% off new energy-efficient appliances and the Energy Efficient Business program offers 80% to 90% rebates to small businesses and schools that upgrade their heating/cooling systems, refrigeration, and water heating. SJCE signed at least nine long-term contracts for new renewable energy, energy storage, and resource adequacy in 2022-2023. These contracts help SJCE meet state regulatory requirements and will supply San Jose with clean and reliable energy.
- The Department of Transportation's Sewer Division staff continued their daily round-the-clock work throughout the past three years of the COVID-19 pandemic which has resulted in another record low of only 35 sanitary sewer overflows (SSOs) in 2021-2022 while many residents continued to shelter in place and work from home which increased impacts to the collection system. Crews worked diligently to maintain and repair trash capture devices to minimize the impacts of trash from the collection system on local waterways. This year's fair weather enabled the team to inspect and conduct minor repairs of more than 500 outfalls exceeding the annual goal and extending the life of these difficult to rebuild critical structures.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Service Delivery Environment

- The RWF was reissued a National Pollutant Discharge Elimination System (NPDES) permit in April 2020 that governs pollutant removal at the facility with monitoring requirements remaining largely unchanged. Regional watershed permits that apply to all wastewater treatment plants discharging to San Francisco Bay were reissued in July 2019 for nutrients and in December 2022 for mercury and PCBs. Permits are generally renewed every five years and new requirements can be expected. A renewed Title V air quality permit from the Bay Area Air Quality Management District was issued in May 2022 and expires in 2027. The RWF also has active Authority to Construct air permits for the new headworks, sludge dewatering, and cogeneration projects. The operating limitations in the current Authority to Construct permits will be added to the Title V permit after project completion.
- The City's sanitary sewer collection system pipes and outfall structures continue to age, and many have exceeded the standard life span for their type of material. The City's 17 sanitary sewer pump stations and 31 stormwater pump stations are an average of 34 years old, while the standard life of a pump station is up to 25 years. As infrastructure ages towards and beyond useful life expectancy, increased operating costs materialize in more frequent monitoring and condition assessment visits. Funding will be needed to rebuild pump stations and outfalls to prevent failure which could lead to sewage spills or flooding.
- On July 1, 2022, the Regional Water Quality Control Board (RWQCB) adopted a new NPDES Stormwater Permit (Stormwater Permit) that regulates 76 municipalities in the San Francisco Bay Area. There are significant changes compared to previous permits that will impact several existing programs and will require additional new programs that will focus on protecting the storm sewer system and waterways. Compliance with the Stormwater Permit may require additional funding to support programs, ongoing maintenance, and possibly impose new permit fees in order to comply with the Stormwater Permit and Clean Water Act.
- Multi-year master planning efforts for the storm sewer and sanitary sewer collection systems are necessary due to aging infrastructure unsuitable for accommodating planned growth; deteriorating infrastructure; and increased regulatory requirements. As capital and operating investment needs are identified, new internal and external funding sources will be explored to ensure the City makes adequate infrastructure investments.
- The City is actively implementing a strategy to comply with the State of California's Short-Lived Climate Pollutants (SLCP) Regulations, otherwise known as SB 1383, which establishes statewide targets to increase organic waste recycling and divert it from landfills; City Council approved related ordinances in December 2021, in advance of the deadline. City solid waste programs are already providing organics collection and processing services to residents and businesses, so some elements of SLCP Regulations have already been implemented. Staff and haulers are providing outreach and education to residents and businesses. Staff is participating in a county-wide regional food recovery program to meet the SLCP Regulations. In December 2022, Council approved updates to the City's Environmentally Preferable Procurement Policy so that SLCP regulations are incorporated in City procurements.
- As the default energy provider, SJCE provides customers with the ability to choose their source of energy and sets the generation retail rates for power used in the City. SJCE maintains a high customer participation rate, providing electric generation service to approximately 350,000 customer accounts, representing nearly all of the residents, businesses, and schools in the City.
- The State of California's electricity markets have become much more complicated since the launch of SJCE, driven in large part by the impacts of climate change, including extreme heat events and new California regulatory requirements to reduce greenhouse gas emissions from the electric sector. The pace and focus on energy reliability legislation requires increasing levels of engagement by City staff. SJCE continues to face many legislative threats, including the Power Charge Indifference Adjustment, central procurement concepts that threaten SJCE's autonomy to purchase power, and new credit and collateral requirements that increase costs.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

CSA Priorities/Key Services

- Operate and maintain the City's utilities, reliably, sustainably, and efficiently providing storm sewer, sanitary sewer, wastewater treatment, potable water, San José Clean Energy, and recycled water services.
- Continue to meet NPDES wastewater and Stormwater Permit compliance.
- Continue to implement critical capital improvement projects with an estimated value of \$1.4 billion over a ten-year period to rebuild and rehabilitate infrastructure at the Plant.
- Implement the Green Stormwater Infrastructure Plan to improve water quality.
- Make strategic investments to increase service levels and maintenance activity on the City's Sanitary Sewer Collection System in order to reduce the number and mitigate the impacts of SSOs.
- Develop and advance innovative strategies to create a more energy resilient City and advance community awareness of the Council-approved Climate Smart San José Plan which includes partnering with other agencies to pursue grants to promote a variety of goals such as energy efficiency, building electrification, and clean, renewable energy in the community.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: RELIABLE UTILITY INFRASTRUCTURE

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Preserve the City's utility infrastructure to optimize service delivery capabilities	1. % of utility assets in working condition:					
	-SJ/SC Water Pollution Control Plant ¹	98%	95%	99%	95%	95%
	- Storm Sewer Inlets	100%	96%	98%	96%	96%
	- SJ Municipal Water	99%	100%	97%	100%	100%
	- South Bay Water Recycling	98%	100%	98%	98%	98%
	2. Ratio of Municipal Water System average residential water bill to weighted average residential water bill of the San José water retailers ²	78%	<100%	<100%	<100%	<100%
	3. # of sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized)	1.7	2.0	2.1	2.0	2.0
Provide for collection, disposal & processing of solid waste	1. % of waste diverted from landfills (State Goal: 50%) ³					
	- Overall ⁴	68%	70%	68%	70%	90%
	- Residential	75%	80%	70% ⁵	85%	90%
	- Commercial	61%	60%	42%	60%	75%
	- City Facilities	85%	91%	71% ⁵	85%	90%
	2. # of debris removals that address safety and obstructions in the public right-of-way (Priority 1 illegal dumping resources)	1,792	1,975	2,041	1,751	1,665
	3. Cubic yards of debris removed (Priority 1 illegal dumping requests)	3,026	3,803	4,442	2,759	2,995
5. Tons of items collected through the Junk Pickup Program ⁶	9,632	9,740	9,300	10,715	15,688	
6. Per Capita Disposal (includes residential and commercial) ⁶	N/A	N/A	N/A	4.4 Lbs	3.7 Lbs	

¹ The % of utility assets in working condition for the Plant is calculated based on an average number of hours critical equipment is unavailable during the year due to repairs.

² Other San José water retailers include San José Water Company and Great Oaks Water Company.

³ To continue increasing solid waste diversion and support the Council-approved Zero Waste Strategic Plan, new solid waste management infrastructure and programs will be necessary in the coming decade. The private sector has invested over \$100 million in recycling facilities in San José since 2007 and this level of investment will need to continue.

⁴ The measurement for the Overall diversion category is based upon the State's guidelines, which use a per-capita standard. Moreover, the Overall measurement for the City includes solid-waste streams outside of the Department's collection, and includes construction, demolition, and self-haul categories. The remaining three categories are those directly within the City's collection process, and diversion in these are measured by total collected versus total recycled.

⁵ Lower 2021-2022 diversion rate primarily due to revised diversion calculation per new contract terms beginning 2021-2022, which provide a more accurate allocation of compostables residue tons.

⁶ New measure that started in 2022-2023.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: HEALTHY STREAMS, RIVERS, MARSH, AND BAY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Manage stormwater for suitable discharge into creeks, rivers, and the Bay	1. % of residents surveyed who understand that any substances that get washed down the street end up in the Bay without treatment through the storm drain system ¹	64%	70% ¹	N/A ¹	65%	70%
	2. % of trash reduced from the storm sewer system. ²	103.4%	100%	100.2%	90%	100%
Manage wastewater for suitable discharge into the Bay	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season ³	66.4 mgd	<120 mgd	60.6 mgd	<120 mgd	<120 mgd
	2. % of time pollutant discharge requirements for wastewater NPDES permit are met or surpassed ⁴	100%	100%	100%	100%	100%
Develop, operate, and maintain a recycled water system that reduces effluent to the Bay	1. Millions of gallons per day diverted from flow to the Bay for beneficial purposes during the dry weather period ^{3/4}	16.7 mgd	20.0 mgd	16.7 mgd	16.6mgd	18.0 mgd

¹ Data for this measure is collected through a biennial survey, last conducted by the Environmental Services Department in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.

² The 100% or greater total represents the amount of credit given for implementing control actions.

³ In accordance with the NPDES permit, the maximum effluent to the Bay during the dry weather period is restricted to 120 mgd. These measures continue to be below this trigger point, which is set by the State to protect wildlife habitat. The RWF continues to consistently meet permit discharge requirements.

⁴ Dry weather period is defined as the lowest continuous three months average rainfall between May and October, which during the fiscal year report period is July to September.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: “CLEAN AND SUSTAINABLE” AIR, LAND, AND ENERGY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Reduce, reuse, and recycle solid waste at home, work, and play ¹	1. % of residents rating the City's job of providing information on how to recycle as good or excellent ²	73%	70% ²	N/A ²	75%	75%
Promote energy efficiency and clean, renewable energy in the community	2. Citywide greenhouse gas (GHG) emissions ^{3/5}	N/A ^{3/4}	5,543,316 ^{4/5}	4,474,329 ^{4/5}	5,509,976 ⁴	5,272,619

- ¹ San José has one of the highest diversion rates among large cities in the country. The structure of the City's commercial and residential programs facilitate effective sorting of garbage and recycling by residents and businesses. Customer outreach to neighborhoods, schools, and businesses will continue to help reduce recycle cart contamination and blight, as well as account for commercial customers.
- ² Data for this measure is collected through a biennial survey, last conducted by the Environmental Services Department in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.
- ³ Due to limited staffing and budget constraints, the Climate Smart program can only complete community-wide GHG inventories once every other calendar year.
- ⁴ The 2021-2022 Actual Data was not reported due to a change in 2022-2023 of when actual data will be reported. The 2022-2023 Actual Data will be based on data from calendar year 2021 to align both calendar and fiscal year for the GHG inventory timeline and account for the time it takes to collect data for and complete each GHG inventory.
- ⁵ Actuals, Targets, Estimates, and Goals for this Performance Measure are measured in Metric Tons of Carbon Dioxide Equivalent (MT CO2e).

OUTCOME 4: SAFE, RELIABLE AND SUFFICIENT WATER SUPPLY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2023-2023 Estimate	2023-2024 Target	5-Year Goal
Ensure availability of future water supplies.	1. Millions of gallons of recycled water delivered annually ^{1/2}	4,017	4,000	4,082	4,150 ⁴	4,500
Public is educated regarding water conservation, and the safe and appropriate use of recycled water and water resources	1. % of Municipal Water System customers demonstrating water conservation knowledge ³	95%	95% ³	N/A ³	95%	95%
	2. % of Municipal Water System customers with water saving fixtures in their home or property ³	93%	95% ³	N/A ³	95%	95%
	3. % of residents who are in favor of using recycled water ^{2/3}	86%	95% ³	N/A ³	90%	95%

- ¹ The South Bay Water Recycling Program (SBWR) delivers more than 10,000 acre feet per year of recycled water from the Plant to over 700 customers for reuse in irrigation, industrial cooling, and other beneficial purposes. SBWR supplies more than 75% of all recycled water used in Santa Clara County.
- ² Starting in 2013-2014, data reported is based on County-wide water savings from both indoor and outdoor water conservation programs, passive water savings (from behavioral, policies, and code changes), and recycled water use. The County-wide data is collected and provided by Valley Water.
- ³ Data for this measure is collected through a biennial survey, last conducted by the Environmental Services Department in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.
- ⁴ Starting in 2023-2024, methodology for gathering MGD of water conserved and recycled will change.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
COMMUNITY ENERGY DEPARTMENT			
• San José Clean Energy Regulatory Compliance, Policy and Legislative Affairs Staffing	3.00	574,536	0
• Customer Program Staffing and City Electrification Study	1.00	466,520	0
• Risk Management and Contract Staffing	2.00	433,039	0
• San José Clean Energy Budget and Financial Planning Staffing	2.00	298,817	0
• Power Resources Staffing	1.00	262,583	0
• San José Clean Energy Account Management Staffing	1.00	216,520	0
• California Network and Telecommunications (CalNet) Program Savings		(1,314)	0
<i>Subtotal</i>	10.00	2,250,701	0
ENVIRONMENTAL SERVICES DEPARTMENT			
• South Bay Water Recycling Operational Improvements		3,436,000	0
• Biosolids Management Strategy Support		1,150,000	0
• Recycling Contamination Reduction	2.00	840,364	0
• Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs	1.00	812,434	210,934
• Water Resources Division Temporary Relocation Funding		675,900	0
• Large Garbage Cart Pilot Program Expansion		609,650	0
• Climate Smart San José Contractual Services		400,000	400,000
• Regional Wastewater Facility Operations Staffing	2.00	377,931	0
• City's Solid Waste Enforcement Program Staffing	2.00	347,806	0
• Water Supply Resiliency Staffing	1.00	219,628	43,926
• Environmental Enforcement Data Management System and Laboratory Information Management System Procurement Extension		214,239	0
• Stormwater Permit Compliance Staffing	1.00	203,191	203,191
• Internal Server Replacement and Server Storage Expansion		200,000	2,000
• Employee Services Staffing and Recruiting Support	1.00	155,222	3,104
• Management Information Systems Staffing	1.00	126,625	1,232
• Climate Smart San José Staffing Funding	0.00	0	0
• California Network and Telecommunications (CalNet) Program Savings		(22,070)	0
<i>Subtotal</i>	11.00	9,746,920	864,387
TRANSPORTATION DEPARTMENT			
• Sanitary Sewer Maintenance Replacement Vehicles		2,082,000	0
• Sanitary Sewer Engineering Staffing	1.00	182,793	0
• Transportation Department Administrative Services Staffing	0.68	88,684	0
<i>Subtotal</i>	1.68	2,353,477	0
Subtotal Departments	22.68	14,351,098	864,387
Total Proposed Budget Changes	22.68	14,351,098	864,387

CITY SERVICE AREA

NEIGHBORHOOD SERVICES



MISSION

To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving and stewarding healthy neighborhoods

Primary Partners

Housing
Library
Parks, Recreation and Neighborhood Services
Planning, Building and Code Enforcement
Public Works

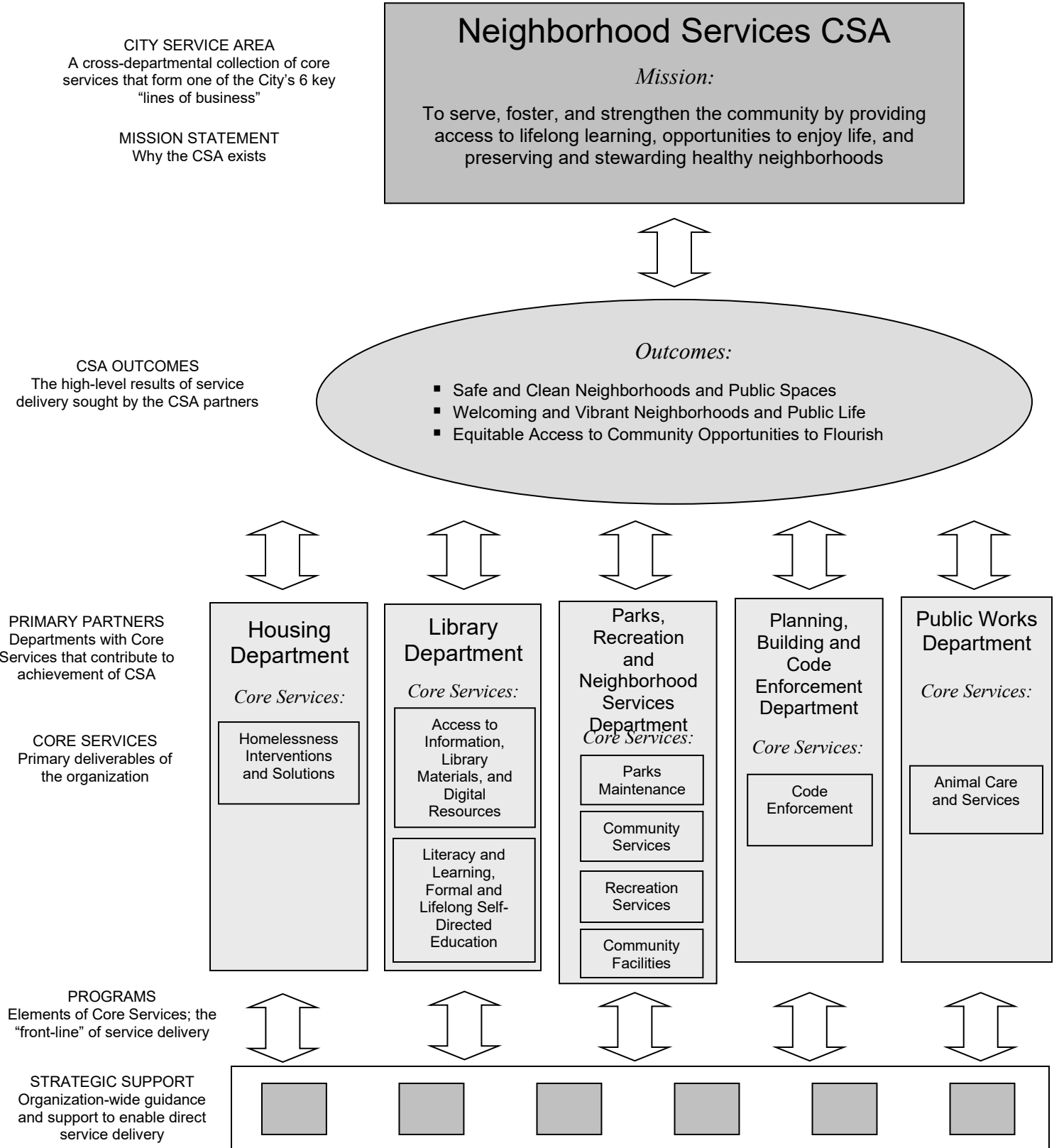
CSA OUTCOMES

- Safe and Clean Neighborhoods and Public Spaces
- Welcoming and Vibrant Neighborhoods and Public Life
- Equitable Access to Community Opportunities to Flourish

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

SERVICE DELIVERY FRAMEWORK



CITY SERVICE AREA

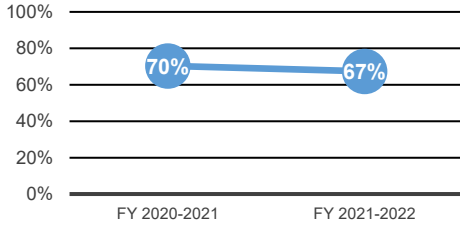
NEIGHBORHOOD SERVICES

COMMUNITY INDICATORS DASHBOARD

OUTCOME 1: SAFE AND CLEAN NEIGHBORHOODS AND PUBLIC SPACES

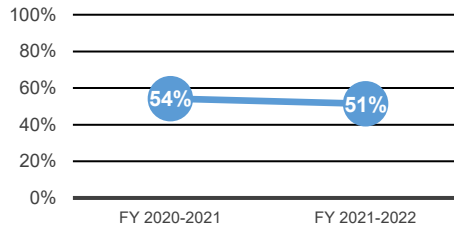
Neighborhood Safety Perception

% of residents rating neighborhood as "Very Safe" or "Somewhat Safe"
Source: Community Opinion Survey



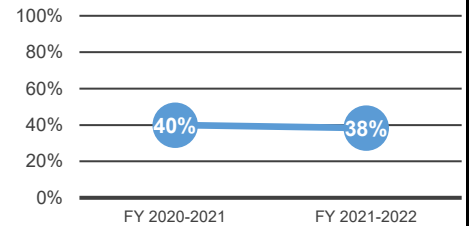
Neighborhood Park Safety Perception

% of residents rating city park closest to home as "Very Safe" or "Somewhat Safe"
Source: Community Opinion Survey



City Cleanup Rating

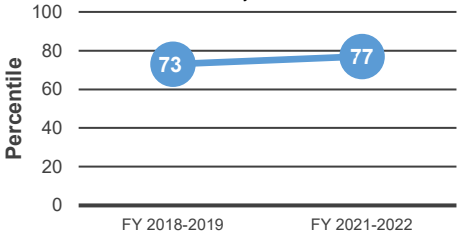
% of residents rating cleaning up of litter and trash as "Excellent," "Good," or "Fair"
Source: Community Opinion Survey



OUTCOME 2: WELCOMING AND VIBRANT NEIGHBORHOODS AND PUBLIC LIFE

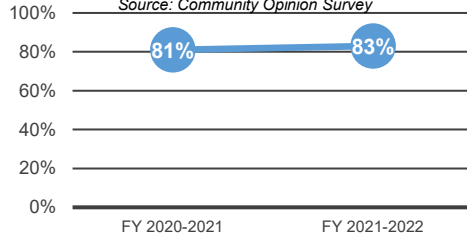
California Healthy Places Index City Percentile

State percentile ranking for the City's healthy community conditions
Source: Healthy Places Index



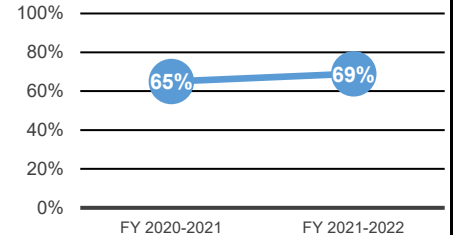
City Diversity and Inclusion Rating

% of residents rating City's events, services, programs, and policies' diversity and inclusion as "Excellent," "Good," or "Fair"
Source: Community Opinion Survey



City Older Adult Program Rating

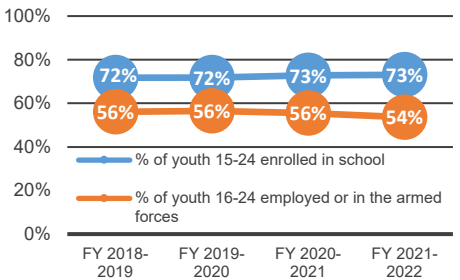
% of residents rating City's programs serving older adults as "Excellent," "Good," or "Fair"
Source: Community Opinion Survey



OUTCOME 3: EQUITABLE ACCESS TO COMMUNITY OPPORTUNITIES TO FLOURISH

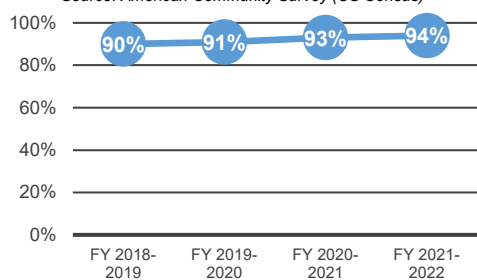
Youth Participation Rates

% of youth in School or Employed
Source: American Community Survey (US Census)



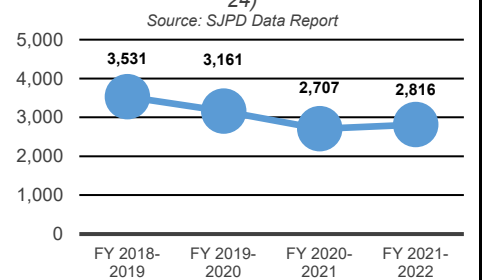
Broadband Access Rates

% of persons with broadband access at home
Source: American Community Survey (US Census)



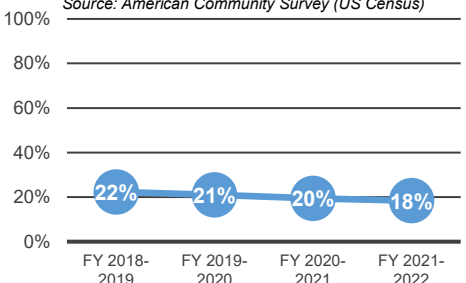
Youth Incidents Rates

Youth offenses (violent and non-violent) per 100,000 youth (ages 10-24)
Source: SJPD Data Report



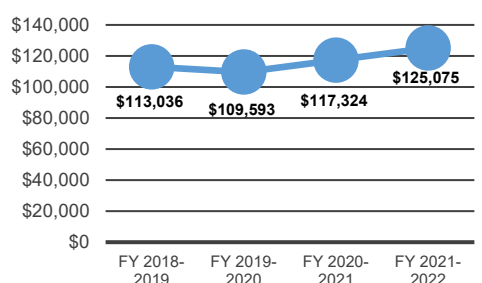
Neighborhood Poverty Rate

% of residents below 200% the national poverty line
Source: American Community Survey (US Census)



Median Annual Income

\$/year/household
Source: American Community Survey (US Census)



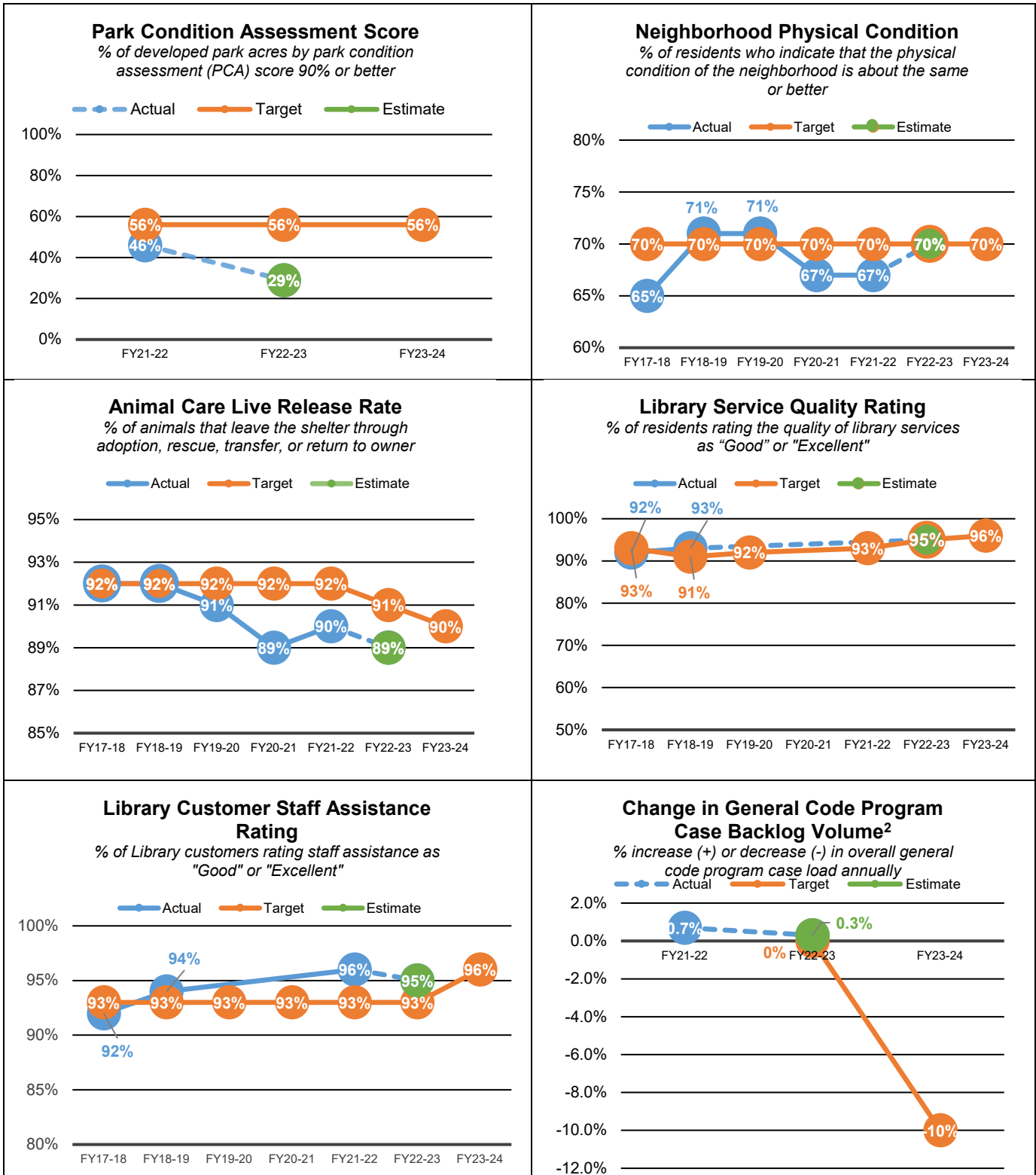
Median Annual Income by Race/Ethnicity (FY 2021-2022) \$/year/household

Race/Ethnicity	Income (\$/year/household)
Overall	\$125,075
Native Hawaiian/Other Pacific Islander	\$73,934
American Indian/Alaska Native	\$74,821
Black/African Descent	\$85,395
Hispanic/Latino/a/x	\$90,026
Two or more races	\$108,580
Caucasian/White	\$138,007
Asian	\$153,275

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

CSA PERFORMANCE MEASURE DASHBOARD¹



¹ Modernization of the performance measures for Housing Department's Homelessness Interventions and Solutions Core Service will be completed in 2023-2024. To access the Homelessness Program Dashboard, please visit [Homelessness Program Dashboard | City of San José \(sanioseca.gov\)](https://sanioseca.gov/homelessness-program-dashboard).

² Multiple Housing Program includes only complaint cases and not routine inspection cases. New measure, reporting to begin FY24-25, therefore, data not reflected here.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- The Library will continue to provide access to information and knowledge resources for all San José residents, students, educators, and families including access to technology and print materials, classes, afterschool homework help for students, and educational and literacy programs for all ages. The Library, in partnership with the San José Public Library Foundation, will administer the Digital Inclusion Fund Grant Program.
- PRNS will continue its efforts to provide accessible health and recreational programs for people of all ages and abilities. This includes provision of leisure classes and activities at community centers, offering safe and fun summer camps, educational and outdoor experiences at Happy Hollow Park and Zoo, and health and social activities in our therapeutics and senior service programs.
- Code Enforcement will continue to respond to complaints and conduct inspections for code violations citywide, including the proactive Multiple Housing Program, to address blight, substandard housing, illegal occupancy, unpermitted construction, etc., contributing to the overall health, safety, and quality of life of our residents, businesses, and the community.
- PRNS will continue to operationalize the new Community Services Division, which houses the consolidated management of BeautifySJ. Program areas for BeautifySJ include Anti-Graffiti and Anti-Litter, Illegal Dumping, and Homeless Encampment Trash Services and Abatement. The Community Services Division will also continue to deliver Youth Intervention Services, Project Hope, and the coordination of the San José Youth Empowerment Alliance.
- The Housing Department continues to work with the Public Works Department and the City Manager's Office on the development of additional Emergency Interim Housing sites and provides seed funding for their future operations and maintenance costs, with the goal of having 1,000 pandemic-era housing beds under development by the end of the calendar year.
- The Animal Care Center anticipates caring for 16,000 incoming animals with an estimated 21,000 calls for service while targeting a live release rate of 90%.

2023-2024 Key Budget Actions

- Reallocates \$38.0 million of uncommitted Measure E resources to homelessness prevention, support, and management services: \$20.9 million for interim housing development and operations, \$10.5 million for homelessness response and outreach, \$4.8 million for homelessness prevention, and \$1.8 million for a homelessness coordination team.
- Continues and makes permanent 1.0 Literacy Program Specialist position to support the Family, Friend, and Neighbor Support Network Program.
- Adds 4.0 Senior Security Officer positions and \$193,000 to ensure Library branch facilities maintain a high degree of safety for staff and customers.
- Adds \$1.0 million one-time and \$500,000 ongoing scholarship funding to provide approximately 1,622 youth 100% scholarships for programs that were previously funded through the American Rescue Plan (ARP).
- Adds \$12.3 million for BeautifySJ enhancements to support pilots such Waterways Trash, Blight Reduction Gateways Team, Beautify your Block, and Recreational Vehicle Pollution Prevention; and increases funding for the Graffiti Removal, Cash 4 Trash, and Creek Cleanup Partners programs.
- Continues and makes permanent 1.0 Senior Public Information Representative position to support community outreach with Massage Parlor, Tobacco Retail License, Abandoned Cart, Neglected/Vacant Building, Building Code Compliance, and Multiple Housing programs.
- Adds 7.0 Animal Care Attendant positions and 3.0 Animal Shelter Coordinator positions to provide a night shift for the Animal Care Center, implementing 24 hours of care and services for the animals at the shelter.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

BUDGET SUMMARY

City Service Area Budget Summary**

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service *				
<i>Housing Department</i>				
Homelessness Interventions and Solutions	14,510,296	77,676,368	49,975,165	79,363,426
<i>Library Department</i>				
Strategic Support - Other - Neighborhood Services	4,002,945	7,594,409	1,940,980	1,381,155
Strategic Support - Neighborhood Services	11,963,858	13,480,732	8,252,192	10,916,061
Literacy and Learning, Formal and Lifelong Self-Directed Education	3,803,789	4,166,382	4,097,757	4,588,404
Access To Information, Library Materials, and Digital Resources	37,128,082	40,830,920	42,533,205	42,498,545
<i>Parks, Recreation and Neighborhood Services Department</i>				
Strategic Support - Other - Neighborhood Services	10,186,074	17,293,231	3,054,361	3,246,097
Strategic Support - Neighborhood Services	44,673,028	16,486,746	6,237,239	6,445,184
Recreation Services	22,092,345	32,655,778	31,125,884	32,966,027
Community Services	22,026,006	35,237,015	23,718,667	36,154,152
Parks Maintenance and Operations	46,300,476	56,860,287	56,189,305	60,114,504
Community Facilities Development	6,447,627	7,994,407	7,429,406	7,624,228
<i>Planning, Building and Code Enforcement Department</i>				
Strategic Support - Other - Neighborhood Services	30,826	0	0	0
Strategic Support - Neighborhood Services	696,550	707,888	733,122	809,990
Code Enforcement	9,795,074	13,054,357	13,068,424	13,017,664
<i>Public Works Department</i>				
Animal Care and Services	9,028,188	10,114,631	10,834,883	12,188,866
Strategic Support - Other - Neighborhood Services	4,953,710	373,000	320,000	320,000
Strategic Support - Neighborhood Services	1,125,473	872,450	954,823	954,823
Total CSA	\$248,764,347	\$335,398,601	\$260,465,412	\$312,589,125
Authorized Positions	714.11	1,392.33	1,389.33	1,451.39

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

Service Delivery Accomplishments

- The Animal Care Center cared for an estimated 10,600 incoming animals and responded to an estimated 18,000 calls for service, responding to 96% of Priority 1 calls in one hour or less.
- Code Enforcement responded to 2,500 new General Code complaints, 500 new Multiple Housing complaints, and 11,000 incoming customer service calls. Code Enforcement completed decoy operations for Tobacco Retail License businesses to combat sales to minors and prevent youth access to tobacco.
- PRNS incorporated economic recovery programs into its daily operations that provided key services to the community. PRNS provided scholarships for childcare services, continued food and necessities distribution, homeless encampment management through BeautifySJ, and economic recovery through the Placemaking Program.
- Through the Digital Equity & Empowerment Initiative, Library provided 10,256 hotspots and computing devices to residents at 25 library facilities. Three outdoor WiFi networks were maintained (James Lick, Yerba Buena, and Overfelt), and five outdoor networks were constructed and opened to students and the public near high schools in east San José (Independence, Andrew P. Hill, Oak Grove, Mt. Pleasant, and Silver Creek).
- Library expanded branch hours to include Sundays and restored service at many lower resourced branches.

Service Delivery Environment

- Animal Care Center will continue to provide key services to pet owners, assistance to low income and un-housed pet owners, and to implement new strategies to improve license and rabies vaccination compliance.
- Code Enforcement worked diligently to reduce vacancy rate from 23% to 14%; still, there is a significant backlog of unresolved General Code cases and overdue Multiple Housing routine inspections, the result of ongoing vacancies and impacts of the pandemic. Code Enforcement will continue to strategize new ways to address backlog and reduce vacancy rate.
- PRNS programming has returned to in-person. PRNS continues to support ongoing COVID-19 recovery efforts, while balancing department's services and programs reopening.
- Library will continue to provide access to quality educational programs (SJ Learns, homework clubs), lifelong learning and workforce support opportunities (Career Online High School; ESL classes; Family, Friend and Neighbor Support Network), an array of diverse books and collections for all ages, and electronic resources and devices (hotspots).

CSA Priorities/Key Services

- Provide animal licensing, rabies vaccination compliance, housing and care for stray animals, and outreach regarding responsible animal ownership.
- Code Enforcement will continue to provide field inspection services for emergency and priority complaints within 24 and 72 hours respectively and perform routine and annual inspections for all fee funded programs.
- PRNS will provide safe and healthy opportunities for young children, youths, teens, seniors, and persons with disabilities.
- Library will continue to provide access to materials and information, computers and hotspots, electronics and print resources, afterschool homework help, educational and literacy programs, and promote lifelong learning for all ages. Library will continue to lead the City's Education, Digital Literacy, Digital Equity, and Broadband Priority. In partnership with the San José Public Library Foundation, the Library will administer the Digital Inclusion Fund Grant Program.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: SAFE AND CLEAN NEIGHBORHOODS AND PUBLIC SPACES

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
1.1 Clean and maintain the City's public spaces and community resources	PM 1.1.1 Park Condition Assessment Score. % of developed park acres by park condition assessment (PCA) score 90% or better (PRNS)	46%	56%	29%	56%	75%
	PM 1.1.2 BeautifySJ Response Times. % of graffiti removal, illegal dumping, and encampment trash services inquiries responded to within response time targets (PRNS)	81%	80%	81%	80%	85%
	PM 1.1.3 Neighborhood Physical Condition Perception. % of residents who indicate that the physical condition of the neighborhood is about the same or better (Code Enforcement)	67%	70%	70%	70%	80%
	PM 1.1.4 Library Facility Condition Rating. % of customers rating Library facility condition as "Good" or "Excellent" (Library)	91%	52%	90%	91%	93%
1.2 Promote and protect the health, safety, and welfare of residents, businesses, and animals through education and compliance services	PM 1.2.1 Animal Live Release Rate. % of animals that leave the shelter through adoption, rescue, transfer, or return to owner (ACS)	90%	91%	89%	90%	90%
	PM 1.2.2 Code Enforcement Case Resolution. % of Code Enforcement issues reported that were corrected with a rating of "Strongly Agree" or "Agree" (Code Enforcement)	41%	45%	45%	50%	60%
	PM 1.2.3 Code Enforcement Case Backlog. % of Change in Code Enforcement Case Backlog:					
	-General Code Program	+0.7%	0%	+0.3%	-10.0%	-30%
	-Multiple Housing Program ¹ (Code Enforcement)	N/A	N/A	N/A	-10.0%	-50%
PM 1.2.4 Library Facility Safety Rating. % of customers rating library facility safety as "Good" or "Excellent" (Library)	91%	N/A	91%	92%	92%	

¹ Multiple Housing Program includes only complaint cases and not routine inspection cases. New measure, reporting to begin 2024-2025.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: WELCOMING AND VIBRANT NEIGHBORHOODS AND PUBLIC LIFE

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
2.1 Build and activate vibrant spaces for people to celebrate identity and community	PM 2.1.1. Public Life Identify and Belonging. % of participants in public life programs reporting an increase in their sense of identity and belonging ¹ (PRNS)	N/A	N/A	N/A	N/A	N/A
	PM 2.1.2. Public Life Community Building. % of participants in public life programs reporting an increase in community interactions ¹ (PRNS)	N/A	N/A	N/A	N/A	N/A
2.2 Cultivate welcoming neighborhoods and public facilities	PM 2.2.1. Disability Participant Connection Rating. % of participants with disabilities who feel connected to community center resources (PRNS)	82%	75%	75%	75%	75%
	PM 2.2.2. Library Service Quality Rating. % of residents rating the quality of library services as "Good" or "Excellent" (Library)	N/A ²	95%	95%	96%	96%
	PM 2.2.3. Code Enforcement Customer Service Rating. % of customers who feel they received courteous treatment and timely service from their interaction with Code Enforcement staff (Code Enforcement)	54%	70%	60%	70%	75%
	PM 2.2.4. Animal Care Customer Service Rating. % of residents' rating of the City providing animal control services as "Good" or better (ACS)	37%	50%	40%	50%	60%

¹ PRNS is building the collection methodology to report this data in 2024-2025.

² Library customer service surveys were not conducted in 2019-2020 or 2020-2021 due to COVID-19 and shelter-in-place orders issued by Santa Clara County, which interrupted library services and limited accessibility.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: EQUITABLE ACCESS TO COMMUNITY OPPORTUNITIES TO FLOURISH

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
3.1 Connect people to the learning resources they need	PM 3.1.1 Library Customer Service Rating. % of Library customers rating staff assistance as “Good” or “Excellent” (<i>Library</i>)	96%	93%	95%	96%	95%
	PM 3.1.2 Code Enforcement Customer Service Rating. % of customers who “Agree” or “Strongly Agree” that Code Enforcement staff are responsive and helpful (<i>Code Enforcement</i>)	55%	75%	60%	75%	80%
	PM 3.1.3 Library WiFi Hotspot Usage. % of Wi-Fi hotspots check out (<i>Library</i>)	N/A	N/A	82%	75%	N/A ¹
3.2 Strengthen communities and enrich lives through education, literacy, play, health, and youth empowerment	PM 3.2.1 Recreation Physical Activity Rating. % of recreation program participants reporting an increase in their physical activity level to at least 2.5 hours (150 minutes) per week (<i>PRNS</i>)	72%	75%	75%	75%	75%
	PM 3.2.2 Older Adult Independent Living Rating. % of participants rating City program effectiveness at helping older adults that live on their own, as “Good” or “Excellent” (<i>PRNS</i>)	71%	65%	65%	65%	65%
	PM 3.2.3 Library Program Education Rating. % of participants who report improved knowledge or skills following participation in a Library educational program or study (<i>Library</i>)	N/A	N/A	N/A	60%	60%
	PM 3.2.4 Youth Empowerment Purpose Rating. % of Youth Empowerment Alliance (Bringing Everyone’s Strengths Together (BEST)) participants who feel a sense of belonging/sense of purpose with a rating of “Often” or “Always” (<i>PRNS</i>)	85%	80%	80%	80%	80%

¹ This program utilizes one-time funding, so a 5-year Goal was not set.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

Neighborhood Services CSA-Level Data Sources	
Identifier	Data Source
<i>PM 1.1.1.</i>	Park Condition Assessment Score
<i>PM 1.1.2</i>	PRNS Data Systems (App Order, SJ311, Survey123)
<i>PM 1.1.3</i>	Annual Code Enforcement Customer Survey
<i>PM 1.1.4</i>	Library Customer Satisfaction Survey
<i>PM 1.2.1</i>	Chameleon Database Kennel Statistics Report
<i>PM 1.2.2</i>	Annual Code Enforcement Customer Survey
<i>PM 1.2.3</i>	Code Enforcement Division Dashboard
<i>PM 1.2.4</i>	Library Customer Satisfaction Survey
<i>PM 2.1.1.</i>	PRNS Public Life Survey
<i>PM 2.1.2.</i>	PRNS Public Life Survey
<i>PM 2.2.1</i>	PRNS Recreation Survey
<i>PM 2.2.2</i>	City Auditor's Annual Report on City Services
<i>PM 2.2.3</i>	Annual Code Enforcement Customer Survey
<i>PM 2.2.4</i>	City Auditor's Annual Report on City Services
<i>PM 3.1.1</i>	Library Customer Satisfaction Survey
<i>PM 3.1.2</i>	Annual Code Enforcement Customer Survey
<i>PM 3.1.3</i>	Library integrated library system
<i>PM 3.2.1</i>	PRNS Recreation Survey
<i>PM 3.2.2</i>	PRNS Recreation Survey
<i>PM 3.2.3</i>	Library Programming Patron Survey
<i>PM 3.2.4</i>	BEST SPR Annual Report

CITY SERVICE AREA
NEIGHBORHOOD SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
HOUSING DEPARTMENT			
• Measure E - Homeless Response and Outreach	6.00	0	0
• California Network and Telecommunications (CalNet) Program Savings		(2,480)	0
<i>Subtotal</i>	6.00	(2,480)	0
LIBRARY DEPARTMENT			
• Digital Equity Program	2.00	1,813,881	1,813,881
• Library Security Staffing and Contractual Services Expansion	4.00	615,916	615,916
• Family, Friend, and Neighbor Program Staffing	1.00	500,000	500,000
• Library Priority Community and Education Program Efforts	1.20	158,426	158,426
• San José Public Library Foundation		50,000	0
• Library Technical Services Electronic Resources Unit Staffing	0.00	7,541	7,541
• Digital Equity Program	2.00	0	0
• California Network and Telecommunications (CalNet) Program Savings		(1,266)	(1,266)
• Library Public Engagement Staffing Restructure	(0.50)	(24,642)	(24,642)
• Library Facilities Staffing	0.00	(48,917)	0
<i>Subtotal</i>	9.70	3,070,939	3,069,856
PARKS, RECREATION AND NEIGHBORHOOD SERVICES DEPARTMENT			
• Beautify San José	14.25	12,345,486	12,345,486
• Youth Scholarship Funding		1,000,000	1,000,000
• Happy Hollow, Emma Prusch, Lake Cunningham Security Staffing	2.00	659,892	659,892
• Child and Youth Programming Staffing	4.25	528,727	528,727
• Starbird Youth Center and Berryessa Youth Center Out of School Programming	3.75	266,775	266,775
• Park Wildland Fire Engine Replacement		200,000	200,000
• Capital Grants Management Staffing	1.00	194,821	0
• Aquatics Program	1.00	187,255	187,255
• Alum Rock Park Staffing	1.00	169,255	169,255
• Safety Officer Staffing	1.00	150,330	150,330
• Happy Hollow Education Staffing	1.00	101,901	101,901
• Youth Intervention Services/Project Hope Vehicles		90,000	90,000
• New Parks and Recreation Facilities Maintenance and Operations	0.92	58,000	58,000
• Assistant Arborist Light-Duty Vehicle		40,000	40,000
• Vehicle O&M (Fleet Staffing)		5,066	5,066
• Beautify San José	4.00	0	0
• CaliforniansForAll Youth Workforce Program - Climate Change Pathway	1.00	0	0
• San Jose BEST Accountability and Oversight Improvements Staffing	1.00	0	0
• Special Park Use/Park Reservation Staffing	0.00	0	0
• Youth Outreach Staffing (Digital Arts Program)	(0.58)	0	0
• Park Ranger Program Management Staffing	(0.48)	(22,692)	(22,692)

CITY SERVICE AREA
NEIGHBORHOOD SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
PARKS, RECREATION AND NEIGHBORHOOD SERVICES DEPARTMENT			
• California Network and Telecommunications (CalNet) Program Savings		(30,193)	(30,193)
• Park Maintenance Management Restructuring	(0.37)	(33,043)	(33,043)
• Fiscal Team Staffing	(0.98)	(155,842)	(155,842)
<i>Subtotal</i>	33.76	15,755,738	15,560,917
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT			
• Planning, Building and Code Enforcement Community Outreach Staffing	0.60	115,302	96,085
• Building Code Compliance Staffing	0.00	(89,194)	(89,194)
<i>Subtotal</i>	0.60	26,108	6,891
PUBLIC WORKS DEPARTMENT			
• Animal Care and Services Staffing (Operations, Customer Service/Licensing, and Medical Services)	1.00	397,371	397,371
• Animal Care and Services Staffing (Facilities)	1.00	106,150	106,150
• Animal Care and Services Staffing (Operations Night Shift)	10.00	850,462	850,462
<i>Subtotal</i>	12.00	1,353,983	1,353,983
<i>Subtotal Departments</i>	62.06	20,204,288	19,991,647
CITY-WIDE EXPENSES			
• Measure E - Emergency Interim Housing Construction and Operations		18,890,750	18,890,750
• Measure E - Homeless Response and Outreach		6,999,991	6,999,991
• Measure E - SJ Bridge		3,500,000	3,500,000
• CaliforniansForAll Youth Workforce Program - Climate Change Pathway		2,847,855	2,847,855
• "Beautify Your Block" BeautifySJ Grants		150,000	150,000
• Family, Friend, and Neighbor Program Staffing		(500,000)	(500,000)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		(58,000)	(58,000)
<i>Subtotal Other Changes</i>	0.00	31,830,596	31,830,596
Total Proposed Budget Changes	62.06	52,034,884	51,822,243

PAGE INTENTIONALLY LEFT BLANK

CITY SERVICE AREA

PUBLIC SAFETY



MISSION

Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations

Primary Partners

City Manager's Office
Fire
Independent Police Auditor
Police

CSA OUTCOMES

- The Public Feels Safe Anywhere, Anytime in San José
- Residents Share the Responsibility for Public Safe

CITY SERVICE AREA

PUBLIC SAFETY

SERVICE DELIVERY FRAMEWORK

CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
Why the CSA exists

Public Safety CSA

Mission:

Provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations



CSA OUTCOMES
The high-level results of service delivery sought by the CSA partners

Outcomes

- The Public Feels Safe Anywhere, Anytime in San José
- Residents Share the Responsibility for Public Safety



PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

	Office of the City Manager <i>Core Services:</i> <div style="border: 1px solid black; padding: 5px; margin: 5px;">City-Wide Emergency Management</div>	Fire Department <i>Core Services:</i> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Emergency Response</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Fire Prevention</div>	Independent Police Auditor <i>Core Services:</i> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Independent Police Oversight</div>	Police Department <i>Core Services:</i> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Crime Prevention and Community Education</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Investigative Services</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Regulatory Services</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">Respond to Calls for Service and Patrol Support</div>
--	---	---	---	--

PROGRAMS
Elements of Core Services; the "front line" of service delivery



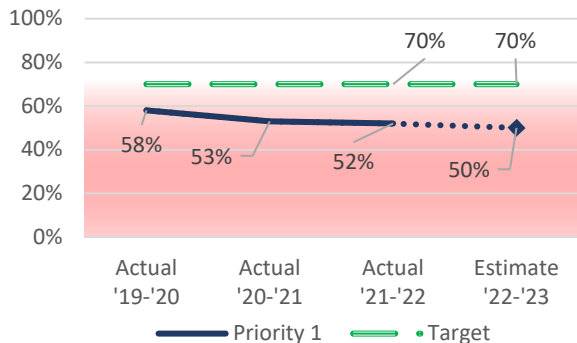
STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery

CITY SERVICE AREA

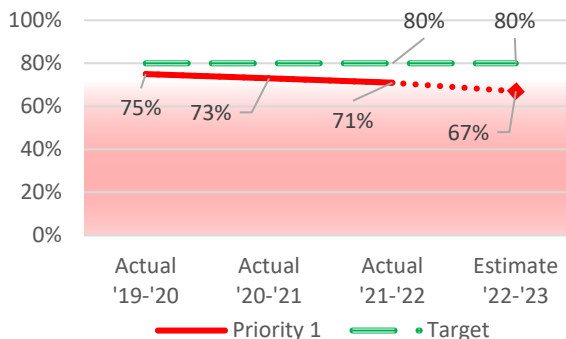
PUBLIC SAFETY

DASHBOARD

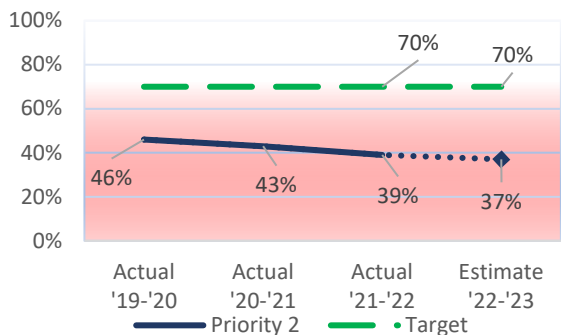
Initial Police Unit Response within 6 Minutes of Priority 1 Calls for Service (Life Threatening)



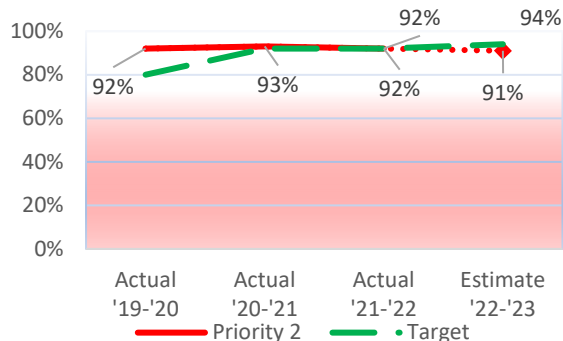
Initial Fire Unit Response within 8 Minutes of Priority 1 Calls for Service (Life Threatening)



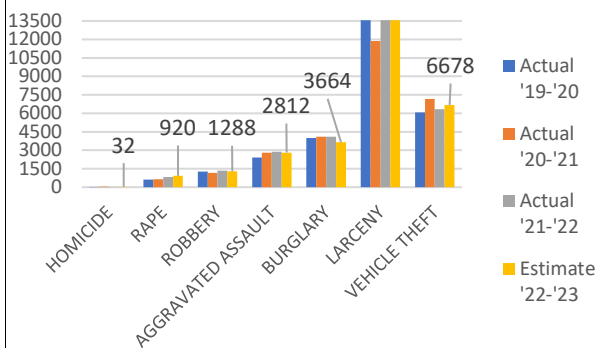
Initial Police Unit Response within 11 Minutes of Priority 2 Calls for Service (Crime in Progress or Just Occurred)



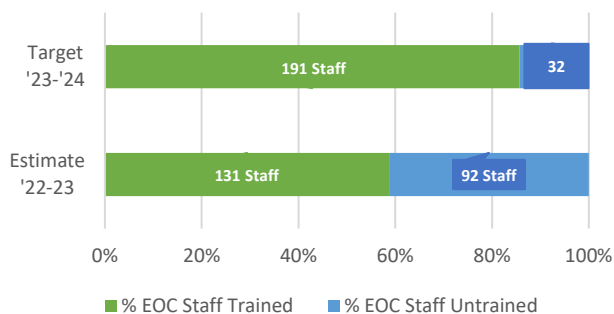
Initial Fire Unit Response within 13 Minutes Priority 2 Calls for Service (No Lights and Sirens)



National Uniform Crime Reporting (UCR) Part 1 Crime Trends



Emergency Operations Center (EOC) Assigned Staff Who Have Received Required Training^{1,2}



¹ EOC staff provided just-in-time training in order to fulfill their EOC role during COVID-19. EOC operating at Level 3 Activation with targeted positions activated. COVID restrictions did not allow for the delivery of normal coursework.

² EOC has been deactivated. Normal coursework to resume. Target is 40 EOC staff per training session with two courses scheduled.

CITY SERVICE AREA

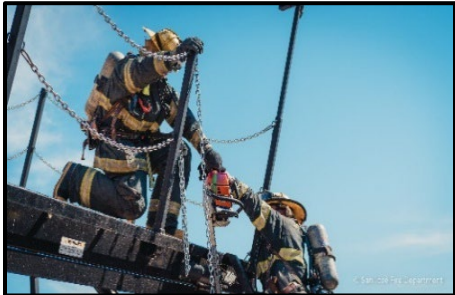
PUBLIC SAFETY

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- Respond to calls for service of essential emergency services (patrol, fire suppression, rescue, and emergency medical services) in a safe, efficient, and effective manner.
- Continue regional all-hazard emergency management planning, training, and exercises.
- Provide a police misconduct complaint process that is thorough, objective, and fair.
- Effectively investigate crimes and seek successful prosecution of suspects.
- Advance the deployment and use of technology to enhance the delivery of public safety services where possible.

2023-2024 Key Budget Actions



- Adds 17.0 Police Officer, 2.0 Police Sergeant, and 1.0 Police Lieutenant positions, to the Field Patrol unit beginning in 2024-2025, with a start date in February 2025 in accordance with recruit academy projections.
- Adds 2.0 Forensic Analyst and 1.0 Systems Application Programmer positions to the Police Department Crime Intelligence Data Center.
- Adds one-time non-personal funding of \$250,000 for Technology pilots. The technologies pilots provide the opportunity to improve the efficiency and effectiveness of limited staffing resources.
- Adds one-time funding of \$1.0 million to Police Department Bureau of Technology to update servers, software, and Wi-Fi.
- Adds one-time personal services and non-personal funding of \$1.6 million, enabling the Fire Department to conduct a second lateral Fire Fighter/Paramedic Recruitment Academy.
- Adds 3.0 Battalion Chiefs to establish a 6th Battalion and increase the command response time along the eastern and central areas of San José.
- Adds 1.0 Assistant to City Manager position in the Office of Emergency Management for Community Outreach, Resilience, and Engagement that includes development of comprehensive workplans, oversight of community preparedness, network building with vulnerable communities, and partnership collaborations.
- Adds 1.0 Executive Analyst II position in the Office of Emergency Management for Mass Care that includes development and implementation of the City's Mass Care Plan and shelter inventory.

CITY SERVICE AREA

PUBLIC SAFETY

BUDGET SUMMARY

City Service Area Budget Summary**

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
<i>Dollars by Core Service *</i>				
<i>Office of the City Manager</i>				
City-Wide Emergency Management	2,702,169	8,169,959	2,290,270	3,016,272
<i>Fire Department</i>				
Strategic Support - Other - Public Safety	14,289,545	28,641,381	14,981,959	16,755,703
Strategic Support - Public Safety	69,489,275	6,724,239	6,749,675	7,599,881
Emergency Response	200,800,361	256,111,870	261,676,044	263,246,866
Fire Prevention	7,731,253	8,707,814	8,921,345	8,903,261
City-Wide Emergency Management	819	0	0	0
<i>Independent Police Auditor's Office</i>				
Independent Police Oversight	1,499,401	1,477,351	1,494,783	1,492,429
Strategic Support - Other - Public Safety	74,997	1,819	0	0
Strategic Support - Public Safety	371	122,623	136,175	136,175
<i>Police Department</i>				
Strategic Support - Other - Public Safety	18,121,726	17,609,864	9,508,025	9,508,025
Strategic Support - Public Safety	64,832,766	58,973,490	55,593,535	58,903,626
Crime Prevention and Community Education	5,538,607	7,513,841	7,325,439	7,325,439
Investigative Services	96,929,233	94,584,491	98,262,618	99,559,918
Regulatory Services	4,890,545	5,057,608	5,047,343	5,047,343
Respond To Calls For Service and Patrol Support	311,223,661	322,134,033	324,840,803	331,863,325
<i>Public Works Department</i>				
Strategic Support - Other - Public Safety	533,085	500,000	0	0
Total CSA	\$798,657,811	\$816,330,383	\$796,828,013	\$813,358,263
Authorized Positions	2,255.03	2,576.25	2,571.25	2,589.30

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

PUBLIC SAFETY

OVERVIEW

Service Delivery Accomplishments

- The Fire Department received the Excellence in Public Information and Communications (EPIC) award from the California Association of Public Information Officials (CAPIO) for the “Video Production Series – In House” category for their Wheels Wednesday Series – a compilation of video shorts highlighting the array of resources contributing to the Department’s position in providing an “all hazard” level of emergency services to the community.
- The Fire Department and Santa Clara County Public Safety Communications Manager Association recognized the outstanding performances of two Fire Communications team members who exhibited a high-level of excellence in customer service, engagement, reliability, work ethic, character, and leadership skills during high stress situations.
- In 2022-2023, the Fire Department conducted their Lateral Firefighter/Paramedic Academy in efforts to address paramedic shortages that have been observed nationwide. The academy is set to be completed in May 2023 with a total of 13 active Firefighter/Paramedics, thus strengthening the Department’s organizational capacity to provide Advanced Life Support-level services throughout San José.
- Through one-time funds, the Fire Department successfully completed two significant assessments: (1) Fire Communication Workforce Optimization Study that assessed the staffing levels, organizational structure, recruitment, training and retention practices and current and projected workload of Fire Communications and offered recommendations for improved strategies, and (2) Fire Information Technology Master Plan and Roadmap that assessed the current state of the Fire Department’s Information Technology and developed initiatives to safeguard and improve the efficiency and effectiveness of the systems in order to meet the needs of San José citizens.
- City Manager’s Office of Emergency Management improved readiness to emergencies by updating plans; responding to the COVID-19 vaccination efforts, winter storms and potential flood; and providing Community Emergency Response Team trainings to over 199 graduates.
- For Priority One calls (present or imminent danger to life or major damage/loss of property), the Police Department is anticipating responding within an average of 7.85 minutes in 2022-2023.
- The Police Department’s Mobile Crisis Assessment Team (MCAT) provided dedicated officers to an estimated 1,000 calls for service for immediate response to community members experiencing a mental health crisis. MCAT officers use a cross-system approach, involving public and private programs to improve how police respond to individuals in a mental health crisis, moving them away from the justice system and connecting them to the appropriate care. The MCAT Unit is part of the Department's overall efforts to reimagine safety across the community by providing alternative service and delivery models.

Service Delivery Environment

- A major contributing factor to the overall effectiveness and efficiency of the Police and Fire Departments in recent years has been the increased use of data analytics to analyze existing business processes and change emergency response strategies.
- The engagement of volunteers to augment the talents of staff in response to emergencies has provided an opportunity for the public to take on more responsibility for preparedness and to assist in a major event.

CITY SERVICE AREA

PUBLIC SAFETY

OVERVIEW

CSA Priorities/Key Services

- Continue to provide high-quality fire suppression, rescue, emergency medical, and other related public assistance services.
- Continue projects that support the integration of volunteer resources, improve support for our most vulnerable populations, and address the direct needs of the public following a disaster.
- Continue to provide civilian oversight of the Police misconduct complaint process to ensure its fairness, thoroughness, and objectivity.
- Continue to maintain the safety of residents throughout the City by keeping crime rates down, reducing and investigating crimes, and maintaining a vibrant, safe community.
- Continue to provide quality Police response to calls for service and maintain visible patrol throughout the City.

Part 1 Crimes Index by Calendar Year					
Offense	2022	2021	Year over		2022 to
			Year %	5 Year	5 Year %
			Change	Average	Change
Criminal Homicide	35	31	12.9%	33	5.4%
Rape	894	730	22.5%	695	28.6%
Robbery	1,264	1,284	-1.6%	1,333	-5.2%
Aggravated Assault	2,853	2,787	2.4%	2,590	10.2%
Burglary	3,884	3,812	1.9%	4,079	-4.8%
Theft	15,010	12,013	24.9%	13,639	10.1%
Motor Vehicle Theft	6,469	6,419	0.8%	6,757	-4.3%
Arson	176	269	-34.6%	191	-7.7%
Totals	30,585	27,345	11.8%	29,316	4.3%

CITY SERVICE AREA

PUBLIC SAFETY

OVERVIEW

Budget Dollars at Work: Performance Goals

The Public Safety CSA encompasses City services focusing on crime, fire, emergency medical, hazardous, and disaster-related needs of the San José community. The CSA partners continuously evaluate public safety data to assess operational changes necessary to resolve crime, medical, or fire-related situations successfully. Despite the challenges of limited staff and increased demand for service, the CSA is engaged in an ongoing effort to organize and analyze data in the development of resource deployment strategies.

OUTCOME 1: THE PUBLIC FEELS SAFE ANYWHERE, ANYTIME IN SAN JOSÉ

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Achieve safe neighborhoods throughout the City	1. % change in incidents of selected crime types (change in # of incidents)					
	- Gang Related Incidents ¹	-13.7%	0% change	-6.4%	0% change	0% change
	- Domestic Violence	5.1%	0% change	8.5%	0% change	0% change
	- Residential Burglaries	-11.8%	0% change	-0.1%	0% change	0% change
	- Strong-Arm Robbery	22.2%	0% change	6.5%	0% change	0% change
	- Sexual Assault	23.5%	0% change	14.2%	0% change	0% change
	- Traffic Accidents	13.7%	0% change	1.7%	0% change	0% change
	- Fire Arson	0.4%	0% change	-27.6%	0% change	0% change
	2. % of residents surveyed who perceive themselves to be "Safe" or "Very Safe" walking during the day/night					
	- in their neighborhood	84% / 53%	90% / 70%	N/A ²	90% / 70%	90% / 70%
- in the City park closest to residence	76% / 32%	85% / 45%	N/A ²	85% / 45%	85% / 45%	
- in the Downtown area	60% / 19%	85% / 45%	N/A ²	85% / 45%	85% / 45%	

¹ This figure includes both gang motivated and gang related incidents.

² Data for this measure is collected through the annual City-Wide Community Survey. The next survey will be issued late summer 2023, which is after the publication of the budget document; therefore, data will not be available to determine an estimate for 2022-2023.

CITY SERVICE AREA

PUBLIC SAFETY

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: THE PUBLIC FEELS SAFE ANYWHERE, ANYTIME IN SAN JOSÉ

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Maintain/Reduce response times	1. % of time the initial responding Fire unit arrives within eight minutes after 9-1-1 call is received (Priority One)	71%	80%	67%	80%	80%
	2. % of time first dispatched Police unit arrives within six minutes to Priority One calls (life threatening) (dispatch to arrival)	52%	70%	50%	70%	70%
	3. % of time the initial responding Fire unit arrives within thirteen minutes to Priority Two calls (no lights & siren) ¹	92%	94%	91%	94%	94%
	4. % of time first dispatched Police unit arrives within eleven minutes to Priority Two calls (crime in progress or just occurred) (dispatch to arrival)	39%	70%	37%	70%	70%
Increase investigative & inspection efforts	1. Clearance Rates of Part 1 crimes (# cleared/ total cases) ¹					
(Police Investigations)	- Homicide	53.6% (15/28)	N/A ²	68.8% (22/32)	N/A ²	N/A ²
	- Rape	15.8% (131/828)	N/A ²	18.7% (172/920)	N/A ²	N/A ²
	- Robbery	33.5% (447/1333)	N/A ²	26.4% (340/1288)	N/A ²	N/A ²
	- Aggravated Assault	41.9% (1207/2883)	N/A ²	49.3% (1386/2812)	N/A ²	N/A ²
	- Burglary	6.3% (244/3863)	N/A ²	7.6% (278/3664)	N/A ²	N/A ²
	- Larceny	5.2% (714/13638)	N/A ²	6.4% (1010/15710)	N/A ²	N/A ²
	- Vehicle Theft	6.6% (416/6332)	N/A ²	6.2% (414/6678)	N/A ²	N/A ²
	- Overall	11.0% (3174/28905)	N/A ²	11.6% (3622/31104)	N/A ²	N/A ²

¹ Data is based on the definition of *clearance* noted within the Uniform Crime Reporting Program.

² The Police Department's goal is to improve clearance rates.

CITY SERVICE AREA

PUBLIC SAFETY

OVERVIEW

Budget Dollars at Work: Performance Goals

Residents are a critical link to community disaster preparedness in areas where first response may be several minutes away, requiring some self-reliance at the neighborhood level. The goal of crime, fire, and life safety education is to provide awareness and informational services to the community through multiple programs, including Police oversight, Police Volunteer Program, Neighborhood Watch, and Community Emergency Response Team (CERT) program.

OUTCOME 2: RESIDENTS SHARE THE RESPONSIBILITY FOR PUBLIC SAFETY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Increase public education & awareness through a variety of community services and education programs	1. % of San José households with demonstrated emergency preparedness action plan					
	-Have three gallons of bottled water per person per household	63%	65%	N/A ¹	65%	65%
	-Have three-day supply of medicine	70%	75%	N/A ¹	75%	75%
	-Have designated an outside of area contact person	56%	70%	N/A ¹	70%	70%
Empower residents to respond appropriately to emergencies and disasters	1. # of residents receiving Office of Emergency Management Training annually	206 ²	850	2,080	1,250	1,375
Explore and secure alternate funding to supplement public safety responsiveness and resources	1. % of grants awarded					
	- Fire Department	21%	100%	75%	100%	100%
	- Office of Emergency Management	51%	100%	100%	100%	100%
	- Police Department	80%	100%	74%	100%	100%
	2. Dollar value of grants awarded					
	- Fire Department	\$679,000	\$1.3 million	\$679,000	\$14 million ³	\$1.0 million
	- Office of Emergency Management	\$3.9 million	\$381,000	\$534,000	\$397,000	\$1.0 million
- Police Department	\$6.5 million	\$7.8 million	\$7.3 million	\$7.3 million	\$7.0 million	

¹ Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Proposed Budget.

² The COVID-19 response reduced the number of classes in 2021-2022.

³ The 2023-2024 Target reflects the City's application to the Federal Emergency Management Agency/Department of Homeland Security's 2022 Staffing for Adequate Fire and Emergency Response (SAFER) Grant.

CITY SERVICE AREA

PUBLIC SAFETY

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
FIRE DEPARTMENT			
• Firefighter/Paramedic Lateral Recruiting Academy		1,600,000	1,600,000
• Fire Battalion Staffing	3.00	1,211,403	1,211,403
• Fire Information Technology Staffing	2.00	342,260	342,260
• Fire Accounts Payable/Receivable and Timekeeping Staffing Reorganization	1.05	135,443	129,615
• Bureau of Support Services Facility Maintenance Staffing	1.00	122,256	122,256
• Multi-Factor Authentication for Mobile Data Computers		101,204	101,204
• Vehicle O&M Charges (Fleet Staffing)		82,899	82,899
• Fire Station Alerting Cradlepoint Routers		50,738	50,738
• California Network and Telecommunications (CalNet) Program Savings		(26,027)	(26,027)
• Emergency Medical Services Field Coordinator Staffing Realignment	(3.00)	(1,211,403)	(1,211,403)
<i>Subtotal</i>	4.05	2,408,773	2,402,945
OFFICE OF THE CITY MANAGER			
• Office of Emergency Management - Emergency Preparedness: Communications and Mass Care	1.00	323,002	323,002
• Office of Emergency Management - Urban Area Security Initiative Grant Staffing	2.00	403,000	403,000
<i>Subtotal</i>	3.00	726,002	726,002
OFFICE OF THE INDEPENDENT POLICE AUDITOR			
• California Network and Telecommunications (CalNet) Program Savings		(2,354)	(2,354)
<i>Subtotal</i>	0.00	(2,354)	(2,354)

CITY SERVICE AREA

PUBLIC SAFETY

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
POLICE DEPARTMENT			
• Sworn and Non-Sworn Recruiting and Backgrounding		1,320,000	1,320,000
• Field Patrol Staffing		1,076,250	1,076,250
• Community Service Officer Downtown Ambassador Staffing	6.00	907,233	907,233
• Police Records Management System Virtual Machine Server Replacement		650,000	650,000
• Crime Intelligence Data Center Expansion	3.00	563,307	563,307
• Police Public Records Team Staffing		350,000	350,000
• WiFi Upgrade and Installation		320,000	320,000
• Police Technology Demonstration Pilot		250,000	250,000
• Automated License Plate Reader (ALPR) Program		210,000	210,000
• Systems Development Staffing	1.00	203,903	203,903
• Quality Assurance and Training Software		195,000	195,000
• Psychiatric Emergency Response Team		180,000	180,000
• Police Officer Lateral Incentive Program		150,000	150,000
• Forensic Analyst Staffing	1.00	145,798	145,798
• Vehicle M&O Charges (Fleet Staffing)		144,039	144,039
• Improving Criminal Justice Program		120,000	120,000
• Digital Crime Scene Server Hardware Replacement and Software Upgrade		100,000	100,000
• Traffic Safety and Illegal Sideshows		100,000	100,000
• Children's Advocacy Center Part Time Forensic Interviewer		100,000	100,000
• California Network and Telecommunications (CalNet) Program Savings		(78,812)	(78,812)
<i>Subtotal</i>	11.00	7,006,718	7,006,718
Subtotal Departments	18.05	10,139,139	10,133,311
CITY-WIDE EXPENSES			
• Northern California Regional Intelligence Center (NCRIC) Staffing		158,195	158,195
• Coyote Creek and Guadalupe River Trail Patrol Program		800,000	800,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: 911 Call Center Fixtures, Furniture and Equipment		3,665,000	3,665,000
• Capital Contributions: Fire Station 32 Furniture, Fixtures, and Equipment		1,800,000	1,800,000
• Earmarked Reserves: Police Department Sworn Backfill Reserve		5,000,000	5,000,000
• Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		(1,000,000)	(1,000,000)
• Earmarked Reserves: Police Staffing Reserve		(2,400,000)	(2,400,000)
Subtotal Other Changes	0.00	8,023,195	8,023,195
Total Proposed Budget Changes	18.05	18,162,334	18,156,506

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES



MISSION

To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality

CSA OUTCOMES

Primary Partners

Airport
Transportation

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
Why the CSA exists

Transportation & Aviation Services CSA

Mission:

To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality

CSA OUTCOMES
The high level results of service delivery sought by the CSA partners

Outcomes:

- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability
- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience

PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

Airport Department

Core Services:

Airport Marketing and Communications

Airport Facilities

Airport Operations

Transportation Department

Core Services:

Parking Services

Pavement Maintenance

Street Landscape Maintenance

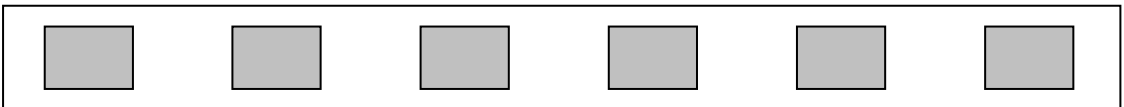
Traffic Maintenance

Transportation Planning and Project Delivery

Transportation Safety and Operations

PROGRAMS
Elements of Core Services; the "front-line" of service delivery

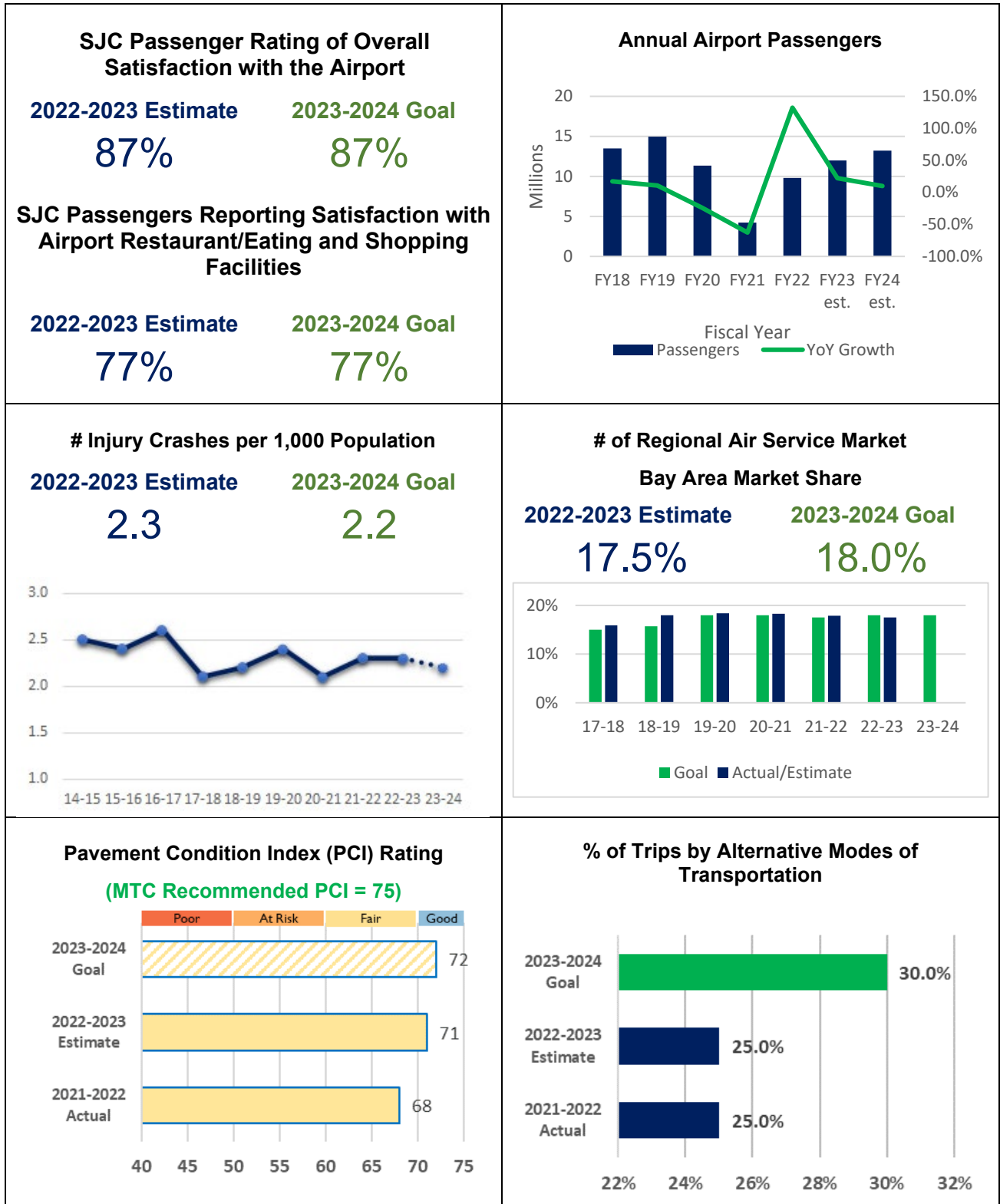
STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery



CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

DASHBOARD



CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- Provide a safe, efficient, and well-maintained transportation system for the traveling public.
- Maintain and operate public on-street and off-street parking facilities and encourage compliance of posted regulations and state and local codes.
- Plan, build and encourage use of multi-modal transportation options.
- Maintain Airport safety and security compliance.
- Provide superior levels of customer service at the Airport.
- Expand Airport service opportunities and approaches.

2023-2024 Key Budget Actions

- Adds 1.0 Associate Engineer and 1.0 Engineer I/II to deliver grant-funded safety projects (from the Active Transportation Program Cycle 6 and One Bay Area Grant 3 programs). Also adds 1.0 Associate Engineer to support grant-funded project delivery, funded in the Building and Structure Construction Tax Fund from a \$10 million State earmarked allocation for implementing Vision Zero multimodal safety improvements, including projects such as Senter Road improvements between Story Road and Monterey Road.
- Adds 1.0 Transportation Specialist position through June 30, 2025, to support the key initiatives of the Vision Zero Action Plan, primarily focusing on pre- and post- project studies to understand the effectiveness of projects implemented on the Priority Safety Corridors.
- Makes permanent 1.0 Transportation Specialist to support department grant application processes and develop and manage the DOT grant evaluation process.
- Makes permanent 1.0 Engineer I/II for the Major Streets Pavement team funded from Traffic Capital, to manage multiple construction projects, maintain the Pavement Management System database, and support ADA curb ramp projects, and adds 1.0 Senior Engineer through June 2025 for Bridge Maintenance Engineering work to include planning, design, and delivery of bridge preventative maintenance and rehabilitation projects, funded from the Public Safety and Infrastructure Bond Fund (Measure T).
- Makes permanent 1.0 Senior Engineer and 1.0 Associate Engineer in traffic signal safety to support Signal Design projects and program delivery.
- Makes permanent 1.0 Senior Engineer to supervise the Department's Development Review team to continue providing the expertise and capacity to meet workload demands for Transportation Development Reviews, including major new development projects in the City's priority growth areas.
- Makes permanent 1.0 Public Information Representative II to continue support for website content, social media content, outreach materials, engagement analytics, and expanded multilingual outreach.
- Adds 1.0 Senior Airport Equipment Mechanic and 1.0 Senior Warehouse Worker to address maintenance needs across Airport facilities and 1.0 Environmental Services Specialist to provide capacity to the Environmental team to manage regulatory compliance and advance the Airport's Sustainability Management and the City's Climate Smarte San José Plans.
- Adds 1.0 Information Systems Analyst position to provide the planning, implementation and enhancement of essential network and communication infrastructure to support the Airport's operations. Non-personal/equipment funding for the Silicon Valley Regional Communications System is added and improves reliability of radio coverage and maintenance and upgrades of the communications system.
- Adds 1.0 Property Manager position to the Airport to provide the full scope of property management responsibilities as the number of tenants and agreements grows.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

BUDGET SUMMARY

City Service Area Budget Summary**

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service *				
<i>Airport Department</i>				
Strategic Support - Other - Transportation & Aviation	97,771,756	68,190,398	77,904,259	77,991,500
Strategic Support - Transportation & Aviation	14,364,242	16,681,136	17,708,359	18,121,852
Airport Facilities	32,109,985	36,584,384	39,140,194	39,545,438
Airport Operations	25,164,039	35,609,109	36,758,387	36,758,387
Airport Marketing and Communications	1,994,222	3,578,131	3,745,992	3,745,992
<i>Transportation Department</i>				
Street Landscape Maintenance	17,794,940	24,029,508	23,128,174	23,125,910
Parking Services	16,605,955	21,809,307	21,695,774	22,050,070
Pavement Maintenance	10,533,000	9,952,412	10,921,473	11,274,293
Traffic Maintenance	14,746,821	16,354,226	18,240,788	18,408,202
Transportation Safety and Operations	14,077,776	14,170,384	14,096,762	15,004,595
Transportation Planning and Project Delivery	8,276,332	9,389,693	9,458,754	10,037,711
Strategic Support - Other - Transportation & Aviation	6,097,924	8,032,009	6,250,071	6,250,071
Strategic Support - Transportation & Aviation	5,190,771	3,697,533	3,669,811	3,707,514
Total CSA	\$264,623,793	\$268,078,230	\$282,718,798	\$286,021,535
 Authorized Positions	 483.75	 588.94	 587.94	 605.26

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

Service Delivery Accomplishments

- The Transportation Department completed three Vision Zero Quick-Build corridor projects (Hillsdale Avenue, White Road, Branham Lane, and Curtner Avenue) and over 245 traffic safety and traffic calming projects. In addition, over 18,900 children, 3,560 adults, 690 seniors, and 540 persons experiencing homelessness received traffic safety education at a variety of special events both through virtual and in-person events.
- The PG&E Turnkey Project has completed conversion of over 18,500 streetlights to LED.
- Over 140 traffic signals within the greater downtown area were retimed to enhance pedestrian safety and mobility through advance walk period and extended crossing times.
- During the 2022 construction season, the Pavement Maintenance Program performed maintenance on nearly 286 miles of the 2,519-mile street network, installed 2,414 ADA curb ramps, and, in partnership with San José's multimodal programs, completed 51 miles of new and enhanced bikeways.
- Airport rolled out a new brand identity including new brand name, logo, colors, tagline and marketing materials. The San José Mineta International Airport name was selected to strengthen the geographical association with San José and uses fewer words which reflects the SJC brand promise of a streamlined airport experience, like the tagline, Fly Simple.
- Awarded Best Airport of 15 million to 25 million passengers in the North American Region in the 2022 Airport Service Quality Awards. The award is based on overall customer satisfaction survey responses.
- Launched two new airlines at SJC – ZIPAIR with flights to Tokyo Narita Airport and Spirit Airlines starting in June 2023 with flights to Las Vegas, Dallas and San Diego.
- Upgraded to San José Clean Energy (SJCE) TotalGreen service for all City-owned buildings at the Airport. TotalGreen provides 100% renewable, emission-free energy and completes one important goal of SJC's Sustainability Management Plan and reduces the Airport's carbon footprint.
 - Construction of Zoom Zone educational play space in collaboration with the Children's Discovery Museum, Zoom Video Communications, Inc., and other partners.
 - Construction of five-level Economy Lot garage and implementation of new parking and revenue control system in all public parking lots. The new equipment allows features such as online reservations, multiple payment methods, touchless interface for passengers and more.
 - Alaska Airlines is using SJC as a tech incubator to test technologies to create a seamless travel experience. In Terminal B the airline is testing a new check-in and self-bag drop system to streamline check-in and biometric technology to speed up boarding for international flights.
 - Airport network upgrade completed, resulting in dramatically increased speed and bandwidth of Wi-Fi connection.

Service Delivery Environment

- The Vision Zero Action Plan, which was approved by the City Council in February 2020, outlines strategies to be delivered in the next four to six years to drastically improve safety on roadways, including the design and construction of quick build projects on approximately 11 miles of the City's Priority Safety Corridors.
- The transformation and expansion of the regional transportation system, including the projects collectively described as the San José Regional Rail Transportation Projects, represent the largest public infrastructure investment in the history of San José. Effective planning and delivery of these projects over the next decade is essential to the economic and mobility needs of San José to support the growth anticipated in the Envision San José 2040 General Plan.
- The current backlog of one-time deferred transportation maintenance needs is estimated at \$621 million, including \$407 million associated with pavement. Other infrastructure maintenance needs include ADA curb ramps, street trees, traffic signals, and maintenance vehicles and equipment.
- Continued recovery and restoration of the air travel industry following pandemic travel declines. Aviation markets are shifting to leisure travel as business travel volume stabilized nationwide over 25% lower than 2019 levels. The focus is on reconnecting with SJC passengers and attracting more based on the reliability and ease of using the Airport. Numerous facility and service changes over the last couple years position the Airport well to provide remarkable customer service and amenities to travelers.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

CSA Priorities/Key Services

- Safe Streets for All Modes of Travel
- Balanced Transportation and Convenient Mobility
- Deliver a safe and secure environment for employees, tenants, passengers, contractors and all that do business at the Airport
- Work collaboratively with Airport tenants and other stakeholders to grow passenger traffic and enhance the customer experience

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

The TAS CSA facilitates the movement of people and goods in a manner that both strengthens the economy and enhances the quality of life for San José residents. TAS CSA is responsible for a wide range of services, operations, and infrastructure that support other City Service Areas, chiefly Community and Economic Development and Public Safety.

OUTCOME 1: PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target	5-Year Goal
Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	71%	82%	N/A ²	82%	85%
	Bicycling	36%	48%	N/A ²	48%	60%
	Walking	58%	75%	N/A ²	75%	78%
	2. # of injury crashes per 1,000 population	2.3	2.2	2.3 ³	2.2	2.0
	3. # of pedestrian and bicycle-related injury crashes per 1,000 population ¹	0.48	0.47	0.49 ³	0.47	0.45
Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	0%	100%	0%	100%	100%

¹ Pedestrian and bicycle related injury crashes includes scooters.

² Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Adopted Budget. The next community survey will be conducted in late summer 2023.

³ Data is an estimate due to an incomplete data set. Will be updated in the future.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target	5-Year Goal
Facilitate Completion of Planned Local and Regional Transportation System	1. % of planned roadway network changes in the Envision San José 2040 General Plan complete	70%	70%	70%	70%	75%
	2. % of planned bikeway network complete ¹	42%	43%	47%	47%	90%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	30%	60%	N/A ²	60%	70%
Expand Use of Alternate Commute Options	1. % of trips by alternative modes of transportation	25%	30%	25%	30%	34%
	2. % reduction in citywide daily vehicle-miles traveled per service population from the 2018 level	28%	8%	7%	8%	12%
Meet Communities' Needs for Air Service Destinations and Frequencies	1. SJC Passenger rating of overall satisfaction with the Airport	85%	87%	87%	87%	87%
	2. % of regional air service market	17.9%	18.0%	17.5%	17.5%	18.0%
Cost to Airlines of Operating at the Airport is Competitive with other Airports in the Region	1. Airline cost per enplaned passenger	\$13.20	\$15.28	\$14.69	\$15.91	\$20.00

¹ Progress on current Bike Plan, which is called Better Bike Plan 2025.

² Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Adopted Budget. The next community survey will be conducted in late summer 2023.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: TRAVELERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target	5-Year Goal
Passengers Have a Positive Experience When Using the Airport	1. SJC passengers reporting satisfaction of Airport restaurant/eating and shopping facilities	72%	77%	77%	77%	77%
Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	65%	55%	N/A ¹	55%	60%
Facilitate Efficient Operations of the Regional Freeway System	1. % of residents rating commute traffic flow on freeways and expressways as "acceptable" or better	16%	30%	30%	N/A ²	N/A ²

¹ Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Adopted Budget. The next community survey will be conducted in late summer 2023.

² Department of Transportation will seek to modify this question asked in the annual City-Wide Community Survey. The City has no control over traffic flow on freeways and expressways; this survey question does not provide adequate measure of the strategic goal: Facilitate Efficient Operations of the Regional Freeway System. A measurement of progress made on the City's goal of developing multi-modal transportation systems is more meaningful. An updated means to measure progress on this strategic goal will be presented in a future budget document.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target	5-Year Goal
Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "Excellent" or "Good" condition	41%	55%	N/A ¹	60%	70%
	2. % of streets rated in "good" or better condition (70 or greater on a 1-100 scale)					
	Major Streets	74%	79%	72%	77%	75%
	Local/Residential Streets	45%	49%	52%	56%	69%
	3. City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is a PCI of 70-79)	68	69	71	72	75
Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly)	58%	60%	60%	60%	60%
Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	43%	65%	N/A ¹	50%	60%
	2. % of residents rating adequacy of street lighting as "good" or better	45%	65%	68%	70%	70%

¹ Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Adopted Budget. The next community survey will be conducted in late summer 2023.

OUTCOME 5: PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target	5-Year Goal
Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	83%	75%	N/A ¹	75%	75%

¹ Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Adopted Budget. The next community survey will be conducted in late summer 2023.

CITY SERVICE AREA
TRANSPORTATION AND AVIATION SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
AIRPORT DEPARTMENT			
• Airport Facilities and Environmental Divisions Staffing	3.00	407,434	0
• Airport Information Systems Analyst	1.00	190,798	0
• Airport Property Management Staffing	1.00	154,505	0
• Airport Silicon Valley Regional Communications System Subscription		66,000	0
<i>Subtotal</i>	5.00	818,737	0
TRANSPORTATION DEPARTMENT			
• Automated Public Toilets		438,000	438,000
• Traffic Signal Safety Staffing	2.00	433,849	0
• Development Fee Program Staffing	1.00	227,822	89,468
• Multimodal Safety Improvements and Grant Projects Staffing	1.00	203,260	0
• Transportation Local Project Delivery Staffing	2.00	191,569	0
• Pavement Maintenance Staffing	1.00	179,878	0
• Bridge Maintenance Engineering Staffing	1.00	172,941	0
• New Traffic Infrastructure Assets Maintenance and Operations		169,000	169,000
• Grants and Data-Based Transportation Evaluation Staffing	1.00	159,653	0
• Public Information Staffing	1.00	152,517	0
• Vision Zero Priority Safety Corridors Project Evaluation Staffing	1.00	119,740	0
• Capital Expressway/Evergreen Place Community Facilities District Maintenance and Operations		110,500	0
• Transportation Department Administrative Services Staffing	1.32	43,881	2,147
• California Network and Telecommunications (CalNet) Program Savings		(7,933)	(7,149)
• Events Management Staffing		(10,212)	19,618
• Parking Program Staffing		(72,707)	(43,596)
• Special District Cost Reductions		(115,000)	
<i>Subtotal</i>	12.32	2,396,758	667,488
Subtotal Departments	17.32	3,215,495	667,488

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
CITY-WIDE EXPENSES			
NONE			
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
Earmarked Reserves: New Traffic		(169,000)	(169,000)
• Infrastructure Assets Maintenance and Operations			
Subtotal Other Changes	0.00	(169,000)	(169,000)
Total Proposed Budget Changes	17.32	3,046,496	498,489

PAGE INTENTIONALLY LEFT BLANK

CITY SERVICE AREA

STRATEGIC SUPPORT



MISSION

To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects

Primary Partners

Finance
Human Resources
Information Technology
Public Works

CSA OUTCOMES

- ❑ Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- ❑ A High Performing Workforce Committed to Exceeding Internal and External Customer Expectations
- ❑ Technology and Data Tools that Enable a Collaborative, Responsive, and Productive City
- ❑ Safe and Functional Public Infrastructure, Facilities, and Equipment

CITY SERVICE AREA

STRATEGIC SUPPORT

SERVICE DELIVERY FRAMEWORK

CITY SERVICE AREA
Cross-departmental core services that form one of the City's six (6) key "lines of business"

MISSION STATEMENT
Why the CSA exists

CSA OUTCOMES
The high-level results of service delivery sought by the CSA partners

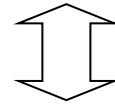
PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

Strategic Support CSA

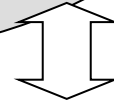
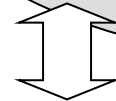
Mission:

To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects



Outcomes:

- Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- A High Performing Workforce Committed to Exceeding Internal & External Customer Expectations
- Technology and Data that Enable a Collaborative, Responsive, & Productive City
- Safe and Functional Public Infrastructure, Facilities, & Equipment



Finance Department

Core Services:

Debt and Treasury Management

Disbursements

Financial Reporting

Purchasing and Risk Management

Revenue Management

Human Resources Department

Core Services:

Employee Benefits

Employment Services

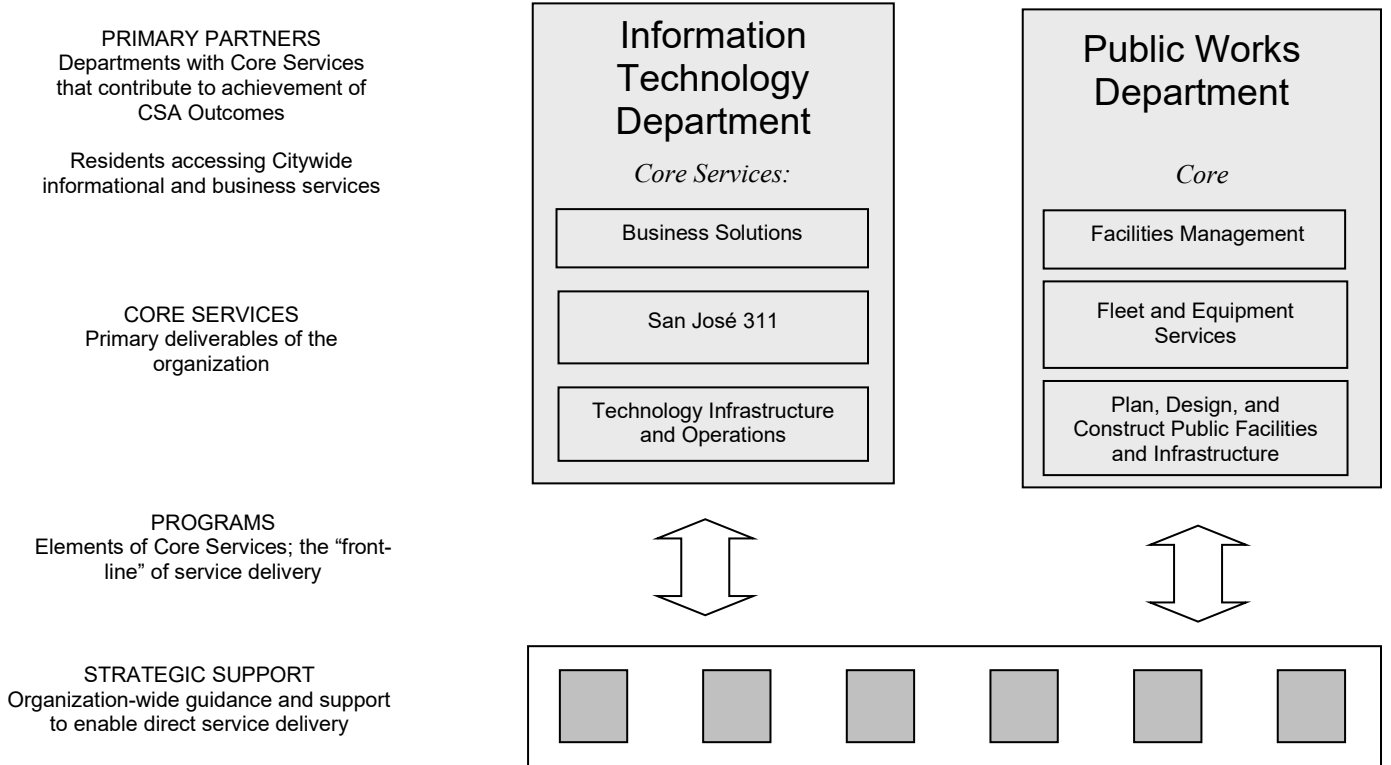
Health and Safety

Training and Development

CITY SERVICE AREA

STRATEGIC SUPPORT

SERVICE DELIVERY FRAMEWORK



CITY SERVICE AREA

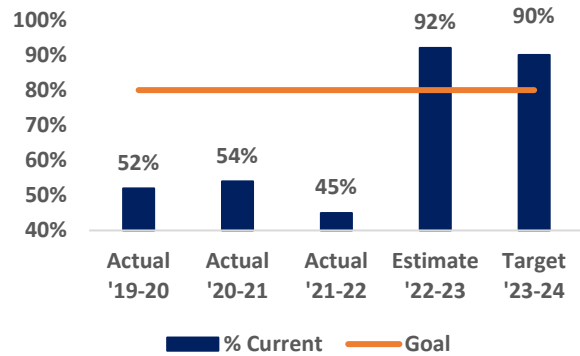
STRATEGIC SUPPORT

DASHBOARD

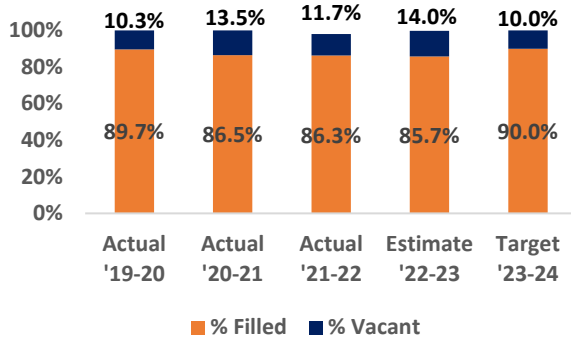
City's Bond Ratings (General Obligation Bond Rating)

	Moody's	Standard & Poor's	Fitch
Actual '18-19	Aa1	AA+	AA+
Actual '19-20	Aa1	AA+	AA+
Actual '20-21	Aa1	AA+	AA+
Actual '21-22	Aa1	AA+	AAA
Estimate '22-23	Aa1	AA+	AAA
Target '23-24	Aa1	AA+	AAA

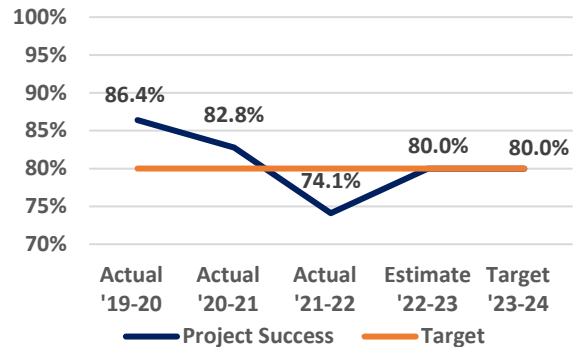
% of Non-Management Employee Performance Appraisals Completed on Schedule



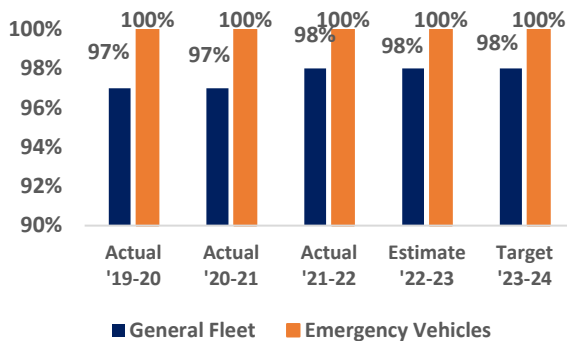
% of Positions Filled as a Total of Budgeted Positions



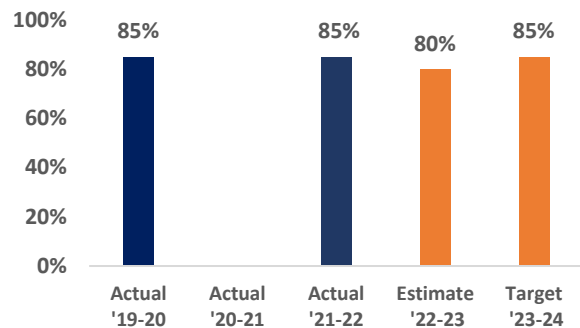
% of Information Technology Project Success Rate



% of Equipment that is Available for Use When Needed



% of Facilities with a Condition Assessment Rating of Good or Better¹



¹ Data was not collected in 2020-2021 due to COVID-19 emergency work prioritization.

CITY SERVICE AREA

STRATEGIC SUPPORT

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- Ensure the City's financial resources are protected and available to address the short-term and long-term needs of the community; make accurate and timely payments to City employees and vendors; provide accurate and timely financial reports; and deploy efficient business systems and processes for timely billing and collection efforts.
- Attract talent; provide opportunities for career growth; enable an environment focused on health, safety, and wellness; and retain a diverse workforce in a workplace that is equitable and inclusive.
- Maintain City facilities, equipment, and vehicles, and manage space usage; oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customers and City staff needs.
- Champion City Roadmap and equity solutions using technology and data to transform City services; provide resilient City services against cybersecurity risks and natural disasters affecting communities at increasing rates; maximize efficiencies and multiply the impact of limited resources through service innovation in partnership with City departments; support the City's transition to a digital workforce, embrace digital public participation, and augment collaboration; execute City priorities through masterful partnership and procurement; and enhance business intelligence.

2023-2024 Key Budget Actions

- Continues and makes permanent 1.0 Division Manager and 2.0 Senior Analyst positions; and continues 1.0 Accountant II and 3.0 Accounting Technician positions through June 30, 2024, in the Finance Recovery-Grants program in the Finance Department.
- Adds 1.0 Enterprise Supervising Technology Analyst in the Information Technology Department and 1.0 Program Manager positions in the Finance Department on an ongoing basis, and \$50,000 of one-time non-personal/equipment funding for a feasibility assessment to support the development and subsequent implementation of the planned City of San José Enterprise Resource Planning (ERP) system.
- Continues one-time funding for 1.0 Program Manager position, 3.0 Analyst I/II positions, and 1.0 Staff Specialist position and makes 1.0 Program Manager position ongoing for the Recruitment Centralization Pilot Program in the Human Resources Department which will add capacity and provide supportive reporting relationships for three critical departments: Parks Recreation and Neighborhood Services (PRNS), Housing Department, and Planning, Building, and Code Enforcement (PBCE).
- Adds \$2.9 million in one-time funding for the Windows 11 Upgrade, including funding for temporary staffing and the replacement of aging desktops and laptops for multiple departments.
- Continues 1.0 Enterprise Supervising Technology Analyst position and 2.0 Senior Analyst positions and \$500,000 in the Information Technology Department to support the San José 311 program.
- Adds 1.0 Senior Carpenter, 1.0 Senior Air Conditioning Mechanic, and 1.0 Senior Electrician position to provide necessary operations and maintenance support for Measure T funded City facilities coming online.
- Adds 2.0 Communication Installer positions to address vehicle build-out and repair needs in support of the City's fleet.

CITY SERVICE AREA

STRATEGIC SUPPORT

BUDGET SUMMARY

City Service Area Budget Summary**

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service *				
<i>Finance Department</i>				
Debt and Treasury Management	295,768,866	5,705,911	5,819,562	5,819,562
Disbursements	2,881,654	3,405,509	2,980,546	2,980,546
Financial Reporting	3,215,681	4,621,937	3,681,887	3,734,087
Purchasing and Risk Management	5,621,180	7,240,753	7,198,484	7,375,280
Revenue Management	8,324,787	8,688,469	8,141,050	8,141,050
Strategic Support - Other - Strategic Support	123,959,737	48,772,243	50,922,448	50,922,448
Strategic Support - Strategic Support	1,861,624	3,632,458	1,836,702	3,102,454
<i>Human Resources Department</i>				
Employee Benefits	94,229,229	102,858,061	108,184,222	108,184,222
Employment Services	2,818,051	4,070,277	3,439,235	4,796,349
Health and Safety	6,848,575	6,534,774	6,847,355	6,847,355
Strategic Support - Other - Strategic Support	2,151,554	2,986,542	2,243,498	2,243,498
Strategic Support - Strategic Support	4,132,949	1,992,922	2,035,991	2,329,425
Training and Development	336,133	986,257	922,575	1,807,997
<i>Information Technology Department</i>				
Business Solutions	11,056,046	12,751,794	12,873,094	13,796,376
San José 311	2,264,854	2,952,990	2,223,659	2,723,659
Strategic Support - Other - Strategic Support	118,400	2,015,561	791,522	821,987
Strategic Support - Strategic Support	5,023,455	8,449,714	6,058,723	6,058,723
Technology Infrastructure and Operations	9,633,308	13,778,990	11,887,478	14,988,359
<i>Public Works Department</i>				
Facilities Management	34,306,976	34,419,769	32,467,003	34,934,487
Fleet and Equipment Services	25,365,154	31,124,369	31,926,465	36,156,142
Plan, Design, and Construct Public Facilities and Infrastructure	34,409,977	45,695,937	48,007,681	48,776,492
Strategic Support - Other - Strategic Support	26,635,059	46,088,760	23,061,989	39,574,850
Strategic Support - Strategic Support	22,032,121	12,607,379	12,497,690	13,057,452
Dollars by Core Service Subtotal	\$722,995,370	\$411,381,376	\$386,048,859	\$419,172,801
MAYOR, CITY COUNCIL, AND APPOINTEES	\$83,927,696	\$112,585,389	\$85,548,374	\$94,385,673
Total CSA	\$806,923,066	\$523,966,765	\$471,597,233	\$513,558,474

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

STRATEGIC SUPPORT

OVERVIEW

Service Delivery Accomplishments

- For the first time in 12 years, the City received a Report to Those Charged with Governance with no new findings and fully corrected prior year findings – both a “clean” *Annual Comprehensive Financial Report* and a “clean” federal *Single Audit Report*.
- On November 30, 2022, the City sold \$268,355,000 of City of San José Financing Authority Wastewater Revenue Bonds, Series 2022B (Green Bonds – Climate Bond Certified), of which nearly \$25 million was purchased by Environmental, Social, and Governance funds. The City’s first issuance of Green Bonds was assigned the highest rating of AAA by three of the major national bond rating agencies – Standard & Poor’s Global Ratings, Fitch and KBRA (Kroll).
- The Learning and Development team provided a City-wide Training and Development program under the City Manager’s “Powered by People” initiative. Through Powered by People the team focused on training opportunities that include Human Centered Design Learning Lab, Employee Experience Conversations, and Innovation Academy, to name a few. The Learning and Development team provided training opportunities (of various lengths and types) to more than 800 employees.
- Facilities Management has provided proactive and reactive support to critical City facilities and field operations throughout the pandemic and the expansion of in-person/virtual hybrid events.
- The Center for Digital Government recognized the City of San José for Project Experience Awards for San José 311 Services for Equity and Accessibility that included deployment of five new services (Affordable Housing, Community WiFi, Illegal Fireworks, Eviction Prevention, and Utility Bill Payment). Government technology recognized San José as the best privacy program in California for its review framework and resident engagement on public interest technology.

Service Delivery Environment

- Focus on the City’s enterprise priority: Powered by People objectives to Nurture Employee Growth, Safety, and Wellness which would result in attracting, retaining, and engaging a diverse workforce with opportunities to thrive and serve residents while keeping employees safe and supported in a flexible work environment.
- The City’s building inventory was expanded during the “decade of investment”. Many of the newer facilities now are reaching the end of their lifespan, when they typically experience an increase in maintenance needs.
- The City advanced resident relationship/response services with San José 311, continued to strengthen its cybersecurity program, implemented a City-wide Digital Privacy program in partnership with City departments, and concluded the 2021-2023 IT Strategic Plan with unanimous acceptance by City Council. ITD is in the process of developing a new IT Strategic Plan for the upcoming years. ITD attained an 74% project success rate, 91% customer satisfaction rate, and ~99.6% uptime and availability rate across its hardware and software services portfolio.
- Maintain favorable bond ratings to ensure lowest cost of capital, provide financial modeling and analysis to meet the increasingly complex needs of the City, ensure effective management of the City’s investment portfolio, revenue collected, accounting functions, purchasing and risk management programs, and ensure timely disbursements to vendors and employees.

CITY SERVICE AREA

STRATEGIC SUPPORT

OVERVIEW

CSA Priorities/Key Services

- Provide compensation and payments to City employees and vendors in a timely and accurate manner; produce legally required compliance and regulatory information and financial reports; manage multi-billion-dollar debt and investment portfolios; bill and collect City revenues; and procure goods and services pursuant to City policies through open and competitive processes.
- Continue to reduce vacancies by evaluating, streamlining, and innovating for effective hiring practices and building long-term capacity through strategic pipeline programs.
- Maintain City-owned facilities and equipment to ensure public and employee safety and maximize the functionality of the City's assets; and provide quality capital project delivery.
- Enable departments to deliver superior municipal services and efficiencies with equity to beautify and improve the City.
- Provide an ecosystem of secure, resilient, and friendly information and communications systems, and deliver digital inclusion, housing, parks and recreation, racial equity, development services, and related projects and systems.
- Advance new San José 311 services and accessibility for residents and businesses and centralize services on the platform.
- Improve remote collaboration and digital-first service options to support a more digital workforce and digital public.
- Manage growing cybersecurity risks and promote partnership and collaboration among departments.

CITY SERVICE AREA

STRATEGIC SUPPORT

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: A HIGH PERFORMING WORKFORCE COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS

Strategic Goals	CSA Performance Measures	2021-2022 Actuals	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Develop and encourage supervisors and managers that support a high-performing workforce	1. % of employee performance appraisals completed on schedule	45% ¹	80%	92%	90%	98%
Attract, hire, and retain employees	1. Citywide vacancy rate	11.7%	10%	14.0%	10%	9%
Provide the necessary and required safety & health services that ensure employee health, safety and well-being	1. # of open Workers' Compensation claims	2,575	2,600	2,571	2,650	2,300
Foster a shared vision with employees about the characteristics of a high-performing workforce	1. % of the public having contact with City employees who are satisfied or very satisfied with the:					
	- timeliness of City employees	60.4%	70%	N/A ²	70%	83%
	- courtesy of City employees	74.7%	70%	N/A ²	75%	83%
	- competency of City employees	54.6%	70%	N/A ²	70%	83%

¹ The 2021-2022 Actuals continued to track lower due to returning from COVID-19 pandemic.

² Data for this measure is collected through the annual City-Wide Community Survey. The next survey will be issued late summer, which is after the publication of this budget document. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Proposed Budget. The next community survey will be conducted in late summer 2023.

CITY SERVICE AREA

STRATEGIC SUPPORT

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, AND EQUIPMENT

Strategic Goals	CSA Performance Measures	2021-2022 Actuals	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Provide well-maintained facilities that meet customer needs	1. % of facilities with a condition assessment rating of good or better (3 or better on a 5-point scale)	85%	85%	80%	85%	85%
	2. % of customers who rate facility services as good or excellent based on timeliness of response and quality of work	76%	85%	N/A ¹	85%	85%
	3. % of health & safety concerns mitigated within 24 hours	97% ²	100%	80% ²	100%	100%
Provide and maintain equipment that meets customer needs	1. % of equipment that is available for use when needed:					
	• Emergency Vehicles	100%	100%	100%	100%	100%
	• General Fleet	98%	98%	98%	97%	97%
	2. % of fleet in compliance with replacement cycle:					
	• Emergency Vehicles	100%	100%	100%	100%	100%
• General Fleet	83%	83%	83%	83%	85%	

¹Data anticipated to be unavailable, issues with collecting survey data from customers.

²Some work orders had been miscategorized as Priority One (those with health and safety concerns), causing the metric to track below its standard of 100%. Public Works continues to respond to all health and safety emergencies within 24 hours.

OUTCOME 3: EFFECTIVE USE OF TECHNOLOGY

Strategic Goals	CSA Performance Measures	2021-2022 Actuals	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Deploy technology resources effectively	1. % of customers rating services as "Good" or "Excellent"					
	-IT Overall	92.28%	≥80%	85%	≥80%	≥80%
	-Business Solutions	91.72%	≥80%	85%	≥80%	≥80%
	-Strategic Support	92.58%	≥80%	85%	≥80%	≥80%
	-Technology Infrastructure and Operations	87.87%	≥80%	85%	≥80%	≥80%
	-Help Desk	88.49%	≥80%	85%	≥80%	≥80%
	-Products-Projects Management	89.39%	≥80%	85%	≥80%	≥80%
	2. Uptime and availability					
	-Business applications	99.03%	≥99.9%	98.9%	≥99.9%	≥99.8%
	-Systems	99.87%	≥99.9%	99.7%	≥99.9%	≥99.8%
	-Network	99.91%	≥99.9%	99.7%	≥99.9%	≥99.8%
	3. % of project success (schedule, cost, scope, value)					
			74.14%	≥80%	80%	≥80%

CITY SERVICE AREA

STRATEGIC SUPPORT

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

Strategic Goals	CSA Performance Measures	2021-2022 Actuals	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Maintain City's bond ratings ¹	1. City's bond ratings: (General Obligation Bond Rating)					
	• Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
	• Standard & Poor's	AA+	AA+	AA+	AA+	AA+
	• Fitch	AAA	AAA	AAA	AAA	AAA
Improve and protect the financial management system and have it available to address short- and long-term needs	1. % of vendor disbursements paid accurately and timely	91%	85%	91%	91%	90%
	2. % of payroll disbursements paid accurately and timely	99%	99%	99%	99%	99%
Ensure customers have the financial information they need to make informed decisions	1. % of financial reports that are produced on time	98%	99%	98%	99%	99%

¹ The City's general credit rating is rated Aa1/AA+/AA+ by all three leading national rating agencies, Moody's, Standard & Poor's, and Fitch, respectively. The Finance Department will continue efforts to maintain favorable bond ratings.

**CITY SERVICE AREA
STRATEGIC SUPPORT**

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
FINANCE DEPARTMENT			
• Disaster Recovery and Grants Management Staffing	7.00	1,254,483	1,254,483
• Enterprise Resource Planning Replacement Project Management Staffing	1.00	201,694	201,694
• Finance Fee Revenues: Licenses and Permits		0	0
• California Network and Telecommunications (CalNet) Program Savings		(4,047)	(4,047)
• Risk Management Staffing		(7,380)	(7,380)
<i>Subtotal</i>	8.00	1,444,749	1,444,749
HUMAN RESOURCES DEPARTMENT			
• Recruitment Centralization Pilot Program	6.00	1,001,182	1,001,182
• Pipeline Development Staffing (Recruiting Investment)	3.00	478,797	478,797
• Employee Training and Development Staffing	1.00	406,625	406,625
• Classification and Compensation Staffing	2.00	355,931	355,931
• Executive Staffing - Recruitment and Retention	1.00	298,461	298,461
• California Network and Telecommunications (CalNet) Program Savings		(5,027)	(5,027)
<i>Subtotal</i>	13.00	2,535,969	2,535,969
INFORMATION TECHNOLOGY DEPARTMENT			
• Windows 11 Upgrade, Equipment, and Resources		3,186,000	2,738,000
• Information Technology Staffing for Budget Office, Clea Energy, and Finance Revenue Management Support Staffing	2.00	318,855	159,427
• Homeless Encampment Management System		250,000	250,000
• PeopleSoft Upgrade		195,000	195,000
• Enterprise Resource Planning Replacement Project Management Staffing	1.00	159,427	159,427
• Mobile Device Management Platform Migration		76,000	22,040
• Customer Services Vision and Standard Staffing	1.00	0	0
• Information Technology Recruitment Staffing	1.00	0	0
• San José 311 Program	3.00	0	0
• California Network and Telecommunications (CalNet) Program Savings		(37,119)	(37,119)
• Mobile Device Management Savings		(124,000)	(124,000)
<i>Subtotal</i>	8.00	4,024,163	3,362,776

**CITY SERVICE AREA
STRATEGIC SUPPORT**

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
PUBLIC WORKS DEPARTMENT			
• Public Works Department Staffing Plan - Development Fee Program	2.00	463,153	0
• Measure T Operations and Maintenance Staffing Service/Licensing, and Medical Services)	3.00	460,695	460,695
• GIS Enterprise Aerial Contract		232,000	232,000
• Fleet Staffing (Communications Installers)	2.00	229,677	
• Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs		200,000	50,000
• Administration Division Staffing	0.90	138,532	48,844
• Public Works Department Staffing Plan - Capital Improvement Program	1.20	105,658	0
• Information Technology Services Support Staffing	0.84	94,218	36,112
• Workers' Compensation, Health and Safety Staffing	0.75	79,641	0
• Vehicle M&O (Fleet Staffing)		50,042	50,042
• Measure E - Interim Housing Site Development Staffing	2.00	0	2,006,789
• California Network and Telecommunications (CalNet) Program Savings		(34,671)	0
<i>Subtotal</i>	12.69	2,018,946	2,884,482
<i>Subtotal Departments</i>	41.69	10,023,827	10,227,976
MAYOR, CITY COUNCIL, AND APPOINTEES			
Approved changes appear in the next section of this document	16.00	9,837,298	9,837,298
CITY-WIDE EXPENSES			
• Measure E - Interim Housing Site Development Staffing		2,006,789	2,006,789
• San José 311 Program		500,000	500,000
• Enterprise Resource Planning Replacement Project Management Staffing		50,000	50,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Center for Performing Arts Chiller, Cooling Tower, and Boilers Replacement		7,600,000	7,600,000
• Capital Contributions: San José Museum of Art Cooling Tower Replacement		2,900,000	2,900,000
• Capital Contributions: 280 Almaden Ave Beautification Improvement Project		1,850,000	1,850,000

**CITY SERVICE AREA
STRATEGIC SUPPORT**

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
• Capital Contributions: The Tech Interactive Chiller and Cooling Tower Replacement		1,200,000	1,200,000
• Capital Contributions: City Facilities Security Enhancements		1,000,000	1,000,000
• Capital Contributions: Animal Care and Services - Various Improvements		500,000	500,000
• Capital Contributions: Fleet Shop Improvements		500,000	500,000
• Capital Contributions: Children's Discovery Museum Curb and Walkway Rehabilitation		350,000	350,000
• Capital Contributions: Electric Vehicle Site Assessment		300,000	300,000
• Capital Contributions: Radio Service Monitors		175,000	175,000
• Capital Contributions: City Hall Backup Generator Switch Replacement		100,000	100,000
• Capital Contributions: City Hall Equipment Replacement		100,000	100,000
• Capital Contributions: Hammer Theatre Center HVAC Condensing Unit Replacement		28,000	28,000
• Earmarked Reserves: Animal Care and Services Foundation Reserve		100,000	100,000
• Earmarked Reserves: Measure T Maintenance and Operations Reserve		(463,000)	(463,000)
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(1,250,000)	(1,250,000)
• Transfer to the Vehicle Maintenance and Operations Fund (Fleet Replacement)		4,000,000	4,000,000
<i>Subtotal Other Changes</i>	0.00	21,546,789	21,546,789
Total Proposed Budget Changes	57.69	41,407,914	41,612,063

STRATEGIC SUPPORT

MAYOR, CITY COUNCIL AND APPOINTEES



MISSION

The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services. Council Appointees support and advance the collective work of the City organization through leadership, communication, and coordination

Mayor and City Council

- Office of the Mayor
- City Council
- Council General

Office of the City Attorney

- Legal Services

Office of the City Auditor

- Audit Services

Office of the City Clerk

- Legislative Services

Office of the City Manager

- City-Wide Emergency Management aligned to the Public Safety CSA
- Lead and Manage the Organization

Office of the Independent Police Auditor

- Core Service aligned to the Public Safety CSA

Office of Retirement Services

- Retirement Plan Administration

STRATEGIC SUPPORT

MAYOR, CITY COUNCIL AND APPOINTEES

BUDGET SUMMARY

Expected 2023-2024 Service Delivery

- The Office of the Mayor provides leadership and guidance to the City Council. Using a variety of tools to engage the public, the Office of the Mayor will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives of the City, including homeless and affordable housing, public safety, battling blight, climate and seismic resilience, equitable economic recovery, and fiscal sustainability.
- The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- The Office of the City Manager will provide strategic leadership and facilitate service delivery through executive management. The office supports the Mayor and City Council and challenges the organization to deliver high quality, cost-effective services that meet the needs of the community.
- The Office of the City Attorney will provide advice to the City, its Council, boards and commissions, and employees; will represent the same parties in all matters pertaining to their powers and duties; and will advocate, defend, and prosecute legal matters on behalf of the City.
- The Office of the City Auditor will conduct program performance audits; identify ways to increase the economy, efficiency, effectiveness, and accountability of City government; and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
- The Office of the City Clerk will maintain compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements as well as conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with the City Charter and the State of California elections code.
- The Office of Retirement Services will work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to remove risk from the plans, decrease volatility, and reduce intergenerational shifting of liabilities.

STRATEGIC SUPPORT

MAYOR, CITY COUNCIL AND APPOINTEES

BUDGET SUMMARY

2023-2024 Key Budget Actions

- Adds 1.0 Associate Deputy City Attorney position to perform basic attorney work benefiting a variety of City Departments while receiving invaluable training and experience for a career in public service.
- Adds 1.0 Legal Analyst position to provide legal support for worker's compensation cases.
- Adds 1.0 Assistant City Auditor and deleted 1.0 Program Performance Auditor II position to provide additional supervisory capacity, ensure audit quality, and encourage staff retention by providing a longer career path within the Office.
- Adds 1.0 Analyst position in the Office of the City Clerk to support contract management and public records act requests.
- Adds non-personal/equipment funding in the Office of the City Clerk to provide both in-person and online Spanish and Vietnamese interpretation services for all City Council meetings and study sessions, and all City Council committee meetings
- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, establishes one-time funding of \$4.0 million for the multi-year Customer Service Vision and Standards initiative focusing on cultural change, training, process re-engineering, initial centralized governance, and technology planning and pilot implementation of a centralized customer relationship management system, and adds 1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, and 1.0 Executive Analyst positions, through June 30, 2026, in the City Manager's Office of Administration, Policy & Intergovernmental Relations for project coordination and accountability, intervention and support services, and data analysis and data coordination among departments.
- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, reallocates \$1.9 million from unallocated Measure E funds for Homelessness Coordination. Funds three limit-dated positions through June 30, 2026 in the City Manager's Office of Administration, Policy, and Intergovernmental Relations.
- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, adds one-time funding of \$400,000 in the Community-Based Violence project (reflected in the City-Wide Expenses section of this document) to develop a community-based approach to preventing and responding to domestic violence, in the City Manager's Office of Administration, Policy & Intergovernmental Relations.
- Continues and makes permanent 1.0 Assistant to the City Manager position, previously funded by the American Rescue Plan, and reallocates 1.0 Executive Analyst position in the City Manager's Office of Emergency Management, previously funded by the Urban Areas Security Initiative Grant, to work on the following: continuing culturally specific community outreach and resiliency efforts, creating and maintaining a citywide infrastructure focusing on a culture of safety, supporting grant writing, developing plans for Mass Care and Shelter operations and provides \$85,000 in one-time funding to conduct additional training for Emergency Operations Center staff and supplies for the Emergency Operations Center.

STRATEGIC SUPPORT

MAYOR, CITY COUNCIL AND APPOINTEES

BUDGET SUMMARY

Mayor, City Council and Appointees Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service *				
<i>Mayor & City Council</i>				
City Council	9,667,045	12,628,333	9,868,120	9,868,120
Council General	53,885	49,670	49,670	49,670
Office Of The Mayor	5,737,688	4,691,001	4,884,455	4,884,455
<i>Office of the City Attorney</i>				
Legal Services	20,702,985	22,482,894	21,898,187	22,364,505
Strategic Support - City Council Appointees	1,769,426	1,806,517	1,818,421	1,919,014
Strategic Support - Other - Council Appointees	8,080,833	17,271,845	7,002,174	7,002,174
<i>Office of the City Auditor</i>				
Audit Services	2,423,563	3,309,166	3,238,199	3,439,512
Strategic Support - City Council Appointees	0	173,277	184,872	184,872
Strategic Support - Other - Council Appointees	439,388	0	0	0
<i>Office of the City Clerk</i>				
City Clerk Services	3,133,286	2,996,449	3,144,882	3,690,850
Strategic Support - City Council Appointees	619,074	597,740	182,597	182,597
Strategic Support - Other - Council Appointees	972,475	6,798,632	4,929,102	4,929,102
<i>Office of the City Manager</i>				
Lead & Manage The Organization	17,808,812	19,536,505	18,636,615	21,296,723
Strategic Support - City Council Appointees	2,417,104	8,283,594	589,179	589,179
Strategic Support - Other - Council Appointees	2,482,522	3,682,744	315,028	5,178,028
<i>Independent Police Auditor's Office***</i>				
<i>Office of Retirement Services</i>				
Retirement Plan Administration	4,738,111	5,330,188	5,765,124	5,765,124
Strategic Support - City Council Appointees	2,857,200	2,914,834	3,011,749	3,011,749
Strategic Support - Other - Council Appointees	24,300	32,000	30,000	30,000
Core Service Subtotal	\$83,927,696	\$112,585,389	\$85,548,374	\$94,385,673
 Authorized Positions****	 194.27	 261.00	 254.00	 270.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

*** This Independent Police Auditor's Office Core Service is aligned to the Public Safety CSA. Please refer to that section of this document for budget summary information.

**** Authorized Positions do not include unclassified staff for the Mayor's Office and City Council Districts.

CITY SERVICE AREA
MAYOR, CITY COUNCIL AND APPOINTEES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	Fund (\$)
OFFICE OF THE CITY ATTORNEY			
• Gun Violence Restraining Order Staffing	1.00	161,571	161,571
• Workers' Compensation Legal Support	1.00	156,806	156,806
• Transactional Associate Attorney Staffing	1.00	147,941	147,941
• City Attorney's Office Administrative Support Staffing	1.00	103,839	103,839
• California Network and Telecommunications (CalNet) Program Savings		(3,246)	(3,246)
<i>Subtotal</i>	4.00	566,911	566,911
OFFICE OF THE CITY AUDITOR			
• Assistant City Auditor Staffing	0.00	202,798	202,798
• California Network and Telecommunications (CalNet) Program Savings		(1,486)	(1,486)
<i>Subtotal</i>	0.00	201,312	201,312
OFFICE OF THE CITY CLERK			
• City Council and Committee Meeting Interpretation Services		400,000	400,000
• Mayor/Council District Office Administrative Support	1.00	147,275	147,275
• California Network and Telecommunications (CalNet) Program Savings		(1,308)	(1,308)
<i>Subtotal</i>	1.00	545,967	545,967
OFFICE OF THE CITY MANAGER			
• Office of Communications - Communications Outreach and Engagement	1.00	262,821	262,821
• Office of Administration, Policy, and Intergovernmental Relations - Disability Community Engagement and Service Evaluation	1.00	180,000	180,000
• Executive Leadership/City Management - Administrative Support	1.00	154,817	154,817
• Office of Administration, Policy, and Intergovernmental Relations - Surveys		100,000	100,000
• Office of Administration, Policy, and Intergovernmental Relations - Agenda Services		40,000	40,000
• Executive Leadership/City Management - Ending Homelessness Executive Leadership Staffing	0.00	0	0
• Executive Leadership/City Management - Customer Service Vision and Standards	3.00	0	0
• Office of Administration, Policy, and Intergovernmental Relations - Measure E - Homelessness Coordination Team	3.00	0	0
• Office of Administration, Policy, and Intergovernmental Relations - Children and Youth Services Master Plan - Phase 2	1.00	0	0

CITY SERVICE AREA
MAYOR, CITY COUNCIL AND APPOINTEES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	Fund (\$)
• Office of Administration, Policy, and Intergovernmental Relations - Outcomes, Equity Indicators, and Performance Management	1.00	0	0
<i>Subtotal</i>	11.00	737,638	737,638
<i>Subtotal Departments</i>	16.00	2,051,828	2,051,828

CITY-WIDE EXPENSES

• Customer Service Vision and Standards	4,000,000	4,000,000
• Measure E - Homelessness Coordination Team	1,852,470	1,852,470
• Climate and Seismic Resilience Planning	463,000	463,000
• Community-Based Violence Solutions	400,000	400,000
• Outcomes, Equity Indicators, and Performance Management	70,000	70,000

GENERAL FUND CAPITAL, TRANSFERS AND RESERVES

• Earmarked Reserves: Essential Services Reserve	3,000,000	3,000,000
• Earmarked Reserves: 2024-2025 Future Deficit Reserve	0	0
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve	(2,000,000)	(2,000,000)
<i>Subtotal Other Changes</i>	0.00	7,785,470

Total Proposed Budget Changes	16.00	9,837,298	9,837,298
--------------------------------------	--------------	------------------	------------------

STRATEGIC SUPPORT

OFFICE OF THE CITY ATTORNEY



MISSION

The Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, with the goal of protecting and advancing the City's interests in serving the people of San José.

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

CSA OUTCOMES

- City Business is Conducted Lawfully
- City's Interests are Protected and Advanced

STRATEGIC SUPPORT

OFFICE OF THE CITY ATTORNEY

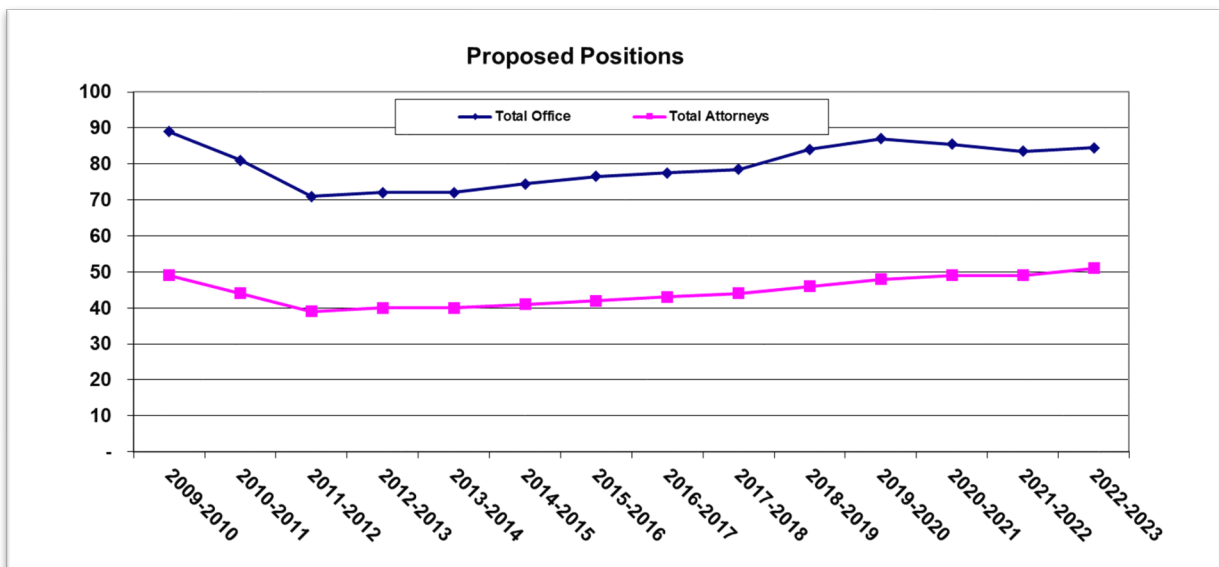
OVERVIEW

Service Delivery Accomplishments

- The Office of the City Attorney effectively and economically represents and defends the City and its employees in all types of lawsuits, administrative hearings, arbitrations, appeals and criminal prosecutions. The Office also represents the City in Workers' Compensation matters.
- Attorneys work on a daily basis with City departments to review contracts, negotiate deals, provide legal advice, and generally inform the work of City staff with respect to legal issues and risks. Over the past two years, our office worked with City staff to address a myriad of issues and impacts, including pandemic-related issues such as 1) the eviction moratorium and residential rent freeze ordinances, 2) agreements related to housing the unsheltered, 3) agreements related to food distribution, 4) advising on FEMA, CARES Act, and American Rescue Plan funding, and 5) advising on the implementation of the County and State Orders. Ongoing projects include affordable housing developments; CEQA and other planning issues and project review; the scaling of clean energy projects and energy procurement; public works projects, including the regional wastewater facility expansion; addressing homeless issues; debt financing and revenue issues; ethics and related issues; and advising and staffing certain Council committees and commissions.
- The Office continues to work with the Police Department and Code Enforcement to close unlawful and illegal businesses and to address blighted properties, recently including the use of receiverships.

Service Delivery Environment

- A substantial amount of the non-personal/equipment budget is earmarked for experts and consultants that assist the Office in complex litigation and transactional matters.
- Staffing has remained almost static over the last fourteen years and remains lower than 2009-2010 levels. The Office had 86.5 positions in 2022-2023 compared to 89 positions in 2009-2010. The Office's 2023-2024 Proposed Budget has 88.50 positions.



STRATEGIC SUPPORT

OFFICE OF THE CITY ATTORNEY

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: CITY BUSINESS IS CONDUCTED LAWFULLY

- ✓ Provide legal counsel at all City Council and Council Committee meetings and certain meetings of major boards and commissions, as necessary. The Office continues to provide staffing at all Planning Commission, Civil Service Commission, and Appeals Hearing Board Commission meetings. In addition, the Office provides legal counsel to all other Boards and Commissions.
- ✓ Prepare and review ordinances, resolutions, permits, contracts, and other legal documents.
- ✓ Perform analyses on relevant federal and state legislative actions.
- ✓ Provide oral and written legal advice and opinions.
- ✓ Provide legal services to assist City staff in identifying additional revenue sources, including analysis and implementation of revenue sources (e.g. taxes, assessments, and fees).
- ✓ Continue to provide significant construction related legal services for the various Public Works capital projects as well as implementation of the Water Pollution Control Capital Program and the Sanitary Sewer System Capital Program.
- ✓ Respond, review, and coordinate complex Public Records Act requests. Considerable resources are dedicated to increasingly complex Public Records Act requests involving electronic data.

OUTCOME 2: CITY'S INTERESTS ARE PROTECTED AND ADVANCED

- ✓ Initiate and defend lawsuits and other legal actions involving the City.
- ✓ Initiate collection actions on behalf of the City for matters where the debt is over \$5,000.
- ✓ Provide legal representation at administrative hearings.
- ✓ Prosecute select municipal code violations to address serious health and safety concerns.
- ✓ Investigate and respond to claims filed against the City.
- ✓ Conduct and coordinate confidential internal City investigations.
- ✓ Devote considerable resources to respond to increasingly complex discovery and Public Records Act requests involving electronic data.

PAGE INTENTIONALLY LEFT BLANK

STRATEGIC SUPPORT

OFFICE OF THE CITY AUDITOR



MISSION

To independently assess and report on City operations and services

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOMES

- ❑ Identify Ways to Increase the Economy, Efficiency, Effectiveness, Equity, and Accountability of City Government
- ❑ Provide Independent, Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders

STRATEGIC SUPPORT

OFFICE OF THE CITY AUDITOR

OVERVIEW

Service Delivery Accomplishments

- The Office of the City Auditor completed 14 audit projects or approximately 1.4 audits per auditor (Target: 1.5 audits per auditor). The Office also completed or substantially completed 79% of its proposed work plan (Target: 80%).
- During 2022-2023, the Office identified \$15,459,500 in estimated monetary benefits, achieving a ratio of about \$5.57 in estimated monetary benefits to every \$1 in audit costs (Target: \$2 to \$1). Estimated monetary benefits include potential cost savings, revenue enhancements, and estimated value from efficiency gains or protecting City assets.
- The Office provided oversight of external financial auditors regarding the City of San José Annual Financial Audit, Single Audit, and related financial audits; the audits of bond programs such as the Parks and Recreation Bond Projects, Branch Libraries Bond Projects, Neighborhood Security Bond, and Public Safety and Infrastructure Bond, and Library Parcel Tax funds; the Annual Compliance Review of San Jose Clean Energy's Risk Management Practices, and the Semi-Annual Reviews for compliance with the City's Investment Policy.
- The Office followed up on over 240 open audit recommendations. Over the past ten years, departments have implemented or closed about 78% of all audit recommendations that improve service delivery to residents, identify operational efficiencies or cost savings, increase transparency and accountability, or improve security over City assets (Target: 80%). About 55% of recommendations made in the past five years have been implemented.
- The Office redesigned its website to increase the accessibility of Spanish and Vietnamese translations for portions of published audit reports.

Service Delivery Environment

- The City Charter provides that the Office of the City Auditor conduct performance audits to determine whether City resources are being used in an economical, effective, efficient, equitable manner; established objectives are being met; and desired results are being achieved.
- As the City continues to look for efficiencies in service delivery, the Office will continue its focus on identifying revenues and cost-savings opportunities, and will work with the City Manager's Office to target areas for audit that are likely to yield the most benefit and address areas identified in the City Auditor's Citywide risk assessment model.
- The Office will also continue to improve the availability and usage of audited performance data and focus audit recommendations on improving City services through better use of technology and data.

STRATEGIC SUPPORT

OFFICE OF THE CITY AUDITOR

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT

- ✓ Conduct performance audits, special audits, and reviews that identify ways to increase the economy, efficiency, effectiveness, and equity of City government. The Office's 2023-2024 Audit Workplan will target City Council and other City Appointee concerns and areas identified in the City Auditor's City-Wide risk assessment model.
- ✓ Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30 and December 31 each year. Through December 2022 approximately 78% of the 775 recommendations made over the last 10 years have been implemented.
- ✓ The Office will continue to work to improve the availability and usage of audited performance data and focus audit recommendations on improving City services through better use of technology and data.

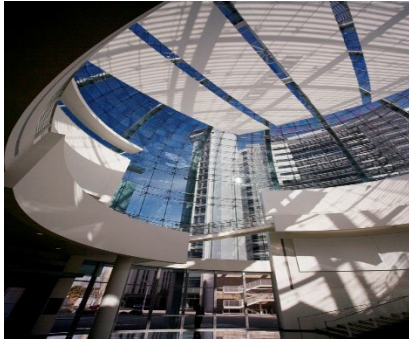
OUTCOME 2: PROVIDE INDEPENDENT, RELIABLE, ACCURATE, AND TIMELY INFORMATION TO THE CITY COUNCIL AND OTHER STAKEHOLDERS

- ✓ Prepare audit reports and memoranda that provide independent, reliable, accurate, and timely information to the City Council. The 2022-2023 Audit Workplan was approved by the City Council in August 2022. The 2023-2024 Audit Workplan will be submitted for City Council approval in August 2023.
- ✓ Provide performance reporting and enhance the display of online performance information. In December 2022, the Office published the City's thirteenth *Annual Report on City Services*. The Office will continue this project in 2023-2024 and will continue to work with City staff on audit projects designed to improve the City's performance management and reporting systems.
- ✓ Continue to improve the City Auditor website. The Office's website includes copies of audit reports issued by the Office since 1985 and links to the City Council Committee archive video of the hearings where available. The Office will continue to ensure that information on the site is current and relevant, and work toward translating audit results into multiple languages.
- ✓ Continue to improve oversight of the City's external financial auditors regarding the various financial audits, such as the Annual Comprehensive Financial Report, the Single Audit, and others.

PAGE INTENTIONALLY LEFT BLANK

STRATEGIC SUPPORT

OFFICE OF THE CITY CLERK



MISSION

Provide strategic support services and leadership to maximize public access to municipal government

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOMES

- The Municipal Legislative Process is Accessible and Open to the Community

STRATEGIC SUPPORT

OFFICE OF THE CITY CLERK

OVERVIEW

Service Delivery Accomplishments

The Office of the City Clerk continued to ensure that mandated services were provided in the most cost-effective manner. In 2022-2023, the Office:

- Conducted an election for City Councilmembers and ballot measures; provided research and oversight of the unanticipated vacancy recruitment and appointment for Council Districts 8 and 10; and maintained compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Prepared and distributed agenda packets, synopses, and action minutes of City Council, Rules and Open Government committee meetings, and posted them on the City's website. Prepared and distributed minutes for other City Council committees, and other entities, such as the Financing Authority, and staffed approximately 200 meetings. All City Council and City Council committee meetings were web-casted live, indexed, and archived for on-demand replay.
- Provided access to the City's legislative records and documents; reviewed and executed approximately 3,569 City contracts for administrative compliance, and made them available for review. Fulfilled requests for the City's legislative records and related public documents under provisions of the California Public Records Act. Updated and posted the Municipal Code, City Charter, and Council Policy Manual on the City's website. Indexed all documents presented to the City Council for storage and retrieval, and made available to the public.
- Provided fiscal, grant, budget, human resources, payroll, administrative, and technical support services for the Office of the Mayor, City Council Offices, and for the City's Boards, Commissions, and Committees, including more than 200 grants, 45 recruitments and onboarding and 100 candidates for fingerprinting for Mayor and City Council Offices, and 46 appointments and approximately 150 applications for Boards and Commissions.
- Processed 43 Public Records Act (PRA) requests resulting in 1,178 documents produced.

Service Delivery Environment

The Office of the City Clerk continues to see heavy workload in all areas of Office operations. As the Office plans for the next five years, the overarching goal remains to enhance the use of technology to improve and expedite services. Specific examples of trends, issues, and opportunities include:

- Continued work on new Open Government policies and procedures in line with the "Open Data Policy" and recommendations from the Sunshine Reform Task Force, including disclosure requirements (calendars, outside income, and fundraising) for the Mayor and City Councilmembers.
- The need for an improved, less labor-intensive process for creating and disseminating City Council meeting agendas and memoranda, and improved technology to enhance the public's access to the City's legislative process and records.
- The increased demand for access to a wide variety of public records, including a rising community expectation for online access to candidate and committee campaign disclosure statements and lobbyist activity reports.

STRATEGIC SUPPORT

OFFICE OF THE CITY CLERK

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME: THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY

The Office of the City Clerk has three strategic goals and objectives:

- ✓ Deploy technology resources effectively;
- ✓ Increase efficiency of service delivery; and
- ✓ Maintain high levels of customer service.

The Office of the City Clerk will provide the following services directly related to this outcome:

- ✓ Successfully conducting municipal elections for the City Council members and ballot measures;
- ✓ Creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; additionally, provide legislative services to all other Council Committees by writing and distributing minutes pertaining to Ordinances, Resolutions, and Charter Amendments;
- ✓ Continuing to conduct in-person, hybrid, or virtual Council Meetings and City Board, Commissions, and Committee meetings as needed in coordination with the Office of the City Manager, and ensure the availability of Spanish and Vietnamese interpretation services for City Council meetings, study sessions, and committee meetings;
- ✓ Posting all changes to the San José Municipal Code and the City Council Policy Manual on the web; publishing and distributing hard-copy supplements;
- ✓ Creating and maintaining a legislative history of City Council, Successor Agency to the Redevelopment Agency, the Oversight Board, and related entities' actions; and indexing and filing all public records such that the records can be retrieved in a timely manner and the history is readily available;
- ✓ Conducting the recruitment, application, and selection processes for boards and commissions through the Council Appointment Advisory Commission; directing City Council interview and appointment; and facilitating the City Council's appointment of public members to the Retirement Boards and the Civil Service Commission;
- ✓ Conducting employee and retiree elections for the employee and retiree members, as applicable, of both Retirement Boards and the Civil Service Commission;
- ✓ Providing administrative support services to the Board of Fair Campaign and Political Practices, Civil Service Commission, Council Salary Setting Commission, and Council Appointment Advisory Commission;
- ✓ Researching City Council actions and records from the adoption of the City Charter to the present;
- ✓ Providing administrative support including fiscal management, human resources administration, budgeting, grant administration, and procurements for the Mayor and City Council Offices; and
- ✓ Accepting and making available all Statements of Economic Interests, campaign finance disclosure forms, lobbyist registration and reporting forms, and all disclosures required of the Mayor and City Council members (calendars, fundraising solicitations, and outside income disclosure).

PAGE INTENTIONALLY LEFT BLANK

STRATEGIC SUPPORT

Office of the City Manager



MISSION

Provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

CSA OUTCOMES

- The Community Receives Customer-Focused, Results-Driven Services
- The Mayor and Council are Effectively Supported in Making Public Policy Decisions
- Support Employees to Actively Engage With and Achieve the City's Mission

STRATEGIC SUPPORT

Office of the City Manager

OVERVIEW

Service Delivery Accomplishments

- ❑ **Executive Leadership and City Management** provided strategic leadership to support the Mayor and City Council in their policy making and implementing their priorities, including a coordinated Mayor and City Council transition with comprehensive briefings of City governance, City operations, and major projects and plans in partnership with other Appointees; ensured effective and efficient Core Service and Capital Project delivery to the City's diverse community with a total budget of \$6.0 billion; led and engaged the workforce that included almost 6,900 full-time equivalent positions; advanced the City Council Initiatives Roadmap of 41 priority initiatives, including the City Manager's eight Enterprise Priority work plans; advanced the City's *One Team* Leadership Values and Expectations vision for the Senior Staff and all City employees; provided leadership through both the COVID-19 pandemic recovery and the 2022–2023 Winter Storm responses by ensuring the continuation of essential City services, providing vulnerable residents with services, and keeping City employees safe and supported; and led organizational focus and dedication around the City Manager Key Foundational Initiatives, including 1) Delivering Excellent Customer Service through the multi-year effort of implementing the City Council approved Customer Service Vision and Standards; 2) Closing Racial Inequities; 3) Structurally Balancing the General Fund Budget and Driving Organizational Performance; 4) Advancing the Police Reforms Work Plan; and 5) Making San José a Great Place to Work through the City's recruitment, hiring, and retention efforts. Also focused on resource and operational improvements for Animal Care and Services; Developmental Services to improve performance levels; a Downtown Strategy to make Downtown more welcoming, vibrant, and safe; equitable and effective deployment of park maintenance resources to improve park conditions; and Police and Fire Sworn Staffing to improve the number and diversity of recruits for sworn public safety services. In addition, oversaw the COVID-19 Recovery Task Force with 55 member organizations pursuant to City Council direction, leading to acceptance of the Task Force Report and recommendations by City Council; continued the City's Customer Service Vision and Standards initiative and advanced progress on the Child and Youth Master Plan; and worked to reimagine the Vehicle Abatement Program.
- ❑ **Office of Administration, Policy, and Intergovernmental Relations** processed approximately 1,560 contracts; reviewed nearly 650 City Council Agenda reports; assigned and tracked over 65 Council Referrals; successfully advocated for \$3.25 million in direct funding to the City of San José from federal delegation member requests; reviewed over 2,400 legislative items and sponsored or took a position on nearly 70 bills; coordinated responses to over 235 multi-department Public Records Act requests; began implementing the City's Disability Accessibility workplan and Gun Harm Reduction Ordinance; led a Study Session on Gun Violence Prevention; supported City Council Committees and several working groups; and created a new Form 700 policy.

STRATEGIC SUPPORT

Office of the City Manager

OVERVIEW

Service Delivery Accomplishments

- ❑ **Budget Office** provided ongoing review, monitoring, analyses, forecasts, and reporting on the City's over 140 Operating and Capital funds totaling \$6.0 billion with almost 6,900 positions, allowing for effective oversight and controls throughout the fiscal year, including bi-monthly financial reports to the Public Safety, Finance and Strategic Support Committee, and budgetary adjustments included within the 2021-2022 Annual Report, the 2022-2023 Mid-Year Budget Review, and the 2022-2023 Year-End Budget Adjustments memorandum; oversaw and coordinated the development of the 2023-2024 Operating Budget, 2023-2024 Capital Budget and 2024-2028 Capital Improvement Program, 2023-2024 Fees and Charges Report, and the issuance of various cost estimates and Manager's Budget Addenda requested by the Mayor and City Council; assigned and tracked over 200 Council Budget Referrals; collaborated with the Office of Racial Equity and departmental staff to further embed the explicit consideration of equity into the budgeting process, including a new iteration of the Budgeting for Equity Worksheet; coordinated with departments on the review of hundreds of City Council memoranda; and supported the modernization of City Service Area and departmental Core Service performance measures, activity and workload highlights, and community indicators by piloting the performance management model with the Neighborhood Services City Service Area and associated departmental Core Services.
- ❑ **Communications Office** released 13 Flash Reports supporting Winter Storm Emergency Operation Center activations in January and February 2023; received over 78,000 visits to Emergency Notification Pages including Vietnamese, Traditional Chinese, and Spanish translated pages; garnered over 6 million social media impression on multiple platforms for COVID-19 communications with over 1,000 multilingual social media graphics created; provided nearly 600 translations and reviews with the Language Access Unit; sent over 195,000 [City Manager's 30-Day Roundup](#) emails; garnered over 3.3 million impressions on City's social media platforms and 5.2 million visitors to the [City website](#) in 2022; led complex, multilingual campaigns in collaboration with City Departments, including for the [Gun Harm Reduction Ordinance](#) and Finance Department's [Disparity Study](#); deployed an SJ311 marketing campaign to underrepresented communities in Vietnamese, Spanish, and English; and Launched CityLINE, a quarterly internal newsletter.
- ❑ **Office of Emergency Management** maintained coordination with Santa Clara County on response operations including vaccinations, logistics, public information, and alerts until the federal emergency terminated in May 2023; completed the COVID-19 After Action Report; developed a draft Continuity of Operations Plan for each of the City departments; activated the Emergency Operations Center to respond to two winter storm and flood warning events; retooled instructional delivery to conduct eight virtual and two in person Community Emergency Response Team courses including in Spanish, Vietnamese, and Chinese, resulting in 175 graduates, including 107 graduates from underserved communities ; completed review and updated the Emergency Operations Plan and five annexes; and collaborated with the Fire Department and Public Works Department to complete the new Emergency Operations Center and Fire Training Center.

STRATEGIC SUPPORT

Office of the City Manager

OVERVIEW

Service Delivery Accomplishments

- ❑ **Office of Employee Relations** engaged in negotiations with seven bargaining units representing approximately 4,500 active employees (approximately 3,700 Full Time Equivalent) whose current Memoranda of Agreement expired on June 30, 2023; conducted approximately 100 trainings; conducted approximately 55 personnel investigations; created and/or revised 15 City policies; and engaged in the meet and confer process with bargaining units over various labor issues outside of contract negotiations.
- ❑ **Office of Racial Equity** developed a Racial Equity Impact Analysis Guide; implemented the Budgeting for Equity Worksheet and had 100% compliance by City departments, implemented 7 trainings, with 235 City employees; ensured all new employees receive racial equity foundational training within 30 days of hire; monitored and consulted on 18 department-specific Racial Equity Action Plans; planned for and hosted the Welcoming Interactive conference for over 500 attendees; initiated recruitment for the *San Jose for All Advisory Group* which received 130 applications; implemented 10 strategies to combat anti-Asian hate; provided monthly Office of Racial Equity briefs for City Council; and supported 8 multicultural events and a Citizenship Workshop attracting over 500 aspiring US Citizens.

Service Delivery Environment

The Office of the City Manager's Service Delivery environment is focused on delivering City Service Area and Departmental and Program Core Services efficiently and effectively while making measurable progress on four City Council approved Focus Areas: Increasing Community Safety; Reducing Unsheltered Homelessness; Cleaning Up Our Neighborhoods; and Attracting Investments in Jobs and Housing; in addition advancing the City Manager's Foundational Strategic Support Initiatives, which include Delivering Excellent Customer Service Vision and Standards Initiatives, Closing Racial Inequities, Driving Organizational Performance, Structurally Balancing our General Fund Budget, and Making San José a Great Place to Work.

Budget Dollars at Work: Performance Goals

Performance goals for department City Service Areas (CSA) and Core Services are described throughout this document. This section describes what is needed from a leadership perspective to guide and achieve those goals and is organized around key efforts and objectives of the Office of the City Manager based on three outcomes.

STRATEGIC SUPPORT

Office of the City Manager

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: THE COMMUNITY RECEIVES CUSTOMER-FOCUSED, RESULTS-DRIVEN SERVICES

- ✓ Focus on providing leadership necessary for organizational initiatives that continue to position the City as a more focused, efficient, and sustainable organization for the future.
- ✓ Focus on recruiting, hiring, and retaining City employees so that service-delivery is maximized to the community.
- ✓ Pursue public-private partnerships both directly with community and corporate partners, as well as convene City departments and offices to develop more effective workforce support and development practices.
- ✓ Provide organizational and customer service improvement efforts through implementation of the Customer Service Vision and Standards Initiative to improve how we do business, streamline processes, increase employee empowerment, and achieve results in an environment of constant change, increasing complexity, and constrained financial resources.
- ✓ Implement police reforms and work closely with the community, community-based agencies, faith-based organizations, social justice advocates, law enforcement agencies, County, State, and federal agencies, and youth on public safety issues.
- ✓ Pursue grants and partnerships as a top priority given the significantly limited City funding available for infrastructure and new initiatives, and unprecedented new availability of federal infrastructure funding.
- ✓ Work with regional governance partners on Bay Area inter-agency issues.
- ✓ Provide organizational strategic support that advances disability inclusion equity.
- ✓ Implement a culturally sensitive communication plan for community outreach, ensuring the City's diverse population has access to City services and critical information in their native language.
- ✓ Provide safe service delivery as the City recovers from the COVID-19 pandemic and extreme weather events to ensure community and economic recovery efforts are equitable and comprehensive.
- ✓ Implement a city-wide equity framework that will examine and improve the City's internal policies, practices, and systems to eradicate structural and/or institutional racism that may exist in our City government and ultimately improve outcomes for People of Color, including Black, Indigenous, Latino/a/x, Asian, and Pacific Islander communities.

STRATEGIC SUPPORT

Office of the City Manager

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

- ✓ Coordinate City agenda items for City Council consideration, including preparation and development of City Council meeting scheduling.
- ✓ Provide staff expertise, written memorandums, reports, and general staffing support for City Council Committees, Commissions, and working groups.
- ✓ Disseminate City Information Memoranda that support the ability to monitor the organization's work as well as track and monitor City Council referrals for appropriate departmental follow-up.
- ✓ Strengthen the City-County partnership by meeting regularly with the County Executive, supporting meetings between key City and County elected officials and staff, and focusing attention on issues of shared services between the organizations.
- ✓ Promote intergovernmental relations with strong advocacy for the City's financial, policy, and community needs at the regional, state, and federal levels.
- ✓ Modernize and update the City Service Areas outcomes, community indicators, and performance measures.
- ✓ Provide City Council, Department, and public access to performance management and evaluation tools for policy-making and priority-setting within the budget process and service delivery to ensure accountability and transparency.
- ✓ Provide support to the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- ✓ Monitor the fiscal and economic environment and adjust the 2023-2024 Adopted Budget, as appropriate, to ensure adequate resources to meet approved expenditure levels.
- ✓ Bring forward balanced budgets for the General Fund and all other City funds for 2024-2025 that reflect City Council and community goals, have an applied equity lens, and help ensure fiscal stability for the \$5.2 billion budget with over 140 Operating and Capital funds, impacting nearly 7,033 positions.

STRATEGIC SUPPORT

Office of the City Manager

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: SUPPORT EMPLOYEES TO ACTIVELY ENGAGE WITH, AND ACHIEVE, THE CITY'S MISSION

- ✓ Provide strategic leadership for the organization, support the City Council, and motivate the workforce to deliver high quality services in an environment of increasing demands and limited resources.
- ✓ Continue to strategically target efforts that challenge the organization to develop innovative ways to deliver services and streamline operations to be more efficient, including the digital delivery of City services and operations.
- ✓ Engage the workforce through ongoing, structured communication and ongoing implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain top talent.
- ✓ Work with employees to develop the organization's capacity in civic engagement and make a difference in the civic life of our community.
- ✓ Invest in employees by aligning their development needs with the current and future needs of the City.
- ✓ Ensure employees have access to training and the resources needed to feel safe and supported in the workplace, including providing and promoting programs that foster employee health and wellness
- ✓ Foster constructive and professional working relationships with the City's employee labor unions.
- ✓ Champion the City's Mentorship program as an opportunity for City leadership to support employee growth and development in their career with the City.

PAGE INTENTIONALLY LEFT BLANK

STRATEGIC SUPPORT

OFFICE OF RETIREMENT SERVICES



MISSION

Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOMES

- Retirement plans are properly administered.
- Investment of assets to satisfy Retirement Plans' obligations.

STRATEGIC SUPPORT

OFFICE OF RETIREMENT SERVICES

OVERVIEW

Service Delivery Accomplishments

- Established Trustee Federated Disability Committee.
- Established Police and Fire Ad Hoc Committee on San José Municipal Code § 3.36.3660.
- Continued publication of the Office of Retirement Services (ORS) quarterly newsletter - *The Retirement Connection*.
- Hosted in-person Open Enrollment Health Fair for Retirees.
- Implemented Virtual Health Fair for Open Enrollment.
- Updated and continued to use the Open Enrollment website to augment Virtual Health Fair activities.
- Continued implementation of the Boards' strategic communications plan.
- Continued implementation of technology to support remote workforce.
- Maintained the Office of Retirement Services website to ensure accurate and up to date information is communicated.
- Continued implementation of AB361 for the Boards to conduct meetings virtually.
- Conducted operational internal audits in the Benefits and Accounting divisions as part of the Five-Year Internal Audit Plan.
- Onboarded new Board trustees for both the Police and Fire and Federated plans.
- Continued working on the enforcement of the Medicare Mandate.
- Completed Request for Proposals (RFP) for an Independent Financial Auditor.
- Continued to evaluate investment opportunities and the Plans' Strategic Asset Allocation mixes considering the effects of both the COVID-19 pandemic as well as geopolitical risks.
- Continue implementation of Internal Audit Charter.

Service Delivery Environment

- Work with the communications consultant to further develop strategic communication activities for future years.
- Establish policies and procedures regarding Felony Forfeiture.
- Continue implementing workplan identified in 5-year audit plan by the ORS internal auditor.
- Publish revised Tier 1 and Tier 2 Member Handbooks.
- Complete phone upgrade project for the office.
- Identify return-driven investment opportunities, balancing risk, amid the global economic environment.

STRATEGIC SUPPORT

OFFICE OF RETIREMENT SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: RETIREMENT PLANS ARE PROPERLY ADMINISTERED

- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented rates, assumptions, and methodologies reflective of the plans' liabilities and with appropriate contribution volatility.
- Conduct and manage approximately 100 board meetings annually to provide the information necessary to assist the board members in fulfilling their fiduciary duties.
- Provide quality customer service by working with members to ensure excellent retirement planning and counseling through educational classes and meetings via an average of a thousand phone inquiries and seventy walk-in visits per month.
- Publish annual financial reports, which include the ACFR and the PAFR, to maintain accountability and provide fiscal transparency.

OUTCOME 2: INVESTMENT OF ASSETS TO SATISFY PLANS' OBLIGATIONS

- Manage Retirement Plan assets in a manner that seeks to achieve long-term net returns in more than the actuarial investment return assumption and adopted benchmarks, while maintaining a reasonable level of investment risk.
- Work with investment consultants to review and adopt asset allocations reflective of the Retirement Boards' risk tolerances, developing enhanced framework for determining the appropriate level of risk.
- Monitor and evaluate performance and attribution of Retirement Plan assets to determine areas for potential improvement and focus.
- Perform in-depth analysis on investment managers, ensuring that investment managers are performing within acceptable parameters and delivering anticipated value-add. Source and perform due diligence on prospective investment managers and retain when appropriate.
- Develop, implement, and ensure compliance with Retirement Board-adopted investment policies.

PAGE INTENTIONALLY LEFT BLANK

Airport Department

John Aitken, Director of Aviation

MISSION

To connect, serve, and inspire

CITY SERVICE AREA

Transportation and Aviation Services

CORE SERVICES

AIRPORT MARKETING AND COMMUNICATIONS

Promote new air service to business and leisure travelers; inform Airport customers of our wide variety of traveler services; build the Airport's brand through advertisements, sponsorships, and community engagement; communicate effectively with passengers, the public, and the media

AIRPORT FACILITIES

Maintenance of all Airport facilities including public spaces, oversight of airfield lighting and maintenance, building automation controls, electrical and mechanical systems, baggage handling systems, central plant, grounds, and landscaping; janitorial services; and manage the Capital asset replacement program and implement the Capital Improvement Program, including planning and coordinating construction activities at the Airport, in compliance with applicable federal, State, and local regulations and environmental requirements

AIRPORT OPERATIONS

Day-to-day management and oversight of the Airport to ensure safe and efficient operations such as operation of the airfield, general aviation facilities, emergency planning and coordination, Airport Operations Center, badging and security coordination, parking facilities, shuttle operations, ground transportation, roadway/curbside enforcement programs, and Automatic Vehicle Identification system

Strategic Support: Financial Management; Human Resources; Information Technology; Training, and Emergency Response and Recovery

Airport Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Airport Marketing and Communications Core Service</i>	
Airport Marketing and Communications	Supports the Airport by informing passengers traveling through the Airport of service options; promoting new air service and airlines; publicizing the Airport to travelers and growing the Airport's market share; developing and building the Airport's brand; and communicating effectively with passengers, the public, and the media.
<i>Airport Facilities Core Service</i>	
Airport Facilities Administration	Provides services necessary for the administration of the Facilities Division, as well as management and oversight of the Facilities Division functions.
Airport Facilities Parking and Roadways Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of all Airport roadways, parking facilities, grounds, and landscaping.
Airport Planning and Capital Development	Implements the Airport's Capital Improvement Program; plans and coordinates design and construction activities at the Airport; ensures compliance with applicable federal, State and local codes and environmental regulations and requirements; and coordinates with the Federal Aviation Administration, regional transportation planning agencies and providers.
Airport Terminals Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of all Airport terminal facilities, including public and common space, electrical and mechanical systems, HVAC and utilities, custodial services and baggage handling systems.
Airside Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of the airfield including pavement, runways and taxiways, paint, lighting, and grounds.
<i>Airport Operations Core Service</i>	
Airport Parking & Roadway Operations	Supports and manages landside operational activities, including parking facilities, airport shuttle bus operations, ground transportation and roadway/curbside management and enforcement programs.
Airside Operations	Supports and manages airside operational activities, including oversight of the airfield, airfield security and access control, noise monitoring, wildlife control, emergency planning and compliance with Federal Aviation Administration (FAA) Regulations.
Operations Administration	Provides services necessary for the administration of the Operations Division, as well as support for General Aviation and other non-commercial activities.
Terminals Operations	Provides on-site terminal support and management, including coordination with airlines and other terminal tenants. Staff provide management of shared-use services (gates, ticket counters), customer service for passenger related activities, terminal access and security controls, and compliance with Transportation Security Administration (TSA) and Customs and Border Protection (CBP) regulations.

Airport Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Airport Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development; provides airport property management for all tenants and property development for all airport land.
Airport Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Airport Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Airport Management and Administration	Provides executive-level, analytical and administrative support to the department.
Airport Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Airport Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Operate San José Mineta International Airport (SJC) efficiently while meeting all regulatory requirements for security and safety.
- Continued recovery and restoration of flights and passenger traffic while providing exceptional customer service with new, modern, up-to-date services and amenities.
- Work collaboratively with Airport tenants and other stakeholders to grow the number of passengers and meet the needs of the current aviation travel market.
- Operate the Airport as a good neighbor and ensure environmental stewardship of resources.
- Continue to provide efficient and safe services for passengers, airlines, and tenants; regulatory compliance; priority maintenance and operations; and cost-effective operation of the Airport's shared-use model.

2023-2024 Key Budget Actions

- Adds 1.0 Senior Airport Equipment Mechanic and 1.0 Senior Warehouse Worker positions to address maintenance needs across Airport facilities, and adds 1.0 Environmental Services Specialist position to provide capacity for the management of regulatory compliance and advance the Airport's Sustainability Management and the City's Climate Smart San José Plans.
- Adds 1.0 Information Systems Analyst position to provide the planning, implementation and enhancement of essential network and communication infrastructure to support Airport operations.
- Adds ongoing non-personal/equipment funding of \$66,000 for an annual subscription to the Silicon Valley Regional Communications System – funding provides for radio system maintenance and upgrades and improves the reliability of radio coverage.
- Adds 1.0 Property Manager position to support property management responsibilities as the number of tenants and agreements at the Airport grows.

Operating Funds Managed

- Airport Customer Facility and Transportation Fee Fund
- Airport Fiscal Agent Fund
- Airport Maintenance and Operation Fund
- Airport Revenue Fund
- Airport Surplus Revenue Fund

Airport Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Airport Facilities	32,109,985	36,584,384	39,140,194	39,545,438
Airport Marketing and Communications	1,994,222	3,578,131	3,745,992	3,745,992
Airport Operations	25,164,039	35,609,109	36,758,387	36,758,387
Strategic Support - Fund Balance and Reserves - Transp & Aviation	(103,969)	0	0	0
Strategic Support - Other - Transportation & Aviation	97,771,756	68,190,398	77,904,259	77,991,500
Strategic Support - Transportation & Aviation	14,364,242	16,681,136	17,708,359	18,121,852
Total	\$171,300,274	\$160,643,158	\$175,257,190	\$176,163,168
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	35,255,730	38,585,606	39,916,792	40,663,879
Overtime	488,700	437,560	455,062	455,062
Subtotal Personal Services	\$35,744,429	\$39,023,166	\$40,371,854	\$41,118,941
Non-Personal/Equipment	37,718,342	53,418,094	56,969,577	57,041,227
Total Personal Services & Non- Personal/Equipment	\$73,462,771	\$92,441,260	\$97,341,431	\$98,160,168
Other Costs *				
City-Wide Expenses	119,699	0	0	0
Debt Service/Financing	64,661,351	62,482,369	70,404,781	70,404,781
Housing Loans and Grants	0	0	0	0
Other	27,400,167	1,592,180	1,919,629	1,919,629
Other - Capital	0	0	0	0
Overhead Costs	5,478,618	3,493,849	4,957,849	5,045,090
Workers' Compensation	177,668	633,500	633,500	633,500
Total Other Costs	\$97,837,503	\$68,201,898	\$77,915,759	\$78,003,000
Total	\$171,300,274	\$160,643,158	\$175,257,190	\$176,163,168

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Airport Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	119,699	0	0	0
Airport Customer Facility And Transportation Fee Fund (519)	1,687,498	2,387,089	2,340,960	2,340,960
Airport Fiscal Agent Fund (525)	46,669,603	47,482,369	69,404,781	69,404,781
Airport Maintenance And Operation Fund (523)	103,894,755	95,773,700	102,511,449	103,417,427
Airport Surplus Revenue Fund (524)	17,991,748	15,000,000	1,000,000	1,000,000
American Rescue Plan Fund (402)	44,823	0	0	0
Coronavirus Relief Fund (401)	381,886	0	0	0
Capital Funds	510,262	0	0	0
Total	\$171,300,274	\$160,643,158	\$175,257,190	\$176,163,168
Positions by Core Service **				
Airport Facilities	88.00	91.00	91.00	94.00
Airport Marketing and Communications	8.00	8.00	8.00	8.00
Airport Operations	66.00	67.00	67.00	67.00
Strategic Support - Transportation & Aviation	53.00	57.00	57.00	59.00
Total	215.00	223.00	223.00	228.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Airport Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Airport Facilities					
Airport Facilities Administration	2,037,104	2,199,084	2,334,853	2,441,816	9.95
Airport Facilities Parking and Roadways Maintenance	2,733,596	3,158,357	3,376,222	3,376,222	4.80
Airport Planning and Capital Development	4,846,807	5,612,787	5,838,003	5,991,306	24.00
Airport Terminals Maintenance	20,311,531	23,227,412	24,901,201	25,046,180	41.95
Airside Maintenance	2,180,946	2,386,744	2,689,914	2,689,914	13.30
Sub-Total	32,109,985	36,584,384	39,140,194	39,545,438	94.00
Airport Marketing and Communications					
Airport Marketing and Communications Program	1,994,222	3,578,131	3,745,992	3,745,992	8.00
Sub-Total	1,994,222	3,578,131	3,745,992	3,745,992	8.00
Airport Operations					
Airport Parking and Roadway Operations	11,036,289	18,324,371	19,100,010	19,100,010	10.90
Airside Operations	6,604,412	7,217,709	7,646,640	7,646,640	28.92
Operations Administration	1,078,516	1,509,246	1,444,138	1,444,138	8.00
Terminals Operations	6,444,822	8,557,783	8,567,598	8,567,598	19.18
Sub-Total	25,164,039	35,609,109	36,758,387	36,758,387	67.00
Strategic Support - Fund Balance and Reserves - Transp & Aviation					
Airport Reserves	(103,969)	0	0	0	0.00
Sub-Total	(103,969)	0	0	0	0.00
Strategic Support - Other - Transportation & Aviation					
Airport Funds Debt/Financing Costs	64,661,351	62,482,369	70,404,781	70,404,781	0.00
Airport Other Operational - Administration	27,454,118	1,580,680	1,908,129	1,908,129	0.00
Airport Overhead	5,478,618	3,493,849	4,957,849	5,045,090	0.00
Airport Workers' Compensation	177,668	633,500	633,500	633,500	0.00
Sub-Total	97,771,756	68,190,398	77,904,259	77,991,500	0.00
Strategic Support - Transportation & Aviation					
Airport Emergency Response and Recovery	488,098	0	0	0	0.00
Airport Financial Management	6,652,932	8,254,225	8,610,615	8,764,390	34.00
Airport Human Resources	736,412	1,047,852	1,045,099	1,045,099	5.00
Airport Information Technology	4,576,631	5,145,257	5,725,644	5,985,362	14.00
Airport Management and Administration	1,910,169	2,233,802	2,327,001	2,327,001	6.00
Sub-Total	14,364,242	16,681,136	17,708,359	18,121,852	59.00
Total	\$171,300,274	\$160,643,158	\$175,257,190	\$176,163,168	228.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Airport Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2022-2023):	223.00	92,441,260
<hr/> Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Autonomous Wheelchair Program		(208,000)
• Airport Building Maintenance Staffing		(1,460)
• Airport Fiscal Administration Staffing		(1,460)
• Airport Advertising and Strategic Marketing Staffing		(730)
• Airport Director's Office Staffing		(730)
• Airport Technology Infrastructure Services Staffing		(730)
One-time Prior Year Expenditures Subtotal:	0.00	(213,110)
 Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes:		1,321,715
• Contract Services: Customs and Border Protection		1,000,000
• Contract Services: Baggage System Maintenance		556,933
• Contract Services: Information Systems Maintenance		533,368
• Contract Services and Materials: Custodial Contract		504,174
• Utilities: Gas, Electricity, and Water		234,547
• Insurance		215,415
• Vehicle Operations and Maintenance		208,000
• Contract Services: Parking and Traffic Control		149,874
• Contract Services: Operations Division		112,739
• Contract Services: Financial Services		95,230
• Contract Services: Shared Use		87,937
• Contract Services: Curbside Management Services		69,789
• Contract Services: Airport VTA Flyer		34,367
• Overtime Adjustment		17,502
• Contract Services: Marketing and Communications		15,096
• Operations and Maintenance: Elevator/Escalator		9,588
• Night Shift Differential Adjustment		9,471
• Contract Services: Facilities Maintenance		4,062
• Operations and Maintenance: Fire Alarm Testing		667
• Contract Services: Shuttle Bus Fleet		(67,193)
Technical Adjustments Subtotal:	0.00	5,113,281
 2023-2024 Forecast Base Budget:	 223.00	 97,341,431

Airport Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

Budget Proposals Recommended		
1. Airport Facilities and Environmental Divisions Staffing	3.00	407,434
2. Airport Information Systems Analyst	1.00	190,798
3. Airport Property Management Staffing	1.00	154,506
4. Airport Silicon Valley Regional Communications System Subscription		66,000
Total Budget Proposals Recommended	5.00	818,738
2023-2024 Proposed Budget Total	228.00	98,160,168

Airport Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
1. Airport Facilities and Environmental Divisions Staffing	3.00	407,434

Transportation and Aviation Services CSA

Airport Facilities Core Service

Airport Facilities Administration, Airport Terminals Maintenance, and Airport Planning and Capital Development Programs

This action adds 1.0 Senior Airport Equipment Mechanic, 1.0 Senior Warehouse Worker, and 1.0 Environmental Services Specialist positions. The Senior Airport Equipment Mechanic will provide coverage on the graveyard shift; there are existing 2.0 Airport Equipment Mechanics who provide coverage during the day and swing shifts. A recent audit of Airport's preventative maintenance program identified a combined total deficit of 3,756 labor hours currently being missed, deferred, partially completed, or completely unassigned due to insufficient staffing levels. A large portion of maintenance needs is best addressed during graveyard shift hours to minimize interruption experienced by Airport passengers and tenants. Airport Equipment Mechanics are responsible for 36 passenger boarding bridges, baggage systems in Terminal A and the international arrivals terminal, calibration of 186 ticket counter and curbside scales, and daily checks of 19 elevators and 11 escalators. The addition of the Senior Warehouse Worker position will enable a dedicated staff person to manage the Shipping and Receiving Office. The role was previously held by a Warehouse Supervisor position, but upon his retirement, the Airport shifted the position to cover another necessary department function. Time sensitive, priority mail documents are delivered to the office, but currently staff is not notified, and the packages are discovered only when staff is looking for them. The Senior Warehouse Worker will manage shipping, receiving, handling e-waste, daily mail runs to City Hall, and various other activities assigned to this office. Finally, the Environmental Services Specialist position will be added to provide additional capacity to a two-person team responsible for managing Airport's regulatory compliance tasks while also identifying, evaluating, and implementing new initiatives to advance the Airport's Sustainability Management Plan and the City's Climate Smart San José plan. (Ongoing costs: \$445,023)

Airport Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
-----------------------------------	-----------	----------------

2. Airport Information Systems Analyst	1.00	190,798
--	------	---------

Transportation and Aviation Services CSA
Strategic Support – Transportation and Aviation Core Service
Airport Information Technology Program

This action adds 1.0 Information Systems Analyst position to oversee critical Airport networking, cabling, and fiber IT infrastructure planning and implementation. For the past five years, this role has been staffed using an outside contractor. Given the ongoing need for this work, the addition of this position brings the resource in-house and provides savings to the Airport. The Information Systems Analyst position will be responsible for managing and coordinating large scale cabling architecture and technology infrastructure projects that include the design, documentation, and buildout of new airline and tenant moves, Airport building expansion projects, and telephony upgrades. Airport anticipates that their technology needs will continue to evolve and grow. (Ongoing costs: \$207,301)

3. Airport Property Management Staffing	1.00	154,506
---	------	---------

Transportation and Aviation Services CSA
Strategic Support – Transportation & Aviation Core Service
Airport Financial Management Program

This action adds 1.0 Property Manager position to support the increased workload experienced by the Airport's Property Management team. The team – consisting of 1.0 Principal Property Manager, 2.0 Senior Property Manager, and 5.0 Property Manager positions – currently manages over 90 tenants and twice as many contracts/agreements for rental car agencies, concessions, airlines, ground handlers, and fixed base operators. Airport Property Managers ensure tenant compliance with agreement terms, perform inspections, coordinate preventative maintenance, and perform work associated with commercial development and adding new tenants to the Airport. Without the addition of this Property Manager, the team may have to put development projects on hold or suspend certain day-to-day activities. There has been an increase in the number of agreements since 2018 and that number is expected to continue to grow as development of commercial real estate on Airport property continues. (Ongoing costs: \$169,655)

Airport Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment




2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
4. Airport Silicon Valley Regional Communications System Subscription <i>Transportation and Aviation Services CSA Strategic Support – Transportation & Aviation Core Service Airport Information Technology Program</i> <p>This action adds ongoing non-personal/equipment funding of \$66,000 to cover the annual subscription fee for the Silicon Valley Regional Communications System (SVRCS) radios for Airport staff. Previously, Airport operated on a conventional radio system that charged separately for maintenance and replacement of equipment. By joining SVRCS, radio communications are provided through an annual subscription charge, including ongoing maintenance and upgrades. The SVRCS model reduces the risk of system failure, eliminates having equipment out-of-support, and easily accommodates future airport growth/expansion. SVRCS currently provides coverage for Public Safety staff at the Airport and other City departments and enables communication with other local airports and municipalities. (Ongoing costs: \$66,000)</p>	5.00	66,000
2023-2024 Proposed Budget Changes Total	5.00	818,738

Airport Department

Performance Summary

Airport Business Development

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Air service market share	17.9%	18.0%	17.5%	17.5%
 % of passengers rating overall satisfaction with the Airport	85%	87%	87%	87%
 % of passengers reporting satisfaction of Airport restaurant/eating and shopping facilities	72%	77%	77%	77%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total regional air service market (passengers) ¹	54.7M	68.6M	68.6M	75.4M
Total number of annual Airport passengers	9.8M	12.0M	12.0M	13.2M


¹ The 2021-2022 Actual continues to reflect the impacts of the COVID-19 pandemic and its effects on the travel industry. Passenger activity has begun to pick up as estimated for 2022-2023 and 2023-2024.

Airport Department

Performance Summary

Airport Facilities Maintenance

Performance Measures


	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of SJC passengers rating cleanliness of the Airport terminal as good or excellent	88%	88%	88%	88%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of facilities maintenance work orders completed	11,442	11,783	11,818	12,500
Number of hours spent addressing Federal Aviation Regulation Part 139 (FAR 139) issue work orders	39	60	55	57

Airport Operations

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of on-time flights	78.80%	84.00%	84.00%	84.00%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of annual operations (take offs and landings) ¹	151,223	155,000	165,000	175,000
Total number of environmental noise complaints	14,475	30,031	18,277	19,002
Total number of non-compliant curfew intrusions	41	41	45	47


¹ The 2021-2022 Actual continues to reflect the impacts of the COVID-19 pandemic and its effects on the travel industry. Passenger activity has begun to pick up as estimated for 2022-2023 and 2023-2024.

Airport Department

Performance Summary

Airport Planning and Capital Development

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of capital projects contingent upon grant funding	43.9%	17.3%	34.7%	44.6%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Airport Capital Program				
- Construction Projects	\$17.2M	\$91.4M	\$134.8M	\$54.2M
- Non-Construction Projects	\$8.02M	\$27.6M	\$34.21M	\$13.53M
Percent of Airport locations that received fewer than three discrepancies in the County of Santa Clara Hazardous Materials Inspection	100%	80%	94%	80%

Airport Department

Performance Summary

Strategic Support

Performance Measures

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
\$	Airline cost per enplaned passenger ¹	\$13.20	\$15.28	\$14.69	\$15.91
\$	Food and beverage sales per enplaned passenger ¹	\$6.22	\$6.30	\$6.61	\$6.70
\$	Retail sales per enplaned passenger ¹	\$3.43	\$3.25	\$3.29	\$3.35
\$	Parking revenue per enplaned passenger ¹	\$4.95	\$4.50	\$5.08	\$5.10
\$	Rental car gross revenue per enplaned passenger ¹	\$29.35	\$32.00	\$27.49	\$27.39

¹ Enplaned passengers are those passengers boarding an aircraft in scheduled service, including originating, stop-over, or connecting service.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total airline cost	\$93.0M	\$92.2M	\$89.7M	\$105.1M

Airport Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	3.00	3.00	-
Accounting Technician	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	2.00	2.00	-
Air Conditioning Supervisor	1.00	1.00	-
Air Service Development Manager	1.00	1.00	-
Airport Equipment Mechanic	6.00	6.00	-
Airport Maintenance Supervisor	4.00	4.00	-
Airport Operations Manager I/II	4.00	4.00	-
Airport Operations Superintendent I/II	4.00	4.00	-
Airport Operations Supervisor I/II/III	18.00	18.00	-
Analyst I/II	7.00	7.00	-
Assistant Director of Aviation	1.00	1.00	-
Associate Engineer	4.00	4.00	-
Associate Structure/Land Designer	1.00	1.00	-
Aviation Security and Permit Specialist	5.00	5.00	-
Building Management Administrator	1.00	1.00	-
Carpenter	1.00	1.00	-
Dept Information Tech Manager	1.00	1.00	-
Deputy Director	5.00	5.00	-
Director of Aviation	1.00	1.00	-
Division Manager	2.00	2.00	-
Electrician I/II	3.00	3.00	-
Electrician Supervisor	1.00	1.00	-
Engineer I/II	4.00	4.00	-
Environmental Services Program Manager	1.00	1.00	-
Environmental Services Specialist	1.00	2.00	1.00
Geographic Info Systems Specialist I/II	2.00	2.00	-
Information Systems Analyst	2.00	3.00	1.00
Maintenance Assistant/Maintenance Worker I	14.00	14.00	-
Maintenance Superintendent	1.00	1.00	-
Maintenance Worker II	13.00	13.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-
Office Specialist I/II	2.00	2.00	-
Painter	3.00	3.00	-
Planner I/II/III	1.00	1.00	-
Planner IV	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Property Manager	1.00	1.00	-
Program Manager	4.00	4.00	-
Property Manager I/II	5.00	6.00	1.00
Public Information Manager	2.00	2.00	-
Public Information Representative I/II	3.00	3.00	-

Airport Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024	Change
Senior Account Clerk	3.00	3.00	-
Senior Accountant	4.00	4.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Airport Equipment Mechanic	2.00	3.00	1.00
Senior Airport Operations Specialist I/II/III	27.00	27.00	-
Senior Analyst	9.00	9.00	-
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Electrician	1.00	1.00	-
Senior Electronic Systems Technician	1.00	1.00	-
Senior Engineer	2.00	2.00	-
Senior Engineering Technician	2.00	2.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Maintenance Worker	4.00	4.00	-
Senior Painter	1.00	1.00	-
Senior Property Manager I/II	2.00	2.00	-
Senior Public Information Representative	2.00	2.00	-
Senior Systems Applications Programmer	1.00	1.00	-
Senior Warehouse Worker	0.00	1.00	1.00
Sign Shop Technician	1.00	1.00	-
Staff Specialist	5.00	5.00	-
Supervising Accountant	2.00	2.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervisor, Trades	2.00	2.00	-
Systems Application Programmer I/II	1.00	1.00	-
Total Positions	223.00	228.00	5.00

Office of the City Attorney

Nora Frimann, City Attorney

MISSION

The Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, with the goal of protecting and advancing the City's interests in serving the people of San José

CITY SERVICE AREA

Strategic Support

CORE SERVICES

LEGAL SERVICES

Advocate, defend, and prosecute on behalf of the City's interests. Provide oral and written advice on legal issues and prepare documents to implement official City actions.

Strategic Support: Provides administrative oversight for the department, including executive management, financial management, human resources, and emergency response

Office of the City Attorney

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Legal Services Core Service</i>	
Legal Representation	Provides legal representation to advocate, defend, and prosecute matters on behalf of the City and the Successor Agency to the Redevelopment Agency. This involves a variety of activities, including defense of lawsuits; general liability claims management; prosecution of municipal code violations; workers' compensation investigations and litigation; seeking injunctions for general nuisance, gang, and drug abatements; alternative dispute resolution and contract dispute assistance; and initiation of litigation which can result in significant revenue collections.
Legal Transactions	Provides oral and written legal counsel and advice to the Mayor, City Council, Council Appointees, City departments, City boards, commissions, and committees, and to the Successor Agency to the Redevelopment Agency, and is responsible for review and preparation of ordinances, resolutions, contracts, permits, and other legal documents to implement official City and Agency actions.
<i>Strategic Support Core Service</i>	
City Attorney Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.
City Attorney Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the City Attorney

Department Budget Summary

Expected 2023-2024 Service Delivery

- The City Attorney's Office (CAO) will continue to provide legal representation and advice, while facing the challenge of meeting legal services demand that is largely driven by outside factors. Transactional legal assignments are generated by City Council direction and department requests that are often driven by technology innovations, economic conditions, and state and federal mandates. Litigation matters often originate from claims and lawsuits against the City; consequently, workloads and liability exposure are largely out of the CAO's control. In addition, the Office prosecutes criminal cases and files a variety of affirmative lawsuits. The Office will continue to provide in-house legal services while managing unpredictable fluctuations in demand for these services.
- Transactional legal services will continue to be delivered by the Office with priority given to matters that reflect Council priorities and will provide the greatest benefit to the City or have the potential for increasing revenue. Lower priority assignments will be performed as time and staffing allows.
- Increased legal services will be required to assist on: 1) Housing-related ordinances and issues, including Housing transactions, and Council initiatives on homelessness, rent control and mobile homes; the Housing workplan, which includes development of 1,000 interim housing units within the next 12 months (currently there are five Homekey applications and projects with more in the pipeline and increasing permanent housing); CAO work including land acquisition (purchase and sale agreement, lease agreement, license agreement, and joint use agreement), and ordinances and policies, grant agreements and other agreements with developers and non-profits as City is looking to triple its deals in the next year; 2) advice to the Planning, Building and Code Enforcement Department, Office of Economic Development and Cultural Affairs Department, and other departments supporting development; 3) real estate-related projects, including the Flea Market project(s) and other projects throughout the City; 4) capital construction projects and issues relating to the Regional Wastewater Facility and various City facilities, streets, and infrastructure; 5) innovation efforts to improve City technology; 6) proposed reforms in connection with the City's Reimagining Policing efforts; 7) continuing legal guidance to the Emergency Operations Center as the City recovers from the COVID-19 pandemic and other emergencies; and 8) increasing legal advice and support to the Community Energy and Finance Departments.
- Litigation defense services will continue to take priority over proactive suits by the City. The net loss of litigation attorney positions has, at times, affected the Office's ability to adequately staff lawsuits and other litigation matters.
- Significant legal staff and resources are dedicated to collecting, reviewing, and responding to time consuming and time-sensitive Public Records Act (PRA) requests, litigation records, and discovery.

2023-2024 Key Budget Actions

- Adds 1.0 Associate Deputy City Attorney position to perform basic attorney work benefiting a variety of City Departments.
- Adds 1.0 Associate Deputy City Attorney position through June 30, 2024 to continue to support Gun Violence Restraining Orders and criminal litigation work.
- Adds 1.0 Legal Analyst II position to address the continuing worker's compensation legal services demands.

Operating Funds Managed

N/A

Office of the City Attorney

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Legal Services	20,702,985	22,482,894	21,898,187	22,364,505
Strategic Support - City Council Appointees	1,769,426	1,806,517	1,818,421	1,919,014
Strategic Support - Other - Council Appointees	8,080,833	17,271,845	7,002,174	7,002,174
Total	\$30,553,243	\$41,561,256	\$30,718,782	\$31,285,693
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	20,536,792	22,035,356	22,012,553	22,582,710
Overtime	23,934	0	0	0
Subtotal Personal Services	\$20,560,726	\$22,035,356	\$22,012,553	\$22,582,710
Non-Personal/Equipment	1,844,563	2,254,055	1,704,055	1,700,809
Total Personal Services & Non-Personal/Equipment	\$22,405,290	\$24,289,411	\$23,716,608	\$24,283,519
Other Costs *				
City-Wide Expenses	8,140,480	15,961,640	6,000,000	6,000,000
Housing Loans and Grants	0	0	0	0
Other	85	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	7,388	1,310,205	1,002,174	1,002,174
Total Other Costs	\$8,147,953	\$17,271,845	\$7,002,174	\$7,002,174
Total	\$30,553,243	\$41,561,256	\$30,718,782	\$31,285,693

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Attorney

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	25,881,256	33,681,447	23,229,778	23,796,689
Airport Maintenance And Operation Fund (523)	643,072	757,192	935,966	935,966
Building Development Fee Program Fund (237)	0	73,965	78,579	78,579
Community Development Block Grant Fund (441)	19,900	21,597	21,451	21,451
Home Investment Partnership Program Trust Fund (445)	6,823	20,994	11,515	11,515
Housing Trust Fund (440)	37,068	53,223	40,410	40,410
Integrated Waste Management Fund (423)	64,805	76,154	72,520	72,520
Low And Moderate Income Housing Asset Fund (346)	1,001,868	1,450,090	1,357,739	1,357,739
Multi-Source Housing Fund (448)	0	124,395	117,208	117,208
Planning Development Fee Program Fund (238)	0	386,518	418,934	418,934
Rental Stabilization Program Fee Fund (450)	575,009	589,703	527,941	527,941
San José Clean Energy Operating Fund (501)	833,952	1,410,223	1,250,951	1,250,951
San José-Santa Clara Treatment Plant Operating Fund (513)	69,428	89,526	73,961	73,961
Sewer Service And Use Charge Fund (541)	830,471	1,835,390	1,646,573	1,646,573
Water Utility Fund (515)	113,492	163,541	168,559	168,559
Workforce Development Fund (290)	87,883	117,970	129,199	129,199
Capital Funds	388,218	709,328	637,500	637,500
Total	\$30,553,243	\$41,561,256	\$30,718,782	\$31,285,693
Positions by Core Service **				
Legal Services	23.97	79.70	77.70	80.70
Strategic Support - City Council Appointees	6.80	6.80	6.80	7.80
Total	30.77	86.50	84.50	88.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Attorney

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Legal Services					
Legal Representation	10,076,560	10,730,700	10,454,288	10,772,665	37.39
Legal Transactions	10,626,425	11,752,194	11,443,899	11,591,840	43.31
Sub-Total	20,702,985	22,482,894	21,898,187	22,364,505	80.70
Strategic Support - City Council Appointees					
City Attorney Management and Administration	1,769,426	1,806,517	1,818,421	1,919,014	7.80
Sub-Total	1,769,426	1,806,517	1,818,421	1,919,014	7.80
Strategic Support - Other - Council Appointees					
City Attorney Other Departmental - City-Wide	7,926,381	15,961,640	6,000,000	6,000,000	0.00
City Attorney Other Operational - Administration	147,064	0	0	0	0.00
City Attorney Overhead	7,388	1,310,205	1,002,174	1,002,174	0.00
Sub-Total	8,080,833	17,271,845	7,002,174	7,002,174	0.00
Total	\$30,553,243	\$41,561,256	\$30,718,782	\$31,285,693	88.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Office of the City Attorney

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	86.50	24,289,411	17,719,807
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(200,000)	0
• Body Worn Camera Review		(350,000)	(350,000)
• Public Safety Initiatives		(200,000)	(200,000)
• Worker's Compensation Legal Support (1.0 Legal Analyst II)	(1.00)	(154,825)	(154,825)
• Neighborhood Injunction Legal Support (1.0 Legal Analyst II)	(1.00)	(154,825)	(154,825)
One-time Prior Year Expenditures Subtotal:	84.50	(1,059,650)	(859,650)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		486,847	369,621
Technical Adjustments Subtotal:	0.00	486,847	369,621
2023-2024 Forecast Base Budget:	84.50	23,716,608	17,229,778
Budget Proposals Recommended			
1. Gun Violence Restraining Order Staffing	1.00	161,571	161,571
2. Workers' Compensation Legal Support Staffing	1.00	156,806	156,806
3. Transactional Associate Attorney Staffing	1.00	147,941	147,941
4. City Attorney's Office Administrative Support Staffing	1.00	103,839	103,839
5. California Network and Telecommunications (CalNet) Program Savings		(3,246)	(3,246)
Total Budget Proposals Recommended	4.00	566,911	566,911
2023-2024 Proposed Budget Total	88.50	24,283,519	17,796,689

Office of the City Attorney

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Gun Violence Restraining Order Staffing	1.00	161,571	161,571

Strategic Support CSA
Legal Services Core Service
Legal Representation Program

This action continues 1.0 Associate Deputy City Attorney position, through June 30, 2024, to support Gun Violence Restraining Orders (GVRO). Initial funding to support GVRO was included as part of the City Council-approved Mayor's June Budget Message for Fiscal Year 2021-2022. The San José Police Department (SJPD) leads the County in requests for GVROs, and the City Attorney's Office (CAO) evaluates and pursues GVROs initiated by SJPD and handles further filings and court appearances. Due to changes in the GVRO law effective January 1, 2020, which require police to consider GVROs in cases involving domestic violence, as well as apparent effects of shelter-in-place orders on families in San José, CAO experienced a significant increase in GVROs. In calendar year 2020, there were a total of 32 GVROs filed; in calendar year 2021, there were a total of 34 filed; and in calendar year 2022, there were 73 filed. September through December were the busiest months for GVRO filings, during which time 30 GVRO cases were opened. Because of the increase in GVROs, the temporary staffing will help address the increased workload. Further, the public is largely unaware of GVROs and the process of how to obtain one. To address this need, SJPD recently updated its website to include GVRO information, including what factors the court considers when issuing a GVRO and links to the commonly used GVRO forms created by the California Judicial Council; more awareness will result in more GVROs. (Ongoing costs: \$0)

2. Workers' Compensation Legal Support Staffing	1.00	156,806	156,806
---	------	---------	---------

Strategic Support CSA
Legal Services Core Service
Legal Representation Program

This action continues a temporary position on an ongoing basis by adding 1.0 Legal Analyst II position to address the continuing worker's compensation legal services demands. Previously funded on a one-time basis for many years, this position will continue to provide essential legal support to the attorneys by developing case evidence, including medical reviews, and monitoring case activity. This position will also investigate and evaluate subrogation cases for potential cost recovery on behalf of the City. This Legal Analyst position will also coordinate with the Human Resources Health and Safety Division and the City's Third-Party Administrator on a regular basis, improving communication and coordination between all parties. These cost-effective services are required in each of the service delivery options for the Workers' Compensation Program. (Ongoing costs: \$158,131)

Office of the City Attorney

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Transactional Associate Attorney Staffing	1.00	147,941	147,941

Strategic Support CSA
Legal Services Core Service
Legal Transactions Program

This action adds 1.0 Associate Deputy City Attorney position. Under the direction and supervision of senior management in the Office of the City Attorney, the Associate Deputy City Attorney position will perform basic attorney work benefiting a variety of City Departments while receiving valuable training and experience for a career in public service. This position will be assigned increasingly complex legal work under supervision in support of various City Departments until demonstrating the proficiency to handle Deputy City Attorney-level work with less supervision. The position will provide a rare, entry-level position for recent law school graduates or newly practicing attorneys who are interested in utilizing their legal training to serve the City of San José and its residents. The position will also serve as a pipeline to diversify the workforce and for the City to identify, train, and retain new attorneys with a demonstrated dedication and passion for public service and familiarity with City Departments, ordinances, policies, programs, administration, and contracting practices. (Ongoing costs: \$161,390)

4. City Attorney's Office Administrative Support Staffing	1.00	103,839	103,839
--	-------------	----------------	----------------

Strategic Support CSA
Strategic Support – City Council Appointees Core Service
City Attorney Management and Administration Program

This action adds 1.0 Office Specialist position to perform general office and clerical work, including reception duties, office supply ordering and inventory maintenance, mail pick-up and distribution, data entry, timekeeping, record maintenance, and filing. This position was eliminated as part of the 2021-2022 Adopted Operating Budget as a General Fund budget balancing strategy and the front desk was opened on a limited basis due to the pandemic. As the City started bringing employees back onsite and opened City Hall to the public, the need for this position is required to continue to provide customer service to both internal and external customers in a timely manner and at the service levels expected of the Office. As a result, the Office has been covering the front desk with temporary staffing. (Ongoing costs: \$104,672)

Office of the City Attorney

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. California Network and Telecommunications (CalNet) Program Savings		(3,246)	(3,246)

Strategic Support CSA

Strategic Support – City Council Appointees Core Service

City Attorney Management and Administration Program

This action decreases the Department's non-personal/equipment funding by \$3,246 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$3,246)










2023-2024 Proposed Budget Changes Total	4.00	566,911	566,911
--	-------------	----------------	----------------

Office of the City Attorney

Performance Summary

Legal Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of time final case results are within staff analyses and/or recommendations	N/A ¹	90%	N/A ¹	90%
 Cost of representation compared to law offices of similar size, practice, and expertise, including other governmental law offices				
- City Attorney's Office average hourly rate	\$158	\$160	\$157	\$160
- Outside Legal Counsel average hourly rate	\$355	\$416	\$416	\$416
 % of time client is timely informed of significant developments in a case	N/A ¹	80%	N/A ¹	80%
 % of survey respondents rating legal services satisfactory or better based on quality, cycle time, and professionalism	N/A ¹	86%	N/A ¹	86%
 % of time final documents accurately reflect the approval of City action	N/A ¹	96%	N/A ¹	96%
 % of time that advice identifies and analyzes legal issues and risks	N/A ¹	90%	N/A ¹	90%
 % of time that advice provides alternatives where appropriate	N/A ¹	75%	N/A ¹	75%
 Cost of advice and documentation compared to law offices of similar size, practice, and expertise including other governmental offices				
- City Attorney's Office average hourly rate	\$158	\$160	\$157	\$160
- Outside Legal Counsel average hourly rate	\$355	\$416	\$416	\$416
 % of time client receives advice/document within mutually accepted time frames	77%	80%	77%	80%

¹ The survey was not conducted in 2022-2023.

Office of the City Attorney

Performance Summary

Legal Services

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of claims filed against the City	542	567	484	508
# of lawsuits filed against the City	125	125	118	130
# of lawsuits and administrative actions filed or initiated by the City ¹	292	350	600	630
# of Council/Board/Manager memoranda:				
- Prepared	1,521	2,000	2,033	2,000
- Reviewed	642	750	597	657
# of formal Opinions issued	0	3	0	1
# of Resolutions	438	450	413	454
# of Ordinances	167	175	132	139
# of Agreements	1,931	2,000	2,050	2,050

¹ The 2022-2023 Estimated number is trending much higher than previous years mostly due to the number of sideshow citations the City has enforced.

Office of the City Attorney

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Assistant City Attorney	2.00	2.00	-
Associate Deputy City Attorney	1.00	3.00	2.00
Chief Deputy City Attorney	4.00	4.00	-
City Attorney	1.00	1.00	-
Deputy City Attorney I/II/III/IV	12.00	12.00	-
Executive Assistant	1.00	1.00	-
Legal Administrative Assistant	9.50	9.50	-
Legal Analyst I/II/III	17.00	16.00	(1.00)
Legal Services Administrator	1.00	1.00	-
Legal Services Manager	1.00	1.00	-
Network Engineer	1.00	1.00	-
Office Specialist I/II	1.00	2.00	1.00
Senior Deputy City Attorney I/II/III/IV	31.00	31.00	-
Senior Legal Analyst	3.00	3.00	-
Senior Supervisor, Administration	1.00	1.00	-
Total Positions	86.50	88.50	2.00

PAGE INTENTIONALLY LEFT BLANK

Office of the City Auditor

Joe Rois, City Auditor

MISSION

Independently assess and report on City operations and services

CITY SERVICE AREA

Strategic Support

CORE SERVICES

AUDIT SERVICES

Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

Strategic Support: Administrative Support and Emergency Response and Recovery

Office of the City Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Audit Services Core Service</i>	
Performance Audits	Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
<i>Strategic Support Core Service</i>	
City Auditor Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.
City Auditor Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the City Auditor

Department Budget Summary

Expected 2023-2024 Service Delivery

- Conduct program performance audits identifying ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The 2023-2024 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2023, with a continued focus on searching for operational efficiencies, revenues, and cost-saving opportunities.
- Issue the Annual Report on City Services. This report details the cost, workload, and performance data for City services and is intended to improve government transparency and accountability and provide consolidated performance information to the public, allowing informed decision making by City officials, staff, and the public.
- Provide oversight of external auditors on the City of San José Annual Financial Audit and Single Audit; the Audits of Parks and Recreation Bond, Library Bond, Public Safety and Infrastructure Bond, and Parcel Tax Funds; the Annual Compliance Review of San José Clean Energy's Risk Management Practices; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.
- Monitor the status of open audit recommendations and provide status updates through the online dashboard of audit recommendations and the issuance of two Status of Open Audit Recommendations reports.

2023-2024 Key Budget Actions

- Adds 1.0 Assistant City Auditor position, which will provide additional supervisory capacity, ensure audit quality, and encourage staff retention by providing a longer career path within the Office. This action is partially offset by the elimination of 1.0 Program Performance Auditor I/II position.

Operating Funds Managed

N/A

Office of the City Auditor

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Audit Services	2,423,563	3,309,166	3,238,199	3,439,512
Strategic Support - City Council Appointees	0	173,277	184,872	184,872
Strategic Support - Other - Council Appointees	439,388	0	0	0
Total	\$2,862,951	\$3,482,443	\$3,423,072	\$3,624,384
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	2,218,914	2,722,614	2,672,457	2,875,255
Overtime	0	0	0	0
Subtotal Personal Services	\$2,218,914	\$2,722,614	\$2,672,457	\$2,875,255
Non-Personal/Equipment	37,465	53,224	48,724	47,238
Total Personal Services & Non-Personal/Equipment	\$2,256,379	\$2,775,838	\$2,721,181	\$2,922,493
Other Costs *				
City-Wide Expenses	439,388	460,650	455,936	455,936
Housing Loans and Grants	0	0	0	0
Other	167,184	245,955	245,955	245,955
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$606,572	\$706,605	\$701,891	\$701,891
Total	\$2,862,951	\$3,482,443	\$3,423,072	\$3,624,384

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Auditor

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	2,695,767	3,236,488	3,177,117	3,378,429
Airport Maintenance And Operation Fund (523)	80,737	83,033	83,033	83,033
San José Clean Energy Operating Fund (501)	60,038	130,650	130,650	130,650
Sewer Service And Use Charge Fund (541)	26,408	32,272	32,272	32,272
Total	\$2,862,951	\$3,482,443	\$3,423,072	\$3,624,384
Positions by Core Service **				
Audit Services	12.00	13.00	13.00	13.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	13.00	14.00	14.00	14.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Auditor

Department Budget Summary

	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

Audit Services					
Performance Audits	2,423,563	3,309,166	3,238,199	3,439,512	13.00
Sub-Total	2,423,563	3,309,166	3,238,199	3,439,512	13.00
Strategic Support - City Council Appointees					
City Auditor Management and Administration	0	173,277	184,872	184,872	1.00
Sub-Total	0	173,277	184,872	184,872	1.00
Strategic Support - Other - Council Appointees					
City Auditor Other Departmental - City-Wide	439,388	0	0	0	0.00
Sub-Total	439,388	0	0	0	0.00
Total	\$2,862,951	\$3,482,443	\$3,423,072	\$3,624,384	14.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Office of the City Auditor

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	14.00	2,775,838	2,775,838
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(4,500)	(4,500)
One-time Prior Year Expenditures Subtotal:	0.00	2,771,338	2,771,338
<hr/> Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		(50,157)	(50,157)
Technical Adjustments Subtotal:	0.00	(50,157)	(50,157)
2023-2024 Forecast Base Budget:	14.00	2,721,181	2,721,181
<hr/> Budget Proposals Recommended <hr/>			
1. Assistant City Auditor Staffing	0.00	202,798	202,798
2. California Network and Telecommunications (CalNet) Program Savings		(1,486)	(1,486)
Total Budget Proposals Recommended	0.00	201,312	201,312
<hr/>			
2023-2024 Proposed Budget Total:	14.00	2,922,493	2,922,493

Office of the City Auditor

Budget Changes by Department

Personal Services and Non-Personal/Equipment




2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Assistant City Auditor Staffing <i>Strategic Support CSA</i> <i>Audit Services Core Service</i> <i>Performance Audits Program</i> This action adds 1.0 Assistant City Auditor position and deletes 1.0 Program Performance Auditor II position effective October 1, 2023. By adding the Assistant City Auditor position, it will provide a longer career path within the Auditor’s Office and encourage staff retention. In the past two years, the Office has experienced significant turnover – currently seven of the 14 budgeted positions in the Office are staffed with individuals who have been in the Office for less than 18 months. By adding an additional management position in the Office, it will assist in improving City services, identify potential cost savings, and address the City’s equity goals. The audit function is an essential element of the City’s public accountability, and maintaining an experienced staff is critical moving forward. The Assistant City Auditor position will assist the City Auditor in carrying out the Office’s responsibilities outlined in the City Charter, coordinate audit projects, provide technical assistance to audit teams, and supervise, evaluate, and mentor staff. This position will also provide additional supervisory capacity, ensuring continued audit quality. (Ongoing costs: \$166,054)	0.00	202,798	202,798
2. California Network and Telecommunications (CalNet) Program Savings <i>Strategic Support CSA</i> <i>Audit Services Core Service</i> <i>Performance Audits Program</i> This action decreases the non-personal/equipment funding by \$1,486 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$1,486)		(1,486)	(1,486)
2023-2024 Proposed Budget Changes Total	0.00	201,312	201,312

Office of the City Auditor

Performance Summary

Audit Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of audit recommendations implemented (cumulative over 10 years)	75%	80%	78%	80%
 Ratio identified monetary benefit to audit cost	\$0.40 to \$1	\$2 to \$1	\$5.57 to \$1	\$2 to \$1
 % of proposed workplan completed or substantially completed during the fiscal year	68%	80%	79%	80%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of audit reports issued	17	16	14	18
# of audit recommendations adopted	36	50	28	50
# of audit reports per auditor	2 to 1	1.5 to 1	1.4 to 1	1.5 to 1
Estimated monetary benefits ¹	\$1,012,000	\$5,542,000	\$15,459,500 ²	\$5,845,000

¹ The measure has been revised to more accurately reflect the methodology used for calculating monetary benefits and will be consistent with how this measure is reported elsewhere. The measure includes potential cost savings, revenue enhancements, and estimated value from efficiency gains or protecting City assets.

² The 2022-2023 Estimated monetary benefits is based on findings and improvements recommended in the Audit of COVID-19 Food Distribution Expenditures, Audit of Tree Removals and Replacements, Audit of Firearm Regulations, and Audit of the San Jose Conservation Corps.

Office of the City Auditor
Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Assistant City Auditor	0.00	1.00	1.00
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	7.00	6.00	(1.00)
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
Total Positions	14.00	14.00	0.00

Office of the City Clerk

Toni J. Taber, City Clerk

MISSION

Maximize public access to municipal government

CITY SERVICE AREA

Strategic Support

CORE SERVICES

CITY CLERK SERVICES

Maximize public access to the City's legislative processes by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public, and serve as a compliance officer and administrator for federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act

Strategic Support: City Clerk Management and Administration and Emergency Response and Recovery

Office of the City Clerk

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>City Clerk Services Core Service</i>	
Facilitate the City's Legislative Process	Maximizes public access to the City's legislative process by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public. Serves as a compliance officer for federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act.
<i>Strategic Support Core Service</i>	
City Clerk Management and Administration	Provides administrative oversight for the department, including financial management, human resources, and analytical support.
City Clerk Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the City Clerk

Department Budget Summary

Expected 2023-2024 Service Delivery

- Administer Sunshine/Open Government Reforms to provide transparent legislative services.
- Ensure the public has access to information regarding meetings and open deliberations by creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings. Additionally, provide legislative services to all other Council Committees by writing and distributing minutes about Ordinances, Resolutions, and Charter Amendments.
- Deliver fiscal, grant, budget, human resources, payroll, administrative, and technical support services to the Mayor's Office, City Council Offices, and for the City's Boards, Commissions, and Committees.
- Supply access to information regarding government business records including the City's legislative records and documents.
- Administer access to information regarding financial interests of officials and candidates by providing and improving compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with City Charter and the State of California elections code.

2023-2024 Key Budget Actions

- Adds 1.0 Analyst position to support contract management and public records act requests.
- Adds one-time non-personal/equipment funding of \$400,000, which \$75,000 is ongoing, to provide onsite and virtual interpretation services for all City Council meetings, study sessions, and City Council committee meetings.

Operating Funds Managed

N/A

Office of the City Clerk

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
City Clerk Services	3,133,286	2,996,449	3,144,882	3,690,850
Strategic Support - City Council Appointees	619,074	597,740	182,597	182,597
Strategic Support - Other - Council Appointees	972,475	6,798,632	4,929,102	4,929,102
Total	\$4,724,835	\$10,392,821	\$8,256,581	\$8,802,549
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	2,624,196	3,001,413	2,911,710	3,058,986
Overtime	23,637	0	0	0
Subtotal Personal Services	\$2,647,834	\$3,001,413	\$2,911,710	\$3,058,986
Non-Personal/Equipment	821,927	287,776	399,769	798,461
Total Personal Services & Non-Personal/Equipment	\$3,469,760	\$3,289,189	\$3,311,479	\$3,857,447
Other Costs *				
City-Wide Expenses	987,374	6,814,632	4,945,102	4,945,102
Housing Loans and Grants	0	0	0	0
Other	267,701	289,000	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$1,255,075	\$7,103,632	\$4,945,102	\$4,945,102
Total	\$4,724,835	\$10,392,821	\$8,256,581	\$8,802,549

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Clerk

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	4,452,506	10,103,821	8,256,581	8,802,549
American Rescue Plan Fund (402)	272,329	289,000	0	0
Total	\$4,724,835	\$10,392,821	\$8,256,581	\$8,802,549
Positions by Core Service **				
City Clerk Services	12.00	16.00	16.00	17.00
Strategic Support - City Council Appointees	2.00	2.00	1.00	1.00
Total	14.00	18.00	17.00	18.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Clerk

Department Budget Summary

	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

City Clerk Services					
Facilitate the City's Legislative Process	3,133,286	2,996,449	3,144,882	3,690,850	17.00
Sub-Total	3,133,286	2,996,449	3,144,882	3,690,850	17.00
Strategic Support - City Council Appointees					
Clerk Emergency Response and Recovery	272,329	289,000	0	0	0.00
Clerk Management and Administration	346,745	308,740	182,597	182,597	1.00
Sub-Total	619,074	597,740	182,597	182,597	1.00
Strategic Support - Other - Council Appointees					
Clerk Other Departmental - City-Wide	972,475	6,798,632	4,929,102	4,929,102	0.00
Sub-Total	972,475	6,798,632	4,929,102	4,929,102	0.00
Total	\$4,724,835	\$10,392,821	\$8,256,581	\$8,802,549	18.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Office of the City Clerk

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	18.00	3,289,189	3,289,189
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Contracts Processing and Coordination Staffing (1.0 Analyst II)	(1.00)	(133,961)	(133,961)
One-time Prior Year Expenditures Subtotal:	(1.00)	(133,961)	(133,961)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		43,547	43,547
• Contract Services: Agenda Management System		99,470	99,470
• Training		6,000	6,000
• Contract Services: Granicus		2,810	2,810
• Contract Services: Municode		2,494	2,494
• Contract Services: SharePoint		1,930	1,930
Technical Adjustments Subtotal:	0.00	156,251	156,251
2023-2024 Forecast Base Budget:	17.00	3,311,479	3,311,479
<hr/> Budget Proposals Recommended <hr/>			
1. City Council and Committee Meeting Interpretation Services		400,000	400,000
2. Contracts and Public Records Staffing	1.00	147,275	147,275
3. California Network and Telecommunications (CalNet) Program Savings		(1,308)	(1,308)
Total Budget Proposals Recommended	1.00	545,967	545,967
<hr/>			
2023-2024 Proposed Budget Total	18.00	3,857,447	3,857,447
<hr/>			

Office of the City Clerk

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. City Council and Committee Meeting Interpretation Services		400,000	400,000

Strategic Support CSA
City Clerk Services Core Service
Facilitate the City's Legislative Process Program

This action adds one-time non-personal/equipment funding of \$400,000 (\$75,000 ongoing) to fund both in-person and online Spanish and Vietnamese interpretation services for all City Council meetings and study sessions, and all City Council committee meetings, including the City Council Rules and Open Government Committee meetings. Currently, the Clerk Office's Base Budget allocation for interpretation services is \$50,000, but recent expenditures with the onset of the pandemic and hybrid meetings have been approximately \$125,000. This recommended action allocates \$75,000 ongoing to meet prior year expenditure levels. The allocation of \$400,000 in 2023-2024 provides sufficient capacity to ensure a higher level of in-person and online interpretation while the Clerk's Office, in partnership with the Office of Racial Equity, evaluates other technology options that could result in significantly reduced costs in the future while also providing consistent and reliable interpretation services. As a result, the budget for interpretation will be reevaluated as part of the 2024-2025 budget development process. (Ongoing costs: \$75,000)

2. Contracts and Public Records Staffing	1.00	147,275	147,275
---	-------------	----------------	----------------

Strategic Support CSA
City Clerk Services Core Service
Facilitate the City's Legislative Process Program

This action continues 1.0 Analyst position on an ongoing basis to support contract management and public records act (PRA) requests. In 2022-2023, two temporary positions were approved to provide support for contract management and public records act management, and this action will continue the support permanently but with one position. This position will continue to provide PRA support and serve as the liaison between the Mayor and Council Offices by overseeing compliance and ensuring the requirements of fulfilling statutory deadlines for PRA requests are met. The position will coordinate questions and responses, communicate deadlines, receive pertinent documents from the Mayor and Council Offices for legal review, and respond to the requestor so the Mayor and Council Offices can focus on community initiatives and projects. The position will work with the Open Government Manager to guide staff in submitting requested records correctly and timely. The position will also continue to provide contract management support by filing completed executed contracts and overseeing the maintenance of the electronic document management system to provide digitized records to the public in accordance with Council Policy or State mandates. (Ongoing costs: \$148,558)

Office of the City Clerk

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. California Network and Telecommunications (CalNet) Program Savings		(1,308)	(1,308)

Strategic Support CSA

City Clerk Services Core Service

Facilitate the City's Legislative Process Program

This action decreases the Department's non-personal/equipment funding by \$1,308 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$1,308)








2023-2024 Proposed Budget Changes Total	1.00	545,967	545,967
--	-------------	----------------	----------------

Office of the City Clerk

Performance Summary

Facilitate the City's Legislative Process

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of complete City Council Agenda packets available online 10 days before the Council meeting	100%	100%	100%	100%
 Estimated cost to document and track legislative actions per Council meeting	\$4,330	\$4,407	\$4,817	\$4,962
 % of Public Records Act requests received and fulfilled by the Clerk's Office within 10 days of request	97%	100%	99%	100%
 % of City contracts that have all required documents after a compliance check	94%	95%	95%	95%
 % of Council synopses completed and posted online within three business days after the Council meeting	97%	95%	97%	95%
 % of Resolutions/Ordinances posted online within 3 business days of receipt from the City Attorney's Office	95%	100%	100%	100%
 % of customers rating customer service experience with the Clerk's Office as good or excellent	100%	95%	90%	95%

Office of the City Clerk

Performance Summary

Facilitate the City's Legislative Process

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of meetings staffed ¹	233	200	200	200
# of board/commission applications processed	120	250	175	250
# of contracts processed ²	3,245	2,408	3,569	3,926
# of grants processed (Council Office and Arena Community Fund)	297	292	295	290
# of Statements of Economic Interest/Family Gift Reports processed	3,576	2,633	2,500	2,500
# of campaign filings processed	607	283	200	339
# of ads placed in legal publications	330	300	300	300
# of Lobbyist Reports processed	577	747	600	660
# of Ordinances and Resolutions processed	664	613	648	680
# of Council Actions recorded, processed, and tracked	1,675	2,000	2,000	1,500
# of Public Records Act requests processed	681	875	310 ³	310 ³
# of internal requests for information/documents processed	252	359	250	250

¹ Meetings are defined as City Council meetings and study sessions, Council Committees, Civil Service, Council Salary Setting and Council Appointment Advisory Commissions, Board of Fair Campaign and Political Practices, Charter Review Commission, and the Redistricting Commission.

² Data includes contracts and grants processed.

³ The 2021-2022 Actual and 2022-2023 Forecast reflect the number of responsive records whereas the 2022-2023 Estimated and 2023-2024 Forecast reflects the number of requests.

Office of the City Clerk
Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Analyst I/II	5.00	5.00	-
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Legislative Secretary	3.00	3.00	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Records Specialist	1.00	1.00	-
Senior Analyst	1.00	1.00	-
Senior Supervisor of Administration	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Total Positions	18.00	18.00	0.00

Office of the City Manager

Jennifer A. Maguire, City Manager

MISSION

Provide strategic leadership that supports the Mayor and the City Council, and motivates and challenges the organization to deliver high quality services that meet the community's needs

CITY SERVICE AREA

Public Safety

Strategic Support

CORE SERVICES

CITY-WIDE EMERGENCY MANAGEMENT

Lead efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies.

LEAD AND MANAGE THE ORGANIZATION

Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy. Advance organizational mission, determine accountability, set organizational goals, and build organizational capacity. Provide strategic direction and management for city-wide operations and service delivery

Strategic Support: Administrative and Policy Support, Financial Management, and Emergency Response and Recovery.

Office of the City Manager

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>City-Wide Emergency Management Core Service</i>	
Emergency Management	Oversees emergency management efforts throughout the City, including preparedness, response, recovery, and mitigation; maintains a citywide Emergency Management Roadmap to address preparedness gaps; ensures comprehensive all hazards planning, exercises, and training comply with state and federal requirements; and, engages the community through culturally-specific public education and training to encourage preparation for the next emergency.
<i>Lead and Manage the Organization Core Service</i>	
Administration, Policy, and Intergovernmental Relations	Supports city-wide leadership by resolving complex administrative matters, and supporting city-wide strategic initiatives, policy analysis and implementation; leads office hiring; provides fiscal and purchasing services; oversees contract management and execution; tracks state and federal legislation; provides committee and special workgroup staffing and policy support; manages agenda services; and coordinates multi-departmental Public Record Act requests.
Budget	Develops and monitors the City's operating and capital budgets which total \$5.2 billion annually and include 7,033 positions; works with City departments to develop a budget that meets the highest community and organizational priority needs while maintaining fiscal integrity; responds to and tracks budget-related City Council direction; works with departments to improve operational efficiency; and supports city-wide performance measure tracking and data-driven service delivery.
Communications	Directs and implements the City's communications strategy to inform and engage San José residents in an inclusive, culturally specific manner; provides strategic counsel to the City Manager and oversight of media relations; oversees internal communications; supports emergency public information; and provides digital, social, and creative services.
Employee Relations	Represents the City Council and City Manager in various labor relations issues and negotiates on behalf of the City on wages, hours, and other terms and conditions of employment; and manages employee relations matters and advises and assists departments regarding strategies and due process requirements when dealing with employee sub-performance or misconduct.
Executive Leadership/City Management	Provides strategic leadership that supports the Mayor and City Council in making public policy decisions and ensures the organization delivers cost-effective services that meet the needs of our community with the highest standards of quality and customer service; and guides fiscal and change management, performance measurement, the building and development of our workforce, and development of long term, equity-focused, data-driven strategies to invest in the City's future.
Racial Equity	Advances a city-wide equity framework to examine and improve the City's internal policies, practices, and systems to eradicate structural and/or institutional racism that may exist in our City government, and by doing so, ultimately improve outcomes for refugees, immigrants, and communities of color (which includes, but is not limited to, Black, Indigenous, Latino/a/x and Asian and Pacific Islander).

Office of the City Manager

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
City Manager Management and Administration	Provides administrative oversight for the office, including financial management and human resources.
City Manager Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the City Manager

Budget Summary

Expected 2023-2024 Service Delivery

- The City Manager's Office will provide strategic leadership to ensure the effective and efficient delivery of services to the community through 14 different City departments and eight offices within the City Manager's Office with a Proposed Budget totaling \$5.2 billion and 7,033 positions which the budget will increase significantly once funds to complete existing projects are rebudgeted from 2022-2023 to 2023-2024 as part of the Adopted Budget process; advise and make recommendations to the City Council on a wide variety of issues; and implement City Council priorities and policies. In addition to delivering the City's Core Services and Capital Projects contained in the Adopted and Capital Budgets as approved by the City Council, focus areas for 2023-2024 as directed by the City Council will include: 1) Increasing Community Safety; 2) Reducing Unsheltered Homelessness; 3) Cleaning Up Our Neighborhoods; and 4) Attracting Investment in Jobs and Housing.
- The City Manager's Office will also continue advancing the City Manager's Key Foundational Initiatives including: 1) Delivering Excellent Customer Service through the multi-year effort of implementing the City Council approved Customer Service Vision and Standards; 2) Closing Racial Inequities; 3) Structurally Balancing the General Fund Budget; 4) Driving Organizational Performance through modernizing the performance measurement and management system and increasing the use of data; and 5) Making San José a Great Place to Work through the City's recruitment, hiring, and retention efforts.
- The City Manager's Office will lead the City's efforts to scale clean energy and advance sustainable water systems and infrastructure to build a more sustainable and livable city.
- The City Manager's Office will continue to focus on the creation and implementation of the Children and Youth Services Master Plan, including developing and implementing a work plan in collaboration with City departments, community stakeholders, youth, and families.
- The City Manager's Office of Administration, Policy, and Intergovernmental Relations will resolve complex administrative matters, support city-wide policy analysis, implementation, and performance measurement, protect the best interest of the City through legislative advocacy at the federal, state, and local levels, advance the disability accessibility workplan, and ensure the City Council's strategic and transformational initiatives are operationalized.
- The Budget Office will effectively forecast and monitor both revenues and expenditures in over 140 City funds totaling \$5.2 billion, will continue to modernize the City Service Area and associated departmental Core Services performance measures, and will continue embedding equity in the development of the 2024-2025 City budget for City Council consideration.
- The Communications Office will develop and improve effective communication channels; will lead city-wide campaigns and keep the community informed about City services, achievements, emergency services and recovery, and other timely issues; will provide communication and language access trainings and support departmental communication efforts including website and social media.
- The Office of Employee Relations will engage in labor relations with the City's twelve bargaining units representing approximately 4,500 active employees; manage employee relations matters, including conducting personnel investigations; coordinate the City's disability accommodation program; and provide training on a variety of subjects to the organization.
- The Office of Emergency Management will lead efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies.
- The Office of Racial Equity will support the City organization by embedding a racial equity practice that examines City policies, programs, and investments to ultimately improve outcomes for historically underserved and/or excluded communities through staff trainings, workshops, development of tools and community engagement through the San José for All Advisory Group.

Office of the City Manager

Department Budget Summary

2023-2024 Key Budget Actions

- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, and as approved by the City Council, establishes one-time funding of \$4.0 million for the multi-year Customer Service Vision and Standards initiative focusing on cultural change, training, process re-engineering, initial centralized governance, and technology planning and pilot implementation of a centralized customer relationship management system, and adds 1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, and 1.0 Executive Analyst positions, through June 30, 2026, in the City Manager's Office of Administration, Policy & Intergovernmental Relations for project coordination and accountability, intervention and support services, and data analysis and data coordination among departments.
- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, and as approved by the City Council, reallocates \$1.9 million from unallocated Measure E funds for Homelessness Coordination for three limit-dated positions in the City Manager's Office of Administration, Policy, and Intergovernmental Relations that will support the expansion of Emergency Interim Housing Communities, inter-jurisdictional coordination, and data-driven solutions for unsheltered homelessness.
- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, and as approved by the City Council, adds one-time funding of \$400,000 in the Community-Based Violence project (reflected in the City-Wide Expenses section of this document) to develop a community-based approach to preventing and responding to domestic violence, in the City Manager's Office of Administration, Policy & Intergovernmental Relations.
- Continues and makes permanent 1.0 Assistant to the City Manager position, previously funded by the American Rescue Plan, and reallocates 1.0 Executive Analyst position in the City Manager's Office of Emergency Management, previously funded by the Urban Areas Security Initiative Grant, to work on the following: continuing culturally specific community outreach and resiliency efforts, creating and maintaining a citywide infrastructure focusing on a culture of safety, supporting grant writing, developing plans for Mass Care and Shelter operations and provides \$85,000 in one-time funding to conduct additional training for Emergency Operations Center staff and supplies for the Emergency Operations Center.
- Continues and makes permanent 1.0 Assistant to the City Manager position in the City Manager's Office of Communications to focus on managing the organization-wide internal communications strategy to increase the number of applicants for city vacancies and improve communications citywide.
- Continues and adds one-time personal services funding for 1.0 limit dated Assistant to the City Manager position, through June 30, 2024, in the City Manager's Office of Administration, Policy & Intergovernmental Relations, previously funded by the Disability Evaluation and Next Steps Reserve, to oversee a phased organizational disability assessment, conduct community outreach to identify gaps and opportunities, and design and implement a city-wide training program.
- Continues and adds one-time personal services funding for 1.0 limit dated Assistant to the City Manager position, funded in the American Rescue Plan Fund, through June 30, 2024, focusing on leading, facilitating, planning, and implementing activities pertaining to the Children and Youth Services Master Plan and provides one-time non-personal/equipment funding in the amount of \$200,000 to extend contractual services to support the implementation of the plan.
- Continues and makes permanent 1.0 Deputy City Manager position, funded by the American Rescue Plan for fiscal year 2023-2024, and then shifted to the General Fund beginning in 2024-2025, focusing on advancing data-driven approaches to preventing and ending unsheltered homelessness and overseeing the Emergency Interim Housing Community expansion.

Operating Funds Managed

N/A

Office of the City Manager

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
City-Wide Emergency Management	2,702,169	8,169,959	2,290,270	3,016,272
Lead & Manage The Organization	17,808,813	19,536,505	18,636,615	21,296,723
Strategic Support - City Council Appointees	2,417,104	8,283,594	589,179	589,179
Strategic Support - Other - Council Appointees	2,482,522	3,682,744	315,028	5,178,028
Total	\$25,410,608	\$39,672,802	\$21,831,092	\$30,080,202
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	18,946,024	19,923,544	19,701,140	20,939,780
Overtime	42,919	25,000	30,000	30,000
Subtotal Personal Services	\$18,988,943	\$19,948,544	\$19,731,140	\$20,969,780
Non-Personal/Equipment	1,958,943	3,589,083	1,721,924	1,946,924
Total Personal Services & Non-Personal/Equipment	\$20,947,886	\$23,537,627	\$21,453,064	\$22,916,704
<i>Other Costs *</i>				
City-Wide Expenses	4,150,949	9,149,431	279,000	5,212,000
Gifts	0	100,000	63,000	63,000
Housing Loans and Grants	0	0	0	0
Other	311,772	6,839,000	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	46,744	36,028	36,028
Total Other Costs	\$4,462,722	\$16,135,175	\$378,028	\$5,311,028
Total	\$25,410,608	\$39,672,802	\$21,831,092	\$28,227,732

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Manager

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	23,396,421	31,171,123	20,892,185	29,141,294
Airport Maintenance And Operation Fund (523)	24,686	24,500	24,500	24,500
American Rescue Plan Fund (402)	2,135,230	8,132,849	437,705	437,705
Coronavirus Relief Fund (401)	(547,186)	0	0	0
Emergency Reserve Fund (406)	184,559	0	0	0
Gift Trust Fund (139)	0	100,000	207,364	207,364
Integrated Waste Management Fund (423)	(4,068)	0	0	0
Low And Moderate Income Housing Asset Fund (346)	18,516	18,375	18,375	18,375
Multi-Source Housing Fund (448)	(775)	0	0	0
San José Clean Energy Operating Fund (501)	75,758	201,455	226,464	226,464
San José-Santa Clara Treatment Plant Operating Fund (513)	18,516	18,375	18,375	18,375
Sewer Service And Use Charge Fund (541)	6,173	6,125	6,125	6,125
Capital Funds	102,777	0	0	0
Total	\$25,410,608	\$39,672,802	\$21,831,092	\$30,080,202
Positions by Core Service				
City-Wide Emergency Management	12.00	12.00	9.00	12.00
Lead & Manage The Organization	67.50	66.50	66.50	74.50
Strategic Support - City Council Appointees	2.00	6.00	2.00	2.00
Strategic Support - Other - Council Appointees	0.00	0.00	0.00	3.00
Total	81.50	84.50	77.50	91.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Manager

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
City-Wide Emergency Management					
Emergency Management	2,702,169	7,529,159	2,290,270	3,016,272	12.00
Emergency Preparedness and Planning	0	640,800	0	0	0.00
Sub-Total	2,702,169	8,169,959	2,290,270	3,016,272	12.00
Lead & Manage The Organization					
Administration, Policy, and Intergovernmental Relations	2,796,351	4,527,831	3,452,629	5,695,099	20.00
Budget Office	4,286,531	4,333,392	4,539,110	4,539,110	19.00
Civic Innovation	1,757,659	207,974	106,600	106,600	0.00
Communications	1,218,100	1,131,618	1,202,512	1,465,333	5.00
Employee Relations	2,336,107	2,417,562	2,611,700	2,611,700	10.50
Executive Leadership/City Management	3,599,890	4,783,824	4,779,637	4,934,454	13.00
Racial Equity	1,814,174	2,134,304	1,944,427	1,944,427	7.00
Sub-Total	17,808,812	19,536,505	18,636,615	21,296,723	74.50
Strategic Support - City Council Appointees					
City Manager Emergency Response and Recovery	1,841,459	8,132,849	437,705	437,705	1.00
City Manager Management and Administration	575,645	150,745	151,474	151,474	1.00
Sub-Total	2,417,104	8,283,594	589,179	589,179	2.00
Strategic Support - Other - Council Appointees					
City Manager Other Departmental - City-Wide	2,400,626	3,636,000	279,000	5,142,000	3.00
City Manager Other Operational - Administration	81,897	0	0	0	0.00
City Manager Overhead	0	46,744	36,028	36,028	0.00
Sub-Total	2,482,522	3,682,744	315,028	5,178,028	3.00
Total	\$25,410,607	\$39,672,802	\$21,831,092	\$30,080,202	91.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Office of the City Manager

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	84.50	23,537,627	22,021,692
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(1,629,374)	(1,629,374)
• COVID-19 Pandemic Response and Community and Economic Recovery (2.0 Assistant to the City Manager, 1.0 Staff Specialist)	(3.00)	(602,895)	0
• Office of Emergency Management - Urban Areas Security Initiative Grant Staffing (2.0 Executive Analyst II and 1.0 Senior Executive Analyst)	(3.00)	(470,714)	(470,714)
• Childcare and Education - Child Youth Success (1.0 Assistant to the City Manager)	(1.00)	(267,749)	0
• Disability Evaluation and Next Steps		(200,000)	(200,000)
• Executive Leadership/City Management - City Roadmap Software		(115,000)	(115,000)
• Office of Administration, Policy, and Intergovernmental Relations - Survey and Ballot Measure Work		(100,000)	(100,000)
• Office of Emergency Management - Community Emergency Response Training Program		(100,000)	(100,000)
• Office of Emergency Management - CERT Backpacks		(85,600)	(85,600)
• Dues and Subscriptions		(42,185)	(42,185)
One-time Prior Year Expenditures Subtotal:	(7.00)	(3,613,517)	(2,742,873)
Technical Adjustments to Costs of Ongoing Activities			
Salary/benefit changes and the following position			
• reallocation:		1,298,200	1,247,892
- 1.0 Assistant to the City Manager to 1.0 Deputy Director			
- 1.0 Senior Executive Analyst to 1.0 Assistant to the City Manager			
- 1.0 Staff Specialist to 1.0 Executive Analyst I			
• Fund Shift: Digital Inclusion	0.00	220,754	76,474
• Overtime Adjustment		5,000	5,000
• Vehicle Operations & Maintenance		5,000	5,000
Technical Adjustments Subtotal:	0.00	1,528,954	1,334,366
2023-2024 Forecast Base Budget:	77.50	21,453,064	20,613,185

Office of the City Manager

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Office of Emergency Management – Urban Area Security Initiative Grant Staffing	2.00	403,000	403,000
2. Office of Emergency Management – Emergency Preparedness: Communications and Mass Care	1.00	323,002	323,002
3. Office of Communications – Communications Outreach and Engagement	1.00	262,821	262,821
4. Office of Administration, Policy, and Intergovernmental Relations - Disability Community Engagement and Service Evaluation	1.00	180,000	180,000
5. Executive Leadership/City Management – Administrative Support	1.00	154,817	154,817
6. Office of Administration, Policy, and Intergovernmental Relations – Surveys		100,000	100,000
7. Office of Administration, Policy, and Intergovernmental Relations – Agenda Services		40,000	40,000
8. Executive Leadership/City Management – Ending Homelessness Executive Leadership Staffing	0.00	0	0
9. Executive Leadership/City Management – Customer Service Vision and Standards	3.00	0	0
10. Office of Administration, Policy, and Intergovernmental Relations – Measure E - Homelessness Coordination	3.00	0	0
11. Office of Administration, Policy, and Intergovernmental Relations – Children and Youth Services Master Plan – Phase 2	1.00	0	0
12. Office of Administration, Policy, and Intergovernmental Relations – Outcomes, Equity Indicators, and Performance Management	1.00	0	0
Total Budget Proposals Recommended	14.00	1,463,640	1,463,640
2023-2024 Proposed Budget Total:	91.50	22,916,704	22,076,825

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Office of Emergency Management – Urban Area Security Initiative Grant Staffing	2.00	403,000	403,000

Public Safety CSA
City-Wide Emergency Management Core Service
Emergency Management Program

This action continues 1.0 Senior Executive Analyst and 1.0 Executive Analyst positions in the City Manager’s Office of Emergency Management funded by Urban Areas Security Initiative grants through June 30, 2024. The Senior Executive Analyst will manage a community assessment of resource needs and plans for supporting the establishment of Commodity Points of Distribution for the delivery of essential services such as food, water, and personal protective equipment, particularly in vulnerable population areas. The Executive Analyst position will coordinate emergency alert and warning services with multiple departments and the County, as well as oversee the use of the emergency warning equipment. (Ongoing costs: \$0)

2. Office of Emergency Management – Emergency Preparedness: Communications and Mass Care	1.00	323,002	323,002
---	------	---------	---------

Public Safety CSA
City-Wide Emergency Management Core Service
Emergency Management Program

This action continues and makes permanent in the General Fund 1.0 Assistant to the City Manager position (previously American Rescue Plan funded) and reallocates the duties of 1.0 Executive Analyst position in the City Manager’s Office of Emergency Management. The Assistant to the City Manager will focus on continuing culturally specific community outreach and resiliency efforts, while supporting the development of preparedness strategies focused on the needs of each distinct neighborhood and community in partnership with the City’s Community Engagement Working Group; work interdepartmentally to create and maintain a citywide infrastructure focused on a culture of safety that includes training opportunities; facilitate strong partnerships with outside agencies; support grant writing; and provide management capacity to the executive team to ensure optimal resilience preparedness. The Executive Analyst, previously responsible for grant writing, will be reallocated to be a Mass Care Coordinator and will focus on developing plans for Mass Care and Shelter operations. The position will be primarily responsible for updating and expanding the Premise Use Agreements with local schools and nonprofits throughout the city to ensure sufficient shelter capacity, as well as facilitate the development of the Mass Care Annex & Response Plan. This action also adds one-time non-personal/equipment funding in the amount of \$85,000 for the purpose of conducting additional staff training and purchasing needed emergency provisions for the Emergency Operations Center. The training and exercises will enhance the skills and capabilities of the personnel assigned to the Emergency Operations Center and Department Operations Center. (Ongoing costs: \$241,821)

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Office of Communications – Communications Outreach and Engagement	1.00	262,821	262,821

Strategic Support CSA
Lead and Manage the Organization Core Service
Communications Program

This action continues and makes permanent 1.0 Assistant to the City Manager position in the General Fund (previously American Rescue Plan funded) in the City Manager's Office of Communications. The Assistant to the City Manager, previously responsible for emergency public information during the COVID-19 response and recovery, will focus on managing the organization-wide communications strategies, with a particular focus on a hiring campaign and retention of existing staff, by employing public relations techniques and marketing to increase the number of applicants for City vacancies by 5%; utilizing multiple technologies and platforms to support effective communication strategies to inform and engage the public on City vacancies; and overseeing a team focused on internal communications with activities including continuing CityLine, a quarterly internal newsletter, the City Manager's 30-Day Roundup emails, and producing an annual year-in-review video of City accomplishments. (Ongoing costs: \$262,821)

4. Office of Administration, Policy, and Intergovernmental Relations – Disability Community Engagement and Service Evaluation	1.00	180,000	180,000
--	------	---------	---------

Strategic Support CSA
Lead and Manage the Organization Core Service
Administration, Policy, and Intergovernmental Relations Program

This action adds one-time funding to continue 1.0 limit-dated Assistant to the City Manager position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations through June 30, 2024 focused on overseeing an organizational disability assessment; conducting community outreach to further identify gaps and opportunities; designing and implementing a citywide training program; and continuing to lead the organization in operationalizing the immediate recommended actions as identified in the assessment. This action, along with an additional \$95,000 from prior year savings expected to be rebudgeted into 2023- 2024 later in the budget process, will fund the position. (Ongoing costs: \$0)

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>5. Executive Leadership/City Management – Administrative Support Staffing</p> <p><i>Strategic Support CSA</i> Lead and Manage the Organization Core Service <i>Executive Leadership/City Management Program</i></p> <p>This action continues and makes permanent 1.0 Staff Specialist position in the City Manager's Executive Leadership focused on providing administrative support to the Ending Homelessness portfolio and Special Projects under the City Manager's Chief of Staff; coordinating inter-departmental, inter-agency and external stakeholder events and meetings; managing and responding to inquiries; collecting, analyzing, and organizing data; reviewing and editing records, letters, and other documents; general file management, including the processing of letters, reports, and memorandums and digital transfer of files; researching and developing or revising procedures; and assisting with Public Records Act requests. (Ongoing costs: \$154,817)</p>	1.00	154,817	154,817
<p>6. Office of Administration, Policy, and Intergovernmental Relations – Surveys</p> <p><i>Strategic Support CSA</i> Lead and Manage the Organization Core Service <i>Administration, Policy, and Intergovernmental Relations Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$100,000 for ballot measure surveys to assess community support for a potential ballot measure in advance of 2024 elections. The ballot measure will be used to generate revenue for unfunded or underfunded City initiatives such as storm sewer infrastructure and maintenance, the Municipal Regional Stormwater Permit, and other stormwater-related initiatives. Polling is invaluable in helping staff assess a ballot measure's support and likelihood of success. (Ongoing costs: \$0)</p>		100,000	100,000
<p>7. Office of Administration, Policy, and Intergovernmental Relations – Agenda Services</p> <p><i>Strategic Support CSA</i> Lead and Manage the Organization Core Service <i>Administration, Policy, and Intergovernmental Relations Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$40,000 in the City Manager's Office of Administration, Policy, and Intergovernmental Relations to continue organizational improvements in memorandum writing and processing that advance timely, informative, high-quality reports and memorandums for the City Council and public. Funding will support Agenda Services activities, including, writing coaching and workshops; memorandum coordination, editing and processing; and production of City Council and Committee agendas. (Ongoing costs: \$0)</p>		40,000	40,000

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Executive Leadership/City Management – Ending Homelessness Executive Leadership Staffing	0.00	0	0

Strategic Support CSA

Lead and Manage the Organization Core Service

Executive Leadership/City Management Program

As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action continues and makes permanent 1.0 Deputy City Manager position in the City Manager's Office focused on advancing the City's efforts towards ending homelessness and improving the quality of life for both the housed and unhoused community. The position will continue overseeing the Emergency Interim Housing Community expansion; coordinating inter-jurisdictional solutions; as well as advancing systematic, data-driven approaches to ending unsheltered homelessness and providing effective and efficient BeautifySJ and Code Enforcement services. The position is currently funded in the American Rescue Plan Fund through June 30, 2024, and will be shifted to the General Fund in 2024-2025. (Ongoing costs beginning in 2024-2025: \$484,000)

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Executive Leadership/City Management – Customer Service Vision and Standards	3.00	0	0

Strategic Support CSA

Strategic Support – Other – Council Appointees Core Service

City Manager Other Departmental – City-Wide Program

As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds \$4.0 million to the Customer Service Vision and Standards project (reflected in the City-Wide Expenses section of this document) initiated by the City Manager to the City Manager’s Office. Funding will be used for professional services, software licensing and support, and four limit-dated positions through June 30, 2026, including three positions in the City Manager’s Office (1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, and 1.0 Executive Analyst II) and 1.0 Enterprise Supervising Technology Analyst in the Information Technology Department. After conducting a discovery of the current customer service experience, challenges, and future opportunity areas, a Vision and a set of Standards for a three-year transformation plan of the customer service experience for San José residents, businesses, and guests was formulated and approved by the City Council on March 7, 2023. The first year will focus on cultural change, training, process re-engineering, initial centralized governance, and technology planning and pilot implementation of a centralized customer relationship management system. Quick wins will also be explored in the short term. The second year of the project will front-load the effort to integrate the customer relationship management system with appropriate departmental systems and migrate appropriate data to deliver a city-wide 360-degree view of San José customers. The third year will sustain the momentum to complete the implementation as soon as possible. The three-year project is estimated to cost \$12.9 million—of which \$4 million provides funding for the positions over a three-year period (approximately \$2.0 million) and the non-personal/equipment costs in the first year which may include software licensing and support and professional services (approximately \$2.0 million). The remaining two years of non-personal/equipment funding will be identified in a future budget process. (Ongoing costs: \$0)

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Office of Administration, Policy, and Intergovernmental Relations – Measure E - Homelessness Coordination Team	3.00	0	0

Strategic Support CSA

Lead and Manage the Organization Core Service

Administration, Policy, and Intergovernmental Relations Program

As directed in the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, the Administration was directed to explore the use of uncommitted Measure E-resources for reallocation to homeless prevention, support, and management investments. This action adds \$1.9 million for Homelessness Coordination Team (reflected in the City-Wide Expenses section of this document. Funding for three limit-dated positions in the City Manager’s Office of Administration, Policy, and Intergovernmental Relations through June 30, 2026, are recommended and their responsibilities include:

- 1.0 Assistant to the City Manager – Provides direct support to the Deputy City Manager position focused on advancing the City's efforts on ending homelessness and improving the quality of life for both the housed and the unhoused. The A2CM position will provide overall day-to-day coordination and project accountability, and supervise the two SEA positions listed below. The first year of this position is funded in the Community Plan to End Homelessness – Quality of Life and Healthy Neighborhoods project (reflected in the City-Wide Expenses section of this document). The remaining two years of this position will be funded from Measure E;
- 1.0 Senior Executive Analyst - Coordinates development of a framework around gateways and allowed spaces; provides interdepartmental and interagency coordination regarding the application of homelessness safety net services; brings supplemental capacity for planning and emergency coordination for "fast-moving " crises that inevitably arise; and aligns project and systems work around environmental impacts of homelessness; and
- 1.0 Senior Executive Analyst - Oversees data dashboard requirements for homelessness funding and programs; coordinates data development and analysis of key homelessness impact initiatives related to public safety, environmental degradation, and understanding the needs of unhoused residents; pursues access of and leverage the County's Homeless Management Information System (HMIS) data; and provides overall data coordination across departments, including serving as CMO lead for ensuring data interoperability between Encampment Management and Homeless Data Integration System, San José 311, and other relevant applications.

(Ongoing costs: \$0)

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
11. Office of Administration, Policy, and Intergovernmental Relations – Children and Youth Services Master Plan – Phase 2	1.00	0	0

Strategic Support CSA

Lead and Manage the Organization Core Service

Administration, Policy, and Intergovernmental Relations Program

This action adds one-time funding to the Children and Youth Services Master Plan project (reflected in the City-Wide Expenses section of this document) to continue 1.0 limit-dated Assistant to the City Manager position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations through June 30, 2024, and associated non-personal/equipment expenditures funded by the American Rescue Plan. The position will focus on leading, facilitating, planning, and implementing activities pertaining to the City's Children and Youth Services Master Plan by collaborating with internal and external stakeholders to develop and implement a work plan using Children and Youth Services Master Plan objectives and support the continued development of a coordinated responsive service delivery approach with internal and external stakeholders. This action also adds one-time non-personal/equipment funding in the amount of \$200,000 to extend contractual services to support the implementation of the Children and Youth Services Master Plan, focused on developing performance metrics, the creation of an evaluation/assessment framework with associated monitoring tools and processes, and supporting the facilitation of large community workgroups and meetings. Any unexpended funds from 2022-2023 will be rebudgeted to 2023-2024 later in the budget process for programming in the Library Department such as expanded learning programs, and early education and reading programs intended to be completed over a two-year period; continue scholarships for childcare, academic, enrichment, and afterschool care programs in Parks, Recreation, and Neighborhood Services; and other children and youth-focused programs. (Ongoing costs: \$0)

Office of the City Manager

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
12. Office of Administration, Policy, and Intergovernmental Relations – Outcomes, Equity Indicators, and Performance Management	1.00	0	0

Strategic Support CSA

Lead and Manage the Organization Core Service

Administration, Policy, and Intergovernmental Relations Program

This action adds one-time funding to the City Initiatives Roadmap: Outcomes, Equity Indicators, + Performance Management project (reflected in the City-Wide Expenses section of this document) to continue 1.0 limit-dated Senior Executive Analyst position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations through June 30, 2024, to support the modernization of City Service Area and departmental Core Service performance measures, activity and workload highlights, and community indicators that inform the equity, efficiency, and effectiveness of the City's service delivery system. The first year of this initiative (2022-2023) focused on piloting the performance management model with the Neighborhood Services City Service Area and associated departmental Core Services. The second year will focus on scaling to three additional City Service Areas and those related departmental Core Services. This action, along with an additional \$190,000 from prior year savings expected to be rebudgeted into 2023-2024 later in the budget process, will fund the position. (Ongoing costs: \$0)






2023-2024 Proposed Budget Changes Total	14.00	\$1,463,640	\$1,463,640
--	--------------	--------------------	--------------------

Office of the City Manager

Performance Summary

Lead and Manage the Organization

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of core services meeting or exceeding levels established by the City Council	63%	60%	73%	70%
 % of core services meeting or exceeding their cycle time targets	63%	55%	58%	60%
 % of residents that are satisfied or very satisfied with the quality of City services	47%	65%	N/A ¹	65%
 % of residents contacting the City who say they are satisfied or very satisfied with the:				
- timeliness of City employees	60%	70%	N/A ²	70%
- courtesy of City employees	74%	80%	N/A ²	80%
- competency of City employees	54%	75%	N/A ²	75%
 % of residents rating the overall quality of life in San José as excellent/good	49%	75%	N/A ²	75%

¹ Data for this measure is collected through the annual City-Wide Community Survey. The next survey will be issued late summer, which is after the publication of this budget document. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Proposed Budget. The next community survey will be conducted in late summer 2023.

Office of the City Manager

Performance Summary

Lead and Manage the Organization

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of Meet and Confer issues	31	17	15	10
# of training sessions offered by the Office of Employee Relations	103	98	90	95
# of formal disciplines received ¹	109 ¹	58	36	35
# of investigations conducted by the Office of Employee Relations	71	57	57	55
# of City Council agenda reports ² approved	658	308	400	450
# of City Council referrals assigned	66	44	50	50
# of City positions taken on legislation ³	74	25	75	75
# of legislative items reviewed	2,400	2,400	2,300	2,400
# of contracts/agreements approved	1,569	1,000	1,000	1,000
# of public record act requests processed by the City Manager's Office ⁴	238	150	315	325
% of employees who completed mandatory racial equity training	94%	100%	98%	100%
% of racial equity training participants that rated the training as very good or excellent	90%	85%	79%	85%
% of employees who confirm they feel comfortable talking about racial equity at work after a racial equity training	86%	65%	88%	85%
% of Departments/Offices with active or in-progress activities related to their racial equity action plan	N/A	75%	75%	80%
# of employees who voluntarily took additional racial equity trainings	20	150	320	400

¹ 2021-2022 actuals were high due to failures to comply with the City's COVID-19 Mandatory Vaccination Policy

² Reports include City Council, Study Session, and Information Memorandums

³ Positions include sponsorship, support, opposition and/or amendments of proposed or existing legislation. In previous years, this metric only reported support or sponsorship positions.

⁴ Beginning in 2022-2023, the City Manager's Office began using GovQA to process public records act requests, allowing more accurate counts.

Office of the City Manager

Performance Summary

City-Wide Emergency Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
% of Emergency Operations Center (EOC) assigned staff who have received required training ¹	100%	42%	34%	52%
% of City employees trained in the State Standardized Emergency Management System (SEMS) and National Incident Management System (NIMS)				
- Senior Staff	N/A ²	50%	50%	60%
- All other City Employees	N/A ²	50%	50%	60%
Time passed since the last update of the City's Emergency Operations Base Plan ³ : 0-2 years Green, 2-4 years Amber, 4-6 years Red, and over 6 years Black	Green	Yellow	Yellow	Green

¹ In addition to formal trainings, all disaster service workers received on-the-job training due to the scale and scope of the COVID emergency in 2021-2022. However, in 2022-2023, there is a drop in staff trained; one of the planned training courses was cancelled and the number of staff requiring trained has increased.

² COVID-19 and winter storm response(s) interfered with formal trainings. SEMS and NIMS training are provided to new hires individually through online training. Staff in the Office of Emergency Management is working with Human Resources Department to improve tracking and reporting on this measure.

³ The City's Emergency Operations Base Plan consist of information on how the City complies with State and federal regulations and establishes policies on how the City operates to plan, respond, and recover in the event of an emergency and provides the process for declaring a Local Emergency.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of courses/trainings conducted by the Office of Emergency Management	0 ¹	4	3	4
# of activations and exercises conducted by the Office of Emergency Management	5	4	4	4

¹ COVID-19 and winter storm response(s) interfered with formal trainings. SEMS and NIMS training are provided to new hires individually through online training. Staff in the Office of Emergency Management is working with Human Resources Department to improve tracking and reporting on this measure.

Office of the City Manager

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accounting Tech	1.00	1.00	-
Analyst I/II	5.00	5.00	-
Assistant Budget Director	1.00	1.00	-
Assistant Employee Relations Director	1.00	1.00	-
Assistant City Manager	1.00	1.00	-
Assistant to the City Manager	16.00	19.00	3.00
Budget Director	1.00	1.00	-
City Manager	1.00	1.00	-
Deputy City Manager	5.00	5.00	-
Deputy Director*	3.00	4.00	1.00
Director, City Manager's Office	3.00	3.00	-
Director of Communication	1.00	1.00	-
Director of Emergency Management	1.00	1.00	-
Employee Relations Director	0.50	0.50	-
Executive Analyst I/II	9.00	10.00	1.00
Executive Assistant	2.00	2.00	-
Executive Assistant to the City Manager	1.00	1.00	-
Senior Executive Analyst	23.00	26.00	3.00
Senior Office Specialist	1.00	1.00	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	7.00	6.00	(1.00)
Total Positions	84.50	91.50	7.00

* Proposed Budget includes a recommendation to continue and make permanent 1.0 Deputy City Manager position effective in 2024-2025 focused on advancing the City's efforts towards ending homelessness and improving the quality of life for both the housed and unhoused community.

City Manager – Office of Economic Development and Cultural Affairs

Nanci Klein, Director

MISSION

Catalyze job creation, private investment, revenue generation, talent development and attraction, and a diverse range of arts, cultural and entertainment offerings

CITY SERVICE AREA

Community and Economic Development

CORE SERVICES

ARTS AND CULTURAL DEVELOPMENT

Support diverse cultural amenities, offerings, and organizations, commission and maintain public art, and authorize and coordinate outdoor special events on public and private property

BUSINESS DEVELOPMENT AND ECONOMIC STRATEGY

Assist business location and expansion, advance San José's Economic Strategy; and support council policy making

REAL ESTATE SERVICES

Manage the City's real estate assets and facilitate real estate-related transactions to support City projects and generate revenue

REGIONAL WORKFORCE DEVELOPMENT

Assist business in hiring a quality workforce through assessment, supportive services, and skills training

Strategic Support: Budget/Fiscal Management and Administrative Support, Emergency Response and Recovery

City Manager – Office of Economic Development and Cultural Affairs

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Arts and Cultural Development Core Service</i>	
Arts and Cultural Development Administration	Presents an annual arts leadership award event, sets priorities and plans for cultural development, addresses policy issues, manages cultural initiatives and programs, assists external initiatives that affect San José arts and culture, and supports the Arts Commission.
Cultural Grants	Awards and administers over 100 grants annually for non-profit arts organizations, special events, and creative entrepreneurs with services that include technical assistance to arts organizations and creative entrepreneurs in achieving their goals.
Cultural Facilities Operations and Maintenance	Provides stewardship of city-owned cultural facilities such as the Convention Center, the Hammer Theatre Center, and Mexican Heritage Plaza, including the management of operations and maintenance agreements with non-profit partners and the monitoring of those partners; coordinates with the Public Works Department on maintenance and capital needs of the cultural facilities; and manages legal agreements and the relationship with Team San José.
Outdoor Events	Authorizes and oversees over 500 annual outdoor special events citywide; produces special events such as CityDance series; leads the inter-departmental and inter-agency Special Events Team; provides event information to the public, businesses and neighborhood organizations; builds relationships with regional, national, and international event producers; and creates beneficial event sponsorship opportunities for the San José business community.
Public Art / Placemaking	Supports the commissioning of art for the public realm, City Hall exhibits, and the 250 artworks in the City’s collection and encourages street life activation.
<i>Business Development and Economic Strategy Core Service</i>	
Business District Management	Manages relationships, legal agreements, joint projects, and policy changes between the City and major downtown partners, including San José Downtown Association, San José Sports Authority, San José State University, San José Hotels, and Japantown and Downtown Business Improvement Districts; manages the City’s free use program and plays a role in public space activation in the Downtown; supports the development of new neighborhood business centers citywide and the strengthening of existing neighborhood commercial districts; and increases retail amenities (in Neighborhood Business Districts and urban villages) including management of the wayfinding banner program.
Business Outreach and Assistance	Works with existing and potential San José businesses and entrepreneurs to encourage business and job attraction, retention, expansion, and creation, including driving industry outreach and small business assistance; administers the Sister City and Foreign Trade Zone programs; provides technical assistance through the BusinessOwnerSpace network and other resources; and assists with business inter-departmental coordination.

City Manager – Office of Economic Development and Cultural Affairs

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Business Development and Economic Strategy Core Service</i>	
Development Attraction and Facilitation	Serves as a single point of contact for key economic development projects going through the development review process; coordinates with development services partners on initiatives that simplify development regulations and/or accelerate permit processing schedules; meets, develops, and maintains relationships with developers, contractors, investors, and other development stakeholders; and assists in the creation of housing development opportunities and policy in collaboration with internal and external partners.
Economic Policy Analysis / Communications	Leads development of economic development-related strategies (e.g., Downtown Highrise Incentive, Development Fee Framework, and North San José policies), performs economic and data analysis to support policy development, business intelligence activities, and decision-making by numerous departments and City Council; collaborates and coordinates communications strategies with internal and external communications staff around shared projects/initiatives; and manages the development of business and economic development-related public information collateral materials, graphic design and production, and audio-visual production in a variety of media.
<i>Real Estate Services Core Service</i>	
City Lease Administration	Manages leasing with the City as a lessee or lessor for facilities and/or telecommunications, including maintenance of City-owned properties that are being leased to other entities or are vacant.
City Property Acquisition and Sales	Works with real estate brokers, developers, and property owners to encourage new leasing and development activity, including acquisition of temporary or permanent property rights for City projects and initiatives; manages the sale of surplus property.
<i>Regional Workforce Development Core Service</i>	
Workforce Development Services	Provides client assessments, career counseling, workshops, training (e.g. Occupational Skills Training, On-the-Job Training, Incumbent Worker Training, Group Training), supportive services, and job development support to approximately 3,000 youth and adult clients annually, while at the same time supporting hundreds of businesses with recruiting, on-the-job training, layoff avoidance, and technical assistance.
Workforce Innovation and Opportunity Act Board Support and Administration	Supports effective decision-making of the 19 member, federally-mandated work2future Board and its committees through the preparation of memos, presentations and updates, and development of board and committee packets; manages recruitment and onboarding of new board members; and ensures compliance with the Workforce Innovation and Opportunity Act Board governance requirements, Brown Act, Sunshine rules, Form 700, etc.
<i>Strategic Support Core Service</i>	
Economic Development Management and Administration	Provides administrative oversight for the office, including executive management, financial management, human resources, and analytical support.
Economic Development and Cultural Affairs Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery.

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

Expected 2023-2024 Service Delivery

- Engage and assist businesses that create jobs and expand the City's tax base, with a focus on small business recovery and resiliency, anchor employers, and revenue-generators. Facilitate development projects that can generate property tax and sales tax revenues.
- Provide a range of training and employment services to residents by creating opportunities to learn job skills and earn credentials.
- Assist arts organizations, cultural facilities, and outdoor event producers to sustain, innovate, and adapt in a changing fiscal environment.
- Manage the City's real estate assets with a focus on revenue generation, cost minimization, and timely transaction services in support of all City Departments.

2023-2024 Key Budget Actions

- As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, provides additional capacity for downtown management and citywide business development initiatives by converting a temporary Senior Executive Analyst position to permanent and adding a Senior Executive Analyst position limit-dated through June 30, 2025.
- As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, allocates one-time funding of \$1.0 million, in the City-Wide Expenses section of this document, for arts and cultural grants to supplement the resources provided by the Transient Occupancy Tax Fund.
- As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, allocates one-time funding of \$750,000, in the City-Wide Expenses section of this document, to continue and enhance the Storefront Activation Grant Program to fill vacant storefronts in the Downtown and other areas of the City.
- Allocates one-time funding of \$100,000, in the City-Wide Expenses section of this document, to contribute to the pilot of a co-branding campaign with San José State University to create a sense of placemaking and belonging that would translate to increased attendance and visitor spending at Downtown venues, restaurants, bars, and hotels.

Operating Funds Managed

- Business Improvement District Fund
- Convention and Cultural Affairs Fund
- San José Arena Capital Reserve Fund
- Transient Occupancy Tax Fund
- Workforce Development Fund

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Arts and Cultural Development	21,715,472	33,335,595	36,011,736	37,011,736
Business Development and Economic Strategy	6,430,222	8,329,337	8,537,144	9,724,578
Real Estate Services	2,929,538	2,914,886	3,047,728	3,047,238
Regional Workforce Development	8,802,067	12,448,861	11,902,082	11,902,082
Strategic Support - Community & Economic Development	4,708,991	12,603,581	2,461,843	2,610,828
Strategic Support - Other - Community & Economic Development	3,974,574	17,213,056	531,506	1,011,023
Total	\$48,560,865	\$86,845,316	\$62,492,040	\$65,307,486
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	10,616,111	11,746,250	12,102,032	12,242,345
Overtime	2,836	0	0	0
Subtotal Personal Services	\$10,618,947	\$11,746,250	\$12,102,032	\$12,242,345
Non-Personal/Equipment	894,634	1,023,074	769,074	764,690
Total Personal Services & Non-Personal/Equipment	\$11,513,582	\$12,769,324	\$12,871,106	\$13,007,035
Other Costs *				
City-Wide Expenses	13,537,969	31,278,933	8,933,453	11,634,102
General Fund Capital	19,220	0	0	0
Gifts	2,658	215,000	28,000	28,000
Housing Loans and Grants	0	0	0	0
Other	23,312,312	42,394,121	40,414,662	40,414,662
Other - Capital	0	0	0	0
Overhead Costs	175,126	137,938	194,819	173,687
Workers' Compensation	0	50,000	50,000	50,000
Total Other Costs	\$37,047,283	\$74,075,992	\$49,620,934	\$52,300,451
Total	\$48,560,865	\$86,845,316	\$62,492,040	\$65,307,486

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	18,982,380	37,181,987	14,834,111	17,848,848
Airport Maintenance And Operation Fund (523)	210,066	265,262	199,296	5
American Rescue Plan Fund (402)	1,372,198	6,981,000	0	0
Building Development Fee Program Fund (237)	116,567	152,796	156,033	156,033
Business Improvement District Fund (351)	2,577,921	3,099,028	3,960,328	3,960,328
Convention and Cultural Affairs Fund (536)	6,951,152	11,825,000	14,055,000	14,055,000
Fire Development Fee Program Fund (240)	26,295	27,226	27,234	27,234
Gift Trust Fund (139)	5,100	278,000	28,000	28,000
Low And Moderate Income Housing Asset Fund (346)	231,486	414,616	452,950	452,950
Planning Development Fee Program Fund (238)	88,270	95,220	93,812	93,812
Public Works Development Fee Program Fund (241)	107,949	132,760	140,541	140,541
San José Arena Capital Reserve Fund (459)	3,708,740	3,720,000	3,720,000	3,720,000
Transient Occupancy Tax Fund (461)	6,369,461	11,224,067	13,922,636	13,922,636
Workforce Development Fund (290)	7,241,804	10,871,295	10,296,557	10,296,557
Capital Funds	571,477	577,059	605,541	605,541
Total	\$48,560,865	\$86,845,316	\$62,492,040	\$65,307,486
Positions by Core Service **				
Arts and Cultural Development	12.00	12.00	12.00	12.00
Business Development and Economic Strategy	10.83	16.00	16.00	17.00
Real Estate Services	5.00	4.00	4.00	4.00
Regional Workforce Development	19.45	20.45	20.45	20.45
Strategic Support - Community & Economic Development	6.55	7.55	7.55	7.55
Strategic Support - Other - Community & Economic Development	3.17	0.00	0.00	0.00
Total	57.00	60.00	60.00	61.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

Arts and Cultural Development

Arts and Cultural Development Administration	1,269,152	874,304	936,432	936,432	2.75
Convention and Visitors Bureau	2,388,382	5,497,000	6,072,000	6,072,000	0.00
Cultural Grants	4,676,148	7,024,093	5,439,105	6,439,105	0.00
Cultural Facilities Operations and Maintenance	11,828,122	18,298,823	21,908,022	21,908,022	1.25
Outdoor Events	921,765	757,084	786,039	786,039	4.00
Public Art/Placemaking	631,904	884,291	870,139	870,139	4.00
Sub-Total	21,715,472	33,335,595	36,011,736	37,011,736	12.00

Business Development and Economic Strategy

Business District Management	0	1,240,187	1,007,516	1,006,964	3.00
Business Outreach and Assistance	4,529,108	5,529,562	6,218,215	7,406,887	8.32
Development Attraction and Facilitation	374,650	593,304	638,869	638,869	3.00
Downtown Management	1,209,427	322,000	0	0	0.00
Economic Policy Analysis/Communications	317,037	644,284	672,545	671,859	2.68
Sub-Total	6,430,222	8,329,337	8,537,144	9,724,578	17.00

Real Estate Services

City Lease Administration	2,148,650	1,934,151	2,019,243	2,019,243	0.00
City Property Acquisition and Sales	780,888	980,735	1,028,485	1,027,995	4.00
Sub-Total	2,929,538	2,914,886	3,047,728	3,047,238	4.00

Regional Workforce Development

Workforce Development Services	8,426,074	11,942,721	11,409,659	11,409,659	17.80
Workforce Innovation and Opportunity Act Board Support and Administration	375,994	506,140	492,422	492,422	2.65
Sub-Total	8,802,067	12,448,861	11,902,082	11,902,082	20.45

Strategic Support - Community & Economic Development

Economic Development Emergency Response and Recovery	3,500,135	8,895,500	0	0	0.00
Economic Development Management and Administration	1,208,856	3,708,081	2,461,843	2,610,828	7.55
Sub-Total	4,708,991	12,603,581	2,461,843	2,610,828	7.55

Strategic Support - Other - Community & Economic Development

Economic Development Capital	140,821	0	0	0	0.00
Economic Development Gifts	2,650	278,000	28,000	28,000	0.00
Economic Development Other Departmental - City-Wide	3,451,791	16,672,118	258,687	759,336	0.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Economic Development Other Departmental - Grants	8,099	75,000	0	0	0.00
Economic Development Other Operational - Administration	365,691	0	0	0	0.00
Economic Development Overhead	5,521	137,938	194,819	173,687	0.00
Economic Development Workers' Compensation	0	50,000	50,000	50,000	0.00
Sub-Total	3,974,574	17,213,056	531,506	1,011,023	0.00
Total	\$48,560,865	\$86,845,316	\$62,492,040	\$65,307,486	61.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

City Manager - Office of Economic Development and Cultural Affairs

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2021-2022):	57.00	12,034,524	5,638,221
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Business Outreach and Policy Development		(200,000)	(200,000)
• Rebudget: LGBTQ+ Pride along Post Street		(7,500)	(7,500)
• Silicon Valley Leadership Group for Monterey Corridor Working Group		(20,000)	(20,000)
• Coronado Avenue Street Closure Pilot		(9,300)	(9,300)
One-time Prior Year Expenditures Subtotal:	0.00	(236,800)	(236,800)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		274,409	82,906
- 1.0 Economic Development Manager to 1.0 Senior Executive Analyst			
- 1.0 Senior Arts Program Coordinator to 1.0 Senior Executive Analyst			
- 1.0 Senior Executive Analyst to 1.0 Economic Development Manager			
- 1.0 Deputy Director to 1.0 Assistant Director			
- 1.0 Senior Executive Analyst to 1.0 Assistant to the City Manager			
• Utilities: Gas, Electricity, Water		(6,000)	(6,000)
Technical Adjustments Subtotal:	0.00	268,409	76,906
2022-2023 Forecast Base Budget:	57.00	12,066,133	5,478,327
Budget Proposals Approved			
1. Housing Catalyst Team Staffing (Affordable Housing Navigator)	1.00	143,937	0
2. work2future Analytical Support Staffing	1.00	96,720	0
3. Cinequest		75,000	75,000
4. work2future Fiscal Management Staffing	0.00	37,807	0
Total Budget Proposals Approved	2.00	353,464	75,000
2022-2023 Adopted Budget Total			
	59.00	12,419,597	5,553,327

City Manager – Office of Economic Development and Cultural Affairs

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Downtown Management and Citywide Business Development Staffing	2.00	318,473	318,473

***Community and Economic Development CSA
Business Development and Economic Strategy Core Service
Business Outreach and Assistance Program***

As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, this action enhances the Downtown Management Team staffing by converting a temporary Senior Executive Analyst position to permanent and adding a Senior Executive Analyst position limited through June 30, 2025, supported by the establishment of the 2024-2025 Downtown Management Team Staffing Reserve. Together with the existing Assistant to the City Manager position, the permanent Senior Executive Analyst position will comprise of a team focused on San Jose's urban core, working across various City departments and with Downtown stakeholders. The permanent Senior Executive Analyst position will facilitate the implementation of consistent 365-day programming by convening important Downtown stakeholder groups, helping to expand Downtown marketing efforts, engaging regularly on clean and safe and quality of life initiatives, helping to coordinate staff responses to safety concerns, Downtown-related programs and initiatives, and otherwise facilitating a greater collective impact from the various Downtown stakeholders. The limited-dated Senior Executive Analyst position will focus on corporate and business retention, recruitment, and facilitation – both in the Downtown and citywide – navigating businesses through permitting processes with an eye toward simplifying the process for new entrants into San José, as well as facilitate limited-time commercial and community activations that could easily open vacant space throughout the city. (Ongoing costs: \$173,713)

2. Airport Strategic Growth Initiatives Staffing	(1.00)	(178,159)	0
---	---------------	------------------	----------

***Community and Economic Development CSA
Strategic Support - Other - Community & Economic Development Core Service
Business Outreach and Assistance Program***

This action eliminates 1.0 vacant Senior Executive Analyst position in the Office of Economic Development and Cultural Affairs that was previously approved in 2012-2013 to support the development and implementation of key strategic growth initiatives and provide analytical support to the Airport Air Service Development Manager. The role subsequently transitioned to legislative affairs and strategic planning on behalf of the Airport Department, duties which have been reassigned through the addition of a Division Manager position in 2021-2022 and broader reorganization within the Airport Department. This Senior Executive Analyst position has been vacant since May 2022 and is budgeted within the Airport Maintenance and Operations Fund. (Ongoing savings: \$173,894)

City Manager – Office of Economic Development and Cultural Affairs

Budget Changes by Department

Personal Services and Non-Personal/Equipment





2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. California Network and Telecommunications (CalNet) Program Savings		(4,834)	(4,834)
<i>Community and Economic Development CSA</i>			
<i>Department-wide</i>			
<i>Program-wide</i>			
<p>This action decreases the Department's non-personal/equipment funding by \$4,384 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$4,384)</p>			
2023-2024 Proposed Budget Changes Total	1.00	135,930	314,089

City Manager - Office of Economic Development and Cultural Affairs

Performance Summary

Arts and Cultural Development

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of public art works that are in the City's permanent collection that are in good to excellent condition based on their physical and operational condition	80%	80%	80%	80%
 Total OCA grant awards ¹	\$4.0M	\$5.5M	\$3.8M	\$4.0M
 % of responding funded cultural organizations rating the arts grants program good to excellent based on responsiveness and timeliness	90%	90%	90%	90%
 % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	40%	35%	N/A ²	40%

¹ OCA grant awards as recommended by the Arts Commission and approved through Manager's Budget Addenda. Total funding for OCA-managed programs and initiatives serving the arts sector is \$6.4 million for the 2023-2024 Proposed Budget, including \$1.0 million in Small Business Recovery - Supplemental Arts + Cultural Funding from the General Fund. Remaining funds support other cultural development programs and initiatives, including additional grants, public art maintenance, technical assistance, arts marketing, exhibits, and special events, among others.

² Data for this measure is collected through the bi-annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2022-2023 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2022-2023 and as 2022-2023 Actuals in the 2024-2025 Adopted Budget. The next community survey will be conducted in late summer 2023.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of arts and cultural grants awarded	85	111	111	100
# of public art works in the City's permanent collection	417	417	429	443
# of outdoor special events coordinated by OCA ¹	106	110	121	127
# of reported attendees at OCA coordinated events	1.84M	2.1M	2.06M	2.1M
Grant funding for special events	\$500,000	\$500,000	\$517,864	\$535,000



¹ 121 coordinated events equate to 378 event days. Additionally, OCA coordinated 17 "Information Only" activities which did not require OCA permits and not reflected in this reported data.

City Manager - Office of Economic Development and Cultural Affairs

Performance Summary

Business Development and Economic Strategy

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Estimated jobs generated/retained by companies that received OED assistance	4,217	4,000	3,611 ¹	4,000 ²
 Ratio of tax revenues (e.g. sales and business taxes, excludes property taxes) generated by assisted companies per estimated OED outreach expenditure	2.31:1	2.50:1	2.50:1	2.50:1

¹ Estimates for jobs generated or retained for 2022-2023 are below targets due to several projects being delayed, as well as a general slowdown in tech growth.


² The 2023-2024 Target for jobs attracted and retained seeks to maintain current levels, although slowing growth in the tech industry presents challenges to this goal.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of companies receiving permitting assistance	63	80	85	90
# of firms with which OED held meetings	537	350	500	525
# of establishments participating in Foreign Trade Zone	6	8	8	8

Real Estate Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Revenue Generated:				
a) Leases	\$1,082,874	\$1,000,000	\$883,337	\$1,000,000
b) Telecom ¹	\$1,179,802	\$1,400,000	\$1,292,940	\$1,300,000
c) Surplus Property sales	\$4,852,800	\$600,000	\$682,449	\$600,000 ²

¹ Excludes Small Cell sites.

² Assumes 10% of available surplus property to be sold.

Activity and Workload Highlights



	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of properties managed	83	83	87	87
# of real estate transactions within 12 months	141	140	154	140

City Manager - Office of Economic Development and Cultural Affairs

Performance Summary

Regional Workforce Development

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Estimated % of clients employed 6 months after initial placement				
- Adults	65%	65%	65%	TBD ¹
- Dislocated workers	62%	68%	68%	TBD ¹
- Youth	71%	71%	71%	TBD ¹
 Estimated % of clients employed 12 months after initial placement				
- Adults	61%	62%	62%	TBD ¹
- Dislocated workers	67%	67%	67%	TBD ¹

¹ Goals set annually by the State of California, with numbers available by fall 2023.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of business clients served by the Business Services Unit	305	250	300	300

City Manager - Office of Economic Development and Cultural Affairs

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	2.00	2.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	8.00	-
Arts Programs Coordinator	1.00	1.00	-
Assistant Director	2.00	2.00	-
Assistant to the City Manager	3.00	4.00	1.00
Deputy Director	1.00	1.00	-
Director of Economic Development	1.00	1.00	-
Division Manager	1.00	1.00	-
Economic Development Manager	1.00	1.00	-
Events Coordinator I/II	1.00	1.00	-
Executive Analyst I/II	3.00	3.00	-
Executive Assistant	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	1.00	1.00	-
Senior Arts Program Coordinator	4.00	4.00	-
Senior Events Coordinator	2.00	2.00	-
Senior Executive Analyst	19.00	19.00	-
Staff Specialist	6.00	6.00	-
Total Positions	60.00	61.00	1.00

PAGE INTENTIONALLY LEFT BLANK

Community Energy Department

Lori Mitchell, Director

MISSION

To procure clean, cost-effective energy for the benefit of its customers

CITY SERVICE AREA

Environmental and Utility Services

CORE SERVICES

COMMUNITY ENERGY COMMUNITY PROGRAMMING

Establish San José-specific renewable energy and local renewable energy efficiency programs

COMMUNITY ENERGY CUSTOMER SUPPORT

Provide exceptional customer experience by educating and communicating effectively with customers, the public, and the media

PROVIDING CLEAN ENERGY TO THE COMMUNITY

Promote enhanced sustainable energy practices by providing the community with cleaner energy options, resources, and education

Strategic Support: Administration, Financial Management, Information Technology, Human Resources, and Emergency Response and Recovery

Community Energy Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Providing Clean Energy to the Community Core Service</i>	
Community Energy Renewable Energy Supply	Procures renewable energy, such as solar, thermal, geothermal, and biomass.
Community Energy Conventional Energy Supply	Procures conventional energy, such as natural gas.
Community Energy Hydro Power Supply	Procures hydro power supply energy, such as large hydro and Greenhouse Gas-free energy
Community Energy Power Scheduling and Other Supply	Manages grid and California Independent System Operator (ISO) charges.
Community Energy Risk Management	Manages and mitigates potential power supply risk to which the Department and City are exposed.
Community Energy Regulatory Compliance	Manages local, State, and federal regulatory compliance and advocacy to ensure compliance with all regulations and to advance City objectives.
<i>Community Energy Customer Support Core Service</i>	
Community Energy Marketing and Public Affairs	Provides direct communication to customers, the public, and media.
Community Energy Data and Call Center Management	Manages energy data and billing accuracy and provides resolution to Call Center customer escalations.
<i>Community Energy Community Programming Core Service</i>	
Local Energy Programs	Provides San José-specific energy programs to reduce carbon and provide additional benefits to the community.
<i>Strategic Support Core Service</i>	
Community Energy Management and Administration	Provides executive-level, analytical, and administrative support to the Department.
Community Energy Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Community Energy Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Community Energy Information Technology	Provides information technology services, security, planning, system development, and maintenance for the department in coordination with the Information Technology Department.
Community Energy Legal Support	Manages all legal support functions for the Department in coordination with the City Attorney's Office.
Community Energy Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Community Energy Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Provide cost effective electric generation rates by procuring cleaner electric supplies. Offer customers at least one power mix option at ten percent or more renewables than PG&E and at least one power mix option that is 100 percent renewable.
- Ensure new electrical infrastructure constructed as part of major development projects is designed and constructed to improve grid resiliency and enable high utilization of renewable energy resources.
- Execute prudent financial management practices, including the implementation of effective cost controls and engagement in the regulatory and legislative process. Ensure the long-term financial stability of the San José Clean Energy (SJCE) program.
- Develop San José-specific energy and programs that reduce carbon, maintain and expand utility programs for low-income customers, and support local renewable energy projects in compliance with regulatory obligations.
- Support Climate Smart San José by aiming to reduce carbon emissions.

2023-2024 Key Budget Actions

- Adds 1.0 Principal Power Resources Specialist position to support power resources procurement. The Power Resources team manages a portfolio of energy products totaling \$350 million annually and 100 contracts valued at \$2.0 billion. With power costs increasing, this team is focused on optimizing energy procurement to maximize value and minimize costs. As part of this effort, this team will seek to secure additional long-term energy contracts with renewables and storage providers over the next three to five years. The California Public Utilities Commission requires Investor-Owned Utilities and Community Choice Aggregators to procure long-duration storage resources in 2023-2026.
- Adds 1.0 Senior Power Resources Specialist position to manage and facilitate SJCE's shift to cost-of-service (COS) rate setting that began in 2023. Complex energy market forecasts based on SJCE's financial pro forma and energy modeling software will enable the Senior Power Resources Specialist to identify and forecast costs to be recovered by customers through COS rates. The rates will be analyzed monthly but reviewed formally once per year and presented for City Council approval.
- Adds 1.0 Senior Power Resources Specialist position, and one-time non-personal/equipment funding of \$250,000, to support SJCE'S efforts to develop and implement energy programs for residential and commercial customers that reduce carbon emissions, incentivize electrification, promote equity, and make progress toward San José's carbon neutrality goal by 2030.
- Adds 1.0 Senior Power Resources Specialist and 2.0 Power Resources Specialist positions to provide sufficient resources to support the increasing number of required compliance filings with State, federal and non-profit regulatory organizations. The regulatory and legislative climate affecting the energy industry has evolved and become more complex, with a significant increase in compliance requirements. These positions will work closely with lobbyists and the City's Office of Intergovernmental Relations to proactively advocate and take a more aggressive and proactive stance on bills that directly impact the City's clean energy goals.

Operating Funds Managed

- San José Clean Energy Operating Fund

Community Energy Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Community Energy Community Programming	845,134	5,687,411	3,420,728	3,887,248
Community Energy Customer Support	7,292,942	7,924,692	8,086,043	8,302,563
Providing Clean Energy to the Community	317,013,929	297,560,320	426,379,182	427,432,821
Strategic Support - Environmental & Utility Services	4,126,277	7,114,013	4,995,778	5,509,801
Strategic Support - Other - Environmental & Utility Services	4,629,110	6,525,910	25,511,718	25,826,056
Total	\$333,907,392	\$324,812,346	\$468,393,450	\$470,958,488
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	6,087,427	8,198,635	9,061,155	11,033,169
Overtime	7,086	0	0	0
Subtotal Personal Services	\$6,094,513	\$8,198,635	\$9,061,155	\$11,033,169
Non-Personal/Equipment	7,466,187	9,146,801	9,137,801	9,416,487
Total Personal Services & Non-Personal/Equipment	\$13,560,700	\$17,345,436	\$18,198,956	\$20,449,656
Other Costs *				
City-Wide Expenses	664,454	1,431,000	0	0
Debt Service/Financing	1,627,920	3,926,000	23,700,000	23,700,000
Housing Loans and Grants	0	0	0	0
Other	315,053,128	299,510,000	424,682,776	424,682,776
Other - Capital	0	0	0	0
Overhead Costs	3,001,190	2,599,910	1,811,718	2,126,056
Total Other Costs	\$320,346,691	\$307,466,910	\$450,194,494	\$450,508,832
Total	\$333,907,392	\$324,812,346	\$468,393,450	\$470,958,488

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Community Energy Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	664,454	1,431,000	0	0
American Rescue Plan Fund (402)	13,285	490,000	0	0
San José Clean Energy Operating Fund (501)	333,229,654	322,891,346	468,393,450	470,958,488
Total	\$333,907,392	\$324,812,346	\$468,393,450	\$470,958,488
Positions by Core Service **				
Community Energy Community Programming	2.00	2.00	3.00	4.00
Community Energy Customer Support	9.34	8.00	9.00	10.00
Providing Clean Energy to the Community	14.51	13.00	15.00	20.00
Strategic Support - Environmental & Utility Services	11.15	17.00	16.00	19.00
Total	37.00	40.00	43.00	53.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Community Energy Department

Department Budget Summary

2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
-------------------------	----------------------	-----------------------	-----------------------	------------------------------------

Dollars by Program*

Community Energy Community Programming

Local Energy Programs	845,134	5,687,411	3,420,728	3,887,248	4.00
Sub-Total	845,134	5,687,411	3,420,728	3,887,248	4.00

Community Energy Customer Support

Community Energy Data and Call Center Management	5,965,391	6,360,369	6,350,612	6,567,132	3.50
Community Energy Marketing and Public Affairs	1,327,551	1,564,323	1,735,431	1,735,431	6.50
Sub-Total	7,292,942	7,924,692	8,086,043	8,302,563	10.00

Providing Clean Energy to the Community

Community Energy Conventional Energy Supply	225,902,727	203,648,167	331,855,179	331,855,179	0.75
Community Energy Hydro Power Supply	1,966,973	61,286,337	61,300,358	61,300,358	1.50
Community Energy Power Scheduling and Other Supply	68,302,684	16,625,195	16,629,360	16,629,360	0.25
Community Energy Regulatory Compliance	592,066	1,198,598	1,750,710	2,325,246	10.00
Community Energy Renewable Energy Supply	20,131,713	14,285,461	14,334,713	14,597,296	3.50
Community Energy Risk Management	117,766	516,562	508,863	725,382	4.00
Sub-Total	317,013,929	297,560,320	426,379,182	427,432,821	20.00

Strategic Support - Environmental & Utility Services

Community Energy Emergency Response and Recovery	13,274	490,000	0	0	0.00
Community Energy Financial Management	428,486	1,571,074	1,574,149	2,089,486	11.00
Community Energy Legal Support	283,768	500,000	500,000	500,000	0.00
Community Energy Management and Administration	3,400,749	4,552,939	2,921,629	2,920,315	8.00
Sub-Total	4,126,277	7,114,013	4,995,778	5,509,801	19.00

Strategic Support - Other - Environmental & Utility Services

Community Energy Debt/Financing Costs	1,627,920	3,926,000	23,700,000	23,700,000	0.00
Community Energy Overhead	3,001,190	2,599,910	1,811,718	2,126,056	0.00
Sub-Total	4,629,110	6,525,910	25,511,718	25,826,056	0.00

Total	\$333,907,392	\$324,812,346	\$468,393,450	\$470,958,488	53.00
--------------	----------------------	----------------------	----------------------	----------------------	--------------

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Community Energy Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2022-2023):	40.00	17,345,436
<hr/> Base Adjustments <hr/>		
One-Time Prior Year Expenditures Deleted		
• Energy Resiliency Strategic Planning (1.0 Deputy Director)	(1.00)	(221,915)
• Community Energy Budget and Financial Planning Staffing		(3,000)
• Community Energy Human Resources and Administration Staffing		(3,000)
• Community Energy Power Procurement Staffing		(3,000)
One-time Prior Year Expenditures Subtotal:	(1.00)	(230,915)
<hr/> Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes:		215,875
• Community Energy Department Staffing (City Council approval on January 10, 2023):		
- 1.0 Deputy Director, 1.0 Senior Power Resources Specialist, and 2.0 Power Resources Specialist I/II	4.00	868,560
Technical Adjustments Subtotal:	4.00	1,084,435
2023-2024 Forecast Base Budget:	43.00	18,198,956
<hr/> Budget Proposals Recommended <hr/>		
1. San José Clean Energy Regulatory Compliance, Policy and Legislative Affairs Staffing	3.00	574,536
2. Customer Program Staffing and City Electrification Study	1.00	466,520
3. Risk Management and Contract Staffing	2.00	433,039
4. San José Clean Energy Budget and Financial Planning Staffing	2.00	298,817
5. Power Resources Staffing	1.00	262,583
6. San José Clean Energy Account Management Staffing	1.00	216,519
7. California Network and Telecommunications (CalNet) Program Savings		(1,314)
Total Budget Proposals Recommended	10.00	2,250,700
<hr/> 2023-2024 Proposed Budget Total	<hr/> 53.00	<hr/> 20,449,656

Community Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
1. San José Clean Energy Regulatory Compliance, Policy and Legislative Affairs Staffing	3.00	574,536

***Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Community Energy Regulatory Compliance Program***

This action adds 1.0 Senior Power Resources Specialist and 2.0 Power Resources Specialist positions to SJCE's Regulatory Compliance, Policy and Legislative Affairs Divisions. The regulatory and legislative climate affecting the energy industry has evolved and become more complex in recent years. The number of required compliance filings with State, federal, and non-profit regulatory organizations has increased significantly over the past year as compared to the years prior. For example, in 2022, SJCE submitted 149 regulatory compliance filings compared to 111 in 2021. In addition, SJCE participated in 81 regulatory proceedings in 2022 compared to only 58 in 2021. The number of new bills and legislation at the state level have also increased and create significant threats for SJCE, including the Power Charge Indifference Adjustment (PCIA), a Central Procurement Entity that could limit SJCE's autonomy to purchase power, and Provider of Last Resort, which creates new credit and collateral requirements that increase costs. This team prepares emissions analyses, utility tariff analyses, and resource reliability assessments, and works cross-functionally across the Department to meet mandatory compliance requirements from the California Public Utilities Commission, California Energy Commission, California Air Resources Board, and California Independent System Operator. The new positions will routinely interface with California Community Choice Association (CalCCA) committees and other member CCAs, as well, as working closely with lobbyists and the City's Office of Intergovernmental Relations to proactively advocate and take a more aggressive and proactive stance on bills that directly impact SJCE. (Ongoing costs: \$565,536)

Community Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
2. Customer Program Staffing and City Electrification Study	1.00	466,520

Environmental and Utility Services CSA

Community Energy Community Programming Core Service

Local Energy Programs Program

This action adds 1.0 Senior Power Resources Specialist position and one-time, non-personal/equipment funding of \$250,000 to support the Customer Programs Division. SJCE's Customer Programs team, currently consisting of a Senior Environmental Program Manager, a Senior Power Resources Specialist, and a Power Resources Specialist, develops and implements energy programs for residential and commercial customers that reduce carbon emissions, incentivize electrification, promote equity, and make progress toward San José's carbon neutrality goal by 2030. The Senior Power Resources Specialist will manage part of the current customer programs and implement new vehicle electrification programs. To-date, the team has a total of six customer programs underway (CALeVIP, Fast Charging Hubs Pilot, Disadvantaged Communities Green Tariff now called Solar Access Program, Energy Efficiency Program, Home Appliance Savings Program, and Energy Efficiency Business Program) with budgets totaling \$38.5 million over the terms of the grants. SJCE is anticipating an additional 12 new programs to begin in 2023-2024, supported in part by the Inflation Reduction Act, and include, for example, a discount or rebate program for low-income consumers to purchase EVs; electrification or charging support for medium and heavy-duty and small business fleets; and building charging stations in rural areas and low and middle-income neighborhoods. Once SJCE has achieved its operating reserve target of \$180.0 million, staff will develop a workplan to leverage community program dollars for City electrification projects that may include fleet electrification and resiliency of City facilities. To begin this work, one-time funding of \$250,000 will be added in 2023-2024 for contractual services to initiate project scoping and identify critical infrastructure needs of City facilities that can benefit from electrification. (Ongoing costs: \$213,520)

Community Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
3. Risk Management and Contract Staffing	2.00	433,039

Environmental and Utility Services CSA

Providing Clean Energy to the Community and Strategic Support – Environmental and Utility Services Core Services

Community Energy Risk Management and Community Energy Financial Management Programs

This action adds 2.0 Senior Power Resources Specialist positions to SJCE's Risk Management and Contracts Administration Division. This Division is responsible for risk management of SJCE's power portfolio valued at over \$2.0 billion; this team monitors the short, medium, and long-term (20-25 years) executed power purchase agreements (PPAs). Both senior-level positions will help SJCE to scale its efforts to manage the growing and increasingly complex power portfolio of wind, solar, storage, and geothermal agreements. Currently, the team's Division Manager is the only team member with authority to negotiate agreements with energy suppliers. Adding these two Senior Power Resources Specialist positions will increase that capacity, as well as staff available to validate invoices monthly and monitor credit exposure and collateral needs. With the growth in future multi-year agreements, collateral requirements increase as the value of each agreement increases. The positions will have a strong understanding of types of contracts, contractual terms, and applicable regulations and laws; will manage the complex contractual requirements, settlements, and dispute resolution of PPAs; will develop risk models to monitor risk associated with procurement strategies; and will develop proactive scenario analysis to anticipate collateral requirements of the City as well as the counterparties. (Ongoing costs: \$427,039)

Community Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
4. San José Clean Energy Budget and Financial Planning Staffing	2.00	298,817

Environmental and Utility Services CSA

Strategic Support – Environmental and Utility Services Core Service

Community Energy Financial Management Program

This action adds 1.0 Analyst and 1.0 Accounting Technician positions to the Budget and Financial Planning Division. As SJCE moves forward with implementing energy efficiency programs and its disadvantaged communities green tariff program, the Department has identified the need for additional analytical support to ensure compliance with tracking and reporting requirements of these customer grant programs. The addition of a Grants Analyst will provide the Customer Programs team analytical support for the execution of these programs. Currently, SJCE has six customer programs underway and anticipates an additional 12 new programs to begin in 2023-2024, supported in part by the Inflation Reduction Act. Nearly \$80 billion is available for local governments, Community Choice Aggregators, and their customers to increase renewable generation and incentivize building electrification. Additionally, the Analyst will assist the Program Manager with data entry updates in SJCE's pro forma. Helping the Program Manager with these tasks will enable the Program Manager to focus more attention on leading long-range financial modeling for SJCE, which could include analysis of special programs such as the EV fast charging pilot program. The Accounting Technician will provide needed additional accounting staff capacity on a team that is supporting the growth in the number and complexity of short, medium, and long-term power purchase agreements and energy grant programs. (Ongoing costs: \$295,304)

5. Power Resources Staffing	1.00	262,583
------------------------------------	-------------	----------------

Environmental and Utility Services CSA

Providing Clean Energy to the Community Core Service

Community Energy Renewable Energy Supply Program

This action adds 1.0 Principal Power Resources Specialist position to support the purchase of energy products in SJCE's Power Resources Division. The current team of six (1.0 Deputy Director, 2.0 Principal, 2.0 Senior, and 1.0 Power Resources Specialist) negotiates short, medium, and long-term Power Purchase Agreements (PPAs) that total approximately \$350 million per year for short-term and \$2.0 billion for long-term (up to 25 years) PPAs. The addition of this Principal Power Resources Specialist position will be dedicated to facilitating the execution of medium and long-term PPAs, which have more favorable pricing for SJCE, but also have more complex agreement terms and conditions to negotiate. Currently, SJCE has two long-term PPAs under contract, with another eight PPAs expected to come online over the next year. Also, to achieve City and State regulatory goals and requirements to meet greenhouse gas emissions standards, SJCE must continue to increase its number of long-term PPAs for renewable products, including wind, solar, and hydroelectric energy resources. (Ongoing costs: \$259,583)

Community Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
6. San José Clean Energy Account Management Staffing	1.00	216,519

*Environmental and Utility Services CSA
Community Energy Customer Support Core Service
Community Energy Data and Call Center Management Program*

This action adds 1.0 Senior Power Resources Specialist position to the Marketing and Account Management Division to manage and facilitate SJCE's shift to cost-of- service (COS) rate setting that began in 2023 and was approved by City Council in December 2022. SJCE will no longer peg its rates at a discount or premium to PG&E's standard rates. The City will use the more technical, integrated, and complex COS model for rate setting. The Senior Power Resources Specialist will facilitate the integration and unbundling of all organizational costs to determine revenue requirements and functional costs so that SJCE can properly assign costs to customer classes. This position will also understand how best to set rate pricing to encourage desired customer energy usage for optimum load shaping and to integrate distributed generation programs such as customer demand response rate pricing, that compensates residents and businesses for reducing their energy usage during energy-saving events. Complex energy market forecasts, based on SJCE's financial pro forma and energy modeling software, will enable the Senior Power Resources Specialist to identify and forecast costs to be recovered by customers through COS rates. The rates will be analyzed monthly but reviewed formally once per year and presented for City Council approval. Additionally, at the urging of multiple stakeholders, SJCE will be exploring rate structures for manufacturing customers and large commercial users. These options would commit SJCE to set certain rates lower, but for a longer term. (Ongoing costs: \$213,520)

Community Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment



2023-2024 Proposed Budget Changes	Positions	All Funds (\$)
7. California Network and Telecommunications (CalNet) Program Savings		(1,314)
<i>Environmental and Utility Services CSA Strategic Support – Environmental and Utility Services Core Service Community Energy Management and Administration Program</i>		
<p>This action decreases the Department’s non-personal/equipment funding by \$1,314 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$1,314)</p>		
2023-2024 Proposed Budget Changes Total	10.00	2,250,700

Community Energy Department

Performance Summary

Community Energy Customer Support

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of customers who opt out ¹	3.11%	<5%	2.4%	<5%
 % of customers that opt up to TotalGreen (100% renewable energy service)	0.44%	0.50%	0.50%	0.56%

¹ When the San José Clean Energy (SJCE) program initially launched, San José customers were automatically enrolled, or opted in, to the program. Customers do have the option to leave, or opt out, of SJCE service at any time.

Activity and Workload Highlights



	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Number of customers that opt up to TotalGreen (100% renewable energy service)	1,545	1,765	1,750	1,960
Number of San José Clean Energy customers	350,900	353,000	350,750	351,000

Community Energy Department

Performance Summary

Providing Clean Energy to the Community

Performance Measures


	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 San José Clean Energy mix supplied:				
- Renewable Energy	60%	60%	60%	60%
- Carbon Free	95%	95%	95%	95%
 PG&E mix supplied (as compared with San José Clean Energy above):				
- Renewable Energy	TBD ¹	N/A ²	TBD ¹	N/A ²
- Carbon Free	TBD ¹	N/A ²	TBD ¹	N/A ²

¹ Information not available from PG&E. Data is anticipated to become available in July 2023 in time for production of the 2023-2024 Adopted Budget.

² Information reported for actual data only.

Strategic Support

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % customer savings compared to PG&E	-9.2%	-5.7%	-1.9%	5.2%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total customer savings compared to PG&E	-\$41.4M	-\$27.9M	-\$10.6M	\$29.6M

Community Energy Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant II	1.00	1.00	-
Accounting Technician	1.00	2.00	1.00
Analyst I/II	5.00	6.00	1.00
Assistant Director	1.00	1.00	-
Associate Engineer	1.00	1.00	-
Deputy Director	3.00	3.00	-
Director of Community Energy	1.00	1.00	-
Division Manager	3.00	3.00	-
Power Resources Specialist I/II	5.00	9.00	4.00
Principal Power Resources Specialist	2.00	3.00	1.00
Program Manager I	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative II	3.00	3.00	-
Senior Account Clerk	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	2.00	2.00	-
Senior Environmental Program Manager	1.00	1.00	-
Senior Power Resources Specialist	3.00	9.00	6.00
Senior Public Information Representative	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Total Positions	40.00	53.00	13.00

Environmental Services Department

Kerrie Romanow, Director

MISSION

Delivering world class utility services and programs to improve our health, environment, and economy

CITY SERVICE AREA

Environmental Utility Services

CORE SERVICES

POTABLE WATER DELIVERY

Develop, operate, and maintain the City's municipal potable water system.

RECYCLED WATER MANAGEMENT

Develop, operate, and maintain a recycled water system that reduces effluent to the Bay and provides a reliable and high quality alternative water supply.

RECYCLING AND GARBAGE SERVICES

Collect, process, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.

STORMWATER MANAGEMENT

Protect the health of the South Bay watershed through regulatory programs that prevent pollution from entering the storm sewer system and waterways.

SUSTAINABILITY AND ENVIRONMENTAL HEALTH

Provide innovative solutions to tackle climate change and reduce emissions by promoting enhanced air quality, environmentally responsible land use, sustainable energy practices, and conservation of water and energy resources.

WASTEWATER MANAGEMENT

Manage wastewater for suitable discharge into the south San Francisco Bay and for beneficial reuse to protect the environment and public health.

Strategic Support: Public Education, Long Range Planning, Human Resources, Facility Management, Financial Management, Information Technology Services, Clerical Support, Materials Management, and Emergency Response and Recovery

Environmental Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Potable Water Delivery Core Service</i>	
Municipal Water System Operations and Maintenance	Operates and maintains the Municipal Water System to ensure a reliable, safe, and potable water supply.
Municipal Water System Planning and Capital Project Delivery	Plans, coordinates, and executes capital projects within the Municipal Water System service area.
<i>Recycled Water Management Core Service</i>	
South Bay Water Recycling Operations and Maintenance	Operates and maintains the South Bay Water Recycling system.
<i>Recycling and Garbage Services Core Service</i>	
Civic / Other Solid Waste Collection Services	Provides management and oversight of all solid waste services generated from City facilities and includes funding from non-rate-payer funds to provide waste diversion services to restrict or redirect waste from entering local landfills.
Commercial Solid Waste Collection Services	Provides management and oversight of all solid waste collections, sorting, recycling, outreach, program compliance, and disposal services related to commercial accounts within the City and includes inspection services, outreach, and the maintenance of public litter cans within the right-of-way.
Recycling and Garbage Services Administration	Administers and manages all solid waste services.
Residential Solid Waste Collection Services	Provides management and oversight of all solid waste collections, sorting, recycling, outreach, customer service, program compliance, disposal services, and inspection activities related to single-family households and multi-family households within the City.
<i>Stormwater Management Core Service</i>	
Stormwater Administration	Provides executive-level management and administration of the Stormwater Management Core Service. Also provides mid-level and clerical administrative support.
Stormwater Enforcement	Educates and regulates approximately 10,000 businesses and construction sites in San José regarding stormwater practices to ensure compliance with federal and State requirements for the City's storm sewer system.
Stormwater Policy and Compliance	Facilitates City compliance with its stormwater the National Pollutant Discharge Elimination Program (NPDES) permit for the storm sewer system, including requirements for municipal operations, new development and redevelopment requirements, and control programs for specific pollutants such as trash, PCBs, and mercury. Supports compliance with the requirements of the Baykeeper Consent Decree and other agreements.

Environmental Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Sustainability and Environmental Health Core Service</i>	
Environmental Compliance and Safety	Provides oversight of ESD employee health and safety at all ESD facilities, as well as providing professional compliance services for City lands, including closed landfills, such that both aspects fully comply with all State and federal laws.
Policy, Legislative Advocacy, and Education	Leads the City's efforts to implement Climate Smart San José strategies that address the challenges of climate change for the City. Climate Smart San José has set multiple goals to take meaningful action to reduce carbon emissions through strategic planning, policy implementation, community outreach, and public/private partnerships. Coordinates the City's efforts related to energy efficiency, renewable energy, and Green House Gas reductions, including administration of the Silicon Valley Energy Watch and other programs. Environmental legislation advocacy and policy development is led by this group as well as external partner relationships for sustainability, water, and wastewater policy and projects.
<i>Wastewater Management Core Service</i>	
Facility Land Use and Planning	Performs environmental permitting and review for CIP, and coordinates with State and federal agencies and external partners on capital and land use projects. Oversees habitat and buffer land improvements.
Laboratory Services	Performs analysis for monitoring operations and compliance at the San José-Santa Clara Regional Wastewater Facility as well as monitoring industrial discharges to the Facility; supports various studies aimed at understanding and monitoring water quality issues in the Bay and urban tributaries.
Pretreatment	Permits, regulates, and monitors approximately 250 industrial wastewater dischargers and nearly 900 dental practices, across the San José-Santa Clara Regional Wastewater Facility's service area to ensure compliance with local, State, and federal pretreatment requirements. Also educates and regulates approximately 4,300 food service establishments in San José to ensure proper management of fats, oils, and grease to minimize sanitary sewer overflows.
Regulatory Compliance and Safety	Manages regulatory compliance for the San José-Santa Clara Regional Wastewater Facility's two major permits: the National Pollutant Discharge Elimination Program (NPDES) permit for the Facility's treated wastewater effluent, and the Title V permit for all of the Facility's major air emissions sources.
San José-Santa Clara Treatment Plant Capital Project Delivery	Provides services for both capital project planning, design and construction of major projects as well as process engineering services within the San José-Santa Clara Regional Wastewater Facility.
San José-Santa Clara Treatment Plant Operations and Maintenance	Treating an average wastewater influent of over 100 million gallons per day, this program is responsible for the management, and daily operations and maintenance of the San José-Santa Clara Regional Wastewater Facility, with the primary objective of ensuring compliance with the NPDES.

Environmental Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Environmental Services Communications	Performs community outreach, marketing, and media relations to advance key environmental priorities including garbage and recycling services, watershed protection and pollution prevention, municipal drinking water and recycled water, community sustainability initiatives, and the San José-Santa Clara Regional Wastewater Facility.
Environmental Services Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Environmental Services Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Environmental Services Information Technology	Provides information technology services, planning, system development and maintenance for the Department in coordination with the Information Technology Department.
Environmental Services Management and Administration	Provides executive-level, analytical and administrative support to the department.

Environmental Services Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Build, operate, and maintain the City's wastewater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- Promote the health of the environment and South Bay watershed through collection, treatment, and management of wastewater and stormwater runoff.
- Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Reduce the City's environmental footprint through energy efficiency, waste reduction, and environmentally preferable purchases.
- Support sustainable infrastructure, equipment, and behaviors throughout the community through education, and public-private partnerships.
- Lead implementation of the City Council-approved Climate Smart San José Plan and Carbon Neutrality by 2030 Goal which includes partnering with city departments and other agencies to pursue grants to promote a variety of goals such as energy efficiency, building electrification, and clean, renewable energy in the community.

2023-2024 Key Budget Actions

- Increases Residential Garbage and Recycling rates up to 4% for single-family and 2% for multi-family households, to maintain cost recovery as contract expenditures will increase due to annual cost-of-living adjustments for solid waste haulers.
- Municipal Water System proposes up to a 14.2% budgeted revenue adjustment for 2023-2024, primarily to account for the increased cost of wholesale water.
- Continues Climate Smart San José and Carbon Neutrality program implementation with the addition of one-time non-personal/equipment funding for consultant services to support initiatives such as the Carbon Neutrality by 2030 goal, workforce development, outreach, and building electrification.
- Adds 2.0 positions at the Regional Wastewater Facility Operations and Maintenance Division to assist in transitioning various capital improvement projects into ongoing operations.
- Continues and make permanent two solid waste enforcement positions to address increased workloads associated with new and updated regulatory requirements.
- Adds \$1.2 million in one-time non-personal/equipment funding for consulting work as part of the Dewatered Biosolids Management Strategy.
- Adds 2.0 positions and non-personal/equipment funding to expand the larger garbage cart pilot and implement other recycling contamination reduction tactics.
- Adds 1.0 Environmental Program Manager to assist with meeting 100% compliance schedule in reducing trash on land and in local waterways by June 30, 2025, as required by the Municipal Regional Stormwater Permit.
- Adds 1.0 Senior Environmental Program Manager to lead and oversee the South Bay Water Recycling program and Water Supply Resiliency efforts.

Operating Funds Managed

- Integrated Waste Management Fund
- San José-Santa Clara Treatment Plant Income Fund
- San José-Santa Clara Treatment Plant Operating Fund
- Sewer Service and Use Charge Fund
- Storm Sewer Operating Fund
- South Bay Water Recycling Operating Fund
- Sewage Treatment Plant Connection Fee Fund
- Water Utility Fund

Environmental Services Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Potable Water Delivery	45,502,819	51,177,362	52,502,432	53,202,695
Recycled Water Management	11,522,893	15,824,392	24,273,392	27,865,532
Recycling & Garbage Services	171,581,975	192,735,588	198,248,095	200,063,563
Stormwater Management	8,801,351	10,532,484	10,013,648	10,283,253
Strategic Support - Environmental & Utility Services	17,021,781	15,891,669	16,480,499	16,952,758
Strategic Support - Other - Environmental & Utility Services	22,689,098	22,460,518	21,827,382	23,005,149
Sustainability and Environmental Health	4,843,265	7,904,256	7,251,436	7,651,436
Wastewater Management	82,129,856	124,898,608	101,665,020	103,310,646
Total	\$364,093,038	\$441,424,877	\$432,261,904	\$442,335,033
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	91,903,573	103,223,439	107,119,534	109,316,530
Overtime	2,396,699	973,315	1,081,546	1,081,546
Subtotal Personal Services	\$94,300,272	\$104,196,754	\$108,201,080	\$110,398,076
Non-Personal/Equipment	234,182,574	273,710,592	275,680,361	283,230,286
Total Personal Services & Non-Personal/Equipment	\$328,482,846	\$377,907,346	\$383,881,441	\$393,628,362
<i>Other Costs *</i>				
City-Wide Expenses	1,763,706	1,347,465	1,246,000	1,246,000
Housing Loans and Grants	0	0	0	0
Other	12,060,428	40,755,213	26,462,081	26,462,081
Other - Capital	0	0	0	0
Overhead Costs	21,105,395	20,270,853	19,628,382	19,954,590
Workers' Compensation	680,664	1,144,000	1,044,000	1,044,000
Total Other Costs	\$35,610,192	\$63,517,531	\$48,380,463	\$48,706,671
Total	\$364,093,038	\$441,424,877	\$432,261,904	\$442,335,033

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Environmental Services Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	4,587,334	6,684,879	5,922,252	6,786,638
American Rescue Plan Fund (402)	0	0	0	0
Integrated Waste Management Fund (423)	176,856,190	194,749,113	200,132,777	202,137,195
San José-Santa Clara Treatment Plant Operating Fund (513)	94,528,593	140,907,866	126,560,279	128,582,972
Sewer Service And Use Charge Fund (541)	3,274,039	5,087,160	5,077,555	5,575,703
South Bay Water Recycling Operating Fund (570)	12,736,716	17,174,472	16,465,026	20,094,100
Storm Sewer Operating Fund (446)	16,160,204	16,593,510	16,265,102	16,603,936
Water Utility Fund (515)	48,303,225	54,081,027	55,325,460	56,041,036
Capital Funds	7,646,737	6,146,850	6,513,453	6,513,453
Total	\$364,093,038	\$441,424,877	\$432,261,904	\$442,335,033
Positions by Core Service **				
Potable Water Delivery	39.65	40.80	40.80	40.95
Recycled Water Management	29.49	29.29	29.29	30.04
Recycling & Garbage Services	38.00	38.00	36.00	40.00
Stormwater Management	40.60	40.60	40.60	41.60
Strategic Support - Environmental & Utility Services	73.90	74.65	74.90	76.90
Strategic Support - Other - Environmental & Utility Services	0.00	0.00	0.00	1.10
Sustainability and Environmental Health	28.10	34.35	34.10	34.10
Wastewater Management	322.26	324.31	324.31	326.31
Total	572.00	582.00	580.00	591.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Environmental Services Department

Department Budget Summary

	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

Potable Water Delivery

Municipal Water System Operations and Maintenance	44,632,473	50,260,616	51,602,394	52,302,657	35.65
Municipal Water System Planning and Capital Project Delivery	870,346	916,746	900,038	900,038	5.30
Sub-Total	45,502,819	51,177,362	52,502,432	53,202,695	40.95

Recycled Water Management

South Bay Water Recycling Operations and Maintenance	11,522,893	15,824,392	24,273,392	27,865,532	30.04
Sub-Total	11,522,893	15,824,392	24,273,392	27,865,532	30.04

Recycling & Garbage Services

Civic/Other Solid Waste Collection Services	2,404,172	2,711,459	2,789,129	2,826,000	4.23
Commercial Solid Waste Collection Services	1,981,646	2,558,891	2,473,293	2,605,257	11.22
Recycling and Garbage Services Administration	5,482,157	6,620,590	6,523,357	8,169,989	24.55
Residential Solid Waste Collection Services	161,714,000	180,844,648	186,462,317	186,462,317	0.00
Sub-Total	171,581,975	192,735,588	198,248,095	200,063,563	40.00

Stormwater Management

Stormwater Administration	860,235	866,421	865,237	865,237	3.80
Stormwater Enforcement	3,840,482	4,383,073	4,070,836	4,135,108	21.80
Stormwater Policy and Compliance	4,100,634	5,282,990	5,077,576	5,282,909	16.00
Sub-Total	8,801,351	10,532,484	10,013,648	10,283,253	41.60

Strategic Support - Environmental & Utility Services

Environmental Services Communications	3,329,834	3,898,008	4,299,981	4,299,981	13.94
Environmental Services Emergency Response and Recovery	6,173	0	0	0	0.00
Environmental Services Financial Management	1,457,423	1,774,100	1,773,944	1,773,944	8.00
Environmental Services Human Resources	348,698	625,929	638,810	638,810	5.00
Environmental Services Information Technology	1,149,818	2,107,437	2,150,015	2,313,328	10.50
Environmental Services Management and Administration	10,729,835	7,486,195	7,617,748	7,926,695	39.46
Sub-Total	17,021,781	15,891,669	16,480,499	16,952,758	76.90

Strategic Support - Other - Environmental & Utility Services

Environmental Services Capital	2,888	0	0	0	0.00
Environmental Services Other Departmental - City-Wide	770,367	1,045,665	1,155,000	2,006,559	1.10

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Environmental Services Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Environmental Services Other Operational - Administration	140,301	0	0	0	0.00
Environmental Services Overhead	21,105,395	20,270,853	19,628,382	19,954,590	0.00
Environmental Services Workers' Compensation	670,147	1,144,000	1,044,000	1,044,000	0.00
Sub-Total	22,689,098	22,460,518	21,827,382	23,005,149	1.10
Sustainability and Environmental Health					
Environmental Compliance and Safety	2,255,541	3,610,214	3,699,978	3,699,978	16.00
Policy, Legislative Advocacy and Education	2,587,724	4,294,042	3,551,458	3,951,458	18.10
Sub-Total	4,843,265	7,904,256	7,251,436	7,651,436	34.10
Wastewater Management					
Facility Land Use and Planning	1,554	0	0	0	0.00
Laboratory Services	4,046,086	6,435,230	5,940,430	5,979,707	28.42
Pretreatment	5,222,599	6,594,703	6,161,850	6,257,544	32.00
Regulatory Compliance and Safety	708,067	0	0	0	0.00
San José-Santa Clara Treatment Plant Capital Project Delivery	11,348,760	12,050,782	12,506,177	13,656,177	54.00
San José-Santa Clara Treatment Plant Operations and Maintenance	60,802,790	99,817,893	77,056,563	77,417,219	211.89
Sub-Total	82,129,856	124,898,608	101,665,020	103,310,646	326.31
Total	\$364,093,038	\$441,424,877	\$432,261,904	\$442,335,033	591.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	582.00	377,907,346	5,337,414
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(2,596,228)	(55,000)
• South Bay Water Recycling Operational Improvements		(1,650,000)	0
• Climate Smart Plan Update and Carbon Neutrality Program Expansion		(500,000)	(500,000)
• Solid Waste Enforcement and Compliance Staffing (1.0 Environmental Inspector, Senior and 1.0 Environmental Inspector II)	(2.00)	(362,196)	
• Regional Wastewater Facility Service Process Control		(365,000)	0
• Waste Characterization Study		(275,000)	0
• Environmental Enforcement Data Management System and Laboratory Information Management System Procurements		(215,000)	0
• Climate Smart San José - Reach Code and Building Electrification Policy Development		(200,000)	(200,000)
• Watershed Protection Division Vehicle Replacement		(120,000)	0
• Regional Wastewater Facility Asset Management Reorganization		(14,700)	0
• Municipal Water Utility Operations Compliance Management		(4,600)	0
• Municipal Environmental Compliance Staffing		(2,100)	0
• Wastewater Compliance Staffing		(2,100)	0
One-Time Prior Year Expenditures Subtotal:	(2.00)	(6,306,924)	(755,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Laboratory Technician II to 1.0 Chemist - 1.0 Wastewater Operations Superintendent I to 1.0 Wastewater Maintenance Superintendent - 1.0 Principal Office Specialist to 1.0 Staff Specialist - 1.0 Engineering Technician II to 1.0 Associate Engineering Technician	0.00	4,258,291	38,755
• Utilities: Gas, Electricity, Water		2,070,000	0
• Contract Services: Yard Trimming Collection/Processing		1,568,513	0
• Contract Services: Single-Family Recycle Plus		1,369,768	0
• Contract Services: Single Family Dwelling Processing		1,135,782	0
• Contract Services: Multi-Family Recycle Plus		675,263	0
• Vehicle Operations and Maintenance		332,967	10,000
• Postage: Rate Notices and Informational Materials		328,032	0
• Contract Services: Yard Trimming/Street Sweeping		264,000	0

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
• Overtime Adjustment		108,231	0
• Dues and Subscriptions		51,500	0
• Contract Services: City Facilities		45,083	45,083
• Supplies and Materials: Price Increases		33,900	0
• Training: Virtual Conferences and Professional Development Program		10,089	0
• Software/Information Services: Data Processing Charges		10,000	0
• Insurance: Integrated Waste Management - Environmental Innovation Center		10,000	0
• Travel: Climate Smart, Watershed Protection, and Integrated Waste Management		9,600	0
Technical Adjustments Subtotal:	0.00	12,281,019	93,838
2023-2024 Forecast Base Budget:	580.00	383,881,441	4,676,252
Budget Proposals Recommended			
1. South Bay Water Recycling Operational Improvements		3,436,000	0
2. Biosolids Management Strategy Support		1,150,000	0
3. Recycling Contamination Reduction	2.00	840,364	0
4. Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs	1.00	812,434	210,934
5. Water Resources Division Temporary Relocation Funding		675,900	0
6. Large Garbage Cart Pilot Program Expansion		609,650	0
7. Climate Smart San José Contractual Services		400,000	400,000
8. Regional Wastewater Facility Operations Staffing	2.00	377,931	0
9. City's Solid Waste Enforcement Program Staffing	2.00	347,806	0
10. Water Supply Resiliency Staffing	1.00	219,628	43,926
11. Environmental Enforcement Data Management System and Laboratory Information Management System Procurement Extension		214,239	0
12. Stormwater Permit Compliance Staffing	1.00	203,191	203,191
13. Internal Server Replacement and Server Storage Expansion		200,000	2,000
14. Employee Services Staffing and Recruiting Support	1.00	155,222	3,104
15. Management Information Systems Staffing	1.00	126,625	1,232
16. Climate Smart San José Staffing Funding	0.00	0	0
17. California Network and Telecommunications (CalNet) Program Savings		(22,070)	0
Total Budget Proposals Recommended	11.00	9,746,920	864,387
2023-2024 Proposed Budget Total	591.00	393,628,362	5,540,638

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

1. South Bay Water Recycling Operational Improvements		3,436,000	0
--	--	-----------	---

***Environmental and Utility Services CSA
Recycled Water Management Core Service
South Bay Water Recycling Operations and Maintenance Program***

This action adds \$3.4 million in one-time non-personal/equipment funding in the South Bay Water Recycling (SBWR) Operating Fund to support infrastructure and maintenance improvements. These projects include Metering and Pressure Monitoring Improvements (Phase II), Truck Fill Stations Relocation and Modification, Communication Improvements (Phase III), and valve replacement and discharging piping modification of the Pump Stations Nos. 8 and 11. Completion of these projects will allow the SBWR system to continue safe and reliable operations and address deferred maintenance and improvements that will increase the reliability of the system. Although it is not anticipated that all these projects will be completed in 2023-2024, there is a need to obligate funding for these projects going forward. (Ongoing costs: \$0)

2. Biosolids Management Strategy Support		1,150,000	0
---	--	-----------	---

***Environmental and Utility Services CSA
Wastewater Management Core Service
San José -Santa Clara Treatment Plant Capital Project Delivery Program***

This action adds \$1.2 million in one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund for consulting work as part of the Dewatered Biosolids Management Strategy. The Dewatered Biosolids Project will commence operations in 2024-2025. With this new operation comes a need to remove dewatered biosolids from the Regional Wastewater Facility (RWF). The current plan is to use contractual services to remove this waste from the facility at a significant financial cost ranging from \$11 million to \$20 million annually. This triggers the need to explore alternative options for removing biosolids such as the viability of forming a fertilizer facility at the RWF; however, the City's biosolids and legal teams do not have the expertise to conduct this full research. The consultant would research opportunities for public-private partnerships, conduct environmental assessments, prepare legal documents, and provide advice related to the potential implementation of the fertilizer facility. The consulting work will take approximately one year to complete, at which time the City may choose to pursue this fertilizer facility or other options. Potential benefits include an alternative revenue source from selling fertilizer from the RWF. (Ongoing costs: \$0)

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Recycling Contamination Reduction	2.00	840,364	0
<i>Environmental and Utility Services CSA</i> <i>Recycling & Garbage Services Core Service</i> <i>Strategic Support – Environmental & Utility Services Core Service</i> <i>Recycling and Garbage Services Administration Program</i> <i>Environmental Services Management and Administration Program</i>			

This action adds 1.0 Environmental Services Program Manager and 1.0 Supervising Environmental Services Specialist positions and \$475,000 in one-time nonpersonal/equipment funding in the Integrated Waste Management Fund to address Single Family Dwelling (SFD) recycling contamination. The 2020 Recycling Curbside audit found city-wide recycling contamination of 51%, resulting in recycling hauler compensation increases of \$8 million, equivalent to about a 6.5% rate increase for 2021-2022. In response to this, the Department began pilot programs, studies, and other efforts to reduce recycling contamination. The 2022 Recycling Curbside audit found even higher recycling contamination rates of 57%. These positions will oversee consultant contracts to manage long-term plans for reducing contamination in recycling, including pilot programs, negotiating with haulers, and "lid-flipping", among other strategies. The Environmental Program Manager would take the lead on higher-level planning, strategizing, and legislative advocacy, while the Supervising Environmental Services Specialist will oversee the administrative support team and perform day-to-day management of projects, teams, agreements, and more. Both positions would be closely involved in developing training plans, evaluating work, and providing direction to field supervisors and other members of the consultants' teams. The non-personal/equipment funding would mainly be used to pay for the fieldwork completed by the consultant (\$265,000), field supervision equipment such as tablets and personal protection equipment (\$80,000), and staff training, data analysis of findings in the field, contamination comparisons, and preparing reports (\$105,000). (Ongoing costs: \$366,837)

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

4. Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs	1.00	812,434	210,934
---	-------------	----------------	----------------

*Environmental and Utility Services CSA
 Potable Water Delivery Core Service
 Recycle Water Management Core Service
 Strategic Support – Other – Environmental & Utility Services Core Service
 Municipal Water System Operations and Maintenance Program
 South Bay Water Recycling Operations and Maintenance Program
 Environmental Services Other Departmental – City-Wide Program*

Provides funding for 1.0 Principal Engineer/Architect position and one-time funding of \$550,000 in non-personal/equipment funding. This action also shifts funding for 0.10 Deputy Director position to manage a consultant contract to evaluate liabilities and revenue options for Sanitary and Storm Utilities as well as beginning to form the Storm and Sanitary Sewer Utility Systems as discreet City Utilities. As the City faces challenges such as deferred maintenance backlog, increasing regulatory compliance requirements, future population growth, and emerging effects of climate change, additional investments will be needed. To fully understand the system and associated project needs, in the Public Works Department, increasing personal services funding is also recommended for a contract manager to assist with the consultant study and provide information and data from a Stormwater Management and Regulatory Environment. The project will proceed as follows: Phase 1A: consultant reviews and validates existing studies, conducts interviews, and holds meetings to understand City's current funding and resources for Sanitary and Storm programs, including capacity study, repair and rehab program in the Capital Improvement Program, operations and maintenance equipment and staffing level, and regulatory requirements. Phase 1B: consultant prepares cost estimates for the needs and coordinates and develops a work plan to deliver these projects. Phase 2: consultant prepares a financing plan and rates model. After Phase 2, additional staffing and resources may be considered as part of a future budget process to carry out the long-term vision to reorganize these utilities and pursue alternative funding sources outside of the General Fund. This proposal is funded in the Sewer Service and Use Charge Fund (\$425,781), the Storm Sewer Operating Fund (\$214,847), and the General Fund (\$210,934), partially offset by savings from the funding shift will be realized in the Water Utility Operating Fund (\$19,564) and the South Bay Water Recycling Operating Fund (\$19,564). (Ongoing costs: \$262,434)

5. Water Resources Division Temporary Relocation Funding		675,900	0
---	--	----------------	----------

*Environmental and Utility Services CSA
 Potable Water Delivery Core Service
 Municipal Water System Operations and Maintenance Program*

This action adds \$675,900 in non-personal/equipment funding annually for four years in the Water Utility Fund for the temporary lease of its operations offices while the new Water Resources Administration and Operations Facility (Administration Building) is in construction. The construction of the new Administration Building will begin in 2023-2024. As a result, the Water Resources Division will need to temporarily vacate the property. This request covers the annual cost of leasing two new campuses for four years while the Administration Building is constructed. (Ongoing costs: \$675,900)

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Large Garbage Cart Pilot Program Expansion		609,650	0

***Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Recycling and Garbage Services Administration Program***

This action adds one-time non-personal/equipment funding of \$609,650 in the Integrated Waste Management Fund to continue and expand the Large Garbage Cart Pilot Program to gain additional insight into garbage cart contamination levels. The current program included surveys and studies performed both by the City and a third-party consultant on the 3,800 participants chosen based on five routes with the highest recycling contamination rates. The initial survey found that the larger garbage carts did decrease contamination levels, but the third-party consultant recommended additional analysis to see if the reduction would be duplicated on a larger scale. Additional routes will be determined by examining the recycling and waste haulers' routes while considering variables such as socio-economic status, Council Districts, and known contamination levels. The addition of an Environmental Program Manager recommended elsewhere in this document will work with haulers on coordinating these routes. Should it be determined scaling the pilot would be successful, the City may implement the large garbage cart program for all customers, resulting in potential rate increases and additional options that the Department is currently researching. For this reason, the Department recommends expanding the pilot program to be fiscally responsible to ratepayers. The cost of the program is due to contract costs with haulers for the purchase and delivery of the larger carts, a third-party consultant for the Waste Characterization Study, and outreach. (Ongoing costs: \$0)

7. Climate Smart San José Contractual Services		400,000	400,000
--	--	---------	---------

***Environmental and Utility Services CSA
Sustainability and Environmental Health Core Service
Policy, Legislative Advocacy, and Education Program***

This action adds \$400,000 in one-time non-personal/equipment funding in the General Fund to accelerate progress toward the City Council-adopted pathway to Carbon Neutrality by 2030 and the Climate Smart San José Plan. Achieving the City's carbon neutrality by 2030 goal will require rapid and exponential scaling of solutions, starting now and driven by the continuous development of cutting-edge City policies and programs. Funding will be provided for consultant and technical services to support program development, workforce development, outreach, and building electrification. (Ongoing costs: \$0)

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

8. Regional Wastewater Facility Operations Staffing	2.00	377,931	0
--	------	---------	---

***Environmental and Utility Services CSA
Wastewater Management Core Service
San José -Santa Clara Treatment Plant Operations and Maintenance Program***

This action adds 1.0 Wastewater Operations Foreperson and 1.0 Instrument Control Technician in the San José-Santa Clara Treatment Plant Operations and Maintenance Fund to support the operational transition of various capital improvement projects nearing completion. The Digested Sludge Dewatering Facility project will add an additional operational area to the Regional Wastewater Facility (RWF) which will require a Foreperson to supervise the commissioning and ongoing operation of the project. This project is scheduled to come online in 2024-2025, but the commissioning of a new process area is most successful when the Foreperson position is involved in the development and review of standard operating procedures (SOP) training. The Foreperson position would start work in January 2024. The multitude of instruments and controls make it necessary for an additional Instrument Control Technician position that will be responsible for meter calibration and certification for compliance who will start March 2024. (Ongoing costs: \$379,634)

9. City's Solid Waste Enforcement Program Staffing	2.00	347,806	0
---	------	---------	---

***Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Civic/Other Solid Waste Collection Services Program
Commercial Solid Waste Collection Services Program
Recycling and Garbage Services Administration Program***

This action continues and makes permanent in the Integrated Waste Management Fund 1.0 Environmental Inspector, Senior and 1.0 Environmental Inspector I/II positions to manage the Bag Ban Enforcement Program and expansion of the State's ShortLived Climate Pollutants (SLCP) regulations (also known as SB1383) compliance work as part of the City's efforts to ensure compliance with the San José Municipal Code, various solid waste franchise agreements, and state regulations. The new SLCP regulations require waste collection and/or processing to all residents and businesses and enforcement of an edible food recovery program. These positions will also implement and enforce Single-Use Foodware Accessories and Standard Condiments Law at commercial properties as well as continue to enforce hauler contracts, support challenges with enforcing solid waste municipal code, and supervise the City's Public Litter Can Program. Lastly, the positions enforce the Polystyrene foam disposable food service ware and single-use carry-out bag City ordinances. This action would continue this work by increasing the number of permanent Environmental Inspectors from 3.0 to 4.0 and permanently adding the Senior Environmental Inspector to more effectively operate and manage the Integrated Waste Management Enforcement Program. With program administration, travel, reporting, outreach, and follow-ups, each Environmental Inspector may conduct five initial or follow-up inspections per day (1,170/year). The number of inspections is expected to increase with the enforcement of new state laws and municipal code updates. (Ongoing costs: \$349,218)

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Water Supply Resiliency Staffing <i>Environmental and Utility Services CSA</i> <i>Potable Water Delivery Core Service</i> <i>Recycled Water Management Core Services</i> <i>Municipal Water System Operations and Maintenance Program</i> <i>South Bay Water Recycling Operations and Maintenance Program</i> This action adds 1.0 Senior Environmental Program Manager to the South Bay Water Recycling (SBWR) Division to lead the recycled water utility in all current and anticipated aspects of administration, regulatory compliance, adherence to State approved rules and regulations, public safety, contract and agreement negotiations, the development and implementation of operating and capital budgets, and represent the recycled water utility with local partners and stakeholders. The Senior Environmental Program Manager will also lead the recycled water utility in new focus areas, such as supporting the Regional Wastewater Facility in long term Nutrient Removal Strategies through increased use of recycled water, negotiate and implement contracts and agreements with local stakeholders, and lead implementation of studies or pilots to mitigate contaminants of emerging concern. (Ongoing costs: \$219,628)	1.00	219,628	43,926
11. Environmental Enforcement Data Management System and Laboratory Information Management System Procurement Extension <i>Environmental and Utility Services CSA</i> <i>Recycling & Garbage Services Core Service</i> <i>Stormwater Management Core Service</i> <i>Wastewater Management Core Service</i> <i>Commercial Solid Waste Collection Services Program</i> <i>Recycling and Garbage Services Administration Program</i> <i>Stormwater Enforcement Program</i> <i>Stormwater Policy and Compliance Program</i> <i>Laboratory Services Program</i> <i>Pretreatment Program</i> This action adds \$214,239 in one-time non-personal/equipment funding to continue using consultants to manage the Environmental Enforcement Data Management System (EEDMS) and Laboratory Information Management System (LIMS) procurement, migration, and implementation projects, which is funded in the San José-Santa Clara Treatment Plan Operating Fund, the Sewer Service and Use Charge Fund, the Storm Sewer Operating Fund, and the Integrated Waste Management Fund. This extension is due to a delay during the procurement process while the Project Manager oversaw the development of the original Request for Proposal. The LIMS project is underway with an anticipated project completion in November 2023. EEDMS will likely be completed in November 2024 due to the complexity of the project. (Ongoing costs: \$0)		214,239	0

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>12. Stormwater Permit Compliance Staffing</p> <p><i>Environmental and Utility Services CSA Stormwater Management Core Service Stormwater Policy and Compliance Program</i></p> <p>This action adds 1.0 Environmental Services Program Manager position to provide additional support for the City to meet increasing regulatory requirements to comply with 100% trash load reductions on land and in waterways by June 30, 2025. The most recent Stormwater Municipal Regional Permit impacts eight City departments and includes new compliance requirements that must be implemented in addition to maintaining existing programs. The Environmental Program Manager position will provide coordination with regional stakeholders and City departments as well as support services and supplement program implementation for the trash control plan and trash reduction activities. (Ongoing costs: \$203,191)</p>	1.00	203,191	203,191
<p>13. Internal Server Replacement and Server Storage Expansion</p> <p><i>Environmental and Utility Services CSA Strategic Support – Environmental & Utility Services Core Service Environmental Services Information Technology Program Environmental Services Management and Administration Program</i></p> <p>This action adds \$200,000 in one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund (\$130,000), Water Utility Fund (\$28,000), the Integrated Waste Management Fund (\$20,000), Storm Sewer Operating Fund (\$12,000), South Bay Water Recycling Operating Fund (\$6,000), Sewer Service and Use Charge Fund (\$2,000), and the General Fund (\$2,000) for the hardware replacement of six stand-alone production servers and expansion of storage space of the department's Hyperconverged Infrastructure. This upgrade will maintain the stable operations of the Environmental Services Department servers as well as minimize users' downtime utilizing the critical applications on these servers. The replacement also aligns with the lifecycle management cycle recommended by the Information Technology Department as these servers are seven to nine years old. (Ongoing costs: \$0)</p>		200,000	2,000
<p>14. Employee Services Staffing and Recruiting Support</p> <p><i>Environmental and Utility Services CSA Strategic Support – Environmental & Utility Services Core Service Environmental Services Management and Administration Program</i></p> <p>This action adds 1.0 Analyst II position, through June 30, 2025, to the Administrative Services Division to provide additional recruitment and general personnel support. Due to internal movement, turnover, and retirements, additional recruiter capacity is needed to promptly fill positions. This additional recruiter will allow for the department to make up to a potential 130 hires in 2023-2024. (Ongoing costs: \$156,533)</p>	1.00	155,222	3,104

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
15. Management Information Systems Staffing	1.00	126,625	1,232

Environmental and Utility Services CSA
Strategic Support – Environmental & Utility Services Core Service
Environmental Services Information Technology Program
Environmental Services Management and Administration Program

This action adds 1.0 Network Technician position to the Management Information Systems (MIS) team due to increased department-wide technical support and customer service needs. Over the last four years, the MIS team's two Network Technicians spent an annual average of 2,851 hours working on helpdesk services, representing 70% of their time. The current two Network Technician positions support staff at the Regional Wastewater Facility, City Hall, and the Water Resources and Administration Facility (MUNI). Caseloads at City Hall and MUNI each have increased steadily by 22% each year from 1,000 cases in 2020 to 1,500 cases in 2022. In 2023, the number of cases is projected to increase to roughly 2,000 cases. With this increased caseload, estimated time to resolve tickets has also increased by 22%, from 2,500 hours to resolve tickets in 2020 to 3,000 hours in 2022. The additional position will reduce the projected caseload to be approximately 1,000 cases per year and diminish response and resolution time. The addition of this Network Technician will enable the technical support work group to sufficiently address current customer needs, minimizing a backlog of work orders, and reducing long user wait times. Additionally, it will allow staff to be proactive by doing important preventative maintenance work. (Ongoing costs: \$127,666)

16. Climate Smart San José Staffing Funding	0.00	0	0
--	-------------	----------	----------

Environmental and Utility Services CSA
Strategic Support – Environmental & Utility Services Core Service
Sustainability and Environmental Health Core Service
Environmental Services Communications Program
Policy, Legislative Advocacy and Education Program

This action shifts funding for 3.4 positions in the Climate Smart San José team focused on energy and electrification-related work from the General Fund to the San José Clean Energy (SJCE) Fund on an ongoing basis effective July 1, 2024. Currently consisting of nine positions, this team was created to support the City Council-adopted Climate Smart San José Plan and lead the organization's efforts in achieving its carbon neutrality goals by 2030 through energy, water, transportation, and local jobs. As the goals of this team align with SJCE's Customer Programs team that aims to increase the amount of renewable energy use, 3.4 positions are anticipated to be funded on an ongoing basis beginning in 2024-2025 once the SJCE builds sufficient levels of reserves. As the City seeks to strengthen its Climate Smart approach, the subsequent months will be used to evaluate potential organizational improvements to help achieve the City's ambitious climate goals, including the coordination and governing structure for energy-related work occurring across the organization (including the Community Energy, Environmental Services, and Transportation Departments), funding sources, and staffing alignment between departments. (Ongoing costs: \$601,150)

Environmental Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment



2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
17. California Network and Telecommunications (CalNet) Program Savings <i>Environmental and Utility Services CSA</i> <i>Strategic Support – Environmental & Utility Services Core Service</i> <i>Wastewater Management Core Service</i> <i>Environmental Services Management and Administration Program</i> <i>San José-Santa Clara Treatment Plant Operations and Maintenance Program</i>		(22,070)	0
<p>This action decreases the Department's non-personal/equipment funding by \$22,070 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$22,070)</p>			
2023-2024 Proposed Budget Changes Total	11.00	9,746,920	864,387

Environmental Services Department

Performance Summary

Sustainability and Environmental Health






Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 (Energy) % of energy used at the Water Pollution Control Plant that is renewable	51%	44%	57%	55%
 (Water) % of Municipal Water System (MWS) Customers demonstrating water conservation knowledge	95%	95%	N/A ¹	95%

¹ Data for this measure is collected through a biennial survey, last conducted in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.

Potable Water Delivery

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of water samples meeting or surpassing State and federal water quality standards	100%	100%	100%	100%
 Ratio of MWS average residential water bill to weighted average residential water bill of other San Jose water retailers	78%	<100	<100	<100
 % of water delivered to customers that is non-potable ¹	20%	20%	20%	20%
 % of customer service requests handled within 24 hours	69%	71%	N/A ²	71%
 % of MWS customers rating service as good or excellent, based on reliability, water quality, and responsiveness	62%	71%	N/A ²	71%

¹ San José water retailers include San José Water Company and Great Oaks Water Company.

² Data for this measure is collected through a biennial survey, last conducted in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.

Activity and Workload Highlights






	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Millions of gallons of water delivered per year to MWS customers	5,709	6,166	5,509	6,000

Environmental Services Department

Performance Summary

Recycled Water Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Millions of gallons of recycled water delivered to customers annually	4,017	4,000	4,082	4,150
 % of time recycled water quality standards are met or surpassed	100%	100%	100%	100%
 % of wastewater influent recycled for beneficial purposes during the dry-weather period ¹	20%	18%	19%	19%
 Cost per million gallons of recycled water delivered	\$2,821	\$4,919	\$3,654	\$6,624
 % of recycled water customers rating service as good or excellent based on reliability, water quality, and responsiveness	90%	90%	N/A ²	90%

¹ Dry-weather period is defined as the lowest continuous three-month average rainfall between May and October, which during the fiscal year reporting period is July-September.

² Data for this measure is collected through a biennial survey, last conducted in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.

Activity and Workload Highlights



	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of South Bay Water Recycling customers	989	1,000	1,020	1,035

Environmental Services Department

Performance Summary

Recycling and Garbage Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 # of household hazardous waste disposal appointments available for San José				
- Residents	20,035	22,000	17,774	20,000
- Small Businesses	155	80	165	200
 % of customers rating recycling and garbage services as good or excellent, based on reliability, ease of system use, and lack of disruption				
- Single-Family Dwelling	81%	95%	N/A ¹	90%
- Multi-Family Dwelling	55%	75%	N/A ¹	75%
- Commercial Facilities	70%	75%	N/A ¹	75%

¹ Data for this measure is collected through a biennial survey, last conducted in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total tons of residential solid waste diverted from landfills	344,394	447,766	361,454	379,526
Total tons of residential solid waste landfilled	164,113	88,346	133,690	127,005
Total number of residential households served	334,305	336,068	335,046	337,656
Average # of residential pickups not completed as scheduled per week ¹	247	100	260	100




¹ Pickups are completed the next day

Environmental Services Department

Performance Summary

Stormwater Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of residents surveyed who understand that any substances washed down the street end up in the Bay without treatment through the storm sewer system	64%	70%	N/A ¹	65%
 % of trash reduced from the storm sewer system ²	103.4%	109% ³	100.2%	90%
 % of stormwater violations identified at industrial/commercial facilities resolved within ten business days ^{3/4}	89%	99%	90%	99%

- ¹ Data for this measure is collected through a biennial survey, last conducted in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.
- ² The 100% or greater total represents the amount of credit given for implementing control actions.
- ³ Trash load reduction is expected to increase slightly due to planned installations of small and large trash capture devices and implementation/expansion of on-land trash control measures through the BeautifySJ program.
- ⁴ Actuals and Estimates are lower than Target due to businesses not achieving compliance within 10 business days.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Tons of trash/litter collected by City led creek cleanup efforts ¹	613	634	634	N/A






- ¹ ESD does lead some cleanups due to BayKeeper consent decree at trash hotspots; however, most City led creek cleanup efforts are performed by the Parks, Recreation, and Neighborhood Services Department. ESD performs outreach, data collection, and reporting for all cleanups.

Environmental Services Department

Performance Summary

Wastewater Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Millions of gallons per day discharged to the Bay during average dry-weather season State order: 120 mgd or less ¹	66.4mgd	<120mgd	60.6mgd	<120mgd
 % of time pollutant discharge requirements are met or surpassed	100%	100%	100%	100%
 # of requirement violations				
- Pollutant discharge	0	0	0	0
- Air emissions	2	0	0	0
 % of significant industrial facilities in consistent compliance with federal pretreatment requirements	93.75%	90.00% ²	92.28%	90.00% ²
 Cost per million gallons treated	\$1,882	\$1,582	\$2,095	\$2,118

- ¹ Average dry-weather season is defined as the lowest three-month continuous average between May and October, which during the fiscal year reporting period is July-September.
- ² The 90% target is built off of an EPA metric used to assess pretreatment program effectiveness. The Pretreatment Program continues to work closely with regulated industries to help them maintain consistent compliance with Federal requirements.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Average millions of gallons per day treated	88	101	88	90
Total population in service area ¹	1,401,319	1,471,321	1,336,837	1,340,650

- ¹ The Regional Wastewater Facility is a regional wastewater treatment facility serving eight South Bay cities and four sanitation districts including: San José, Santa Clara, Milpitas, Cupertino Sanitation District (Cupertino), West Valley Sanitation District (Campbell, Los Gatos, Monte Sereno and Saratoga), County Sanitation Districts 2-3 (unincorporated), and Burbank Sanitary District (unincorporated).

Environmental Services Department

Department Position Detail

Position	Adopted	Proposed	Change
Account Clerk I/II	1.00	1.00	-
Accountant I/II	2.00	2.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	3.00	3.00	-
Analyst I/II	16.00	17.00	1.00
Assistant Director	1.00	1.00	-
Assistant Environmental Services Specialist	3.00	3.00	-
Assistant Heavy Diesel Equipment Operator Mechanic	1.00	1.00	-
Assistant to the Director	1.00	1.00	-
Associate Construction Inspector	1.00	1.00	-
Associate Engineer	22.00	22.00	-
Associate Engineering Technician	7.00	8.00	1.00
Associate Environmental Services Specialist	11.00	11.00	-
Biologist	2.00	2.00	-
Chemist	18.00	19.00	1.00
Cross Connection Specialist	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	6.00	6.00	-
Director Environmental Services	1.00	1.00	-
Division Manager	5.00	5.00	-
Engineer I/II	8.00	8.00	-
Engineering Technician I/II	2.00	1.00	(1.00)
Environmental Compliance Officer	1.00	1.00	-
Environmental Inspector I/II	37.00	37.00	-
Environmental Inspector, Assistant	5.00	5.00	-
Environmental Inspector, Senior	7.00	7.00	-
Environmental Laboratory Supervisor	5.00	5.00	-
Environmental Program Manager, Senior	6.00	7.00	1.00
Environmental Services Program Manager	5.00	7.00	2.00
Environmental Services Specialist	30.00	30.00	-
Geographic Information Systems Specialist I/II	2.00	2.00	-
Heavy Equipment Operator	5.00	5.00	-
Industrial Electrician	11.00	11.00	-
Industrial Electrician Supervisor	1.00	1.00	-
Industrial Process Control Specialist I/II	3.00	3.00	-
Industrial Process Control Supervisor	1.00	1.00	-
Information Systems Analyst	4.00	4.00	-
Instrument Control Supervisor I/II	1.00	1.00	-
Instrument Control Technician I/II/III/IV	13.00	14.00	1.00
Laboratory Technician I/II	1.00	0.00	(1.00)
Maintenance Assistant/Maintenance Worker I	2.00	2.00	-
Microbiologist	5.00	5.00	-

Environmental Services Department

Department Position Detail

Position	Adopted	Proposed	Change
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	3.00	1.00
Office Specialist I/II	7.00	7.00	-
Painter Supervisor Water Pollution Control	1.00	1.00	-
Painter Water Pollution Control	6.00	6.00	-
Planner I/II/III	1.00	1.00	-
Planner IV	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Construction Inspector	1.00	1.00	-
Principal Engineer/Architect	10.00	11.00	1.00
Principal Engineering Technician	1.00	1.00	-
Principal Office Specialist	5.00	4.00	(1.00)
Program Manager	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	9.00	9.00	-
Sanitary Engineer	9.00	9.00	-
Senior Account Clerk	4.00	4.00	-
Senior Accountant	4.00	4.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Analyst	7.00	7.00	-
Senior Construction Inspector	1.00	1.00	-
Senior Engineer	12.00	12.00	-
Senior Engineering Technician	10.00	10.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	2.00	2.00	-
Senior Industrial Electrician	2.00	2.00	-
Senior Industrial Process Control Specialist I/II	3.00	3.00	-
Senior Maintenance Worker	2.00	2.00	-
Senior Office Specialist	10.00	10.00	-
Senior Painter	1.00	1.00	-
Senior Public Information Representative	3.00	3.00	-
Senior Systems Applications Programmer	1.00	1.00	-
Senior Warehouse Worker	1.00	1.00	-
Staff Specialist	9.00	10.00	1.00
Supervising Environmental Services Specialist	16.00	17.00	1.00
Supply Clerk	1.00	1.00	-
Systems Applications Programmer I/II	2.00	2.00	-
Warehouse Supervisor	1.00	1.00	-
Warehouse Worker I/II	3.00	3.00	-
Wastewater Attendant	19.00	19.00	-
Wastewater Facility Manager	1.00	1.00	-
Wastewater Maintenance Superintendent	3.00	4.00	1.00
Wastewater Mechanic I/II	31.00	31.00	-
Wastewater Mechanical Supervisor I/II	6.00	6.00	-
Wastewater Operations Foreperson I/II	20.00	21.00	1.00

Environmental Services Department

Department Position Detail

Position	Adopted	Proposed	Change
Wastewater Operations Superintendent I/II	7.00	6.00	(1.00)
Wastewater Operator I/II/III	42.00	42.00	-
Wastewater Senior Mechanic I/II	11.00	11.00	-
Water Systems Assistant Operator I/II	5.00	5.00	-
Water Systems Operations Foreperson I/II	3.00	3.00	-
Water Systems Operations Manager	1.00	1.00	-
Water Systems Operations Superintendent I/II	2.00	2.00	-
Water Systems Operator I/II/III	12.00	12.00	-
Total Positions	582.00	591.00	9.00

Finance Department

Rick Bruneau, Director

MISSION

To manage, protect, and report on City of San José financial resources to enhance the City's financial condition for residents, businesses, and investors

CITY SERVICE AREA

Strategic Support

CORE SERVICES

DISBURSEMENTS

Facilitate timely and accurate payment of the City's financial obligations.

FINANCIAL REPORTING

Provide accurate and meaningful reporting on the City's financial condition.

PURCHASING AND RISK MANAGEMENT

Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets.

REVENUE MANAGEMENT

Bill and collect City resources to enhance the City's financial condition.

DEBT AND TREASURY MANAGEMENT

Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition.

Strategic Support: Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, Administrative Support, and Emergency Response and Recovery

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Disbursements Core Service</i>	
Accounts Payable	Facilitates timely and accurate payment of the City's non-payroll disbursements. Customers of this service include City departments, employees, government agencies, non-profit corporations, consultants, contractors, and vendors who provide goods and services to the City.
Payroll	Facilitates timely and accurate payment of payroll to City employees and provides responses to information requests City-wide. The City has employees divided among many different bargaining units with various compensation requirements contained in each respective unit's Memoranda of Agreement.
<i>Financial Reporting Core Service</i>	
General Accounting	Provides accurate and meaningful reporting on the City's financial condition and primarily responsible for the accounting of City-wide financial activity for all City funds, with services including management of the Financial Management System, preparation of the Annual Comprehensive Financial Report, preparation of various Cost Allocation Plans, capital assets accounting, monthly financial information publications, City-wide reports for audit purposes, and coordination of stand-alone audits.
Special Accounting	Manages accounting responsibilities related to special facility districts, grant programs, assessment districts, loans, debt transactions, bank reconciliations, investments, and deferred compensation; and prepares and submits legally mandated reports including the City's Federal Single Audit Report.
<i>Purchasing and Risk Management Core Service</i>	
Purchasing	Following transparent and competitive procurement procedures, supports the operations of all City departments by ensuring the timely procurement and delivery of products and services other than construction and consulting services. Establishes City-wide procurement policies and procedures and provides City-wide training and guidance to departments to enable them to facilitate procurements that are decentralized. Manages the P-Card program to enable the procurement of small dollar purchase transactions.
Risk Management	Ensures insurance coverage for City assets, establishes City-wide risk management policies and procedures, and provides City-wide training and guidance to departments on risk-related programs. Manages property and casualty claims from inception to conclusion and performs the centralized subrogation function to recapture losses resulting from third-party wrongdoing or negligence resulting in loss of or damage to City-owned property.

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Revenue Management Core Service</i>	
Accounts Receivable	Develops, maintains, and updates business systems and processes to support the delivery of City services through timely collection of payments due to the City, including services, taxes, fees, and other revenues.
Business Tax	Enforces the general business tax ordinance by ensuring that taxes and related fees are collected. Issues business tax certificates and processes applications for the following regulatory permits: amusement devices, carnivals/circuses, Christmas tree lots, flower vendors, handbills, pawnbrokers, pool and billiard rooms, pumpkin patches, and second-hand dealers.
Revenue Audit and Compliance	Monitors and conducts compliance reviews of various tax and fee programs related to the following: Transient Occupancy Tax, Convention Center Facility District Tax, Hotel Business Improvement District Fees, Utility Users Tax, Franchise Fees, Telephone Line Tax, Tow agreements, Solid Waste Enforcement Fees, Disposal Facility Tax, Cardroom Tax, Marijuana Business Tax, and Sales and Use Taxes.
Utility Billing System	Develops and streamlines business systems and processes that support the delivery of City services through timely billing and collection of storm, sewer, garbage, and water fees. This program provides billing and customer support related to storm and sanitary sewer charges, garbage, water, and associated liens.
<i>Debt and Treasury Management Core Service</i>	
Banking Management	Manages the City's centralized banking relationships and cash operations for multiple programs throughout the City. Oversees payments of various tender types processed on multiple billing systems, including Building Permits, Business Taxes, Utility Billing, Airport Fees, and Fire Citations.
Cashiering and Payment Processing	Manages over-the-counter payments made for various programs, including Business Tax, Transient Occupancy Tax and Hotel Business Improvement District, Utility Billing, Airport, and Utility Users Tax.
Debt Management	Responsible for City debt issuance, credit facilities, and other borrowing, debt management projects, and debt administration activities, including performing compliance activity related to statutory, regulatory, and contractual requirements for 90 different obligations, including bonds, commercial paper, credit facilities, a lease-purchase agreement, and conduit bonds for affordable housing projects. Finances the construction of new facilities and improvements to existing city facilities through various bond measures and other financing tools. Public infrastructure and affordable housing are also facilitated through special taxes and various types of bonds.
Investment Management	Manages the City's cash flow and invests the City's operating funds in accordance with the Investment Policy mandates of safety, liquidity, and yield. Responsible for cash flow forecasts, portfolio management, Investment Policy updates and compliance, interest earnings forecasts, and related reporting. Performs counterparty credit risk analysis of the City clean energy program.

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Finance Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.
Finance Successor Agency to the Redevelopment Agency Administration	Supports the general winding down of the former Redevelopment Agency in an orderly manner, pursuant to AB X1 26. Responsibilities include all aspects of the financial management of the San José Successor Agency to the Redevelopment Agency, such as accounts payable, accounts receivable, debt management, investments, cash management, financial reporting, and preparation of Recognized Obligation Payments Schedule (ROPS).
Finance Emergency Response and Recovery	Provides for the coordination and delivery of emergency financial services and recovery activities.

Finance Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Ensure City financial resources are protected and available to address the short-term and long-term needs of the community, provide accurate and timely payments to City employees and vendors, deliver accurate and timely financial reports, and maintain efficient business systems and processes for timely billing and collection efforts.
- Ensure prudent use of public funds through competitive processes and cooperative purchasing with other government agencies and cooperative purchasing organizations.
- Maintain favorable bond ratings to ensure lowest cost of capital, provide financial modeling and analysis to meet the increasingly complex needs of the City, and ensure effective management of the City investment portfolio.
- Maintain adequate insurance coverage by monitoring the insurance market and assessing the City's risk exposure to ensure the best value and coverage economically possible.
- Manage all financial aspects of the Successor Agency to the Redevelopment Agency of the City of San José including accounting, debt management, cash management, financial reporting, and accounts payable/receivable.
- Manage all financial services in support of emergency response and community and economic recovery activities related to the COVID-19 pandemic.

2023-2024 Key Budget Actions

- Adds 1.0 Division Manager position and 2.0 Senior Analyst positions on an ongoing basis, and continues 1.0 Accountant II and 3.0 Accounting Technician positions through June 30, 2024 in the Finance Disaster Recovery-Grants Management group.
- Adds 1.0 Program Manager position on an ongoing basis, and \$50,000 of one-time non-personal/equipment funding to support the development and subsequent implementation of the planned City of San José Enterprise Resource Planning (ERP) system.
- Deletes 1.0 Assistant to the Director position and adds 1.0 Senior Analyst position and associated non-personal/equipment funding in the Finance Department Risk Management Program to create depth in the workgroup and effectively respond to City demand for risk management and insurance services.

Operating Funds Managed

- American Rescue Plan Fund
- Cash Reserve Fund
- City Hall Debt Service Fund
- Community Facilities Revenue Fund
- Convention Center Facilities District Revenue Fund
- Coronavirus Relief Fund
- Emergency Reserve Fund
- Ice Centre Revenue Fund
- Gift Trust Fund

Finance Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Debt and Treasury Management	295,768,866	5,705,911	5,819,562	5,819,562
Disbursements	2,881,654	3,405,509	2,980,546	2,980,546
Financial Reporting	3,215,681	4,621,937	3,681,887	3,734,087
Purchasing and Risk Management	5,621,180	7,240,753	7,198,484	7,375,280
Revenue Management	8,324,787	8,688,469	8,141,050	8,141,050
Strategic Support - Other - Strategic Support	123,959,737	48,772,243	50,922,448	50,922,448
Strategic Support - Strategic Support	1,861,624	3,632,458	1,836,702	3,102,454
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	20,621,198	22,514,577	21,788,587	23,230,783
Overtime	82,943	48,615	53,615	53,615
Subtotal Personal Services	\$20,704,141	\$22,563,192	\$21,842,202	\$23,284,398
Non-Personal/Equipment	1,610,275	2,825,939	1,356,239	1,358,792
Total Personal Services & Non-Personal/Equipment	\$22,314,416	\$25,389,131	\$23,198,441	\$24,643,190
Other Costs *				
City-Wide Expenses	5,345,723	13,573,197	11,622,602	11,672,602
Debt Service/Financing	412,056,819	40,725,000	43,772,000	43,772,000
Housing Loans and Grants	0	0	0	0
Other	504,556	1,888,799	1,523,776	1,523,776
Other - Capital	0	0	0	0
Overhead Costs	1,412,015	491,153	463,860	463,860
Total Other Costs	\$419,319,113	\$56,678,149	\$57,382,238	\$57,432,238
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	311,683,552	37,763,736	33,402,842	34,897,591
American Rescue Plan Fund (402)	714,864	1,159,105	0	0
Building Development Fee Program Fund (237)	82,860	94,935	79,218	79,218
City Hall Debt Service Fund (210)	25,197,084	25,205,000	25,209,000	25,209,000
Convention and Cultural Affairs Fund (536)	0	450,000	450,000	450,000
Convention Center Facilities District Revenue Fund (791)	100,209,617	7,673,000	10,162,000	10,162,000
Emergency Reserve Fund (406)	0	450,000	0	0
Fire Development Fee Program Fund (240)	7,106	8,237	7,033	7,033
Ice Centre Revenue Fund (432)	104,800	5,544,090	7,489,088	7,489,088
Integrated Waste Management Fund (423)	769,951	1,072,964	981,066	981,066
Low And Moderate Income Housing Asset Fund (346)	1,493,330	87,765	86,041	86,041
Planning Development Fee Program Fund (238)	29,908	34,507	28,953	28,953
Public Works Development Fee Program Fund (241)	17,506	20,249	17,343	17,343
Public Works Program Support Fund (150)	19,559	20,000	20,000	20,000
San José Clean Energy Operating Fund (501)	163,865	407,489	477,479	477,479
San José-Santa Clara Treatment Plant Operating Fund (513)	119,268	143,010	162,374	162,374
Sewer Service And Use Charge Fund (541)	273,977	920,608	904,938	904,938
Storm Sewer Operating Fund (446)	70,808	203,355	217,783	217,783
Water Utility Fund (515)	653,413	787,697	867,497	867,497
Capital Funds	22,060	21,533	18,024	18,024
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428

Positions by Core Service **				
Debt and Treasury Management	22.20	23.20	23.56	23.56
Disbursements	16.50	16.50	16.36	16.36
Financial Reporting	17.63	18.63	18.41	18.41
Purchasing and Risk Management	19.00	22.00	22.00	23.00
Revenue Management	32.29	38.99	38.99	38.99
Strategic Support - Strategic Support	6.67	14.67	7.67	14.67
Total	114.29	133.99	126.99	134.99

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Debt and Treasury Management					
Banking Management	1,269,708	1,015,950	1,391,279	1,391,279	1.35
Cashiering and Payment Processing	1,212,389	1,483,812	1,184,925	1,184,925	8.90
Debt Management	291,955,285	1,931,755	2,126,847	2,126,847	8.25
Investment Management	1,331,483	1,274,394	1,116,511	1,116,511	5.06
Sub-Total	295,768,866	5,705,911	5,819,562	5,819,562	23.56
Disbursements					
Accounts Payable	1,177,455	1,317,730	1,156,491	1,156,491	6.76
Payroll	1,704,200	2,087,779	1,824,056	1,824,056	9.60
Sub-Total	2,881,654	3,405,509	2,980,546	2,980,546	16.36
Financial Reporting					
General Accounting	1,748,678	3,345,925	2,674,342	2,726,542	13.15
Special Accounting	1,467,003	1,276,012	1,007,545	1,007,545	5.26
Sub-Total	3,215,681	4,621,937	3,681,887	3,734,087	18.41
Purchasing and Risk Management					
Purchasing	3,316,470	3,948,254	3,313,332	3,313,332	18.80
Risk Management	2,304,710	3,292,499	3,885,152	4,061,948	4.20
Sub-Total	5,621,180	7,240,753	7,198,484	7,375,280	23.00
Revenue Management					
Accounts Receivable	1,447,026	2,090,410	2,096,652	2,096,652	8.70
Business Tax	1,918,785	2,255,326	2,342,450	2,342,450	12.30
Revenue Audit and Compliance	1,350,063	2,597,317	2,044,633	2,044,633	8.69
Utility Billing System	3,608,913	1,745,416	1,657,314	1,657,314	9.30
Sub-Total	8,324,787	8,688,469	8,141,050	8,141,050	38.99
Strategic Support - Other - Strategic Support					
Finance Funds Debt/Financing Costs	96,204,932	40,725,000	43,772,000	43,772,000	0.00
Finance Other Departmental - City-Wide	13,085	7,450,000	6,572,500	6,572,500	0.00
Finance Other Operational - Administration	854,682	106,090	114,088	114,088	0.00
Finance Overhead	1,415,730	491,153	463,860	463,860	0.00
Finance Transfers	25,471,308	0	0	0	0.00
Sub-Total	123,959,737	48,772,243	50,922,448	50,922,448	0.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Strategic Support - Strategic Support					
Finance Emergency Response and Recovery	0	1,609,105	0	1,252,283	7.00
Finance Management and Administration	1,841,071	2,023,353	1,836,702	1,850,172	7.67
Finance Successor Agency to the Redevelopment Agency Administration	20,553	0	0	0	0.00
Sub-Total	1,861,624	3,632,458	1,836,702	3,102,454	14.67
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428	134.99

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	133.99	25,389,131	21,781,539
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(1,171,700)	(1,068,700)
• COVID-19 Pandemic Response and Community and Economic Recovery Team (3.0 Accounting Technician, 1.0 Accountant I/II, 1.0 Division Manager, 1.0 Senior Accountant, 1.0 Senior Analyst)	(7.00)	(1,158,396)	0
• Debt Management Software Replacement		(225,000)	(225,000)
• Procurement Improvement Staffing		(61,000)	(61,000)
• GASB No. 96 Consulting Services		(45,000)	(45,000)
• Automation and Publishing Software (Annual Comprehensive Financial Report)		(40,000)	(40,000)
• Grants Management Training		(32,500)	(32,500)
• San José Clean Energy Accounting Support Staffing		(2,200)	(2,200)
• Debt Management Program Support Staff (Affordable Housing Program)		(2,200)	(2,200)
One-time Prior Year Expenditures Subtotal:	(7.00)	(2,740,196)	(1,478,800)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		532,406	512,659
• Software/Information Services: Vendor Subscription Fees		9,600	9,600
• Overtime Adjustment		5,000	5,000
• Software/Information Services: Bloomberg Terminal Fees (Clean Energy)		2,500	0
• Fund Shift: Accounting Unit		0	(63,310)
• Fund Shift: Purchasing and Risk Unit		0	(12,448)
Technical Adjustments Subtotal:	0.00	549,506	451,501
2023-2024 Forecast Base Budget:	126.99	23,198,441	20,754,240

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Disaster Recovery and Grants Management Staffing	7.00	1,254,483	1,254,483
2. Enterprise Resource Planning Replacement Project Management Staffing	1.00	201,694	201,694
3. Risk Management Staffing	0.00	(7,380)	(7,380)
4. California Network and Telecommunications (CalNet) Program Savings		(4,047)	(4,047)
Total Budget Proposals Recommended	8.00	1,444,750	1,444,750
2023-2024 Proposed Budget Total	134.99	24,643,190	22,198,989

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Disaster Recovery and Grants Management Staffing	7.00	1,254,483	1,254,483

*Strategic Support CSA
 Financial Reporting Core Service
 Strategic Support – Strategic Support Core Service
 General Accounting Program
 Finance Emergency Response and Recovery Program*

This action continues temporary staffing on an ongoing basis by adding 1.0 Division Manager and 2.0 Senior Analyst positions, continues 3.0 Accounting Technicians and 1.0 Accountant II positions through June 30, 2024, and adds one-time personal services funding for a temporary position in the Finance Recovery and Grants Management team in the Finance Department. With the onset of the pandemic and subsequent allocation and receipt of hundreds of millions of dollars from Federal and State sources – including from the Federal Emergency Management Agency, the Coronavirus Relief Act, and the American Rescue Plan Act – it became essential to standup a dedicated team in Finance to track and appropriately document expenditures, as well as develop the necessary expertise to both maximize cost recovery and pass future audits. As this work will need to continue for a number of years, and as a centralized role for grant tracking expertise in the City was previously lacking, the Recovery and Grants Management team is recommended to continue into 2023-2024 and beyond. The ongoing staff provide a permanent management structure with a sufficient level of expertise that can be scaled in a disaster or emergency situation with limit-dated or temporary staffing to receive direction from the permanent team. (Ongoing costs: \$561,321)

2. Enterprise Resource Planning Replacement Project Management Staffing	1.00	201,694	201,694
---	------	---------	---------

*Strategic Support CSA
 Financial Reporting Core Service
 Strategic Support – Strategic Support Core Service
 General Accounting Program
 Finance Management and Administration Program*

This action adds 1.0 Program Manager position and non-personal/equipment funding of \$4,400 to begin the multiyear process to implement the replacement of the City's Enterprise Resource Planning (ERP) system. The ERP applications and ERP system, the Financial Management System, are aging and in need of a redesign and incorporation of the ERP application's existing features within the new ERP system. The Program Manager position will work closely with stakeholders to define project scope, objectives, and timelines, and will manage the project team to ensure the ERP project is delivered on time and on budget. The role will interact with staff across departments as well as with an ERP Project Manager which is also recommended to be added in the Information Technology Department. Additional funding of \$50,000 for the ERP System Feasibility Assessment allocation will be used to assess the feasibility and scope of the ERP system replacement, as described in the City-Wide Expenses section of this document. A significant level of additional funding to implement the ERP replacement will be considered as part of a future budget process once the project scope and duration is more precisely defined (Ongoing costs: \$197,294)

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment







2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Risk Management Staffing	0.00	(7,380)	(7,380)
<p><i>Strategic Support CSA</i> <i>Purchasing and Risk Management Core Service</i> <i>Strategic Support – Strategic Support Core Service</i> <i>Risk Management Program</i> <i>Finance Management and Administration Program</i></p> <p>This action eliminates 1.0 vacant Assistant to the Director position and adds 1.0 Senior Analyst position in the Finance Department's Risk Management Division to create depth in the workgroup, stabilize staffing and retention issues, and effectively respond to City departmental demand for risk management and insurance services. The Risk Management team is a small group with increasing contractual work as well as more complex requests. Insurance requests have become increasingly complex and expensive so this analytical support will help support the team and minimize work of upper-level positions on these tasks, particularly the Assistant Director. Since the addition of the Assistant to the Director position, the Department has hired a permanent Administrative Officer who provides a level of leadership and coordination which will result in no service impacts from the elimination of the Assistant to the Director position. (Ongoing savings: \$7,380)</p>			
4. California Network and Telecommunications (CalNet) Program Savings		(4,047)	(4,047)
<p><i>Strategic Support CSA</i> <i>Strategic Support – Strategic Support Core Service</i> <i>Finance Management and Administration Program</i></p> <p>This action decreases the Finance Department's non-personal/equipment funding by \$4,047 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$4,047)</p>			
2023-2024 Proposed Budget Changes Total	8.00	1,444,750	1,444,750

Finance Department

Performance Summary

Disbursements

Performance Measures



	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of disbursements paid accurately and timely	91%	85%	91%	91%
 % of reimbursements paid to employees accurately and timely	99%	99%	99%	99%
 % of payroll disbursements paid accurately and timely	99%	99%	99%	99%
 % of disbursements paid to vendors accurately and within 30 days	68%	74%	68%	68%
 Cost per payment	\$11.32	\$12.26	\$11.88	\$11.88
 Average number of days from invoice date to check issuance	27	27	27	27

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of payments made	254,502	245,000	254,500	254,500
Vendor invoices paid	75,184	72,000	75,000	75,000

Financial Reporting

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of financial reports that are produced accurately and timely	98%	99%	98%	99%
 Received Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award.	100%	100%	100%	100%

Activity and Workload Highlights





	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of financial reports provided	2,152	2,150	2,150	2,150

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of cost savings achieved through the centralized purchasing process	4.1%	3.3%	4.1%	4.1%
 Cost of purchasing services as a percentage of the total dollars procured	1.41%	1.58%	1.41%	1.41%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	45%	80%	45%	80%
- 26 business days for POs >\$10K and ≤ \$100K	53%	80%	53%	80%
- 38 business days for POs >100K and ≤ \$250K	59%	80%	59%	80%
- 83 business days for POs >\$250K and ≤ \$1.0M	86%	95%	85%	95%
- 108 business days for POs > \$1.0M	90%	85%	93%	85%
 Percentage of contracts processed for insurance clearance within five days of receipt	92%	90%	95%	92%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total dollars procured	\$233.5M	\$210.1M	\$246.2M	\$258.5M
Total cost savings achieved through the centralized purchasing process	\$9.5M	\$7.0M	\$10.0M	\$10.6M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	184	388	178	320
- 26 business days for POs >\$10K and ≤ \$100K	449	890	436	669
- 38 business days for POs >100K and ≤ \$250K	148	209	143	162
- 83 business days for POs >\$250K and ≤ \$1.0M	27	31	27	25
- 108 business days for POs > \$1.0M				
Total insurable value of the City's assets	\$5.5B	\$5.0B	\$5.5B	\$5.8B
Total number of contracts processed for insurance clearance	1,302	1,281	1,702	1,787

Finance Department

Performance Summary

Revenue Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
Return on Investment (ROI)				
- Revenue Management	8.8 ¹	5.50	5.45	5.00

¹ The 2021-2022 Actual ROI calculation included large one-time payments.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Revenue Management Aging Receivable ¹				
Balance				
Current Receivables ²				
- 0 – 30 days	\$8,704,968	\$10,500,979	\$8,995,018	\$8,849,993
- 31 – 60 days	\$5,336,150	\$4,750,835	\$5,232,062	\$5,284,106
- 61 – 90 days	\$4,426,854	\$3,809,782	\$4,075,460	\$4,251,157
Delinquent Receivables ³				
- 91 – 120 days	\$2,428,773	\$2,775,943	\$2,679,461	\$2,554,117
- 121 – 365 days	\$12,313,138	\$5,738,457	\$9,047,525	\$10,680,332
- 366 – 730 days	\$17,948,536	\$12,425,726	\$15,418,624	\$16,683,580
- 731 – 999+ days	\$22,391,963	\$21,283,045	\$22,449,599	\$22,420,781

¹ Includes Business Tax, Fire, Administrative Citations, miscellaneous accounts receivable, and Utility Billing.

² Current = 90 days or less




³ Delinquent = 91 days or more

Finance Department

Performance Summary

Debt and Treasury Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 City's General Obligation Bond rating				
- Moody's	Aa1	Aa1	Aa1	Aa1
- Standard & Poor's	AA+	AA+	AA+	AA+
- Fitch	AAA	AAA	AAA	AAA
 Average return on investments	1.220%	1.620%	2.170%	2.900%
Comparison Benchmarks				
- Local Agency Investment Fund (LAIF)	0.371%	N/A ¹	N/A ¹	N/A ¹
- Bank of America Merrill Lynch (BAML)	0.536%	N/A ¹	N/A ¹	N/A ¹
 Cost of Investment Program as a percentage of the City's total investment portfolio	0.053%	0.060%	0.041%	0.045%

¹ Due to volatility in market conditions, targets and estimates cannot be determined. Bank of America Merrill Lynch (BAML) and Local Agency Investment Fund (LAIF) release these figures on an annual and monthly basis.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total debt portfolio managed	\$4.085B	\$4.485B	\$4.200B	\$4.200B
Total of the City's investment portfolio	\$2.608B	\$2.500B	\$2.600B	\$2.500B

Finance Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	17.00	17.00	-
Accounting Technician	13.00	13.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	13.00	13.00	-
Assistant Director	1.00	1.00	-
Assistant to the Director	1.00	0.00	(1.00)
Buyer I/II/III	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Finance	1.00	1.00	-
Division Manager	1.00	1.00	-
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.99	0.99	-
Investigator Collector I/II	11.00	11.00	-
Investment Officer	1.00	1.00	-
Principal Account Clerk	3.00	3.00	-
Principal Accountant	3.00	3.00	-
Principal Office Specialist	1.00	1.00	-
Program Manager	5.00	6.00	1.00
Risk Manager	1.00	1.00	-
Senior Account Clerk	13.00	13.00	-
Senior Accountant	8.00	7.00	(1.00)
Senior Analyst	8.00	10.00	2.00
Senior Financial Analyst	1.00	1.00	-
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	4.00	4.00	-
Staff Specialist	3.00	3.00	-
Supervising Accountant	4.00	4.00	-
Total Positions	133.99	134.99	1.00

Fire Department

Robert Sapien, Jr., Fire Chief

MISSION

To serve the community by protecting life, property, and the environment through prevention and response

CITY SERVICE AREA

*Community and Economic Development
Public Safety*

CORE SERVICES

EMERGENCY RESPONSE

Provide comprehensive life safety services to residents and visitors by responding to emergencies in San José's incorporated and the County of Santa Clara's unincorporated areas, totaling approximately 200 square miles.

FIRE PREVENTION

Educate the community to reduce injuries, loss of life, and property damage from fires and other accidents; investigate fire cause; and provide regulatory enforcement of fire and hazardous materials codes through inspection activities.

FIRE SAFETY CODE COMPLIANCE

Minimize loss of life and property from fires and hazardous materials releases; provide on-site code inspections and code plan review services to the City of San José business community and residents in the San José area, resulting in a fire- and chemical-safe environment.

Strategic Support: Administration, Equipment/Facilities, Information Technology, Strategic Planning, Multilingual Services, Safety/Wellness, Training, and Emergency Response and Recovery

Fire Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Emergency Response Core Service</i>	
Fire and Emergency Medical Services Dispatch	Receives calls from 9-1-1 call-takers and other sources, dispatches appropriate resources, triages calls using Medical Priority Dispatch System (MPDS) and Fire Priority Dispatch System (FPDS), relays critical information, provides detailed life safety assistance and instructions to callers (e.g. CPR, childbirth, choking), and provides critical communications support for Incident Commanders.
Fire and Emergency Medical Services Response	Responds to fire, rescue, medical emergencies, and other public assist calls for service; implements appropriate mitigation efforts and incident command system (ICS) scaled to the needs of the emergency.
Fire Stations / Apparatus Operations and Maintenance	Ensures availability of response-ready fire apparatus, tools and equipment, and personal protective equipment (PPE); maintains facilities including fire stations, training facilities, emergency generators, and fueling sites; provides necessary supplies, utilities, furnishings, and fuel.
Fire Sworn Training	Ensures the response-readiness of all sworn fire personnel through comprehensive annual mandated training; provides initial required trainings through Fire Fighter and Fire Engineer Academies.
Special Operations - Airport Rescue and Fire Fighting	Provides dedicated Aircraft Rescue and Fire Fighting (ARFF) certified Fire Captains, Engineers, and Fire Fighters as required by the Federal Aviation Administration at San José Mineta International Airport. (Program costs are offset by a transfer from the Airport.)
Special Operations - Hazardous Incident Team	Provides Hazardous Materials specialist-level trained responders and equipment for response to incidents requiring technical expertise to comply with Title 8 CCR §5192: Hazardous Waste Operations and Emergency Response; reviews and inspects facilities with hazardous materials storage. (Majority of the budget and FTE for this program is displayed in Fire and Emergency Medical Services Response Program.)
Special Operations - Urban Search and Rescue	Provides responses to incidents requiring technical expertise including confined space rescue, low/high angle (cliff) rescue, trench rescue, water rescue, structure collapse, and other technical rescue situations. (Majority of the budget and FTE for this program is displayed in Fire and Emergency Medical Services Response Program.)

Fire Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Fire Prevention Core Service</i>	
Fire Cause Investigation	Investigates suspicious fires to determine the origin; collects and processes evidence, develops detailed reports to assist in criminal prosecution, and provides expert testimonies at court trials.
Fire Safety Education, Review, and Inspections	Provides fire safety inspections of permitted occupancies and provides Fire Watch and inspections during special events throughout the City. (Program costs are offset by revenues from the Fire Department Non-Development Fee Program.) Provides public safety information and education to the community through multiple education and awareness programs.
<i>Fire Safety Code Compliance Core Service</i>	
Fire Development Services	Provides the City of San José business community and residents with fire code plan review services before construction and on-site fire code inspections during construction phases to ensure compliance with approved permits. (Program costs are offset by revenues from the Fire Department Development Fee Program.)
<i>Strategic Support Core Service</i>	
Fire Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Fire Information Technology	Provides information technology services, planning, and system development and maintenance for the department in coordination with the Information Technology Department.
Fire Management and Administration	Provides executive-level, analytical, and administrative support to the department; manages the budget and all financial transactions for the department.
Fire Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Fire Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Provide essential emergency services, such as fire suppression, rescue, and emergency medical services, in a timely and effective manner.
- Deliver timely development review and inspection services.
- Provide life safety and fire prevention services to the community.

2023-2024 Key Budget Actions

- Adds one-time funding of \$1.6 million to fund a second Lateral Fire Fighter/Paramedic Academy beginning August 2023.
- Adds 3.0 Battalion Chief positions to establish a 6th Battalion and increase the command response times along the eastern and central areas of San José.
- Adds 1.0 Network Engineer and 1.0 Analyst I/II positions to the Fire Department's Information Technology team to decrease the response time to critical network issues, support the existent infrastructure, and prepare Fire Information Technology Master Plan and Roadmap initiatives.
- Adds 2.0 Principal Account Clerk positions and eliminates 1.0 Account Clerk II position to align staffing with the level of support required for the Fire Department's account payable process, which has noticeably increased with the addition of new fire stations and personnel being operationalized.
- Adds 1.0 Facility Repair Worker position to help alleviate and address current repair work orders backlog and mitigate larger and costlier repairs from occurring.
- Eliminates 3.0 Fire Captain positions assigned to the Emergency Medical Services Field Coordinator function (Med 30). Responsibilities previously assigned to this function will be distributed as appropriate within the Fire Department.

Operating Funds Managed

- Fire Development Fee Program Fund

Fire Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
City-Wide Emergency Management	819	0	0	0
Emergency Response	200,800,361	256,111,870	261,676,044	263,246,866
Fire Prevention	7,731,253	8,707,814	8,921,345	8,903,261
Fire Safety Code Compliance	8,383,418	8,118,957	8,501,661	8,298,283
Strategic Support - Community & Economic Development	608,186	28,900	0	0
Strategic Support - Other - Community & Economic Development	802,640	0	0	0
Strategic Support - Other - Public Safety	14,289,545	28,641,381	14,981,959	16,755,703
Strategic Support - Public Safety	69,489,275	6,724,239	6,749,675	7,599,881
Total	\$302,105,497	\$308,333,161	\$300,830,683	\$304,803,995
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	241,734,274	258,741,248	263,156,931	263,744,638
Overtime	31,877,388	11,008,030	11,419,874	12,054,157
Subtotal Personal Services	\$273,611,662	\$269,749,278	\$274,576,805	\$275,798,795
Non-Personal/Equipment	12,340,150	10,676,394	12,034,502	13,017,908
Total Personal Services & Non-Personal/Equipment	\$285,951,812	\$280,425,672	\$286,611,307	\$288,816,703
Other Costs *				
City-Wide Expenses	1,758,882	1,541,663	0	0
General Fund Capital	1,879,209	16,483,000	3,750,000	5,550,000
Housing Loans and Grants	0	0	0	0
Other	4,483	174,818	146,818	146,818
Other - Capital	1,848,332	0	0	0
Overhead Costs	1,201,127	1,208,008	1,322,558	1,290,474
Workers' Compensation	9,461,652	8,500,000	9,000,000	9,000,000
Total Other Costs	\$16,153,685	\$27,907,489	\$14,219,376	\$15,987,292
Total	\$302,105,497	\$308,333,161	\$300,830,683	\$304,803,995

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Fire Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	282,578,290	297,638,417	289,630,365	293,833,310
Coronavirus Relief Fund (401)	9,317,746	0	0	0
Emergency Reserve Fund (406)	4,483	0	0	0
Fire Development Fee Program Fund (240)	8,997,669	9,355,865	9,853,019	9,616,270
Storm Sewer Operating Fund (446)	77,206	175,000	175,000	175,000
Capital Funds	1,130,104	1,163,879	1,172,299	1,179,414
Total	\$302,105,497	\$308,333,161	\$300,830,683	\$304,803,995
Positions by Core Service **				
Emergency Response	708.20	755.20	755.20	756.20
Fire Prevention	26.87	28.95	28.95	28.99
Fire Safety Code Compliance	35.32	35.40	35.40	34.35
Strategic Support - Other - Public Safety	5.18	4.18	4.18	4.23
Strategic Support - Public Safety	26.91	28.75	28.75	31.71
Total	802.48	852.48	852.48	855.48

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Fire Department

Department Budget Summary

	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

City-Wide Emergency Management

Emergency Preparedness and Planning	819	0	0	0	0.00
Sub-Total	819	0	0	0	0.00

Emergency Response

Fire and Emergency Medical Services Dispatch	8,287,708	9,569,854	12,946,311	12,997,049	47.48
Fire and Emergency Medical Services Response	163,773,335	219,829,053	219,870,490	219,670,072	661.41
Fire Stations/Apparatus Operations and Maintenance	11,189,144	8,091,850	9,766,484	10,446,986	5.76
Fire Sworn Training	6,573,642	8,197,980	8,609,035	9,649,035	12.95
Special Operations - Airport Rescue and Fire Fighting	7,657,518	6,117,528	6,277,911	6,277,911	18.34
Special Operations - Hazardous Incident Team	1,583,887	2,204,703	2,146,327	2,146,327	5.13
Special Operations - Urban Search and Rescue	1,735,127	2,100,902	2,059,485	2,059,485	5.13
Sub-Total	200,800,361	256,111,870	261,676,044	263,246,866	756.20

Fire Prevention

Fire Cause Investigation	1,733,404	2,019,711	2,128,391	2,128,391	5.25
Fire Safety Education, Review, and Inspections	5,997,849	6,688,103	6,792,953	6,774,870	23.74
Sub-Total	7,731,253	8,707,814	8,921,345	8,903,261	28.99

Fire Safety Code Compliance

Fire Development Services	8,383,418	8,118,957	8,501,661	8,298,283	34.35
Sub-Total	8,383,418	8,118,957	8,501,661	8,298,283	34.35

Strategic Support - Community & Economic Development

Fire Management and Administration - Community and Economic Development	608,186	28,900	0	0	0.00
Sub-Total	608,186	28,900	0	0	0.00

Strategic Support - Other - Community & Economic Development

Fire Other Departmental - City-Wide - Community and Economic Development	80,627	0	0	0	0.00
Fire Other Operational - Administration - Community and Economic Dev	722,013	0	0	0	0.00
Sub-Total	802,640	0	0	0	0.00

Strategic Support - Other - Public Safety

Fire Capital - Public Safety	4,131,704	17,751,710	4,659,401	6,465,229	4.23
Fire Gifts - Public Safety	0	26,169	0	0	0.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Fire Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Fire Other Departmental - City-Wide - Public Safety	0	10,000	0	0	0.00
Fire Other Departmental - Grants - Public Safety	674,255	1,145,494	0	0	0.00
Fire Other Operational - Administration - Public Safety	21,852	0	0	0	0.00
Fire Overhead	81	1,208,008	1,322,558	1,290,474	0.00
Fire Workers' Compensation - Public Safety	9,461,652	8,500,000	9,000,000	9,000,000	0.00
Sub-Total	14,289,545	28,641,381	14,981,959	16,755,703	4.23
Strategic Support - Public Safety					
Fire Emergency Response and Recovery	63,338,249	0	0	0	0.00
Fire Human Resources - Public Safety	221,777	342,432	339,601	599,601	0.00
Fire Information Technology - Public Safety	2,034,033	2,151,112	2,157,521	2,601,403	12.05
Fire Management and Administration - Public Safety	3,895,216	4,230,695	4,252,553	4,398,877	19.66
Sub-Total	69,489,275	6,724,239	6,749,675	7,599,881	31.71
Total	\$302,105,497	\$308,333,161	\$300,830,683	\$304,803,995	855.48

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Fire Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	<u>Positions</u>	<u>All Funds (\$)</u>	<u>General Fund (\$)</u>
Prior Year Budget (2022-2023):	852.48	280,425,672	271,113,754
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(283,000)	(283,000)
• Police Administration Building Parking Lot Security		(165,000)	(165,000)
• Ambulance Services Evaluation		(85,000)	(85,000)
• Non-Development Fee Program (Public Education Staffing)		(68,870)	(68,870)
• Information Technology Fire Staff Vehicle		(47,000)	(47,000)
• Employee Services Workforce Enhancement Staffing		(24,845)	(24,845)
• Bureau of Fire Prevention Arson Unit Staffing		(3,870)	(3,870)
One-time Prior Year Expenditures Subtotal:	0.00	(677,585)	(677,585)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		4,174,470	3,778,783
• Vehicle Operations and Maintenance		1,078,000	1,081,000
• Overtime Adjustment		583,167	576,792
• Fire Academy Adjustment		350,849	350,849
• New Public Safety Facilities Maintenance and Operations		309,350	309,350
• Equipment And Supplies: Fire Stations/Apparatus Operations and Maintenance (Class A& B Foam Usage)		162,000	162,000
• Contract Services: Stryker		68,549	68,549
• Dispatcher Training Adjustment		56,316	56,316
• Communications: FirstNet Devices		54,000	54,000
• Rent: Fire Station 20 Ground Rental		42,524	42,524
• Software/Information Services: BlueBeam Software		19,962	0
• Operations and Maintenance: Unmanned Aerial Vehicles		12,672	12,672
• Contract Services: Psychological Consulting		11,600	11,600
• Training: Paramedic Training		10,000	10,000
• Operations and Maintenance: Fire Station 20 Fire Station Alerting System		9,500	9,500
• Operations and Maintenance: LUCAS Chest Compression Systems		9,302	9,302
• Utilities: Gas, Electricity, Water		7,511	7,511
• Night Shift Differential Adjustment		2,923	2,923
• Dues and Subscriptions: Paramedic Licensing		2,723	2,723
• HIT Adjustment		(66,741)	(66,741)
• Urban Search And Rescue Adjustment		(35,457)	(35,457)
Technical Adjustments Subtotal:	0.00	6,863,220	6,444,196
2023-2024 Forecast Base Budget:	852.48	286,611,307	276,880,365

Fire Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	<u>Positions</u>	<u>All Funds (\$)</u>	<u>General Fund (\$)</u>
<u>Budget Proposals Recommended</u>			
1. Firefighter/Paramedic Lateral Recruiting Academy		1,600,000	1,600,000
2. Fire Battalion Staffing	3.00	1,211,403	1,211,403
3. Fire Information Technology Staffing	2.00	342,260	342,260
4. Fire Accounts Payable/Receivable and Timekeeping Staffing Reorganization	1.00	131,065	129,615
5. Bureau of Support Services Facility Maintenance Staffing	1.00	122,256	122,256
6. Multi-Factor Authentication for Mobile Data Computers		101,204	101,204
7. Vehicle O&M Charges (Fleet Staffing)		82,899	82,899
8. Fire Station Alerting Cradlepoint Routers		50,738	50,738
9. Emergency Medical Services Field Coordinator Staffing	(3.00)	(1,211,403)	(1,211,403)
10. Fire Development Fee Program Staffing Alignment	(1.00)	(198,179)	0
11. California Network and Telecommunication (CalNet) Program Savings		(26,848)	(26,027)
Total Budget Proposals Recommended	3.00	2,205,395	2,402,945
2023-2024 Proposed Budget Total	855.48	288,816,703	279,283,310

Fire Department

Budget Changes by Department Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Firefighter/Paramedic Lateral Recruiting Academy		1,600,000	1,600,000

Public Safety CSA

Emergency Response and Strategic Support – Public Safety Core Services

Fire Stations/Apparatus Operations and Maintenance, Fire Sworn Training, and Fire Human Resources – Public Safety Programs

This action adds one-time personal services and non-personal/equipment funding of \$1.6 million for a Lateral Firefighter/Paramedic Academy to begin in early August 2023. The City Council previously authorized \$1.5 million for a Lateral Firefighter/Paramedic Academy with their approval of the 2021-2022 Annual Report, which began in March 2023. Like many emergency response agencies in Santa Clara County and throughout California, the City of San José has struggled to fill vacant firefighter positions with qualified paramedics, causing significant strains on emergency medical response capacity. This budget action covers the costs of instructors and temporary recruiting staffing (\$1.1 million), as well as personal protective equipment, academy supplies, and background checks (\$500,000) to provide a 30-person academy to occur over a nine-week period to recruit lateral firefighters with paramedic accreditation. The Department intends to conduct targeted recruitment and outreach efforts to attract existing firefighter paramedics from other fire agencies to join the City of San José. (Ongoing costs: \$0)

2. Fire Battalion Staffing	3.00	1,211,403	1,211,403
----------------------------	------	-----------	-----------

Public Safety CSA

Emergency Response and Strategic Support – Public Safety Core Services

Fire and Emergency Medical Services Response, Fire Stations / Apparatus Operations and Maintenance, and Fire Information Technology - Public Safety Programs

This action adds 3.0 Battalion Chief positions, ongoing non-personal/equipment of \$5,890, and one-time non-personal/equipment funding of \$239,668, to enhance the Bureau of Field Operations staffing needs. The new Battalion Chief positions will supervise five fire stations and will realign the supervision of existing battalions to more equitable and manageable levels. This model enhances the reliability of the Department's operations by reducing travel distances and response times for command staff in eastern and central areas of San José that have been historically harder to serve due to minimal resources, thus improving the quality of life, health, and safety to residents in these areas, as well as providing resources to assist with community outreach and Department functions, such as fire inspections and public education. This action is partially offset by a reduction in overtime funding by \$305,717 due to the realignment of supervision amongst the existing battalions, which is anticipated to result in a decrease in overtime usage. (Ongoing costs: \$1,182,351)

Fire Department

Budget Changes by Department Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Fire Information Technology Staffing	2.00	342,260	342,260

Public Safety CSA
Strategic Support – Public Safety Core Service
Fire Information Technology - Public Safety Program

This action adds 1.0 Network Engineer position, 1.0 Analyst II position, ongoing non-personal/equipment funding of \$8,070, and one-time non-personal/equipment funding of \$29,545 to reinforce the Bureau of Administrative Services' ability to address current infrastructure conditions and implement priority Fire Information Technology (IT) Master Plan and Roadmap initiatives. Currently, Fire's IT group provides technical support to more than 2,000 devices as well as remediate major IT components, a workload that will increase as more facilities become operational. Additionally, critical emergency response and public safety technologies are encountering issues and while symptoms of the downtime are attended to, and operations are being restored, the overall stability and shoring up infrastructure is left for a later time and often not addressed. These added positions will help reduce the current backlog of tasks accumulated over time and enable staff to shift focus to implementing proactive and innovative solutions to better meet the operational needs of the Department, ensuring that preventive maintenance is kept current, and providing additional support for all Department mission-critical services, systems, and technologies. (Ongoing costs: \$351,640)

4. Fire Accounts Payable/Receivable and Timekeeping Staffing Reorganization	1.00	131,065	129,615
--	------	---------	---------

Public Safety and Community and Economic Development CSA
Fire Safety Code Compliance, Fire Prevention, and Strategic Support – Public Safety Core Services
Fire Development Services, Fire Safety Education, Review, and Inspections, and Fire Management and Administration – Public Safety Programs

This action adds 2.0 Principal Account Clerk positions, eliminates 1.0 vacant Account Clerk II position, and restructures job duties for an existing Staff Specialist position to create organizational capacity. The level of support required for the Department's accounts payable process has noticeably increased with the addition of new fire stations and personnel being operationalized. One Principal Account Clerk position will be responsible for serving in the capacity as the Department's point of contact for all procurement cards, travel, and interdepartmental clearing accounts. The second Principal Account Clerk position will manage the accounts receivable functions and will be responsible for all the Department's billing functions and revenue management. Finally, this action will restructure the current model and dedicate the existing Staff Specialist position as the sole functioning payroll/timekeeping contact and consolidate all accounts receivable responsibilities to the recommended Principal Account Clerk position. (Ongoing costs: \$152,073)

Fire Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	-------------------	----------------------

5. Bureau of Support Services Facility Maintenance Staffing	1.00	122,256	122,256
--	-------------	----------------	----------------

Public Safety CSA

Emergency Response Core Service

Fire Stations / Apparatus Operations and Maintenance Program

This action adds 1.0 Facility Repair Worker position and ongoing non-personal/equipment of \$1,810, and one-time non-personal/equipment funding of \$6,200, to enhance staffing within the Bureau of Support Services. The Department maintains 40 facilities across 208 square miles that are utilized 24/7 throughout the year. Averaging 40 years of continuous use, the aging infrastructure has increased the need for repair work and preventative maintenance tasks that exceeds staff capacity. Currently, the Facility Maintenance team is comprised of 1.0 Building Maintenance Supervisor position managing an average of 500 work orders annually, with approximately 383 open work orders at any given time, in addition to their other responsibilities. Depending on the priority (emergency or safety-related) and scope of work order submitted, the backlog of closing work orders can range from three to five months. With the increasing need to help address critical maintenance and repairs, and as new facilities come online, this additional position will alleviate the current backlog of work orders and mitigate larger and costlier repairs from occurring. (Ongoing costs: \$129,282)

6. Multi-Factor Authentication for Mobile Data Computers		101,204	101,204
---	--	----------------	----------------

Public Safety CSA

Strategic Support – Public Safety Core Service

Fire Information Technology – Public Safety Program

This action adds one-time non-personal/equipment funding of \$101,204 for 726 Digital Persona user licenses that includes one-year subscription and maintenance, and ongoing non-personal/equipment funding of \$16,872 for continued subscription and maintenance of the licenses. These licenses will be used for future implementation of Multi-Factor Authentication (MFA) on Mobile Data Computers (MDCs) that are in the fire apparatus and serves as an essential part of secure communication response for the Fire Department's field operations in response to calls for service and major catastrophic events. These Digital Persona user licenses will help implement and align to the City of San Jose's MFA policy regarding the proper use of MDCs. To implement MFA, each Fire personnel with access to the MDCs are required to have their own individual license. (Ongoing costs: \$16,872)

Fire Department

Budget Changes by Department Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Vehicle O&M Charges (Fleet Staffing)		82,899	82,899

Public Safety CSA
Emergency Response Core Service
Fire Stations / Apparatus Operations and Maintenance Program

This action adds non-personal/equipment funding of \$82,485 for vehicle and operations costs related to the Fleet Staffing (Communication Installers) budget action, as described in the Public Works Department section of this document. The positions will be focusing on shop operations which includes supporting ongoing maintenance and repairs to mobile units, building new or replacement vehicles to meet delivery time, and providing ongoing upgrades on communication equipment for Police, Fire, and other departments. The Fleet Management Division has a backlog of repairs and building vehicles, so these positions will support efforts to reduce this backlog and continue to maintain the City's vehicle and equipment. (Ongoing costs: \$101,834)

8. Fire Station Alerting Cradlepoint Routers		50,738	50,738
--	--	--------	--------

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Services Dispatch Program

This action adds one-time non-personal/equipment funding of \$50,738 for the renewal and continued use of NetCloud service licenses for three years starting in 2023-2024 and ongoing non-personal/equipment funding of \$11,640 to ensure the Department will have sufficient budget to fund the renewal every three years. In 2020, the Department upgraded the existing Fire Station Alerting System with newer technologies, replacing the analog telephone circuits with an Internet Protocol (IP) network infrastructure. As part of the upgrade, the Department purchased a service license agreement for three years with the procurement of CradlePoint routers. (Ongoing costs: \$11,640)

Fire Department

Budget Changes by Department Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	-------------------	----------------------

9. Emergency Medical Services Field Coordinator Staffing Realignment	(3.00)	(1,211,403)	(1,211,403)
---	--------	-------------	-------------

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Services Response Program

This action eliminates 3.0 filled Fire Captain positions currently assigned to the Emergency Medical Services (EMS) Field Coordinator function. The EMS Field Coordinator is a single person response staffed by one Fire Captain/Paramedic on a 24/7 basis; this position was first implemented to support the delivery of Advance Life Support (ALS) Services initiated in 1993. After 30 years of ALS service delivery, paramedic experience is ubiquitous at all field ranks and across shifts. The Department continues to pursue opportunities to meet service demands by optimizing the effectiveness of its limited resources by increasing efficiency through multiple strategies including reorganization, technologies, workflow improvements, and smart growth. To strengthen command and control capabilities, improve responder safety, and improve environmental protection, the Department is adding 3.0 Battalion Chief positions, as recommended in a separate action, to enable the increase in the number of battalions from five to six. This alternate service delivery will provide direct relief throughout all areas of San José and address equitable response times of command staff to neighborhoods that require high demand for service calls, keep pace with the increased call volume, and improve both communication and oversight by balancing the span of control. The incumbents in the Fire Captain positions will be placed into vacant Fire Captain positions. (Ongoing savings: \$1,182,351)

10. Fire Development Fee Program Staffing Alignment	(1.00)	(198,179)	0
--	--------	-----------	---

Community and Economic Development CSA
Fire Safety Code Compliance Core Service
Fire Development Services

This action eliminates 1.0 vacant Associate Engineer position to align the staffing levels with expected activity levels for upcoming fiscal years. The Fire Development Fee Program Fund is projected to have lower revenue collections as a result of decreased levels of development activity. This action will help bring the program closer to cost recovery. The Department will continue to pursue opportunities to meet ongoing service demands as necessary. (Ongoing savings: \$198,179)

Fire Department

Budget Changes by Department Personal Services and Non-Personal/Equipment






2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
11. California Network and Telecommunications (CalNet) Program Savings		(26,848)	(26,027)
<i>Community and Economic Development and Public Safety CSA Fire Safety Code Compliance, Emergency Response, and Fire Prevention Core Services Fire Development Services, Fire Stations / Apparatus Operations and Maintenance, and Fire Safety Education, Review, and Inspections Programs</i>			
<p>This action decreases the Department's non-personal/equipment funding by \$26,848 in all funds, \$26,027 in the General Fund, on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$26,848)</p>			
2023-2024 Proposed Budget Changes Total	3.00	2,205,395	2,402,945

Fire Department

Performance Summary

Emergency Response

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of fires contained: - in room of origin - in structure of origin	70%	80%	68%	80%
	91%	92%	89%	92%
 Average cost of emergency response (budget/# of emergency responses)	\$2,618	\$2,886	\$2,342	\$2,475
 % of response time compliance - Priority 1 (<8 min) ¹ - Priority 2 (<13 min) ²	71%	80%	67%	80%
	92%	94%	91%	92%
 % of response time breakdown for Priority 1 - Dispatch time (<2 min) ³ - Turnout time (<2 min) ⁴ - Travel time (<4 min) ⁵	85%	87%	84%	85%
	83%	85%	83%	85%
	43%	50%	39%	45%
 % of EMS response time compliance - EMS Code 3 (<8 min) ⁶ - EMS Code 2 (<12 min) ⁷	90%	95%	89%	90%
	97%	95%	96%	95%

¹ The City of San José Priority 1 (red lights/sirens) Response Time compliance standard is arrival within 8 minutes, 80% of the time.

² The City of San José Priority 2 (no red lights/sirens) Response Time compliance standard is arrival within 13 minutes, 80% of the time.

³ The City of San José Priority 1 – Dispatch Time compliance standard is 80%.

⁴ The City of San José Priority 1 – Turnout Time compliance standard is 80%.

⁵ While the City of San José Priority 1 – Travel Time compliance standard is 80%, the Fire Department has been unable to meet this standard due to traffic congestion and coverage gap areas through existing fire station placements. The addition of three new and two relocated fire stations funded by Measure T, the San José Disaster Preparedness, Public Safety, and Infrastructure Bond, are essential to improving this performance measure as the Department continues to advance multiple strategies for maximizing response time performance. With Fire Station 37 operationalized since May 2022, numbers are expected to improve.

⁶ The Santa Clara County Emergency Medical Services Code 3 (red lights/sirens) Response Time compliance standard is arrival within 8 minutes 90% of the time.

⁷ The Santa Clara County Emergency Medical Services Code 2 (no red lights/sirens) Response Time compliance standard is arrival within 12 minutes 90% of the time.

Fire Department

Performance Summary

Emergency Response

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of SJFD Emergency Incidents Dispatched	103,145	91,000	105,000	105,000
# of Priority 1 SJFD Responses (red lights/sirens)	82,488	73,000	85,000	85,000
# of Priority 2 SJFD Responses (no red lights/sirens)	20,657	18,000	20,000	20,000
# of other SJFD Calls (unclassified) ¹	0	0	0	0
# of Medic Unit Responses	10,467	10,000	10,329	10,000
# of Emergencies by Type Found on Arrival	103,145	91,000	105,000	105,000
# Fires	4,926	4,000	5,400	5,400
- structure fires	474	470	600	600
- vehicle/aircraft fires	392	360	500	500
- vegetation fires	718	670	800	800
- other fires	3,342	2,500	3,500	3,500
- # of medical emergencies	63,132	56,000	64,000	64,000
- # of Rescue, Haz-Mat, USAR and non-fire hazards	6,035	6,100	6,100	6,100
- # of Service Requests & Good Intent	9,915	9,000	10,000	10,000
- # of False Alarm/False Call (malicious)	1,215	1,200	1,300	1,300
- # of No incident, wrong location, cancelled en route	6,653	6,400	6,700	6,700
- # of Uncategorized	11,269	8,300	11,500	11,500
Total estimated property fire loss (x \$1,000)	\$53,401	\$36,000	\$50,000	\$50,000





¹ In 2019-2020, the Department improved classification of calls within the Computer Aided Dispatch (CAD) system, resulting in significantly fewer unclassified calls.

Fire Department

Performance Summary

Fire Prevention

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of arson investigations with determination of cause	51%	70%	53% ¹	53% ¹
 % of inspections not requiring a follow-up inspection	85%	90%	85%	85%
 % of occupancies receiving an inspection:				
- State-mandated	99%	100%	100%	100%
- Assemblies	99%	100%	92% ²	100%
- Non-mandated	65%	77%	75%	85%
 % of code violation complaint investigations initiated within 1 week	95%	100%	95%	100%

¹ 2022-2023 data represents steady growth in levels of investigations conducted by the Arson Unit compared to prior years. The 2023-2024 Target anticipates this continued level of activity until the Arson Investigator approved in 2022-2023 is fully operational.

² 2022-2023 estimated data represents the impacts of staffing vacancies that are anticipated to be addressed in 2023-2024 to meet target levels.

Fire Department

Performance Summary

Fire Prevention

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of investigations conducted by Arson Unit	419	500	300 ¹	300
# of investigations resulting in arson determination	215	475	160 ¹	160
Total number of arson fires in structures	83	120	80	80
Total estimated dollar loss due to arson	\$34,297,139 ²	\$4,000,000	\$9,300,000	\$9,300,000
Arson fires per 100,000 population	22	28	15	15
Plan reviews performed (special events)	221	240	140 ³	140 ⁴
# of initial inspections conducted by Firefighters:				
- State-mandated	5,568	5,300	5,692	5,692
# of initial inspections conducted by Bureau of Fire Prevention staff:				
- State-mandated	734	725	613 ⁵	613
- Assemblies	1,790	1,642	1,350 ⁵	1,350 ⁵
- Non-mandated	3,618	4,014	2,883	2,883
# of re-inspections:				
- State-mandated	1,085	1,090	837	837
- Assemblies	827	833	367	367
- Non-mandated	939	1,078	538	538
Total annual permitted occupancies:				
- Hazardous Materials	3,047	3,179	3,015	3,015
- Fire Safety	5,776	5,800	5,876	5,876
# of complaints investigated	91	146	72	72

¹ 2022-2023 data represents steady growth in levels of investigations conducted by the Arson Unit compared to 2021-2022. The 2023-2024 Target anticipates this continued level of activity until the Arson Investigator approved in 2022-2023 is fully operational.

² 2021-2022 Actuals includes the dollar loss associated with the 5-Alarm Home Depot structure fire in April 2022.

³ 2022-2023 estimated data represents a decline in special events due to observed activity.

⁴ As efforts are made towards downtown vibrancy and placemaking activation increases, numbers are expected to increase and will be updated.




⁵ 2022-2023 estimated data represents the impacts of staffing vacancies that are anticipated to be addressed in 2023-2024 to meet target levels.

Fire Department

Performance Summary

Fire Safety Code Compliance

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Ratio of fee revenue to Development Fee Program cost (includes reserve funding)	100%	100%	100%	100%
 Selected cycle time measures for Development services:				
- Fire Plan Check processing targets met ¹	96%	87%	91%	93%
- Fire inspections within 24 hours ¹	100%	100%	100%	100%
 % of Development process participants rating service as good or excellent	N/A ²	90%	N/A ²	90%

¹ The percentage of fire inspections completed within 24 hours is currently measured from the point a requested inspection is placed on the schedule, rather than when it's requested. The methodology for this performance measure is under review and an update to this measure and methodology will be recommended through development of the 2024-2025 Proposed Operating Budget.

² A Request for Proposal for a consultant for the Development Survey was in progress in 2020-2021 and did not conclude in time for a survey to be completed. It is anticipated that the performance measure data for 2022-2023 will be available for inclusion in the 2023-2024 Adopted Budget.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of new construction and tenant improvement plan checks performed	5,947	6,500	5,884 ¹	6,500
# of new construction and tenant improvement inspections performed	5,276 ¹	7,400	6,100 ¹	6,200

¹ 2022-2023 estimated data represents the impacts of staffing vacancies that are anticipated to be addressed in 2023-2024 to meet target levels.

Fire Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Account Clerk I/II	2.00	1.00	(1.00)
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	11.00	12.00	1.00
Arson Investigator	4.00	4.00	-
Assistant Fire Chief	1.00	1.00	-
Associate Engineer	16.00	15.00	(1.00)
Automotive Equipment Specialist	1.00	1.00	-
Battalion Chief	21.00	24.00	3.00
Building Maintenance Superintendent	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Deputy Fire Chief	4.00	4.00	-
Division Manager	2.00	2.00	-
Facility Repair Worker	0.00	1.00	1.00
Fire Captain	175.00	172.00	(3.00)
Fire Chief	1.00	1.00	-
Fire Engineer	234.00	234.00	-
Fire Equipment Technician	2.00	2.00	-
Fire Fighter	267.00	267.00	-
Fire Prevention Inspector	13.00	13.00	-
Geographic Information Systems Specialist	1.00	1.00	-
Hazardous Materials Inspector I/II	6.00	6.00	-
Information Systems Analyst	2.00	2.00	-
Network Engineer	1.00	2.00	1.00
Network Technician I/II/III	2.00	2.00	-
Nurse Practitioner	1.00	1.00	-
Office Specialist I/II	1.00	1.00	-
Principal Account Clerk	0.00	2.00	2.00
Principal Office Specialist	1.00	1.00	-
Principal Permit Specialist	1.00	1.00	-
Program Manager	2.00	2.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative	1.00	1.00	-
Public Safety Radio Dispatcher	30.00	30.00	-
Public Safety Radio Dispatcher PT	0.48	0.48	-
Senior Account Clerk	2.00	2.00	-
Senior Analyst	4.00	4.00	-
Senior Engineer	4.00	4.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Office Specialist	3.00	3.00	-

Fire Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Senior Permit Specialist	4.00	4.00	-
Senior Public Safety Dispatcher	11.00	11.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	4.00	4.00	-
Supervising Public Safety Dispatcher	3.00	3.00	-
Training Specialist	1.00	1.00	-
Video/Multimedia Producer	1.00	1.00	-
Warehouse Worker I/II	1.00	1.00	-
Total Positions	852.48	855.48	3.00

Note: Of the 855.48 positions in the Fire Department in 2023-2024, 720 are sworn positions and 135.48 are civilian positions.

PAGE INTENTIONALLY LEFT BLANK

Housing Department

Jacky Morales-Ferrand, Director

MISSION

To strengthen and revitalize our community through housing and neighborhood investment

CITY SERVICE AREA

***Community and Economic Development
Neighborhood Services***

CORE SERVICES

AFFORDABLE HOUSING PORTFOLIO MANAGEMENT

Manage the City's affordable housing loan portfolio, including loan servicing and monitoring, compliance of income restricted apartments; retain and extend the length of the restrictions to preserve the long-term affordability of the apartments

AFFORDABLE HOUSING PRODUCTION AND PRESERVATION

Provide financing for the rehabilitation, development, and construction of affordable housing; provide technical assistance to market-rate developers to meet their affordable housing requirements; offer limited homeownership loans and administer Inclusionary and Housing Impact fee programs

HOMELESSNESS INTERVENTIONS AND SOLUTIONS

Provide a coordinated response to homeless residents including street-based outreach, case management, essential services, referrals, and housing options; invest in interim short-term housing solutions

NEIGHBORHOOD CAPITAL INVESTMENT AND PUBLIC SERVICES

Invest in at-risk residents and neighborhoods, provide funding for housing and community development capital projects, and provide support to public service organizations

RENT STABILIZATION AND TENANT PROTECTION

Administer rent stabilization programs and requirements that stabilize rents, while assuring landlords a fair return, protect tenants, mitigate impacts of displacement, and prevent retaliation

Strategic Support: Planning and Policy Development, Public Education, Budget, Financial Management, Clerical Support, Human Resources, Audit Supervision, and Emergency Response and Recovery

Housing Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Affordable Housing Portfolio Management Core Service</i>	
Loan Compliance	Manages and oversees the City's affordable housing loan portfolio, including loan servicing and monitoring and compliance of affordable deed-restricted apartments.
Property Maintenance and Inspection	Works with existing developments to retain and preserve the long-term viability of affordable apartments.
<i>Affordable Housing Production and Preservation Core Service</i>	
Affordable Housing Development Loans	Provides financing and technical assistance for the construction of new affordable housing, the acquisition and rehabilitation of existing housing, and the restructuring of existing financing to create new and preserve existing affordable housing opportunities for low-income households and individuals. Assist in the application of State programs such as Homekey and Affordable Housing and Sustainable Communities Grants.
Homeownership Opportunities	Provides loan servicing for recipients of lending programs.
Inclusionary Housing	Provides technical assistance to market-rate residential and commercial developers in meeting their affordable housing requirements.
Rehabilitation Loans and Grants	Funds minor home repairs for low-income homeowners and mobile homeowners.
<i>Homelessness Interventions and Solutions Core Service</i>	
Homeless Outreach and Case Management	Provides a coordinated response to unsheltered homeless residents including street-based outreach, engagement, case management, and essential services such as mobile hygiene, warming locations, and temporary and incidental shelters.
Interim Supportive Housing Development	Develops and oversees operation of interim housing solutions to bridge the gap from temporary shelter to permanent supportive housing.
Joint Encampment Response Team	Provides outreach services and housing referrals to unhoused residents living in targeted encampments.
Tenant Based Rental Assistance and Rapid Rehousing	Provides short-term rental subsidies, with supportive services during the subsidy period, to help homeless residents obtain permanent housing as quickly as possible.
<i>Neighborhood Capital Investment and Public Services Core Service</i>	
Community Development Block Grant - Infrastructure Investments	Funds City infrastructure improvements in low-income neighborhoods and facility upgrades for non-profits that serve low-income communities.
Non-Profit Service Grants to Support Housing and Community Development Needs	Provides grants to non-profit organizations to support fair housing and tenant legal services, senior programs, homeless programs, minor repair program for homeowners and mobile homeowners, and operating support.
Place-Based Neighborhood Strategy	Provides community engagement and leadership development services in low-income neighborhoods.

Housing Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Rent Stabilization and Tenant Protection Core Service</i>	
Apartment Rent Ordinance Administration	Protects tenants from excessive rent increases and evictions while assuring landlords a fair return; provides balanced treatment for both tenants and landlords through efficient and consistent administration of the apartment rent stabilization programs.
Mobilehome Rent Ordinance Administration	Protects mobile home residents from excessive rent increases while assuring park owners receive a fair return through efficient and consistent administration of the Mobilehome Rent Ordinance.
<i>Strategic Support Core Service</i>	
Housing Planning and Policy Development	Analyzes, develops and recommends public policy to strengthen affordable housing and community development programs. Provides research support for advancement of new and one-time programs. Tracks and coordinates the Department's legislative response to legislation and program regulations at both the State and Federal levels.
Housing Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.
Housing Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Housing Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Continue to advance funding commitments for four affordable housing developments, totaling 591 new apartments, as part of the implementation of the \$150 million Notice of Funding Availability.
- Continue the development of additional Emergency Interim Housing (EIH) sites and provide seed funding for their future operations and maintenance costs, with the goal of having 1,000 pandemic-era housing beds under development by the end of the 2023 calendar year.
- Begin construction on six major projects that will produce 593 affordable apartments. Open four new interim housing sites/hotels, including 365 new interim housing units funded through the State Homekey program and another 76 units at a site adjacent to the San José Police Department.
- Implement the Housing Plan and relocate residents living at the Guadalupe Gardens site.
- Enhance support to individuals residing in homeless encampments through the Services Outreach Assistance and Resources (SOAR) Program.
- Complete an effectiveness assessment of five Rent Stabilization Program ordinances, improve outreach and education to tenants and landlords, and strengthen eviction prevention measures.
- Complete a right-to-counsel/collaborative housing court cost study.
- Complete work to create two fair-housing compliant Anti-Displacement Tenant Preferences, and an Assessment of Fair Housing Plan for City Council approval.
- Co-create the first interdepartmental Housing Catalyst Work Plan on housing production, preservation and protections based on the approved 2023-2031 Housing Element and begin implementation on short-term strategies.
- Continue to develop or amend programs and policies per the top priorities of the Citywide Residential Anti-Displacement Strategy, and report on progress twice a year to the City Council's Community and Economic Development Committee.
- Implement the 2020-25 Consolidated Plan and the FY 2023-2024 Annual Action Plan authorizing \$14.4 million in annual allocations of federal funding to increase and preserve affordable housing, respond to homelessness, strengthen neighborhoods, and promote fair housing.
- Provide contract management and monitoring over \$112 million in CDBG, CRF, ESG, and HOPWA CARES Act funds received for the COVID-19 response that provides a range of services.
- Complete Department-wide Equitable Results Training to advance and support the Department's racial equity work and start the development of an Equity Action Plan.

2023-2024 Key Budget Actions

- Continues 4.0 Analyst II positions and 1.0 Staff Specialist position through June 30, 2024, to support contract development and management, performance tracking, and Federal reporting to distribute and monitor grant funding related to COVID-19 response and recovery.
- As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council, reallocates uncommitted Measure E resources to fund homeless prevention, support, and management investments totaling approximately \$3.2 million to add 1.0 Senior Development Officer position, 2.0 Development Officer positions, 1.0 Analyst I/II position, and 2.0 Therapeutic Specialist positions, all limit-dated through June 30, 2026; all position costs are funded by the Measure E Homeless Response and Outreach City-Wide Expenses appropriation, as described in the City-Wide Expenses section of this document.
- Makes permanent 1.0 Senior Development Officer position to manage eviction prevention efforts and continue the implementation of the Rent Stabilization Program Strategic Plan.

Operating Funds Managed

- Affordable Housing Impact Fee Fund
- Building Home and Jobs Act Fund
- Community Development Block Grant Fund
- Economic Development Administration Loan Fund
- Home Investment Partnership Program Trust Fund
- Homeless Housing, Assistance, & Prevention Fund
- Housing Trust Fund
- Inclusionary Fee Fund
- Low and Moderate Income Housing Asset Fund
- Multi-Source Housing Fund
- Rent Stabilization Fee Fund

Housing Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Affordable Housing Portfolio Management	3,397,081	5,272,017	4,395,550	4,199,441
Affordable Housing Production and Preservation	40,481,488	31,216,176	42,261,491	43,276,684
Homelessness Interventions and Solutions	14,510,296	77,676,368	49,975,165	79,363,426
Neighborhood Capital Investment and Public Services	13,853,651	39,052,511	28,463,251	28,463,251
Rent Stabilization and Tenant Protection	2,261,831	3,214,854	3,240,696	3,450,336
Strategic Support - Community & Economic Development	56,987,513	43,184,451	9,103,606	9,630,407
Strategic Support - Other - Community & Economic Development	10,053,768	34,076,053	4,810,117	4,955,935
Total	\$141,545,628	\$233,692,430	\$142,249,877	\$173,339,481
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	14,761,210	16,316,409	15,488,109	16,796,344
Overtime	86,307	34,830	34,830	34,830
Subtotal Personal Services	\$14,847,516	\$16,351,239	\$15,522,939	\$16,831,174
Non-Personal/Equipment	1,549,308	3,167,332	1,991,332	2,236,142
Total Personal Services & Non-Personal/Equipment	\$16,396,824	\$19,518,571	\$17,514,271	\$19,067,316
<i>Other Costs *</i>				
City-Wide Expenses	11,215,763	56,744,187	6,600,000	35,990,741
Housing Loans and Grants	44,676,325	32,076,230	43,728,803	43,728,803
Other	67,960,379	121,627,312	72,574,233	72,574,233
Other - Capital	0	0	0	0
Overhead Costs	1,296,158	3,651,130	1,757,570	1,903,388
Workers' Compensation	179	75,000	75,000	75,000
Total Other Costs	\$125,148,804	\$214,173,859	\$124,735,606	\$154,272,165
Total	\$141,545,628	\$233,692,430	\$142,249,877	\$173,339,481

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Housing Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	21,644,631	57,361,845	7,180,951	36,571,692
Affordable Housing Impact Fee Fund (452)	2,377,692	234,022	214,176	214,176
American Rescue Plan Fund (402)	2,729,741	33,804,297	0	0
Building Homes and Jobs Act Fund (456)	61,978	4,328,860	6,876,063	6,876,063
Community Development Block Grant Fund (441)	9,795,497	17,171,572	8,021,928	8,021,928
Coronavirus Relief Fund (401)	(7,022,036)	0	0	0
Emergency Reserve Fund (406)	21,658,947	435,335	0	0
Home Investment Partnership Program Trust Fund (445)	2,392,001	14,412,683	11,357,144	12,213,334
Homeless Housing, Assistance, and Prevention Fund (454)	3,681,557	31,252,120	27,142,557	26,922,855
Housing Trust Fund (440)	2,219,379	5,812,962	2,828,407	2,828,407
Inclusionary Fee Fund (451)	394,236	546,185	428,877	428,877
Low And Moderate Income Housing Asset Fund (346)	46,664,723	36,333,336	49,060,109	49,887,104
Multi-Source Housing Fund (448)	32,180,313	27,844,604	25,532,687	25,532,687
Rental Stabilization Program Fee Fund (450)	2,766,969	4,154,609	3,606,979	3,842,359
Total	\$141,545,628	\$233,692,430	\$142,249,877	\$173,339,481
Positions by Core Service **				
Affordable Housing Portfolio Management	12.50	12.50	12.50	11.50
Affordable Housing Production and Preservation	18.00	13.00	14.00	19.00
Homelessness Interventions and Solutions	10.25	13.00	12.00	18.00
Neighborhood Capital Investment and Public Services	7.60	8.60	7.60	7.60
Rent Stabilization and Tenant Protection	17.07	17.07	17.07	18.07
Strategic Support - Community & Economic Development	4.25	26.58	23.58	26.58
Strategic Support - Other - Community & Economic Development	1.75	14.75	8.75	8.75
Total	71.42	105.50	95.50	109.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Housing Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Affordable Housing Portfolio Management					
Loan Collections	18,626	0	0	0	0.00
Loan Compliance	2,777,262	2,250,101	2,315,193	2,314,978	10.50
Property Maintenance and Inspection	601,193	3,021,916	2,080,357	1,884,463	1.00
Sub-Total	3,397,081	5,272,017	4,395,550	4,199,441	11.50
Affordable Housing Production and Preservation					
Affordable Housing Development Loans	39,997,483	29,940,500	41,053,207	42,068,399	12.80
Homeownership Opportunities	6,982	150,000	100,000	100,000	0.00
Inclusionary Housing	214,901	379,573	342,888	342,888	2.00
Rehabilitation Loans and Grants	262,122	746,103	765,396	765,396	4.20
Sub-Total	40,481,488	31,216,176	42,261,491	43,276,684	19.00
Homelessness Interventions and Solutions					
Homeless Outreach and Case Management	8,608,188	43,958,253	37,537,545	48,035,055	14.00
Interim Supportive Housing Development	228,040	22,433,655	901,842	19,792,592	1.00
Joint Encampment Response Team	1,430,516	292,348	265,482	265,482	1.50
Local and Regional Coordination/Policy Development to End Homelessness	150,000	0	0	0	0.00
Tenant Based Rental Assistance and Rapid Rehousing	4,093,553	10,992,112	11,270,297	11,270,297	1.50
Sub-Total	14,510,296	77,676,368	49,975,165	79,363,426	18.00
Neighborhood Capital Investment and Public Services					
Community Development Block Grant - Infrastructure Investments	2,771,483	7,352,077	6,399,166	6,399,166	7.24
Neighborhood Stabilization	430,848	407,439	0	0	0.00
Non-Profit Service Grants to Support Housing and Community Development Needs	10,506,810	31,278,495	22,054,586	22,054,586	0.36
Place-Based Neighborhood Strategy	144,511	14,500	9,500	9,500	0.00
Sub-Total	13,853,651	39,052,511	28,463,251	28,463,251	7.60
Rent Stabilization and Tenant Protection					
Apartment Rent Ordinance Administration	1,655,028	2,982,136	3,013,620	3,223,260	16.77
Mobilehome Rent Ordinance Administration	606,803	232,718	227,077	227,077	1.30
Sub-Total	2,261,831	3,214,854	3,240,696	3,450,336	18.07
Strategic Support - Community & Economic Development					
Housing Emergency Response and Recovery	50,549,024	37,539,131	3,836,309	3,836,309	0.00
Housing Management and Administration	5,772,986	4,155,886	4,117,632	4,434,793	20.13

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Housing Planning and Policy Development	665,504	1,489,434	1,149,665	1,359,305	6.45
Sub-Total	56,987,513	43,184,451	9,103,606	9,630,407	26.58
Strategic Support - Other - Community & Economic Development					
Housing Other Departmental - City-Wide	7,755,626	30,199,187	2,600,000	2,600,000	8.75
Housing Other Departmental - Grants	1,182,442	34,547	34,547	34,547	0.00
Housing Other Operational - Administration	750	0	0	0	0.00
Housing Overhead	1,075,930	3,494,319	1,757,570	1,903,388	0.00
Housing Transfers	38,841	273,000	343,000	343,000	0.00
Housing Workers' Compensation	179	75,000	75,000	75,000	0.00
Sub-Total	10,053,768	34,076,053	4,810,117	4,955,935	8.75
Total	\$141,545,628	\$233,692,430	\$142,249,877	\$173,339,481	109.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Housing Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	105.50	19,518,571	617,658
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(830,000)	(5,000)
• Grants Management Staffing (4.0 Analyst II, 1.0 Staff Specialist)	(5.00)	(746,911)	0
• Property Management Team Staffing (2.0 Building Rehabilitation Inspector II)	(2.00)	(299,574)	0
• Housing Preservation and Production Staffing (1.0 Senior Development Officer)	(1.00)	(207,439)	0
• Homeless Response Team and BeautifySJ Coordination Staffing (1.0 Senior Development Officer)	(1.00)	(207,439)	0
• Policy and Planning Studies Consulting Services		(195,000)	0
• Good Karma Bikes		(50,000)	(50,000)
• West Valley Community Services		(50,000)	0
• Measure E – 5% Program Administration (1.0 Senior Development Officer)	(1.00)	0	0
One-Time Prior Year Expenditures Subtotal:	(10.00)	(2,586,363)	(55,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/Benefit changes		590,757	18,293
• Vehicle Operations & Maintenance		(1,000)	0
• Fund Shift: Administrative Staffing	0.00	(7,694)	0
Technical Adjustments Subtotal:	0.00	582,063	18,293
2023-2024 Forecast Base Budget:	95.50	17,514,271	580,951
Budget Proposals Recommended			
1. Housing Grants Management Staffing	5.00	766,862	0
2. Housing Pre-Development Consultant Services		250,000	0
3. Rent Stabilization and Eviction Prevention Staffing	1.00	209,640	0
4. Housing Policy and Procedures Staffing	1.00	209,640	0
5. Fiscal and Contractual Oversight Staffing (Grants and Homeless Programs)	1.00	165,371	0
6. Administrative Services Program Staffing	1.00	152,616	0
7. Measure E – Homeless Response and Outreach	6.00	0	0
8. Property Management Staffing	(1.00)	(195,894)	0
9. California Network and Telecommunications (CalNet) Program Savings		(5,190)	0
Total Budget Proposals Recommended	14.00	1,553,045	0
2023-2024 Proposed Budget Total	109.50	19,067,316	580,951

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Housing Grants Management Staffing <i>Community and Economic Development CSA</i> <i>Affordable Housing Production and Preservation Core Service</i> <i>Affordable Housing Development Loans Program</i>	5.00	766,862	0
<p>This action continues 4.0 filled Analyst II positions and 1.0 filled Staff Specialist position through June 30, 2024, funded by the Home Investment Partnership Program Trust Fund (HOME Fund), to provide contract development and management, performance tracking, and federal reporting. The Housing Department has received over \$100 million in federal and State funding to respond to the COVID-19 pandemic. This staffing is necessary to continue to effectively distribute and monitor the use of such grant resources. These positions will be funded by the Home American Rescue Plan (HOME-ARP) Program within the HOME Fund, which supports activities aimed to reduce homelessness by providing funding for rental housing. (Ongoing costs: \$0)</p>			
2. Housing Pre-Development Consultant Services <i>Community and Economic Development CSA</i> <i>Affordable Housing Production and Preservation Core Service</i> <i>Affordable Housing Development Loans Program</i>		250,000	0
<p>This action adds non-personal/equipment funding of \$250,000 on an ongoing basis in the Low and Moderate Income Housing Asset Fund to support technical review, environmental review, appraisal services, underwriting, community engagement, and other predevelopment activities supporting Notices of Funding Availability (NOFAs). As anticipated Measure E funds and other resources are available through and beyond 2023-2024, ongoing support is needed to provide predevelopment services in the preparation of NOFAs, inviting developers to submit project funding requests, and the evaluation of such requests. (Ongoing costs: \$250,000)</p>			
3. Rent Stabilization and Eviction Prevention Staffing <i>Community and Economic Development CSA</i> <i>Rent Stabilization and Tenant Protection Core Service</i> <i>Apartment Rent Ordinance Administration Program</i>	1.00	209,640	0
<p>This action continues a temporary position on an ongoing basis by adding 1.0 Senior Development Officer position, funded by the Rental Stabilization Program Fee Fund. This position will manage eviction prevention efforts and continue implementation of the Rent Stabilization Program Strategic Plan. The Rent Stabilization Program (originally the Rental Dispute Program) was established to administer the Rent Stabilization Ordinance and subsequent ordinances regarding mobile home parks and apartments. These ordinances limit rent increases on certain properties, and the Rent Stabilization Program provides for dispute mediation and arbitration of conflicts between renters and owners. The Apartment Rent Ordinance Administration program consists of 16.77 positions, and the Mobilehome Rent Ordinance Administration program consists of 1.30 positions, for a total of 18.07 positions in the Rent Stabilization and Tenant Protection Core Service. This Senior Development Officer position will continue to provide leadership to the team supporting eviction prevention efforts, and will ensure that efforts are organized and targeted effectively to prevent eviction-based displacement. (Ongoing costs: \$209,640)</p>			

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Housing Policy and Procedures Staffing	1.00	209,640	0

*Community and Economic Development CSA
Strategic Support - Community & Economic Development Core Service
Housing Planning and Policy Development Program*

This action continues a temporary position on an ongoing basis by adding 1.0 Senior Development Officer position, funded by the Low and Moderate Income Housing Asset Fund, to support several major initiatives. These include implementing strategic priorities from the Anti-Displacement Strategy, completing work on defining 140 fair housing strategies under the Housing Element, drafting, and creating an Assessment of Fair Housing Plan for HUD's approval that builds on the Housing Element, and conducting research and analysis necessary to ensure that the City's laws are effective in fostering housing stability and fair housing, and interact efficiently with State laws. (Ongoing costs: \$209,640)

5. Fiscal and Contractual Oversight Staffing (Grants and Homeless Programs)	1.00	165,371	0
---	------	---------	---

*Community and Economic Development CSA
Strategic Support - Community & Economic Development Core Service
Housing Management and Administration Program*

This action adds 1.0 Senior Analyst position, funded by the Low and Moderate Income Housing Asset Fund, on an ongoing basis to support the monitoring and analysis of a wide variety of grants and other Housing Department revenues and expenditures, as well as provide the high-level support necessary to respond to local, State, and federal audits of Housing Department activities. Importantly, this position will be critical to the development, implementation, and long-term monitoring of a financial management framework to manage the costs and funding sources necessary for operations of interim housing communities, outreach activities, and other services that support the unhoused community. (Ongoing costs: \$180,405)

6. Administrative Services Program Staffing	1.00	152,616	0
---	------	---------	---

*Community and Economic Development CSA
Strategic Support - Community & Economic Development Core Service
Housing Management and Administration Program*

This action adds 1.0 Senior Supervisor, Administration position, funded by the Low and Moderate Income Housing Asset Fund, on an ongoing basis to supervise, coordinate, and oversee the performance of specialized office and clerical staff in the Administrative Support Team, and to manage day-to-day administrative operations of the Housing Department. This position will provide cross-division administrative support, develop and maintain standardized workflows and efficient work processes and procedures, and ensure adequate training in the Administrative Support Team. (Ongoing costs: \$153,967)

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Measure E – Homeless Response and Outreach	6.00	0	0

***Community and Economic Development CSA
Homeless Interventions and Solutions Core Service
Homeless Outreach and Case Management Program***

As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by City Council, this action reallocates uncommitted Measure E resources to fund homeless prevention, support, and management investments totaling approximately \$3.2 million. This action adds 1.0 Senior Development Officer position, 2.0 Development Officer positions, 1.0 Analyst I/II position, and 2.0 Therapeutic Specialist positions, all limit-dated through June 30, 2026, funded by the Measure E Homeless Response and Outreach City-Wide Expenses appropriation, as described in the City-Wide Expenses section of this document.

The Senior Development Officer position will provide management and leadership support related to homeless encampments and will specifically manage the Housing Department’s role in interdepartmental efforts such as the Direct Discharge Plan, Valley Water Flood Protection Project, vehicle blight response, and the development of the Encampment Management System. This position will be the primary liaison with the BeautifySJ team within the Parks, Recreation, and Neighborhood Services Department to coordinate encampment management services, outreach, and abatements. This position will ensure that the existing Homeless Response Team will have the capacity to meet the City Council-approved goal in the Mayor’s March Budget Message for Fiscal Year 2023-2024 of moving 1,000 people from encampments and into a managed shelter program.

One Development Officer position will be responsible for managing all contracted homelessness and encampment outreach teams. The number of contracted outreach teams working in the field to address homelessness has doubled since 2021-2022. Two new teams will be created in 2023-2024 that will focus on encampments located in areas adjacent to City creeks. The position will coordinate all outreach teams with internal and external requests for service, implement the new outreach model, and track performance metrics and outcomes and will be responsible for recommending improvements to maximize the effectiveness and efficiency of all outreach teams.

The second Development Officer position will coordinate the City’s interim housing portfolio and implement the new operating model that the City Council will be considering to ensure that all interim housing sites have similar services to contain costs while still delivery quality outcomes for residents. The position will track performance metrics for all interim housing sites and will be responsible for recommending improvements for those sites.

The Analyst I/II position will support data collection on homeless program metrics and outcomes and help coordinate collection and analysis of Homeless Management Information System (HMIS) data. The Housing Department’s State reporting requirements will be supported by these efforts, ensuring compliance with the State Encampment Resolution program and quarterly reports for the Homeless Housing, Assistance and Prevention (HHAP) grant program. This position will check for data accuracy, ensure that grantees are reporting and submitting information on time, help populate a portion of the Homeless Dashboard, and assist in tracking the progress of the City Council-approved goal in the Mayor’s March Budget Message for Fiscal Year 2023-2024 of moving 1,000 people from encampments and into a managed shelter program.

The 2.0 Therapeutic Specialist positions constitute a pilot for a small team of trauma-informed specialists that can work in close concert with the BeautifySJ Team and the Police Department to advance abatement operations in a safe and humane way. (Ongoing costs: \$0)

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment



2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Property Management Staffing <i>Community and Economic Development CSA</i> <i>Affordable Housing Portfolio Management Core Service</i> <i>Property Maintenance and Inspection Program</i> This action eliminates 1.0 vacant Building Rehabilitation Supervisor position in the Homeless Housing, Assistance and Prevention Fund. With the shift of maintenance responsibilities to the Public Works Department, this position is no longer required within the Housing Department. (Ongoing savings: \$195,894)	(1.00)	(195,894)	0
9. California Network and Telecommunications (CalNet) Program Savings <i>Community and Economic Development CSA</i> <i>Neighborhood Services CSA</i> <i>Department-wide Core Services</i> <i>Department-wide Programs</i> This action decreases the Housing Department's non-personal/equipment funding by \$5,190 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$5,190)		(5,190)	0
2023-2024 Proposed Budget Changes Total	14.00	1,553,045	0

Housing Department

Performance Summary

Affordable Housing Portfolio Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Monetary default rate of loan portfolio by category:				
% of total loan principal				
1. Project Loans	0%	0%	0%	0%
2. Rehabilitation Loans	0%	0%	0%	0%
3. Homebuyer Loans	0%	0%	0%	0%
% of total loans:				
1. Project Loans	0%	0%	0%	0%
2. Rehabilitation Loans	0%	0%	0%	0%
3. Homebuyer Loans	0%	0%	0%	0%
 % of portfolio units brought into compliance with safe and sanitary condition requirements within 90 days	100%	100%	100%	100%

Activity and Workload Highlights




	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of single family Loan Management transactions (refinances, subordinations, assumptions, payoffs)	110	80	46	46
Size of Housing Department loan portfolio by category:				
Total loan principal (\$):				
1. Project Loans	\$669,014,909	\$728,669,092	\$722,065,794	\$760,592,482
2. Rehabilitation Loans	\$8,400,000	\$9,000,000	\$8,067,925	\$7,829,471
3. Homebuyer Loans	\$41,000,000	\$43,000,000	\$40,794,856	\$40,171,232
Total	\$718,414,909	\$780,669,092	\$770,928,575	\$808,593,185
Total number of loans:				
1. Project Loans	124	136	128	131
2. Rehabilitation Loans	207	200	195	185
3. Homebuyer Loans	680	700	662	656
Total	1,011	1,036	985	972
# of major projects in loan portfolio inspected Annually:				
- Projects	25	45	84	95
- Units	8	700	1,260	1,425
# of City facilitated affordable rental units	15,572	15,715	16,075	16,417
# of income restricted for sale homes	1,167	950	1,000	950

Housing Department

Performance Summary

Affordable Housing Production and Preservation

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Cumulative ratio of non-City funds to City funds over the last five years in the New Construction Program	6.76:1	4.33:1	5.42:1	6.12:1
 % of annual target achieved for production of affordable housing and # of units	46% 133	100% 211	238% 503	100% 342
 % of funding committed to extremely low-income households	51%	45%	55%	48%

Activity and Workload Highlights




	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of affordable housing units completed in the fiscal year	133	211	503	342
Average per unit subsidy in funding commitments for new construction projects	\$134,875	\$125,000	\$150,845	\$120,877

Housing Department

Performance Summary


Homelessness Interventions and Solutions

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Reduction in the number of homeless individuals from prior two years	(553) ¹	200	200	200
 % of households who exit the Rapid Rehousing Program into permanent housing that maintain Housing for at least 6 months	65%	80%	80%	80%
 Average number of days from enrollment households in rapid rehousing programs got into permanent housing	109 Days	60 Days	80 Days	80 Days

¹ From the 2022 Homeless Census and Survey. This number indicates a net increase in the number of homeless individuals between the counts conducted in 2019 and 2022.

Activity and Workload Highlights




	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
 # of households who maintained permanent housing in City-funded rapid rehousing programs in the last 12 months	152	150	170	170
Estimated number of homeless individuals Counted in San José				
- Chronically homeless	1,906	1,500	1,500	1,500
- Non-chronically homeless	4,833	4,500	4,500	4,500
# of homeless individuals (affiliated with San José) who secured new permanent housing				
- Chronically	819	600	800	800
- Non-chronically	1,038	1,500	1,500	1,500
# of homeless individuals assessed for permanent housing	4,860	6,000	6,000	6,000

Housing Department

Performance Summary

Neighborhood Capital Investment and Public Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of CDBG-funded projects meeting all stated outcomes:				
- City projects	90%	90%	90%	90%
- Non-City projects	90%	90%	90%	90%
 % of CDBG invoices processed within 30 days of receipt of all required documentation	90%	90%	90%	90%
 % of CDBG contracts executed by July 1	75%	50%	75%	75%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of rehabilitation projects completed:				
- Rehabilitation projects	2	250 ¹	4	0
- Minor repair	220	350 ¹	215	215
Total	222	600¹	219	215



¹ The 2022-2023 Forecast for the number of rehabilitation and minor repair projects were inadvertently not revised as part of the development of the 2022-2023 Adopted Budget to reflect the reduced number of projects due to a lack of available funding for the program. As resources become available, the number of projects in this program will be reevaluated.

Housing Department

Performance Summary

Rent Stabilization and Tenant Protection

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of tenant/landlord mediations that resulted in voluntary agreement	52%	80%	65%	80%
 % of cases resolved within 60 days of completed petition date	77%	80%	48%	80%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of unduplicated mobilehome and apartment clients served by the Rent Stabilization Program	3,089 ¹	7,100	1,887 ¹	2,000
Average number of days from completed petition to resolution	47 Days	60 Days	46 Days	60 Days

¹ The drop in clients served by the Rent Stabilization Program can be attributed to staff vacancies and the development of the Eviction Help Center. By 2022-2023, significant community outreach established the Eviction Help Center as a resource for eviction related questions. As clients reached out to the Eviction Help Center for assistance with passed due rent issues, notices of termination and eviction, and complaints, many of them had their issues resolved before being directed to the Rent Stabilization Program.

Housing Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Accountant I/II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	27.00	28.00	1.00
Assistant Director	1.00	1.00	-
Assistant to the Director	1.00	1.00	-
Building Maintenance Superintendent	1.00	1.00	-
Building Rehabilitation Inspector I/II	5.00	3.00	(2.00)
Building Rehabilitation Supervisor	1.00	0.00	(1.00)
Deputy Director	2.00	2.00	-
Development Officer	15.00	17.00	2.00
Development Specialist	4.00	4.00	-
Development Specialist PT	0.50	0.50	-
Director of Housing	1.00	1.00	-
Division Manager	4.00	4.00	-
Housing Policy and Plan Administrator	3.00	3.00	-
Information Systems Analyst	1.00	1.00	-
Office Specialist I/II	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	2.00	2.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	3.00	4.00	1.00
Senior Development Officer	14.00	14.00	-
Senior Supervisor, Administration	0.00	1.00	1.00
Senior Systems Applications Programmer	1.00	1.00	-
Staff Specialist	8.00	8.00	-
Student Intern PT	1.00	1.00	-
Therapeutic Specialist	0.00	2.00	2.00
Total Positions	105.50	109.50	4.00

PAGE INTENTIONALLY LEFT BLANK

Human Resources Department

Jennifer Schembri, Director

MISSION

Our Human Resources team recognizes that our employees power the City of San José and our success as a City is dependent on our ability to create a dynamic and engaged workforce. Our employees' ability to provide excellent service is strengthened when we invest in attracting talent, providing opportunities for career growth, enabling an environment focused on health, safety, and wellness, and retaining a diverse workforce in a workplace that is equitable and inclusive

CITY SERVICE AREA

Strategic Support

CORE SERVICES

EMPLOYEE BENEFITS

Provide benefit programs that best meet the needs of employees, retirees, their dependents, and the City, and assist participants in effectively utilizing their plans.

EMPLOYMENT SERVICES

Facilitate the City's ability to attract and hire a diverse and talented workforce.

HEALTH AND SAFETY

Provide services that promote employee health, safety, and well-being.

TRAINING AND DEVELOPMENT

Provide Citywide employee training and pipeline development programs that support employee recruitment, growth, engagement, and retention.

Strategic Support: Citywide Human Resources Systems Management and Records Management, Departmental Administration, Customer Service, Personnel Management, Financial Management, and Emergency Response and Recovery

Human Resources Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Employee Benefits Core Service</i>	
Deferred Compensation	Manages the Voluntary and Non-Voluntary Employee Deferred Compensation contribution and related non-personal and personal administrative expenses.
Dental Benefits	Manages the City's dental benefits provided to City employees and their dependents.
Medical Benefits	Manages the City's medical benefits provided to City employees and their dependents.
Other Benefits	Manages the other City benefits provided to City employees and their dependents, such as Life Insurance, Unemployment, Vision, etc.
<i>Employment Services Core Service</i>	
Classification Services	Ensures that positions are properly classified, described, and aligned to support organizational effectiveness and efficiency. In addition, this program determines appropriate salary ranges for new and existing classifications by conducting market and internal equity analyses.
Recruiting/Hiring	Manages recruitment, assessment, and hiring processes to meet the City's staffing needs. In addition, this program is responsible for managing placements, bumping, redeployment, and layoffs, as necessary.
<i>Health and Safety Core Service</i>	
Employee Safety	Provides comprehensive safety services for 16 City Departments, various City-wide safety trainings, and analysis of work injury data for accident prevention.
Employee Health Services	Provides occupational medical services, including pre-employment physicals, medical testing and surveillance, blood-borne pathogen testing, and general wellness screenings.
Workers' Compensation Administration	Provides state-mandated benefits for employees injured on the job.
<i>Training and Development Core Service</i>	
Employee Training and Development	Provides training for employees City-wide and coordination with departments to support retention and workforce development activities by engaging local educational institutions (K-12 to universities) in activities that will encourage the next generation to consider the City of San José as an attractive career opportunity.
<i>Strategic Support Core Service</i>	
Human Resources Management and Administration	Provides city-wide Human Resources Systems Management and Records Management as well as administrative oversight for the department, including executive management, financial management, and human resources.
Human Resources Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Human Resources Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Hiring for Talent: Continue to reduce vacancies by evaluating, streamlining, and innovating for effective hiring practices and building long-term capacity through strategic pipeline programs.
- Offer a Diverse Menu of Benefits: Improve the City's strategy for offering an attractive package of benefits to our employees, including streamlining our systems, policies, and practices to be employee-centric and efficient, and implement targeted wellness programs.
- Injury Prevention and Supporting Injured Workers: In partnership with departments, build a city-wide culture and series of programs that are focused on keeping employees safe and well. In the event of an injury, ensure that the Third-Party Administrator (TPA) for the City's Workers' Compensation Program provides responsible and appropriate workers' compensation services.
- Citywide Training and Development: Prioritize a robust set of programs to complement departmental offerings and support employee growth and development.

2023-2024 Key Budget Actions

- Adds 1.0 Deputy Director position to provide the executive leadership capacity necessary to drive cross departmental improvements to drive down the City's vacancy rate through strategic direction, operational oversight, and execute on multiple ongoing projects to modernize the City's hiring system.
- Makes permanent 1.0 Program Manager position in Employment Services (Classification/Compensation Unit) and 1.0 Analyst position in Employee Training and Development, for ongoing support for current projects and ongoing needs in these areas.
- Continues the recruitment centralization pilot program making 1.0 Program Manager ongoing and continues one-time funding for 1.0 Program Manager, 3.0 Analyst, and 1.0 Staff Specialist positions through June 30, 2024. These positions will add capacity and supportive reporting relationships for three critical departments as well as be able to focus on the employment systems improvement and software implementation.
- Adds 1.0 Senior Analyst and 1.0 Analyst positions and makes permanent 1.0 Analyst position to focus on workforce pipeline development, refocusing the City's strategic efforts to engage local educational institutions (K-12 to universities) in activities that will encourage a diverse next generation to consider public service, local government, and the City of San José as an attractive career opportunity.
- Adds non-personal/equipment funding, \$200,000 one-time and \$50,000 ongoing, for Learning and Development to continue to grow the number and variety of trainings offered to City Employees.

Operating Funds Managed

- Benefit Fund – Benefit Fund
- Benefit Fund – Dental Insurance Fund
- Benefit Fund – Life Insurance Fund
- Benefit Fund – Unemployment Insurance Fund
- Benefit Fund – Self Insured Medical Fund

Human Resources Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Employee Benefits	94,229,229	102,858,061	108,184,222	108,184,222
Employment Services	2,818,051	4,070,277	3,439,235	4,796,349
Health and Safety	6,848,575	6,534,774	6,847,355	6,847,355
Strategic Support - Other - Strategic Support	2,151,554	2,986,542	2,243,498	2,243,498
Strategic Support - Strategic Support	4,132,949	1,992,922	2,035,991	2,329,425
Training and Development	336,133	986,257	922,575	1,807,997
Total	\$110,516,490	\$119,428,833	\$123,672,876	\$126,208,845
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	10,130,043	9,243,405	9,031,810	11,322,806
Overtime	57,664	28,018	28,018	28,018
Subtotal Personal Services	\$10,187,706	\$9,271,423	\$9,059,828	\$11,350,824
Non-Personal/Equipment	5,860,759	6,339,725	6,250,410	6,495,383
Total Personal Services & Non-Personal/Equipment	\$16,048,465	\$15,611,148	\$15,310,238	\$17,846,207
Other Costs *				
City-Wide Expenses	673,297	947,000	306,400	306,400
Employee/Retiree Benefits	91,380,619	99,862,143	105,019,140	105,019,140
Housing Loans and Grants	0	0	0	0
Other	(104,979)	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	443,383	664,542	537,098	537,098
Workers' Compensation	2,075,705	2,344,000	2,500,000	2,500,000
Total Other Costs	\$94,468,025	\$103,817,685	\$108,362,638	\$108,362,638
Total	\$110,516,490	\$119,428,833	\$123,672,876	\$126,208,845

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Human Resources Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	13,541,038	15,863,164	14,941,443	17,477,412
American Rescue Plan Fund (402)	593,266	0	0	0
Benefits Funds - Benefit Fund (160)	79,405,888	87,075,047	91,868,029	91,868,029
Benefits Funds - Dental Insurance Fund (155)	11,996,336	12,834,603	13,108,848	13,108,848
Benefits Funds - Life Insurance Fund (156)	1,755,162	1,795,602	1,879,134	1,879,134
Benefits Funds - Unemployment Insurance Fund (157)	542,513	719,093	734,502	734,502
Building Development Fee Program Fund (237)	35,343	34,384	35,862	35,862
Emergency Reserve Fund (406)	1,748,866	0	0	0
Integrated Waste Management Fund (423)	28,293	35,330	37,000	37,000
Library Parcel Tax Fund (418)	93,132	95,596	91,772	91,772
Low And Moderate Income Housing Asset Fund (346)	40,893	48,513	37,258	37,258
Planning Development Fee Program Fund (238)	23,562	22,922	23,908	23,908
Public Works Program Support Fund (150)	190,201	230,790	231,545	231,545
San José-Santa Clara Treatment Plant Operating Fund (513)	322,267	421,618	428,165	428,165
Sewer Service And Use Charge Fund (541)	40,865	54,237	44,672	44,672
Storm Sewer Operating Fund (446)	56,926	77,144	75,431	75,431
Vehicle Maintenance And Operations Fund (552)	96,703	100,608	114,883	114,883
Water Utility Fund (515)	5,237	20,182	20,423	20,423
Total	\$110,516,490	\$119,428,833	\$123,672,876	\$126,208,845
Positions by Core Service **				
Employee Benefits	11.00	12.00	12.00	12.00
Employment Services	16.50	20.50	18.50	26.50
Health and Safety	6.00	6.00	6.00	6.00
Strategic Support - Strategic Support	9.00	10.00	10.00	11.00
Training and Development	0.00	3.00	2.00	6.00
Total	42.50	51.50	48.50	61.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Human Resources Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Employee Benefits					
Deferred Compensation	1,720,258	2,221,146	2,203,047	2,203,047	1.55
Dental Benefits	11,937,178	12,768,400	13,060,760	13,060,760	1.11
Medical Benefits	65,554,594	71,191,622	75,439,763	75,439,763	6.06
Other Benefits	15,017,199	16,676,893	17,480,652	17,480,652	3.28
Sub-Total	94,229,229	102,858,061	108,184,222	108,184,222	12.00
Employment Services					
Classification Services	218,288	558,572	203,237	559,169	3.00
Recruiting/Hiring	2,599,763	3,511,705	3,235,998	4,237,180	23.50
Sub-Total	2,818,051	4,070,277	3,439,235	4,796,349	26.50
Health and Safety					
Employee Health Services	666,026	546,033	592,830	592,830	1.50
Employee Safety	614,643	727,728	808,917	808,917	2.50
Workers' Compensation Administration	5,567,906	5,261,013	5,445,607	5,445,607	2.00
Sub-Total	6,848,575	6,534,774	6,847,355	6,847,355	6.00
Strategic Support - Other - Strategic Support					
Human Resources Other Departmental - City-Wide	470,358	822,000	206,400	206,400	0.00
Human Resources Other Operational - Administration	5,483	0	0	0	0.00
Human Resources Overhead	443,383	664,542	537,098	537,098	0.00
Workers' Compensation - Other Departments	1,232,330	1,500,000	1,500,000	1,500,000	0.00
Sub-Total	2,151,554	2,986,542	2,243,498	2,243,498	0.00
Strategic Support - Strategic Support					
Human Resources Emergency Response and Recovery	2,344,657	0	0	0	0.00
Human Resources Management and Administration	1,788,292	1,992,922	2,035,991	2,329,425	11.00
Sub-Total	4,132,949	1,992,922	2,035,991	2,329,425	11.00
Training and Development					
Employee Training and Development	336,133	986,257	922,575	1,807,997	6.00
Sub-Total	336,133	986,257	922,575	1,807,997	6.00
Total	\$110,516,490	\$119,428,833	\$123,672,876	\$126,208,845	61.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	51.50	15,611,148	12,572,164
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(80,000)	(80,000)
• Recruitment and Retention Staffing (1.0 Program Manager and 1.0 Analyst I/II)	(2.00)	(352,012)	(352,012)
• Recruiting/Onboarding Software Replacement		(210,000)	(210,000)
• Workforce Pipeline Development (1.0 Analyst I/II)	(1.00)	(154,825)	(154,825)
	(3.00)	(796,837)	(796,837)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:	0.00	375,242	245,031
- 1.0 Analyst I/II to 1.0 Staff Specialist			
- 1.0 Employee Health Services Supervisor to 1.0 Senior Analyst			
- 1.0 Office Specialist II to 1.0 Principal Office Specialist			
• Contract Services: Workers' Compensation Consulting		78,536	78,536
• Contract Services and Premiums: Deferred Compensation		23,133	23,133
• Contract Services: Recruiting/Hiring		7,000	7,000
• Contract Services: Dental Plan Actuarial Services		6,000	0
• Trainings and Conferences (Employee Safety)		3,500	3,500
• Contract Services and Premiums: VEBA		2,516	2,516
	0.00	495,927	359,716
2023-2024 Forecast Base Budget:	48.50	15,310,238	12,135,043

Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	<u>Positions</u>	<u>All Funds (\$)</u>	<u>General Fund (\$)</u>
Budget Proposals Recommended			
1. Recruitment Centralization Pilot Program	6.00	1,001,182	1,001,182
2. Pipeline Development Staffing (Recruiting Investment)	3.00	478,797	478,797
3. Employee Training and Development Staffing	1.00	406,625	406,625
4. Classification and Compensation Staffing	2.00	355,931	355,931
5. Executive Staffing - Recruitment and Retention	1.00	298,461	298,461
6. California Network and Telecommunications (CalNet) Program Savings		(5,027)	(5,027)
Total Budget Proposals Recommended	13.00	2,535,969	2,535,969
2023-2024 Proposed Budget Total	61.50	17,846,207	14,671,012

Human Resources Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Recruitment Centralization Pilot Program	6.00	1,001,182	1,001,182

Strategic Support CSA
Employment Services Core Service
Recruiting/Hiring Program

This action makes permanent 1.0 Program Manager position and continues 1.0 Program Manager, 3.0 Analyst I/II, and 1.0 Staff Specialist positions, through June 30, 2024, in the Employment Division. Initially funded with City Council's approval of the 2022-2023 Mid-Year Budget Review, these positions will help pilot strategies to advance recruitment efforts in the City and reduce the organization's vacancy rate. The City 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 was approved as an 18-month pilot with six temporary positions that began in mid-2022-2023 and will end on June 30, 2024. Five positions will centralize the recruiting efforts 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 one Program Manager and supplemented with three Analyst positions and one Staff Specialist. 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. Funding for 2023-2024 was previously set aside as part of the 2022-2023 Mid-Year Budget Review and recognized as Beginning Fund Balance as a separate action. (Ongoing costs: \$199,307)

Human Resources Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Pipeline Development Staffing (Recruiting Investment)	3.00	478,797	478,797

Strategic Support CSA

Training and Development Core Service

Employee Training and Development Program

This action adds 1.0 Senior Analyst and 1.0 Analyst positions on an ongoing basis and makes permanent 1.0 Analyst position, to develop strategies to reach potential applicants to join the City's existing workforce. The City has more than 900 vacancies and is experiencing significant challenges with robust applicant pools and attracting external applicants. These positions will expand the existing strategic efforts to engage local educational institutions (K-12 to universities) in activities that will encourage the next generation to consider public service, local government, and the City of San José as an attractive career opportunity. These positions will focus on partnership activities with K-12 career and technical entities for hard to fill areas in the technical and trade areas and will support opportunities to develop partnerships with community colleges and trade organizations where programs align with hard to fill career paths. (Ongoing costs: \$494,236)

Human Resources Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Employee Training and Development Staffing	1.00	406,625	406,625

Strategic Support CSA

Training and Development Core Service

Employee Training and Development Program

This action makes permanent 1.0 Analyst I/II position and adds \$250,000 in non-personal/equipment funding (\$200,000 one-time and \$50,000 ongoing) for the Employee Training and Development Program. The second objective of Powered by People is to Nurture Employee Growth, Safety, and Wellness to attract, retain, and engage a diverse workforce with opportunities to thrive and serve residents while keeping employees safe and supported in a flexible work environment. The professional development and other training activities (e.g. human centered design learning lab, employee experience conversations, innovation academy) of the team are intended to support the retention of City employees. This position will provide stability to the team to continue to deliver and grow Citywide training opportunities by managing a vendor delivered training strategy which involves establishing scopes of work, negotiating with providers, managing logistics of delivery, and monitoring for quality and impact. As the team, inclusive of the pipeline strategy, emerges from the post-pandemic environment and is overseen by a Program Manager, it is positioned to expand its offerings in support of employee growth and retention. Priorities for Employee Training and Development include scaling the executive leadership forum, increasing offerings in the innovation academy to "give time back" to employees through process improvement, launching an analyst academy, developing a coaching program, and developing a mid-level supervisor leadership forum for supervisors with less than three years of experience. Given the quality and scope of the qualified vendor list, an additional strategy is to incentivize departments through "mini grants" to engage vendors in training specific to their needs and in support of retention. (Ongoing costs: \$207,949)

Human Resources Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Classification and Compensation Staffing	2.00	355,931	355,931

Strategic Support CSA
Employment Services Core Service
Classification Services Program

This action makes permanent 1.0 Program Manager position and adds 1.0 Analyst I/II position, through June 30, 2024, in the Employment Division. Initially funded through June 30, 2023 with City Council's approval of the 2021-2022 Mid-Year Budget Review, the positions help address the City's need for classification and compensation evaluations and improve the City's recruitment capabilities, and will support functions related to classification and compensation studies such as creating new classifications, reviewing classifications to update essential duties/scope of work, and addressing classification minimum qualifications. The number of classification and compensation projects has exponentially increased to over sixty (60) projects. The Employment Division does not have a sufficient level of dedicated staffing to address the City's classification and compensation needs because current staff prioritize recruitments. The Analyst position will allow the Employment Team to focus on addressing the increase in projects and the need for ongoing maintenance of classifications. Accurate classifications are critical to successfully recruit people with the right skills to perform the duties of the position. The Program Manager position will oversee classification and compensation projects and lead a team comprised of one Senior Analyst and one Analyst I/II positions. The Program Manager will be the primary contact and City representative to consultants and will make higher level decisions when working with consultants and department subject matter experts. (Ongoing costs: \$199,307)

5. Executive Staffing - Recruitment and Retention	1.00	298,461	298,461
--	-------------	----------------	----------------

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Human Resources Management and Administration Program

This action adds 1.0 Deputy Director position to the Human Resources Department to provide the executive leadership capacity necessary to enact cross departmental improvements to drive down the City's vacancy rate through strategic direction, operational oversight, and execute on multiple ongoing projects to modernize the City's hiring system. The Human Resources Department is the only Strategic Support department lacking a Deputy Director position. While this approach was manageable under lower vacancy levels, the need to implement organization-wide improvements related to recruitment and retention requires a greater level of cross-departmental engagement that is best led by executive level staff. The Deputy Director position will oversee Employment, currently led by a Division Manager that executes day-to-day transactions while also managing a large team, as well the Employee Training and Development Program, which will more closely link these two functions that are essential to both attract and retain a talented workforce. (Ongoing costs: \$298,461)

Human Resources Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. California Network and Telecommunications (CalNet) Program Savings		(5,027)	(5,027)

Strategic Support CSA

Strategic Support – Strategic Support Core Service

Human Resources Management and Administration Program

This action decreases the Human Resources Department’s non-personal/equipment funding by \$5,027 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$5,027)



2023-2024 Proposed Budget Changes Total	13.00	2,535,969	2,535,969
--	--------------	------------------	------------------

Human Resources Department

Performance Summary

Employee Benefits

Performance Measures



	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Cost of benefits administration per FTE	\$359	\$389	\$399	\$389
 % of benefited employees enrolled in the City healthcare plan with the highest employee enrollment	80%	79%	79%	79%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
% of employees contributing to Deferred Compensation	73%	76%	74%	76%

Employment Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Citywide Vacancy Rate	11.7%	10%	14%	10%
 Employee Turnover Rate ¹	13.73%	6%	10.85%	6%

¹ Turnover rate excludes retirement separation.

Activity and Workload Highlights





	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of positions filled:				
- New Hires	392	500	565	600
- Promotions & Laterals	662	600	700	750

Human Resources Department

Performance Summary

Health and Safety

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Workers Compensation Claims Closure Rate ¹	95%	100%	100%	100%
 Timely Completion of 3-Point Contact for New Workers' Compensation Claims ²	95%	100%	100%	100%
 # of Workers' Compensation disability hours	253,658	155,000	244,058	155,000
 Expenditure for Workers' Compensation per \$100 of total City salaries, benefits, and retirement	\$3.33	\$3.10	\$3.40	\$3.10

¹ Measures the number of Workers' Compensation claims closed compared to the number of new and reopened cases.

² 3-Point Contact is a best practice in the handling of workers' compensation claims. Proper contact involves an exchange of information with the employee, the City, and the treating physician. Timely completion of 3-Point Contact started with the outsource of claims to the Third-Party Administrator in September 2018.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of open Workers' Compensation claims	2,575	2,600	2,571	2,650
# of new Workers' Compensation claims	1,617	850	1,388	1,100
# of closed Workers' Compensation claims	1,569	850	1,481	1,110
# of employees trained in safety	20 ¹	2,000	680	2,000
Total Workers' Compensation claims costs	\$24.3M	\$23.5M	\$22.3M	\$23.8M


¹ Numbers reduced due to COVID-19 response.

Human Resources Department

Performance Summary

Strategic Support

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of employee performance reviews completed on schedule	45%	80%	93%	90%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of Human Resources Information Systems Transactions	36,177	15,000 ¹	20,600	20,000

¹ Some transactions have been automated with staff shifting to an audit function versus data entry.

Human Resources Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	19.00	23.00	4.00
Assistant Director	1.00	1.00	-
Deputy Director	0.00	1.00	1.00
Director, Human Resources	0.50	0.50	-
Division Manager	3.00	3.00	-
Employee Health Services Supervisor	1.00	0.00	(1.00)
Office Specialist I/II	1.00	0.00	(1.00)
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	2.00	1.00
Program Manager	3.00	5.00	2.00
Senior Analyst	11.00	13.00	2.00
Senior Office Specialist	2.00	2.00	-
Staff Specialist	6.00	8.00	2.00
Total Positions	51.50	61.50	10.00

PAGE INTENTIONALLY LEFT BLANK

Office of the Independent Police Auditor

Shivaun Nurre, Independent Police Auditor

MISSION

To provide independent oversight of police misconduct investigations to ensure fairness, thoroughness, and objectivity

CITY SERVICE AREA

Public Safety

CORE SERVICES

INDEPENDENT POLICE OVERSIGHT

Independent civilian oversight of the San José Police Department (SJPD) by taking in complaints from members of the public about San José police officers, auditing internal and external misconduct investigations, preparing annual public reports, making recommendations to improve SJPD policies, participating in the Department's review of officer-involved shooting incidents, and conducting community outreach and engagement.

Strategic Support: Administrative Support, Independent Police Auditor Emergency Response and Recovery

Office of the Independent Police Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Independent Police Oversight Core Service</i>	
Oversight of Police Misconduct Complaints and Public Outreach	Independent civilian oversight of the San José Police Department (SJPD) by taking in complaints from members of the public about San José police officers, auditing internal and external misconduct investigations, preparing annual public reports, making recommendations to improve SJPD policies, participating in the Department's review of officer-involved shooting incidents, and conducting community outreach and engagement.
<i>Strategic Support Core Service</i>	
IPA Management and Administration	Provides administrative oversight for the department, including financial management, human resources, and analytical support.
Independent Police Auditor Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the Independent Police Auditor

Department Budget Summary

Expected 2023-2024 Service Delivery

- Provide mandated oversight services: conduct community outreach, perform intake of complaints from the public, audit the San José Police Department's (SJPD) Internal Affairs complaint investigations, and make recommendations to improve SJPD policies and procedures.
- Coordinate with the City Manager to implement any City Council direction on recommendations provided by:
 - Independent consultants, advising on whether to move some, or all, of police misconduct investigations out of SJPD's Internal Affairs Unit to another entity; and
 - the Police Reforms Work Plan.
- Maintain and update the Independent Police Auditor's online portal that provides redacted documents that address officer misconduct and are available to the public under the Public Records Act (SB 1421 and SB 16).
- Leverage a mix of traditional and technological community engagement tools (e.g., social media, informational flyers/updates) to connect and reach residents of San José with an emphasis on racial equity.

2023-2024 Key Budget Actions

N/A

Operating Funds Managed

N/A

Office of the Independent Police Auditor

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Independent Police Oversight	1,499,401	1,477,351	1,494,783	1,492,429
Strategic Support - Other - Public Safety	74,997	1,819	0	0
Strategic Support - Public Safety	371	122,623	136,175	136,175
Total	\$1,574,769	\$1,601,793	\$1,630,958	\$1,628,604
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	1,330,460	1,563,548	1,594,532	1,594,532
Overtime	265	1,000	1,000	1,000
Subtotal Personal Services	\$1,330,725	\$1,564,548	\$1,595,532	\$1,595,532
Non-Personal/Equipment	169,046	35,426	35,426	33,072
Total Personal Services & Non-Personal/Equipment	\$1,499,771	\$1,599,974	\$1,630,958	\$1,628,604
<i>Other Costs *</i>				
City-Wide Expenses	74,997	1,819	0	0
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$74,997	\$1,819	\$0	\$0
Total	\$1,574,769	\$1,601,793	\$1,630,958	\$1,628,604

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the Independent Police Auditor

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	1,574,769	1,601,793	1,630,958	1,628,604
Total	\$1,574,769	\$1,601,793	\$1,630,958	\$1,628,604
Positions by Core Service **				
Independent Police Oversight	6.50	6.50	6.50	6.50
Strategic Support - Public Safety	0.50	0.50	0.50	0.50
Total	7.00	7.00	7.00	7.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the Independent Police Auditor

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Independent Police Oversight					
Oversight of Police Misconduct Complaints and Public Outreach	1,499,401	1,477,351	1,494,783	1,492,429	6.50
Sub-Total	1,499,401	1,477,351	1,494,783	1,492,429	6.50
Strategic Support - Other - Public Safety					
Independent Police Auditor Other Departmental - City-Wide	74,997	1,819	0	0	0.00
Sub-Total	74,997	1,819	0	0	0.00
Strategic Support - Public Safety					
Independent Police Auditor Management and Administration	371	122,623	136,175	136,175	0.50
Sub-Total	371	122,623	136,175	136,175	0.50
Total	\$1,574,769	\$1,601,793	\$1,630,958	\$1,628,604	7.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Office of the Independent Police Auditor

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	7.00	1,599,974	1,599,974
<hr/> Base Adjustments <hr/>			
One-time Prior Year Expenditures Deleted			
• NONE			
One-time Prior Year Expenditures Subtotal:	0.00	0	0
<hr/> Technical Adjustments to Costs of Ongoing Activities <hr/>			
• Salary/benefit changes		30,984	30,984
Technical Adjustments Subtotal:	0.00	30,984	30,984
2023-2024 Forecast Base Budget:	7.00	1,630,958	1,630,958
<hr/> Budget Proposals Recommended <hr/>			
1. California Network and Telecommunications (CalNet) Program Cost Decrease		(2,354)	(2,354)
Total Budget Proposals Recommended	0.00	(2,354)	(2,354)
<hr/> 2023-2024 Proposed Budget Total <hr/>			
	7.00	1,628,604	1,628,604

Office of the Independent Police Auditor

Budget Changes by Department

Personal Services and Non-Personal/Equipment



2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. California Network and Telecommunications (CalNet) Program Savings		(\$2,354)	(\$2,354)
<i>Public Safety CSA Independent Police Oversight Core Service Oversight of Police Misconduct Complaints and Public Outreach Program</i>			
<p>This action decreases the Department's non-personal/equipment funding by \$2,354 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$2,354)</p>			
2023-2024 Proposed Budget Changes Total	0.00	(\$2,354)	(\$2,354)

Office of the Independent Police Auditor

Performance Summary

Independent Police Oversight

Performance Measures

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
 # of IPA recommendations to change policy or procedure made to the Internal Affairs Commander/Police Chief/City Council	10	8	6	6
 % of community members responding to evaluations at outreach presentations or events who report an increased knowledge of IPA and the citizen complaint process	N/A ¹	90%	70%	70%

¹ Evaluations were not distributed and collected as anticipated, as in-person outreach presentations and events were not held during 2021-2022 due to the continued impacts of COVID-19.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
% of complainants filling their complaint at the IPA office rather than at Internal Affairs ¹	27%	42%	36%	31%
# of classified complaints ²	320	266	204	262
# of total cases	414	311	285	262
# of outreach presentations/events ³ :				
- Total ⁴	31	49	9	18
- To youth	6	17	3	6
- To immigrant and minority communities	25	22	3	6
# of persons receiving community outreach services	2,252	3,061	612	1,000
# of agencies/community organizations that received outreach materials from the IPA:				
- Total ⁵	4	2	0	45
- To youth	0	2	0	24
- To immigrant and minority communities	0	2	0	31

¹ This data excludes Department-Initiated Investigations (DIIs).

² This data reflects complaints classified as Conduct, Policy or DIIs.

³ An outreach presentation/event may involve youth, immigrant, and minority communities concurrently. The continued impacts of COVID-19 and corresponding public health restrictions greatly limited the number of outreach presentations and events performed in 2021-2022. The IPA is adjusting its outreach model in response to these challenges to include new resources such as social media contacts, email updates, and smaller online group presentations and training.

⁴ Total amount represents city-wide presentations/events, as well as those for specific agencies/community organizations.

⁵ This measure has historically captured physical outreach materials distributed by the IPA at in-person meetings. Due to public health restrictions, most presentations/events have been conducted online. Outreach efforts in 2022-2023 focused on distributing and capturing data on social media and other avenues.

Office of the Independent Police Auditor

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Analyst I/II, Independent Police Auditor	2.00	2.00	-
Assistant Independent Police Auditor	1.00	1.00	-
Independent Police Auditor	1.00	1.00	-
Office Specialist I/II	1.00	1.00	-
Senior Analyst, Independent Police Auditor	2.00	2.00	-
Total Positions	7.00	7.00	0.00

Information Technology Department

Khaled Tawfik, Chief Information Officer

MISSION

Deliver the technologies and data that help sustain an equitable, engaged, effective, and resilient City

CITY SERVICE AREA

Strategic Support

CORE SERVICES

BUSINESS SOLUTIONS

Deliver technology solutions that support superior municipal services and achieve the City of San José Smart City Vision, successfully achieve business goals, sustain, and optimize the City's technology portfolio, enable continuous innovation throughout the organization through civic technologies and partnerships.

SAN JOSE 311

Serve as the City's central customer contact resource for San José residents, provide City information and services to residents, businesses, utilities customers, and employees, support amazing customer experiences through open data, mobile application, online, chat, virtual agent, social, and public network platforms.

TECHNOLOGY INFRASTRUCTURE AND OPERATIONS

Support superior municipal services through reliable, high-performance, and secure technology services, provide technology infrastructure for business solutions, analytics, data/voice/video communications, plan and coordinate services that sustain City operations.

Strategic Support: Information Technology and Management, and Emergency Response and Recovery

Information Technology Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Business Solutions Core Service</i>	
Advanced Applications and Services	Develops, implements, and supports software applications and system integrations for multi-departmental to division level business solutions. These business solutions are required to directly support specific City operations.
Data Services	Enables data administration, use, analytics, transparency and reporting by staff and the public, through strong data platforms, tools, and support.
Enterprise Resource Management	Manages and supports use of Human Resources, Payroll, Talent, Financials, Budgeting, and Tax Systems impacting all City personnel and fiscal actions. Enables data transparency, analytics, decision-support, and reporting by staff and the public.
Productivity and Collaboration Applications	Administers and supports citywide use of collaboration and productivity software that multiply the efficiency and effectiveness of City contributors. Collaboration tools enhance group performance through information access, tracking assignments through delivery, and in-group communications. Productivity solutions enable work with high efficiency through documents, spreadsheets, analytics, presentations, electronic messaging, and mobile work enhancement. Business process automation services digitize City workflows to process faster, with less staff time, and with auditability.
<i>San José 311 Core Service</i>	
City Customer Contact Center	Serves as the digital contact point for the majority of non-emergency interactions with the City's residents and businesses as San José 311. Intakes and processes utility billing cases. Provides access to City information and offices via mobile, chat, online portal, and telephone means. Coordinates across departments to administer main call trees, the frequently asked questions manifest, and response scripts. Administers overflow vendor contract(s) for after-hours and special events call handling.
<i>Technology Infrastructure and Operations Core Service</i>	
Cybersecurity Office	Secures City information and systems assets to ensure business value, compliance, and resilience for all departments. Serves as incident response command for cyber disasters. Leads planning, testing, and attesting for City information and systems assurance activities.
IT Customer Care	Supports the customer-side use of information and communications technologies by City staff across all departments, including computers and mobile devices. Resolves Help Desk service requests. Supports City employees and contractors in working remotely effectively.
IT Systems and Operations	Administers and supports the underlying data/voice/video network, hardware systems, storage resources, virtualization, and cloud services fabric on which City software, communications, and collaboration solutions are built.
Voice and Data Network Infrastructure	Manages citywide telephone costs, charges/billing, procurement, enterprise voice, and data network infrastructure for quality voice and data communication abilities.

Information Technology Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Information Technology Management and Administration	Provides strategic direction, analytical insights, and administrative support for departmental activities. Manages all fiscal activities, directs budget development and implementation, and administers IT-related policy adherence. Manages personnel functions for the department, including hiring, employee development, discipline, and personnel transactions, all in coordination with the Human Resources Department and Office of Employee Relations. Provides oversight and status reporting for strategic technology deployments in the City.
Information Technology Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Information Technology Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Champion City Roadmap and equity solutions using technology and data to transform City services. Execute initiatives with City departments that identify and resolve service needs that lift San José's people. Provide the data and analytics resources for City departments to drive towards decision-making informed by data. Enable teams that train and practice service design skills that improve the accessibility, responsiveness, and positive outcomes for City residents and businesses.
- Provide resilient City services against cybersecurity risks and natural disasters affecting communities at increasing rates. Maintain cybersecurity planning, coverage, and exercise maturity in all essential City operations. Successfully pass all financial, technical, and security audits. Keep necessary certifications to support the enterprise. Minimize risks of evolving cybersecurity threats to prevent outages, lost trust, and costs of recovery.
- Maximize efficiencies and the impact of limited resources through service innovation in partnership with City departments. Provide a City technology environment that is technically sound, operationally strong, secure, and fiscally optimized. Maintain a long-range architecture that maps the City's key technology transitions and investments.
- Support the City's transition to a digital workforce, embracing digital public participation and augmenting collaboration. Incorporate customer-centric experience into the design and operation of technology products. Enhance and improve the City's redundancy and disaster recovery posture through highly available virtualized technology and City-owned fiber infrastructure. Automate and optimize the City's common business processes to ease the lives of staff, residents, and businesses. Continue progress on the Green IT Plan to minimize environmental impacts from utilities usage and e-waste.
- Execute City priorities through masterful partnership and procurement. Set the structure that catalyzes partnerships between departments, peer organizations, and vendors to transform City services for the better. Work with departments and Purchasing to execute technology procurements and contracts with speed, value, transparency, and fairness.
- Respond to service requests and inquiries from San José residents and businesses, achieving high customer experience ratings through robust 311 access spanning phone, mobile app, direct chat, virtual agent, and online portal channels.

2023-2024 Key Budget Actions

- Adds one-time non-personal/equipment funding of \$3.2 million for temporary staffing and the replacement of aging desktops and laptops for multiple departments.
- Continues 1.0 Enterprise Supervising Technology Analyst and 2.0 Senior Analyst positions through June 30, 2024 and one-time non-personal/equipment funding of \$500,000 (\$350,000 ongoing) to support the San José 311 program.
- Adds one-time funding of \$250,000 for the development of a system to address urban blight and outreach workloads related to homeless encampment service requests.
- Adds one-time funding of \$195,000 to upgrade the current PeopleSoft 9.2 Human Capital Management to the PeopleSoft Update Manager.

Operating Funds Managed

N/A

Information Technology Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Business Solutions	11,056,046	12,751,794	12,873,094	13,796,376
San José 311	2,264,854	2,952,990	2,223,659	2,723,659
Strategic Support - Other - Strategic Support	118,400	2,015,561	791,522	821,987
Strategic Support - Strategic Support	5,023,455	8,449,714	6,058,723	6,058,723
Technology Infrastructure and Operations	9,633,308	13,778,990	11,887,478	14,988,359
Total	\$28,096,064	\$39,949,049	\$33,834,476	\$38,389,105
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	18,739,452	21,929,096	22,286,580	22,764,863
Overtime	139,531	130,664	128,664	128,664
Subtotal Personal Services	\$18,878,984	\$22,059,760	\$22,415,244	\$22,893,527
Non-Personal/Equipment	7,648,942	12,613,510	9,871,710	13,417,591
Total Personal Services & Non-Personal/Equipment	\$26,527,926	\$34,673,270	\$32,286,954	\$36,311,118
Other Costs *				
City-Wide Expenses	1,214,717	4,470,218	756,000	1,256,000
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	353,422	805,561	791,522	821,987
Total Other Costs	\$1,568,139	\$5,275,779	\$1,547,522	\$2,077,987
Total	\$28,096,065	\$39,949,049	\$33,834,476	\$38,389,105

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Information Technology Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	23,654,595	34,238,500	28,218,409	32,081,185
Airport Maintenance And Operation Fund (523)	27,535	37,725	40,753	40,753
American Rescue Plan Fund (402)	0	0	0	0
Building Development Fee Program Fund (237)	1,561,666	2,011,210	1,872,123	1,913,163
Citywide Planning Fee Program Fund (239)	7,669	49,626	56,349	60,909
Fire Development Fee Program Fund (240)	232,368	260,016	265,571	316,571
General Purpose Parking Fund (533)	14,571	21,944	22,828	22,828
Integrated Waste Management Fund (423)	644,521	852,186	873,243	916,243
Low And Moderate Income Housing Asset Fund (346)	138,289	165,853	165,521	190,521
Planning Development Fee Program Fund (238)	405,293	390,488	389,951	398,311
Public Works Development Fee Program Fund (241)	305,602	369,061	381,884	399,884
Public Works Program Support Fund (150)	101,658	95,249	82,738	130,738
San José Clean Energy Operating Fund (501)	0	0	0	201,892
San José-Santa Clara Treatment Plant Operating Fund (513)	91,390	142,960	149,550	290,550
Sewer Service And Use Charge Fund (541)	127,942	192,359	189,264	192,264
South Bay Water Recycling Operating Fund (570)	725	521	521	7,521
Storm Sewer Operating Fund (446)	122,036	179,760	179,484	194,484
Vehicle Maintenance And Operations Fund (552)	877	630	630	66,630
Water Utility Fund (515)	574,427	846,665	847,099	866,099
Capital Funds	84,902	94,296	98,559	98,559
Total	\$28,096,065	\$39,949,049	\$33,834,476	\$38,389,105

Positions by Core Service **				
Business Solutions	33.00	33.00	32.00	36.00
San José 311	17.00	17.00	15.00	18.00
Strategic Support - Strategic Support	20.00	24.00	24.00	25.00
Technology Infrastructure and Operations	33.00	35.00	36.00	36.00
Total	103.00	109.00	107.00	115.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Information Technology Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Business Solutions					
Advanced Applications and Services	1,543,242	1,398,238	1,430,851	1,840,278	5.00
Data Services	837,094	1,194,139	1,186,087	1,186,087	3.00
Enterprise Resource Management	4,007,387	4,653,533	4,636,532	5,150,387	14.00
Productivity and Collaboration Applications	4,668,324	5,505,884	5,619,625	5,619,625	14.00
Sub-Total	11,056,046	12,751,794	12,873,094	13,796,376	36.00
San José 311					
City Customer Contact Center	2,264,854	2,952,990	2,223,659	2,723,659	18.00
Sub-Total	2,264,854	2,952,990	2,223,659	2,723,659	18.00
Strategic Support - Other - Strategic Support					
Information Technology Other Departmental - City-Wide	24,442	1,210,000	0	0	0.00
Information Technology Other Operational - Administration	17,175	0	0	0	0.00
Information Technology Overhead	76,783	805,561	791,522	821,987	0.00
Sub-Total	118,400	2,015,561	791,522	821,987	0.00
Strategic Support - Strategic Support					
Information Technology Emergency Response and Recovery	363,635	830,000	0	0	0.00
Information Technology Management and Administration	4,659,820	7,619,714	6,058,723	6,058,723	25.00
Sub-Total	5,023,455	8,449,714	6,058,723	6,058,723	25.00
Technology Infrastructure and Operations					
Cybersecurity Office	2,823,601	3,197,466	3,006,822	3,006,822	5.00
IT Customer Care	3,064,199	6,020,522	4,320,910	7,582,910	16.00
IT Systems and Operations	1,519,138	1,768,463	1,773,025	1,773,025	8.00
Voice and Data Network Infrastructure	2,226,371	2,792,539	2,786,721	2,625,602	7.00
Sub-Total	9,633,308	13,778,990	11,887,478	14,988,359	36.00
Total	\$28,096,065	\$39,949,049	\$33,834,476	\$38,389,105	115.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Information Technology Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	109.00	34,673,270	29,768,282
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(970,000)	(970,000)
• Emergency Operation Center (EOC and Communication Room Furniture, Fixtures and Equipment)		(2,300,000)	(2,300,000)
• Development Services Storage Server Capacity		(62,400)	(3,900)
• Development Services Staffing		(44,019)	0
• San Jose 311 Enhancements (1.0 Enterprise Supervising Technology Analyst, 1.0 Senior Analyst)	(2.00)	0	0
One-time Prior Year Expenditures Subtotal:	(2.00)	(3,376,419)	(3,273,900)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		399,503	377,427
• Emergency Operation Center (EOC) and Communications Room Maintenance and Operations		325,600	325,600
• Software/Information Services: Microsoft O365 Licensing		130,000	130,000
• Software/Information Systems: Microsoft Unified Support		72,000	72,000
• Software/Information Systems: SimpliGov		50,000	50,000
• Software/Information Services: Hybrid Workplace Conference		14,000	14,000
• Vehicle Operations & Maintenance		(1,000)	(1,000)
Technical Adjustments Subtotal:	0.00	990,103	968,027
2023-2024 Forecast Base Budget:	107.00	32,286,954	27,462,409
Budget Proposals Recommended			
1. Windows 11 Upgrade, Equipment, and Resources		3,186,000	2,738,000
2. Information Technology Staffing for Budget Office, Clean Energy, and Finance Revenue Management Support	2.00	318,855	159,427
3. Homeless Encampment Management System		250,000	250,000
4. PeopleSoft Upgrade		195,000	195,000
5. Enterprise Resource Planning (ERP) Replacement Project Management Staffing	1.00	159,427	159,427
6. Mobile Device Management Platform Migration		76,000	22,040
7. San José 311 Program	3.00	0	0
8. Customer Services Vision and Standard Staffing	1.00	0	0
9. Information Technology Recruitment Staffing	1.00	0	0
10. Mobile Device Management Savings		(124,000)	(124,000)
11. California Network and Telecommunications (CalNet) Program Savings		(37,119)	(37,119)
Total Budget Proposals Recommended	8.00	4,024,163	3,362,775
2023-2024 Proposed Budget Total	115.00	36,311,118	30,825,185

Information Technology Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Windows 11 Upgrade, Equipment, and Resources		\$3,186,000	\$2,738,000

Strategic Support CSA
Technology Infrastructure and Operations Core Service
IT Customer Care Program

This action adds one-time non-personal/equipment funding of \$3.2 million (\$2.7 million in General Fund and \$455,000 from various Special Funds) to provide funding for temporary staffing and the replacement of aging desktops and laptops for multiple departments. The City currently has a total of 11,515 laptops and desktops, however, 2,802 laptops and desktops citywide need to be replaced, due to the devices approaching their five-year life cycle and operating on a Windows 10 system, which is set to end support with Microsoft in 2025. This action provides funding to replace and upgrade approximately 65% of all the devices, with the remaining anticipated to be replaced in 2024-2025. It should be noted that this action does not include the funding to replace devices in 2024-2025 but is preliminarily estimated to exceed \$1 million. (Ongoing costs: \$0)

2. Information Technology Staffing for Budget Office, Clean Energy, and Finance Revenue Management Support	2.00	\$318,855	\$159,427
---	-------------	------------------	------------------

Strategic Support CSA
Business Solutions Core Service
Enterprise Resource Management and Advanced Applications Programs

This action adds 2.0 Enterprise Supervising Technology Analyst (ESTA) positions to support Budget Office, Finance, and Community Energy Departments applications. The Budget Office application (Hyperion) has recently gone through a transition from an on-premise to cloud environment; the Finance Department applications (Business Tax System and Cashiering System) have recently had numerous updates and improvements implemented; and as Community Energy continues to scale up, there is a need for dedicated technical support resources for existing and new technology solutions. Adapting to a new application environment and a need for updating the systems to the current and evolving department's needs has caused a backlog of additional work for each of the Enterprise Principal Technology Analyst (EPTA) position assigned to support Budget Office and Finance Department applications. One ESTA will assist supporting and resolving the backlog of work for each of the EPTA's by helping system implementations, developing processes, and mitigating employee down time for services. The second ESTA will be responsible for developing technology strategic plans and developing technology solutions to increase operating efficiencies, enhance specialized energy industry software, ensure compliance with California Public Utilities Commission privacy protection standards for customers, and ensure alignment with City policies on cybersecurity standards. (Ongoing costs: \$425,140)

Information Technology Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	-------------------	----------------------

3. Homeless Encampment Management System		\$250,000	\$250,000
---	--	------------------	------------------

Strategic Support CSA
Business Solutions Core Service
Advanced Applications and Services Program

This action adds one-time non-personal/equipment funding of \$250,000 for the development of a system to address urban blight and outreach workloads related to homeless encampment service requests across the Parks, Recreation and Neighborhood Services Department, Housing Department, and Information Technology Department (ITD). In order to accomplish this system, ITD will work with a third party vendor to develop a platform to receive and correctly allocate these service requests. The total project cost is estimated at \$400,000, with \$150,000 already funded in the American Rescue Plan Fund. It is anticipated that this system will have an ongoing maintenance cost, which is currently unknown, but will be included as part of the development of the 2024-2025 Base Budget. (Ongoing costs: \$0)

4. PeopleSoft Upgrade		\$195,000	\$195,000
------------------------------	--	------------------	------------------

Strategic Support CSA
Business Solutions Core Service
Enterprise Resource Management Program

This action adds one-time non-personal/equipment funding of \$195,000 to upgrade the current PeopleSoft 9.2 Human Capital Management (HCM) to the PeopleSoft Update Manager. This funding will allow the Human Resources Department and the Finance Department to update the City's PeopleSoft HCM system with the recommended upgrade schedule of two years set by the Human Resources Department, the Finance Department, and ITD. The new upgrade for the system will feature an improved benefit section with added functionalities, enhance employee payment setup options, and resolve technical issues from the last upgrade. (Ongoing costs: \$0)

5. Enterprise Resource Planning (ERP) Replacement Project Management Staffing	1.00	\$159,427	\$159,427
--	-------------	------------------	------------------

Strategic Support CSA
Business Solutions Core Service
Advanced Applications and Services Program

This action adds 1.0 Enterprise Supervising Technology Analyst (ESTA) position to serve as the technology project manager for the replacement of the City's ERP System. Along with a new Program Manager position that is recommended to be allocated in the Finance Department as part of the 2023-2024 Proposed Budget, the ESTA will be dedicated to manage the consolidation and replacement of the City's aging ERP applications with a modern and robust ERP system. Spanning a multi-year period, the ESTA will work closely with the Finance Department's new Program Manager to define the project scope, objectives, and timelines, and will manage the project team to ensure the ERP project is delivered on-time and on-budget. A Request for Proposal to bring onboard a third-party vendor to assist with scope and system requirements is currently underway. (Ongoing costs: \$212,570)

Information Technology Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	-------------------	----------------------

6. Mobile Device Management Platform Migration		\$76,000	\$22,040
---	--	-----------------	-----------------

Strategic Support CSA
Technology Infrastructure and Operations Core Services
IT Customer Care Program

This action adds one-time non-personal/equipment funding of \$76,000 for contractual staffing, which will continue to migrate the Mobile Device Management platform for inspectors, update all mobile and endpoint devices to the latest versions, and assist in troubleshooting issues reported by the Planning, Building, and Code Enforcement Department. (Ongoing costs: \$0)

7. San José 311 Program	3.00	\$0	\$0
--------------------------------	-------------	------------	------------

Strategic Support CSA
San José 311 Core Service
City Customer Contact Center Program

This action continues 1.0 Enterprise Supervising Technology Analyst (ESTA) and 1.0 Senior Analyst and adds 1.0 Senior Analyst positions through June 30, 2024. The San José 311 Enhancement program has identified digital service delivery analytical improvements and has developed new services that bridge access, language, and ease of use barriers, which are experienced by disproportionately underserved portions of the community. Additional funding (as reflected in the City-Wide Expenses section of this document) will help to sustain the current platform as the department works to refine the project scope of San José 311 website and mobile applications' customer experience and collaboration between Citywide departments by adding vehicle blight upgrade for the platform and sustaining vendor support services and licensing. The ESTA position will provide resolution for technical issues, work with IT and other departments on enhancements for the applications and new add-ons, and document those enhancements and technical issues. One of the Senior Analyst positions will provide business analysis for enhancements for the vehicle blight add on; design the user interface for internal and external experience; and develop documents of process flow to ensure process efficiencies. The second Senior Analyst position will provide analysis and recommendations for new initiatives for the San José 311 Omnichannel roadmap, create reports and dashboards, and help to identify areas within San José to improve based on delivery services to underserved communities. The cost of the positions in 2023-2024 will be partially offset by estimated unspent funding currently allocated to San José 311, which will be recommended for rebudget as part of the 2023-2024 Adopted Budget. (Ongoing costs: \$0)

Information Technology Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Customer Services Vision and Standard Staffing	1.00	\$0	\$0

Strategic Support CSA
Business Solutions Core Service
Productivity and Collaboration Applications Program

This action adds 1.0 Enterprising Supervising Technology Analyst (ESTA) position through June 30, 2026. As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds \$4.0 million to the Customer Service Vision and Standards project (reflected in the City-Wide Expenses section of this document) in the City Manager’s Office. Funding will be used for professional services, software licensing and support, and four limit-dated positions through June 30, 2026, including three positions in the City Manager’s Office (1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, and 1.0 Executive Analyst) and 1.0 Enterprise Supervising Technology Analyst in the Information Technology Department. After conducting a discovery of the current customer service experience, challenges, and future opportunity areas, a vision and a set of standards for a three-year transformation plan of the customer service experience for San José residents, businesses, and guests was formulated and approved by the City Council on March 7, 2023. The first year will focus on cultural change, training, process re-engineering, initial centralized governance, and technology planning and pilot implementation of a centralized customer relationship management system (CRM). Quick wins will also be explored in the short term. The second year of the project will front-load the effort to integrate the CRM with appropriate departmental systems and migrate appropriate data to deliver a citywide 360-degree view of San José customers. The third year will sustain the momentum to complete the implementation as soon as possible. The three-year project is estimated to cost \$12.9 million, of which \$4 million provides funding for the positions over a three-year period (approximately \$2.0 million) and the non-personal/equipment costs in the first year, which may include software licensing and support and professional services (approximately \$2.0 million). The remaining two years of non-personal/equipment funding will be identified in a future budget process. (Ongoing costs: \$0)

9. Information Technology Recruitment Staffing	1.00	\$0	\$0
---	-------------	------------	------------

Strategic Support CSA
Strategic Support Core Service
Information Technology Management and Administration Program

This action adds 1.0 Analyst I/II position for the Information Technology Department as ongoing, which is currently a temporary position. The Department’s human resources staffing consists of two employees: a Senior Analyst solely dedicated to human resources and employee relations and an Administrative Officer, who is responsible for managing four sections (Telecom, Human Resources and Employee Relations, Budget and Fiscal, and General Administration). This temporary position was first authorized in October 2021, subsequently renewed and paid from departmental vacancy savings, and has oversaw 10-12 recruitments for open until filled positions, compared to the Citywide average of 7-8. This position will continue to support recruiting, onboarding and offboarding procedures, and IT certifications audit and management. Once permanent, the Department intends to expand the duties of the position to include the development of strategies for employee retention, and support a pilot student intern program to develop, hire and onboard 30-40 interns to build a pipeline for entry-level IT positions. The cost of this position will be offset by vacancy savings. (Ongoing costs: \$0)

Information Technology Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment





2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Mobile Device Management Savings		(\$124,000)	(\$124,000)
<i>Strategic Support CSA</i> <i>Technology Infrastructure and Operations Core Service</i> <i>Voice and Data Network Infrastructure Program</i>			
<p>This action reduces non-personal/equipment funding by \$124,000 on an ongoing basis to reflect cost savings from the City's Mobile Device Management (MDM) platform. The current platform provides mobile asset management, location detection, loss control, deployment, and management of mobile applications, as well as remote support and troubleshooting for mobile devices. The Administration was able to successfully re-negotiate a lower cost for 4,330 devices currently using this platform. (Ongoing savings: \$124,000)</p>			
11. California Network and Telecommunications (CalNet) Program Savings		(\$37,119)	(\$37,119)
<i>Strategic Support CSA</i> <i>Technology Infrastructure and Operations Core Service</i> <i>Voice and Data Network Infrastructure Program</i>			
<p>This action decreases the Information Technology Department's non-personal/equipment funding by \$37,119 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$37,119)</p>			
2023-2024 Proposed Budget Changes Total	8.00	\$4,024,163	\$3,332,310

Information Technology Department

Performance Summary

Customer Contact Center

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of Customer Contact Center contacts answered ¹	99.73%	85%	98%	85%
 % of San José 311 phone contacts resolved at first call ²	81.92%	≥82%	84%	≥82%
 % of customers satisfied with San José 311 contact	64.47%	65%	65%	65%
 % of customer with San José 311 website and application ³	N/A	N/A	N/A	80%

¹ Includes calls answered by staff, self-serviced calls and after-hours service, direct chats, walk-ins, and mobile and web portal requests.

² This percentage is based on San José 311 calls resolved at first contact and excludes calls resolved by the City's after-hours and weekend call service.

³ New measure starting in April 2023. The 2021-2022 Actual value was not captured and the 2022-2023 Target was not set during the 2022-2023 Adopted. The percentage is based on San José 311 website and application overall customer experience.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of Customer Contact Center Contacts ¹ :				
- Received	328,839	400,000	322,000	400,000
- Answered	327,964	340,000	315,500	340,000
# of active SJ311 users ²	63,143	N/A ³	70,000	70,000
Average caller wait time	1.85 minutes	3 minutes	3 minutes	3 minutes

¹ Includes phone calls, direct chats, walk-ins, and mobile and web portal requests. Mobile and web portal numbers include calls for one of the five SJ 311 services where call handlers entered the service request into the SJ 311 application on the resident's behalf. In some cases – these numbers are also reflected in the number of phone calls.

² This is a measure of San José 311 active users that have requested at least one service within the last 12 months through the application and website.






³ New measure starting in 2022-2023 and the measure was not set during the 2022-2023 Adopted.

Information Technology Department

Performance Summary

Business Solutions

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of customers rating services as "Good" or "Excellent" ¹ :				
- overall satisfaction	91.72%	≥80%	85%	≥80%
- quality of work	94.53%	≥80%	85%	≥80%
- timeliness	87.32%	≥80%	85%	≥80%
- customer service	91.28%	≥80%	85%	≥80%
 % of uptime and availability:				
- business applications	99.03%	98.0%	98.9%	99.9%
- databases	99.98%	99.9%	99.9%	99.9%
 % of successful financials cycles closed on systems	100%	100%	100%	100%
 % of successful payroll cycles processed on systems	100%	100%	100%	100%
 % of successful pay, benefits, tax, and union agreement changes implemented prior to Finance/Human Resources/Employee Relations deadlines	100%	100%	100%	100%

¹ Annual citywide IT Customer Service Survey conducted in September of each year.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of centralized E-mail mailboxes	7,488	7,600	7,800	7,900
# of FMS users	485	530	505	505
# of PeopleSoft users (HR/Payroll)	7,462	7,600	7,756	7,760
# of business systems managed ¹ :				
- Critical	15	15	15	15
- Essential	43	43	43	43
# of successful financials cycles closed on systems	16	16	16	16
# of successful payroll cycles processed on systems	26	26	26	26
# of successful pay, benefits, tax, and union agreement changes implemented prior to Finance/Human Resources/Employee Relations deadlines	46	46	40	40







¹ In the event of a major disaster, Critical Systems have a Recovery Time Objective (RTO) of 30 minutes and Essential Systems have an RTO of ≤3 days. All other business systems which are Standard routine have an RTO of ≤2 weeks. ITD will continue to work with Citywide emergency management efforts related to business continuity and disaster recovery.

Information Technology Department

Performance Summary

Technology Infrastructure and Operations

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of customers rating network, systems, and voice services as "Good" or "Excellent":				
- overall satisfaction	87.87%	≥80%	85%	≥80%
- quality of work	91.97%	≥80%	85%	≥80%
- timeliness	82.87%	≥80%	85%	≥80%
- customer service	88.44%	≥80%	85%	≥80%
 % of uptime and availability:				
- systems	99.87%	≥99.9%	99.7%	≥99.9%
- network	99.91%	≥99.9%	99.7%	≥99.9%
- voice	99.96%	≥99.9%	99.9%	≥99.9%
 % of Technology Help Desk tickets resolved	99.52%	99%	95%	≥99.9%
 % of Technology Help Desk tickets resolved within 2 business days	59.32%	80%	50%	80%
 % of cybersecurity events responded to within 4 hours	100%	100%	100%	100%
 % of City staff that completed annual cybersecurity training and testing at least annually	63.64%	100%	87%	100%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of unplanned network outages	3	5	1	2
Average time of unplanned network outages	2.25 hours	3 hours	2 hours	3 hours
# of Severity 1 infrastructure service outages ¹	5	4	5	3
# of Technology Help Desk tickets	23,536	20,000	20,724	23,900

¹ Severity 1 is: a) all users of a specific service; b) personnel from multiple departments are affected; c) public facing service is unavailable; or d) services that are directly impacting public safety.

Information Technology Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	4.00	5.00	1.00
Assistant Director	1.00	1.00	-
City Information Security Officer	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	2.00	2.00	-
Director of Information Technology	1.00	1.00	-
Division Manager	1.00	1.00	-
Enterprise Information Technology Engineer I/II	11.00	11.00	-
Enterprise Principal Technology Analyst	7.00	7.00	-
Enterprise Supervising Technology Analyst	30.00	34.00	4.00
Enterprise Technology Manager	5.00	5.00	-
Information Systems Analyst	3.00	3.00	-
Network Technician I/II/III	11.00	11.00	-
Principal Office Specialist	3.00	3.00	-
Program Manager	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	2.00	3.00	1.00
Senior Office Specialist	10.00	10.00	-
Senior Systems Application Programmer	9.00	9.00	-
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Systems Application Programmer I/II	1.00	1.00	-
Total Positions	109.00	115.00	6.00

PAGE INTENTIONALLY LEFT BLANK

Library Department

Jill Bourne, City Librarian

MISSION

The San José Library enriches lives by fostering lifelong learning and by ensuring that every member of the community has access to a vast array of ideas and information

CITY SERVICE AREA

Neighborhood Services

CORE SERVICES

ACCESS TO INFORMATION, LIBRARY MATERIALS, AND DIGITAL RESOURCES

Link customers to the information they need through access to books, videos, digital, and other information resources.

LITERACY AND LEARNING, FORMAL AND LIFELONG SELF-DIRECTED EDUCATION

Provide programs that promote reading, literacy, and learning for all ages and support school readiness and success.

Strategic Support: Administration, Business Office, Community Awareness and Outreach, Data Analytics, Library Bond Program, Technology Services, and Emergency Response and Recovery

Library Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Access to Information, Library Materials, and Digital Resources Core Service</i>	
Access and Borrower Services	Provides materials handling, materials delivery, and customer service at all Library branches and the Dr. Martin Luther King, Jr. Library, including fines and fees collections, check out, check in, hold processing, customer account maintenance, materials maintenance, shelving, and transport of library materials between the 25 library facilities, including the Dr. Martin Luther King, Jr. Library, and Mount Pleasant Neighborhood Library.
Electronic Resources Implementation and Maintenance	Applies the Library's e-Resources strategy, which includes the production and management of the Library's websites (sjpl.org, events.sjpl.org, and SharePoint), the management of the Library online catalog (sjpl.bibliocommons.com), and the management and curation of all the Library's electronic resource platforms for eBooks, eMagazines, and databases.
Library Facilities and Security	Ensures residents have access to safe, welcoming, accessible, well-equipped, and well-maintained facilities; this includes management and implementation of facility improvements, maintenance, and patron security.
Main Library Operations	Ensures that Dr. Martin Luther King, Jr. Library remains fully operational and maintained, including ongoing support of the unique joint partnership with San José State University.
Materials Acquisitions and Processing	Includes the selection, purchase, and processing of all Library materials to reflect the diversity and needs of the community.
<i>Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service</i>	
Early Education and Family Learning	With the Library's system-wide Early Education Strategy and nine branch Family Learning Centers, provides dedicated resources to young children (birth to kindergarten), parents, caregivers, and early educators in order to close opportunity gaps and ensure all children receive a strong start in learning and preparation for successful school experiences.
Partners in Reading/ Adult Literacy	Provides free one-to-one and small group tutoring, by volunteers, for adults whose reading or writing skills are below the ninth-grade level.
<i>Strategic Support Core Service</i>	
Library Financial Management	Manages the budget, contracts, and all financial transactions for the department; assists in annual budget development.
Library Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Library Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Library Management and Administration	Provides executive-level, analytical, and administrative support to the department.
Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Library Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Ten Library branches will operate 52 hours, 7 days per week on an ongoing basis (Bascom, Alum Rock, Edenvale, Educational Park, Evergreen, Hillview, Joyce Ellington, Seven Trees, Tully, and West Valley). Six Library branches will operate 48 hours, 7 days per week on an ongoing basis (Alviso, Berryessa, Biblioteca Latinoamericana, Cambrian, Carnegie, and Vineland). Seven Library branches will operate 43 hours, 6 days per week (Almaden, Calabazas, Pearl Avenue, Rose Garden, Santa Teresa, Village Square, and Willow Glen). Dr. Martin Luther King, Jr. Library weekly public service hours are continuing at 73 hours, 7 days per week and Mount Pleasant weekly public service hours will remain at 24 hours, 6 days per week.
- The Library will continue to provide access to knowledge resources and information, computers, hotspots, electronic and print materials, afterschool homework help, classes, educational, literacy, citizenship, and workforce development programs, and promote lifelong learning for all ages. The Library will continue to lead the City's Education and Digital Literacy Strategy and provide programs in alignment with Early Education, Expanded Learning, College and Career Pathways, Digital Literacy, and Equity and Inclusion Quality Standards, including the Friends, Family and Neighborhood Support Network. The Library, in partnership with the San José Public Library Foundation, will administer the San José (SJ) Learns and Digital Inclusion Fund Grant Programs.
- The Library will continue to provide safe and welcoming facilities and spaces by implementing strategies for maintaining facilities and safety through best practices, staffing, and equipment expectations.

2023-2024 Key Budget Actions

- Adds 1.0 Division Manager, 1.0 Network Technician, 1.0 Literacy Program Specialist, and 1.0 Community Programs Administrator positions and one-time non-personal/equipment funding in the amount of \$1.5 million to continue to support the Digital Equity & Empowerment Initiative, including the SJ Access program, device access and data plans for existing hotspots and Chromebooks, Community WiFi, and the updated broadband assessment and strategy.
- Adds 4.0 Senior Security Officer positions and provides ongoing non-personal/equipment funding of \$193,000 to support security and incident management needs at branch libraries.
- The restructuring of the Library's Education and Programming Services includes realigning staffing and resources to meet the emerging needs of Education and Digital Literacy Program coordination, College & Career Readiness, Racial Equity Team Programs, and the Holistic Library initiative that provides engagement and support for community members with unstable housing. The restructuring results in the addition of 1.0 Analyst, 1.0 Literacy Program Specialist, and 0.50 Library Clerk PT positions and ongoing non-personal/equipment funding in the amount of \$16,500 with a corresponding deletion of 1.0 Librarian I, 1.0 Librarian II, and 0.30 Library Aide PT positions.
- Continues and makes permanent 1.0 Literacy Program Specialist position and associated non-personal/equipment to support the Family, Friend, and Neighbor (FFN) program to help childcare providers build skills, enhance program quality, and earn their childcare license. Funding of \$500,000 will be shifted from the Child and Youth Services – FFN Program City-Wide Expenses allocation to the Library's personal services and non-personal/equipment allocation to support the FFN program.
- Adds 1.0 Library Assistant position with a corresponding deletion of 1.0 Senior Library Clerk and 0.30 Library Aide PT positions in the Technical Services Unit to support the continued expansion of the eResources team's technical and sub-professional duties with the management of eResources workflow, development of staff training and customer education materials.

Operating Funds Managed

- Library Parcel Tax Fund

Library Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Access To Information, Library Materials, and Digital Resources	37,128,082	40,830,920	42,533,205	42,498,545
Literacy and Learning, Formal and Lifelong Self-Directed Education	3,803,789	4,166,382	4,097,757	4,588,404
Strategic Support - Neighborhood Services	11,963,858	13,480,732	8,252,192	10,916,061
Strategic Support - Other - Neighborhood Services	4,002,945	7,594,409	1,940,980	1,381,155
Total	\$56,898,674	\$66,072,443	\$56,824,133	\$59,384,164
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	41,456,754	45,396,549	46,892,498	47,863,758
Overtime	51,463	36,796	41,796	41,796
Subtotal Personal Services	\$41,508,217	\$45,433,345	\$46,934,294	\$47,905,554
Non-Personal/Equipment	8,190,303	7,639,954	8,216,839	10,316,519
Total Personal Services & Non-Personal/Equipment	\$49,698,520	\$53,073,299	\$55,151,133	\$58,222,072
<i>Other Costs *</i>				
City-Wide Expenses	4,281,540	7,423,418	1,545,000	1,045,000
Gifts	123,902	155,000	111,000	111,000
Housing Loans and Grants	0	0	0	0
Other	2,794,712	5,420,726	17,000	17,000
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	(10,908)
Total Other Costs	\$7,200,154	\$12,999,144	\$1,673,000	\$1,162,092
Total	\$56,898,674	\$66,072,443	\$56,824,133	\$59,384,164

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Library Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	42,625,961	48,369,172	44,794,227	47,364,083
American Rescue Plan Fund (402)	3,777,623	5,648,000	0	0
Gift Trust Fund (139)	229,497	155,000	111,000	111,000
Library Parcel Tax Fund (418)	9,567,983	10,971,228	10,957,255	11,007,255
Capital Funds	697,610	929,043	961,651	901,826
Total	\$56,898,674	\$66,072,443	\$56,824,133	\$59,384,164
Positions by Core Service **				
Access To Information, Library Materials, and Digital Resources	135.08	327.74	325.62	326.62
Literacy and Learning, Formal and Lifelong Self-Directed Education	12.02	20.18	22.66	23.36
Strategic Support - Neighborhood Services	14.01	42.85	41.49	47.49
Strategic Support - Other - Neighborhood Services	4.95	5.70	5.70	7.70
Total	166.06	396.47	395.47	405.17

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Library Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Access To Information, Library Materials, and Digital Resources					
Access and Borrower Services	30,317,334	32,669,733	33,910,633	33,909,367	294.52
Electronic Resources Implementation and Maintenance	867,961	1,541,949	1,611,205	1,280,707	7.86
Library Facilities and Security	371,337	735,386	822,744	1,245,660	9.00
Main Library Operations	3,126,270	3,506,819	3,756,874	3,756,874	0.00
Materials Acquisition and Processing	2,445,180	2,377,033	2,431,749	2,305,937	15.25
Sub-Total	37,128,082	40,830,920	42,533,205	42,498,545	326.62
Literacy and Learning, Formal and Lifelong Self-Directed Education					
Early Education and Family Learning	2,993,322	2,647,246	2,637,672	3,128,319	14.86
Partners in Reading/Adult Literacy	810,467	1,519,136	1,460,085	1,460,085	8.50
Sub-Total	3,803,789	4,166,382	4,097,757	4,588,404	23.36
Strategic Support - Neighborhood Services					
Library Emergency Response and Recovery	3,997,640	5,398,000	0	0	0.00
Library Financial Management	533,408	690,175	617,103	667,103	4.00
Library Human Resources	408,157	603,496	605,179	605,179	3.00
Library Information Technology	2,409,869	2,463,753	2,566,290	2,566,290	13.50
Library Management and Administration	4,614,783	4,325,308	4,463,620	7,077,490	26.99
Sub-Total	11,963,858	13,480,732	8,252,192	10,916,061	47.49
Strategic Support - Other - Neighborhood Services					
Library Capital	697,610	1,257,247	1,312,980	1,264,063	5.70
Library Gifts	229,497	155,000	111,000	111,000	0.00
Library Other Departmental - City-Wide	2,494,108	5,705,276	500,000	0	2.00
Library Other Departmental - Grants	548,433	459,886	0	0	0.00
Library Other Operational - Administration	33,298	17,000	17,000	17,000	0.00
Library Overhead	0	0	0	(10,908)	0.00
Sub-Total	4,002,945	7,594,409	1,940,980	1,381,155	7.70
Total	\$56,898,674	\$66,072,443	\$56,824,133	\$59,384,164	405.17

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Library Department Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	396.47	53,073,299	40,945,754
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• San José Aspires Administrative Support (1.0 Library Clerk)	(1.00)	(100,372)	0
• San José Public Library Foundation Fundraising Support		(50,000)	0
One-time Prior Year Expenditures Subtotal:	(1.00)	(150,372)	0
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Network Engineer to 1.0 Information Systems Analyst	0.00	1,860,863	1,898,108
• Utilities: Gas, Electricity, Water		360,000	360,000
• Contract Services: SJSU/City of San José Joint Agreement for Dr. Martin Luther King, Jr. Library		207,885	207,885
• Vehicle Operations and Maintenance		59,000	24,000
• Overtime Adjustment		5,000	5,000
• Part-Time Sick Leave Adjustment		2,746	2,746
• Night Shift Differential Adjustment		265	265
• Living Wage Adjustment		(267,553)	(194,531)
Technical Adjustments Subtotal:	0.00	2,228,206	2,303,473
2023-2024 Forecast Base Budget:	395.47	55,151,133	43,249,227
Budget Proposals Recommended			
1. Digital Equity Program	4.00	1,813,881	1,813,881
2. Library Security Staffing and Contractual Services Expansion	4.00	615,916	615,916
3. Family, Friend, and Neighbor Program Staffing	1.00	500,000	500,000
4. Library Priority Community and Education Program Efforts	1.20	158,426	158,426
5. San José Public Library Foundation Fundraising Support		50,000	0
6. Library Technical Services Electronic Resources Unit Staffing	0.00	7,541	7,541
7. Library Facilities Staffing	0.00	(48,917)	0
8. Library Public Engagement Staffing Restructure	(0.50)	(24,642)	(24,642)
9. California Network and Telecommunications (CalNet) Program Savings		(1,266)	(1,266)
Total Budget Proposals Recommended	9.70	3,070,939	3,069,855
2023-2024 Proposed Budget Total	405.17	58,222,072	46,319,082

Library Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Digital Equity Program	4.00	1,813,881	1,813,881

Neighborhood Services CSA
Strategic Support - Neighborhood Services Core Service
Library Management and Administration Program

One-time non-personal/equipment funding of \$1.5 million is recommended to support device access and data plans for 6,000 existing hotspots and 1,500 existing Chromebooks and as part of the Library Department's Digital Equity program. This proposal continues the existing SJ Access device program for 2023-2024 while shifting focus to transition families from City-funded hotspots and devices to the Federal Affordable Connectivity Program (ACP) subsidized device and internet plans. Continues and makes permanent 1.0 Division Manager and 1.0 Network Technician positions in the General Fund to continue support for the overall leadership of the program and device management.

This action also continues and makes permanent 1.0 Literacy Program Specialist and 1.0 Community Programs Administrator positions funded by the Digital Inclusion Program City-Wide Expenses appropriation. The positions will support the Digital Inclusion Grant Program, execute the ACP enrollment program, and support digital literacy programming. The grant administrator of the Digital Inclusion Grant Program transitioned to the San Jose Public Library Foundation in spring 2023. (Ongoing cost: \$331,712)

2. Library Security Staffing and Contractual Services Expansion	4.00	615,916	615,916
--	------	---------	---------

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service;
Strategic Support – Neighborhood Services Core Service
Access and Borrower Services, Library Facilities and Security, and Library Management and Administration Programs

This action adds 4.0 Senior Security Officers on an ongoing basis and \$193,000 in ongoing non-personal/equipment funding to support additional efforts to ensure the safety of the public and staff at branch libraries. Several branches serving lower resourced communities are also located in neighborhoods that experience higher incidents of gang-related activity and violence. To ensure safety and access for all residents, the Library engaged safety consultant TRC to provide a recommended strategy for improving safety through best practices, staffing, and equipment expectations. Branches continue to be impacted with frequent (daily at some library sites) occurrences of disorderly behavior and criminal incidents. This addition of 4.0 Senior Security Officers brings the total number of security staff to 9.5 positions, very close to the Security Assessment recommendation of 10 positions. Additional non-personal/equipment staffing will be used to provide site-specific security coverage at high-need branches to respond immediately to incidents, while staff security personnel are assigned to zones consisting of three branch libraries, typically. (Ongoing cost: \$703,008)

Library Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Family, Friend, and Neighbor Program Staffing	1.00	500,000	500,000

Neighborhood Services CSA

***Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service
Early Education and Family Learning Program***

This action continues and makes permanent 1.0 previously one-time Literacy Program Specialist position (\$141,764) to continue support for the Family, Friend, and Neighbor program. This action also incorporates the remaining balance of the previously ongoing allocation in the City-Wide Child and Youth Services - Family, Friend, & Neighborhood Program allocation into the Library's Non-Personal/Equipment appropriation (\$358,236). In total, this action shifts \$500,000 from the City-Wide Expenses allocation into Library's Personal Services and Non-Personal/Equipment appropriations on an ongoing basis to continue the program. The Family, Friend, and Neighbor program is an effort to support the ongoing education and skill-building of informal childcare providers throughout the City. The program provides electronic and in-person programming in both English and other languages designed for caretakers in order to help provide children with higher quality caretaking when resources designed for formal/professional caretakers are not available. (Ongoing cost: \$0)

4. Library Priority Community and Education Program Efforts	1.20	158,426	158,426
--	-------------	----------------	----------------

Neighborhood Services CSA

***Literacy And Learning, Formal and Lifelong Self-Directed Education Core Service;
Access to Information, Library Materials, and Digital Resources Core Service;
Strategic Support – Neighborhood Services Core Service***

Early Education and Family Learning, Access and Borrower Services, Electronic Resources Implementation and Maintenance, and Library Management and Administration Programs

This action adds 1.0 Analyst position, 1.0 Literacy Program Specialist position, and 0.5 Library Clerk PT positions on an ongoing basis; deletes 1.0 Librarian II position and 0.3 Library Aide PT positions; and adds \$16,500 in ongoing non-personal/equipment funding to support Library Priority Community and Education programming.

The new Analyst and Library Clerk PT positions supports Education and Digital Literacy Program Coordination. As a result of the development of the Education and Digital Literacy (EDL) Strategy and the adoption by City Council of the Education Policy and Quality Standards, the Library has laid the foundation for changes to programmatic implementation through each plank of the EDL: Early Education, Expanded Learning, College and Career Readiness, Digital Literacy and Diversity, Equity and Inclusion. The Analyst will work with the program planks to ensure compliance with quality standards, develop presentations to report on outcomes, assess program data, and identify gaps in programming systemwide. The Library Clerk PT will collect plank specific data, assist the Analyst in reporting program data, track paid performer budgets, and process invoices and insurance paperwork.

The new Literacy Program Specialist position will support the Holistic Library Initiative. Since January 2021, with funding from the California State Library, SJPL launched the Holistic Library Initiative to offer support to people experiencing homelessness through formalizing the Library's overall support system and engagement techniques for community members with unstable housing. This initiative supports the City's Ending Homelessness Enterprise Priority, assisting affected individuals as they navigate services through the City's Initiatives on Emergency Housing System, Encampment Outreach and County Safety Net Services Coordination.

Library Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

The ongoing non-personal/equipment funding of \$16,500 will be used to support Racial Equity Team (RET) programing and staff development efforts. The Library's RET projects work in partnership with Office of Race Equity and support the City's Enterprise Priority Foundational Initiative of Advancing Equity through Culture and Practice. Additional non-personal funding is required to support programming and learning opportunities to advance racial equity, including honoraria for BIPOC-identifying guest speakers, film screenings, educational and promotional materials, as well as consultant training. (Ongoing cost: \$160,967)

5. San José Public Library Foundation Fundraising Support		50,000	0
--	--	---------------	----------

Neighborhood Services CSA
Strategic Support – Neighborhood Services Core Service
Library Financial Management Program

This action continues one-time non-personal/equipment funding in the amount of \$50,000 in the Library Parcel Tax Fund to support the San José Public Library Foundation's (SJPLF) efforts to raise funding for the City Library system's operations and programming. In the current fiscal year through March 2023, SJPLF has raised over \$780,000. This one-time funding supports SJPLF's commitment to raise a minimum of \$250,000 for City Library operations and programming in 2023-2024. (Ongoing cost: \$0)

6. Library Technical Services Electronic Resources Unit Staffing	0.00	7,541	7,541
---	-------------	--------------	--------------

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service
Electronic Resources Implementation and Maintenance, and Materials Acquisition and Processing Programs

This action deletes 1.0 Senior Library Clerk and adds 1.0 Library Assistant position within Technical Services to continue to support the expansion of the eResources Unit and the Periodicals Unit. The Library Assistant position is expected to perform technical and sub-professional duties in direct assistance to professional librarians and has greater authority for acting as a systemwide resource. The Library Assistant will also be able to work directly to support the eResources Librarian to manage the workflow of the Unit, develop staff training and customer education materials, and communicate with vendors. The recent increase in demand for a wider variety of eResources necessitates a tailoring of positions to fit the needs of customers more closely. Between 2018-2019 and 2021-2022, circulation of print books fell from 5.24 million to 4.81 million (8.2% decrease) while circulation of eBooks/eAudio items increased from 686,000 to 1.21 million (76.8% increase) over the same period. As the effects of the COVID-19 Pandemic lessen over time, it is possible that print media circulation may rebound, but it appears unlikely that eResource circulation will return to the significantly lower pre-pandemic levels. (Ongoing cost: \$8,676)

Library Department




Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Library Facilities Staffing	0.00	(48,917)	0
<p><i>Neighborhood Services CSA</i> Strategic Support - Other - Neighborhood Services Core Service <i>Library Capital Program</i></p> <p>This action deletes 1.0 Library Assistant and adds 1.0 Maintenance Worker position in the Library Construction and Conveyance Tax Fund. This Library Assistant position reports to the Program Manager position overseeing Facilities/Capital Planning, Fleet, and Security, and has been responsible for facilities maintenance tasks such as changing light bulbs, troubleshooting security system hardware, and troubleshooting and fixing various pieces of library machinery as needed. The Library Assistant classification does not stipulate formal technical training or experience in facilities maintenance or repair, as such, this proposal deletes the Library Assistant position. The 1.0 Maintenance Worker will continue to perform the tasks formerly assigned to the Library Assistant and will align the proficiencies of the classification with the work. (Ongoing savings: \$10,636)</p>			
8. Library Public Engagement Staffing Restructure	(0.50)	(24,642)	(24,642)
<p><i>Neighborhood Services CSA</i> Access to Information, Library Materials, and Digital Resources Core Service; Strategic Support - Neighborhood Services Core Service <i>Electronic Resources Implementation and Maintenance, and Library Management and Administration Programs</i></p> <p>This action adds 1.0 Senior Public Information Representative, 1.0 Public Information Representative, and 0.5 Library Clerk PT positions, and deletes 1.0 Librarian II and 2.0 Library Clerk positions. Due to changes in the software services used to manage both internal and external communications, roles, responsibilities, and required skillsets have shifted such that the current allocation of positions in the Marketing and Communications Team and Web Team are not adequately aligned with needs. This action shifts the positions in the team towards the specialized Public Information Representative classifications more appropriate to the work, and will allow the Library Department to continue providing both internal and external communications and web services effectively through technological shifts. (Ongoing savings: \$28,571)</p>			
9. California Network and Telecommunications (CalNet) Program Savings		(1,266)	(1,266)
<p><i>Neighborhood Services CSA</i> Access to Information, Library Materials, and Digital Resources Core Service <i>Access and Borrower Services Program</i></p> <p>This action decreases the Department's non-personal/equipment funding by \$1,266 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$1,266).</p>			
2022-2023 Proposed Budget Changes Total	9.70	3,070,939	3,069,855



Library Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★☆		
<p>Access - How well does a service enable access, participation, visitation, and usage? How well does the service lead to its intended outcome or opportunity pathway?</p>	<p>Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?</p>	<p>Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?</p>	<p>Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?</p>

Access to Information, Library Materials, and Digital Resources

Performance Measures

			2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	PM 1	% of households with a library card used within the last 2 years	24%	N/A	36%	38%
★★☆	PM 2	% of customers that “agree” or “strongly agree” that the variety of library collections and resources are “good” or “excellent”	85%	50%	84%	85%
★★☆	PM 3	% of customers rating facilities as “Good” or “Excellent” in terms of hours	81%	46%	80%	81%
★★☆	PM 4	% of customers rating technology (e.g., computers, internet access, and WiFi) in facility as “good” or “excellent”	90%	53%	90%	91%
	PM 5	% of customers rating the availability and ease of access to a variety of electronic materials (e.g., downloadable/online eBooks and music) as good or excellent	88%	84%	85%	86%

Library Department

Performance Summary

Access to Information, Library Materials, and Digital Resources

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
<i>AWH 1</i>	# of visitors to main and branch libraries	2,154,869	3,000,000	2,986,573	3,250,000
<i>AWH 2</i>	Number of items circulated to the public (children, youth and adults) system-wide for:				
	- Physical Items (physical books, materials)	5,483,657	5,500,000	5,651,432	5,750,000
	- Digital Resources (eBooks, eMedia)	1,421,103	1,400,000	1,439,266	1,400,000
<i>AWH 3</i>	# of items purchased for circulation				
	- Physical Items (physical books, materials)	221,986	156,000	200,000	190,000
	- Digital Resources (eBooks, eMedia)	48,186	44,000	40,000	38,000
<i>AWH 4</i>	# of reference questions answered	285,680	200,000	318,000	350,000
<i>AWH 5</i>	# of public access computer sessions at library facilities	156,690	300,000	186,094	200,000

Data Sources: Access to Information, Library Materials, and Digital Resources



Number	Data Source
<i>PM 1</i>	Library integrated library system and City's master address database
<i>PM 2</i>	Library Customer Satisfaction Survey
<i>PM 3</i>	Library Customer Satisfaction Survey
<i>PM 4</i>	Library Customer Satisfaction Survey
<i>PM 5</i>	Library Customer Satisfaction Survey
<i>AWH 1</i>	Library gate count database
<i>AWH 2</i>	Library integrated library system
<i>AWH 3</i>	Library integrated library system
<i>AWH 4</i>	Library reference desk system
<i>AWH 5</i>	Library computer reservation system

Library Department

Performance Summary

Literacy and Learning, Formal and Lifelong Self-Directed Education

Performance Measures

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	<i>PM 1</i> % of library Early Education program/class participants whose knowledge or skills have improved and resulted in more quality literacy experiences with a child	88%	90%	90%	88%
	<i>PM 2</i> % of Partners in Reading (PAR) program participants that succeed in achieving self-defined learning goals	60%	80%	45% ¹	65%

¹ The difference in the FY2022-2023 Estimate and Target is the result of a methodological change to better align with how the State reports goal completion. Over the next year, trainings for tutors, and a database cleanup should lead to more accurate reports.

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	# of attendees at Library Programs:				
<i>AWH 1</i>	- Early Education	21,725	24,000	45,000	48,000
	- Expanded Learning at Schools	16,605	85,360	51,233	54,400
	- College & Career Readiness	1,245	6,380	3,570	3,900
	- Adult	8,097	34,880	21,515	23,700
<i>AWH 2</i>	# of attendees at Family Learning Centers:	7,930	15,880	14,160	14,500
<i>AWH 3</i>	# of programs at Family Learning Centers:	1,078	1,430	1,398	1,500
<i>AWH 4</i>	# of participants in Reading and Learning Challenges	12,571	15,400	16,000	18,000
<i>AWH 5</i>	Cost per capita to promote lifelong learning and educational support (20% of Library budget)	\$0.83	\$1.67	\$1.56	\$1.60

Data Sources: Literacy and Learning, Formal and Lifelong Self-Directed Education

Number	Data Source
<i>PM 1</i>	Library Early Education Program Survey
<i>PM 2</i>	Library PAR survey
<i>AWH 1</i>	Library program database
<i>AWH 2</i>	Library program database
<i>AWH 3</i>	Library program database
<i>AWH 4</i>	Library program database
<i>AWH 5</i>	Approved Budget and California State Finance Department Population Estimates

Library Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	9.00	1.00
City Librarian	1.00	1.00	-
Community Programs Administrator	7.00	8.00	1.00
Deputy Director	2.00	2.00	-
Division Manager	3.00	4.00	1.00
Information Systems Analyst	1.00	2.00	1.00
Librarian I/II	68.00	66.00	(2.00)
Librarian I/II PT	9.80	9.80	-
Library Aide PT	19.39	19.09	(0.30)
Library Assistant	31.00	31.00	-
Library Clerk	52.00	49.00	(3.00)
Library Clerk PT	30.50	31.50	1.00
Library Page PT	85.78	85.78	-
Literacy Program Specialist	14.00	17.00	3.00
Maintenance Worker I	0.00	1.00	1.00
Network Engineer	4.00	3.00	(1.00)
Network Technician I/II/III	7.00	8.00	1.00
Network Technician I/II/III PT	0.50	0.50	-
Office Specialist II	1.00	1.00	-
Office Specialist II PT	0.50	0.50	-
Principal Office Specialist	1.00	1.00	-
Program Manager I	1.00	1.00	-
Public Information Representative I/II	2.00	3.00	1.00
Security Officer PT	0.50	0.50	-
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	3.00	3.00	-
Senior Analyst	1.00	1.00	-
Senior Librarian	17.00	17.00	-
Senior Library Clerk	2.00	1.00	(1.00)
Senior Office Specialist	2.00	2.00	-
Senior Public Information Representative	1.00	2.00	1.00
Senior Security Officer	4.00	8.00	4.00
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Training Specialist	0.00	0.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Supervisor	1.00	1.00	-
Warehouse Worker I PT	0.50	0.50	-
Warehouse Worker I/II	7.00	7.00	-
Total Positions	396.47	405.17	8.70

PAGE INTENTIONALLY LEFT BLANK

Mayor and City Council

MISSION

The San José City Council consists of ten Councilmembers elected by district and a Mayor elected at-large, each for four-year terms. The Mayor and Council are responsible for representing the residents of San José, providing accountability, reviewing public policy and programs, and adopting those policies which best meet the needs of the residents, visitors, and businesses in San José.

Matt Mahan, Mayor

Rosemary Kamei
District 1 (Vice Mayor)

Devora “Dev” Davis
District 6

Sergio Jimenez
District 2

Bien Doan
District 7

Omar Torres
District 3

Domingo Candelas
District 8

David Cohen
District 4

Pam Foley
District 9

Peter Ortiz
District 5

Arjun Batra
District 10

Mayor and City Council

Department Budget Summary

Expected 2023-2024 Service Delivery

- The Office of the Mayor provides leadership and guidance to the City Council. Using a variety of tools to engage the public, the Office will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives of the City, including increasing community safety, reducing unsheltered homelessness, cleaning up our neighborhoods, and attracting investment in jobs and housing.
- The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- Council General will provide central funding resources to the Office of the Mayor and City Council.

2023-2024 Key Budget Actions

N/A

Operating Funds Managed

N/A

Mayor and City Council

Department Budget Summary

	2021-2022 Actuals 1	2022-2023 Adopted 2	2023-2024 Forecast' 3	2023-2024 Proposed 4	% Change (2 to 4)
Office of the Mayor					
Office of the Mayor (July - December) ²	5,737,688	2,345,501	4,884,455	4,884,455	4.1%
Office of the Mayor (January - June) ²	0	2,345,500			
City Council					
Council District #1 (July - December) ²	1,081,381	643,253	968,680	968,680	(24.7%)
Council District #1 (January - June) ²	0	643,253			
Council District #2	948,093	1,002,391	996,672	996,672	(0.6%)
Council District #3 (July - December) ²	959,209	502,401	988,316	988,316	(2.2%)
Council District #3 (January - June) ²	0	507,720			
Council District #4	919,813	1,640,617	969,139	969,139	(40.9%)
Council District #5 (July - December) ²	1,081,593	658,791	988,316	988,316	(25.0%)
Council District #5 (January - June) ²	0	658,790			
Council District #6	1,061,201	1,346,108	1,004,619	1,004,619	(25.4%)
Council District #7 (July - December) ²	995,344	609,546	975,723	975,723	(20.0%)
Council District #7 (January - June) ²	0	609,545			
Council District #8	919,897	1,012,926	997,270	997,270	(1.5%)
Council District #9	896,720	1,511,549	989,909	989,909	(34.5%)
Council District #10	803,794	1,281,443	989,476	989,476	(22.8%)
Council General	53,885	49,670	49,670	49,670	0.0%
Total	15,458,618	17,369,004	14,802,245	14,802,245	(14.8%)
Operating Expenditures					
	\$ 15,458,618	\$ 17,369,004	\$ 14,802,245	\$ 14,802,245	(14.8%)
Total	\$ 15,458,618	\$ 17,369,004	\$ 14,802,245	\$ 14,802,245	(14.8%)
General Fund					
	\$ 15,458,618	\$ 17,369,004	\$ 14,802,245	\$ 14,802,245	(14.8%)
Total	\$ 15,458,618	\$ 17,369,004	\$ 14,802,245	\$ 14,802,245	(14.8%)
Authorized Positions³	27.00	27.00	27.00	27.00	0.0%

¹ The amounts reflected in the 2022-2023 Forecast column for the Office of the Mayor and City Council District budgets are detailed below:

Office of the Mayor (\$4,884,455)

- Salary and benefits for the Mayor (\$250,811), Mayor's Office classified staff (\$794,039), unclassified staff and non/personal equipment expenses (\$3,814,605).

- Constituent Outreach (\$25,000).

City Council (\$9,868,120)

- Salary and benefits for each City Council Member (average \$180,000), and City Council Office classified staff (average \$144,000). Each City Council District also receives a base allocation of \$652,943 for unclassified staff and non/personal equipment expenses.

- Constituent Outreach per Council District (\$10,000).

Council General (\$49,670)

- The ongoing Council General allocation pays for central expenses for the Mayor and Council Districts such as photocopiers or other office resources.

² The Office of the Mayor and Council Districts 1, 3, 5, and 7 budget allocations in the 2022-2023 Adopted Budget reflect City direction related to budgeting during election years. The 2022-2023 budget includes two appropriations for each office subject to an election to maintain separate budget allocations for the outgoing and incoming elected officials.

³ Does not include unclassified staff for Office of the Mayor and City Council Districts.

Mayor and City Council

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	27.00	17,369,004	17,369,004
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(3,319,564)	(3,319,564)
• Enhanced Street Sweeping in Downtown Neighborhoods		5,320	5,320
One-time Prior Year Expenditures Subtotal:	0.00	(3,314,244)	(3,314,244)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes:		747,485	747,485
Technical Adjustments Subtotal:	0.00	747,485	747,485
2023-2024 Forecast Base Budget:	27.00	14,802,245	14,802,245
<hr/> Budget Proposals Recommended <hr/>			
NONE			
Total Budget Proposals Recommended	0.00	0	0
<hr/>			
2023-2024 Proposed Budget Total	27.00	14,802,245	14,802,245

Mayor and City Council

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Administrative Assistant	2.00	2.00	-
Councilmember	10.00	10.00	-
Executive Assistant	9.00	9.00	-
Mayor	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Secretary To Mayor	1.00	1.00	-
Senior Office Specialist	2.00	2.00	-
Staff Specialist	1.00	1.00	-
Total Positions¹	27.00	27.00	0.00

¹ Does not include Mayor and City Council Unclassified Staff.

PAGE INTENTIONALLY LEFT BLANK

Parks, Recreation and Neighborhood Services Department

Jon Cicirelli, Director

MISSION

*Connecting People through Parks, Recreation and Neighborhood
Services for an Active San José*

CITY SERVICE AREA
Neighborhood Services

CORE SERVICES

COMMUNITY FACILITIES DEVELOPMENT

Create uniquely San José places that foster relationships with people and nature and offer a civic presence.

COMMUNITY SERVICES

Empower and support residents, schools, and local organizations to make the City more livable, safe and clean.

PARKS MAINTENANCE AND OPERATIONS

Ensure the proper maintenance and operation of City parks, trails and open spaces that provide opportunities for residents to connect to nature and lead active, healthy lifestyles.

RECREATION SERVICES

Through recreation, promote play and health, strengthen communities and enrich lives.

Strategic Support: Budget and Financial Management Services, Contracting Services, Employee Services, Marketing and Public Information, and Emergency Response and Recovery

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Community Facilities Development Core Service</i>	
Major Capital Improvement Projects Management	Oversees and manages approximately 150 projects in the City's community centers, trail network, and park system, focusing on large developments, construction of turnkey parks, and planning efforts to identify and acquire new parkland.
Minor Parks Capital Improvement Projects	Dedicated design staff, repair workers, and construction teams focus their project planning, design, and implementation efforts on small-scale projects.
<i>Community Services Core Service</i>	
Anti-Graffiti and Anti-Litter	Provides support of litter cleanup and graffiti abatement efforts throughout the City by increasing community engagement and coordinating with neighborhoods, partners, and businesses to address issues of blight.
Illegal Dumping and Homeless Encampment Trash Collection and Abatement	In partnership with neighborhoods, businesses, and non-profit partners, provides neighborhood and environmental beautification and cleanup services by eliminating blight caused by illegal dumping and homeless encampment trash accumulation throughout the City.
Youth Gang Prevention and Intervention	Comprised of a broad coalition of school officials, community and faith-based organizations, local residents, representatives of local law enforcement agencies, and City, County, and State government leaders that leverage each group's expertise as part of a coordinated, interagency effort to curb gang-related violence.
<i>Parks Maintenance and Operations</i>	
Family Camp	Provides campers with reservable wood-framed canvas tents, a dining hall, food services, recreation programs, a swimming area, and a nature center at an all-inclusive, 51.2-acre campground located in the Sierra Nevada wilderness.
Happy Hollow Park & Zoo	Focuses on conservation, education, animal welfare, and fun by providing animal exhibits and interactive, multi-generational attractions that create connections that inspire a strong sense of community.
Municipal Golf Courses	Provides outdoor recreation and community access to golf play at reasonable rates at City owned Municipal Golf Courses - including San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.
Neighborhood Parks and Regional Parks	Maintains and operates 203 neighborhood parks and many other civic spaces as well as 10 regional parks to provide safe, clean, and green public spaces for the community to live and play.
Park Rangers	Protect, preserve, and enhance the natural and cultural resources of the City's parks, trails, and open spaces.

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Parks Maintenance and Operations</i>	
Parks Administration	Provides the central management of 203 neighborhood parks and many other civic spaces, including 10 regional parks; 63.23 miles of trails; San José Family Camp; Special Parks Use and facility rentals; City-Wide Sports; the Volunteer Management Unit; Community Gardens; Emma Prusch Farm park; and Happy Hollow Park & Zoo.
Sports Fields Maintenance and Reservations	Provides community access to outdoor play and recreation at Arcadia Ballpark, PAL Stadium, and 83 sports fields in 47 parks; also known as "City-Wide Sports."
Volunteer, Adopt a Park, and Community Gardens	Includes the Volunteer Corporate Connections, Adopt-A-Park, and One Day events that promote community engagement by working directly with the community members and organizations to supplement park maintenance, and provide opportunities to connect with nature and members of their larger community by helping keep San José clean and beautiful. Community Gardens provide space for San José residents to grow fruits and vegetables to supplement a healthy lifestyle, also providing benefits by creating community and decreasing social isolation and improving environmental education.
<i>Recreation Services Core Service</i>	
Aquatics	Offers San José residents and surrounding communities access to pools for swim lessons and recreational swim at affordable costs.
Community Center Operations	Offers a multi-service Community Center Hub model in order to improve all residents' health and quality of life through dynamic recreational opportunities and high-quality facilities.
Park Activation/ Placemaking	Repurposes and reimagines underused public space through creative and innovative programming, utilizing the City of San José assets, community inspiration, and resident potential to create public life that promotes health, happiness, and well-being in San José.
Neighborhood Center Partners Program (formerly PRNS Re-Use)	Allows community-based nonprofits, neighborhood associations, school districts, and other government agencies or community service providers to use City-owned facilities in exchange for providing San José residents with low or no-cost services.
RCS Administration	Oversees and manages recreation programs and facilities that are used to promote play and health; strengthen communities and enrich lives throughout San José in an effort to foster healthier lifestyles; improve quality of living; and connect, inform, and engage residents.
Senior Services	Strives to decrease social isolation, encourage healthy aging, provide nutritional meals, and offer additional resource connections for older adults through wrap-around services provided at City of San José community centers.
Youth Services	Offers enrichment, healthy recreation, developmental assets, homework assistance, safety, and fun in the provision of afterschool programming to students.

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Capital Budget and Project Management	Oversees the capital budget process and grant support team.
PRNS Financial Management	Manages the budget and all financial transactions for the department and drives the Department's annual budget development.
PRNS Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
PRNS Management and Administration	Provides executive-level, leadership, analytical and administrative support to the department. Manages public information to promote and elevate the community's awareness of the department through web management, graphic design services, translation services, photography, videography, social media engagement, crisis communications, and public relations.
PRNS Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Parks, Recreation and Neighborhood Services Department

Budget Summary

Expected 2023-2024 Service Delivery

- Implement ActivateSJ, through Stewardship, Nature, Equity & Access, Identity, and Public Life.
- Maintain clean and safe parks and trails, providing extra attention to parks with the lowest assessment ratings.
- Protect, preserve, and enhance the natural and cultural resources of parks, trails, watersheds, and open spaces through the Park Ranger Program.
- Provide outdoor experiences and opportunities to interact with nature by maintaining unique facilities such as Happy Hollow Park & Zoo, Lake Cunningham Action Sports Park, and activating public spaces through Viva Parks and Viva CalleSJ.
- Provide residents of all ages access to community health and recreational programs.
- Provide scholarship opportunities for eligible families to ensure that cost is not a barrier to accessing healthy recreational opportunities.
- Continue cultivating healthy and resilient neighborhoods through Youth Intervention and Community Services Programs.
- Manage the BeautifySJ program to address issues of blight and quality of life in coordination with departments, community-based nonprofits, volunteers, and service providers.

2023-2024 Key Budget Actions

- Adds \$12.3 million for BeautifySJ enhancements to support pilots such the Waterways Trash, Blight Reduction Gateways Team, Beautify your Block, and Recreational Vehicle Pollution Prevention; and increases funding for the Graffiti Removal, Cash 4 Trash, and Creek Cleanup Partners programs.
- Adds \$1.0 million one-time and \$500,000 ongoing of scholarship funding to provide approximately 1,622 youth 100% scholarships for programs that were previously funded through the American Rescue Plan (ARP).
- Adds 1.0 Security Officer and 1.0 part-time Security Officer positions and \$521,000 ongoing contractual services for security activation at Happy Hollow Park & Zoo, Emma Prusch Farm Park, and Lake Cunningham Action Sports Park.
- Renews on a one-time basis 4.25 positions for child and youth programming formerly funded by ARP. These positions support Citywide Out of School programs serving more than 15,000 youth participants throughout the year.
- Makes permanent 1.0 Parks Facilities Supervisor position to oversee and plan the Citywide Aquatics Program. This position will develop and implement training and recruitment strategies and enhance program offerings to disadvantaged communities.
- Renews on a one-time basis 1.0 Recreation Program Specialist, 0.75 Senior Recreation Leader, and 2.0 Recreation Leader positions formerly funded through ARP. These positions will continue offering a full range of free programs to youth at Starbird and Berryessa Youth Centers.

Operating Funds Managed

- Municipal Golf Course Fund
- St. James Park Management District Fund

Parks, Recreation and Neighborhood Services Department

Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Community Facilities Development	6,447,627	7,994,407	7,429,406	7,624,228
Community Services	22,026,006	35,237,015	23,718,667	36,154,152
Parks Maintenance and Operations	46,300,476	56,860,287	56,189,305	60,114,504
Recreation Services	22,092,345	32,655,778	31,125,884	32,966,027
Strategic Support - Neighborhood Services	44,673,028	16,486,746	6,237,239	6,445,184
Strategic Support - Other - Neighborhood Services	10,186,074	17,293,231	3,054,361	3,246,097
Total	\$151,725,557	\$166,527,464	\$127,754,862	\$146,550,191
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	70,077,004	86,169,379	86,961,860	90,034,609
Overtime	2,844,971	410,574	388,218	388,218
Subtotal Personal Services	\$72,921,975	\$86,579,953	\$87,350,078	\$90,422,827
Non-Personal/Equipment	24,361,229	30,352,381	30,310,652	42,993,641
Total Personal Services & Non-Personal/Equipment	\$97,283,205	\$116,932,334	\$117,660,730	\$133,416,468
<i>Other Costs *</i>				
City-Wide Expenses	12,126,593	17,120,990	8,201,484	11,199,339
General Fund Capital	1,223,076	6,947,732	0	0
Gifts	23,292	492,706	212,001	212,001
Housing Loans and Grants	0	0	0	0
Other	38,137,485	23,189,559	58,000	58,000
Other - Capital	1,236,122	0	0	0
Overhead Costs	263,305	144,143	122,646	164,382
Workers' Compensation	1,432,480	1,700,000	1,500,000	1,500,000
Total Other Costs	\$54,442,352	\$49,595,130	\$10,094,131	\$13,133,723
Total	\$151,725,557	\$166,527,464	\$127,754,862	\$146,550,191

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Parks, Recreation and Neighborhood Services Department

Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	98,172,646	130,290,256	115,965,645	134,524,417
Airport Maintenance And Operation Fund (523)	0	76,542	66,582	66,582
American Rescue Plan Fund (402)	34,838,889	24,208,251	243,273	243,273
Community Development Block Grant Fund (441)	758,527	0	0	0
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)	270,307	434,352	452,729	452,729
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)	0	59,901	59,901	59,901
Coronavirus Relief Fund (401)	3,075,204	0	0	0
Emergency Reserve Fund (406)	4,464,751	0	0	0
Gift Trust Fund (139)	17,477	670,000	394,418	394,418
Multi-Source Housing Fund (448)	0	0	0	0
Municipal Golf Course Fund (518)	261,772	450,000	0	0
St. James Park Management District Fund (345)	507,677	726,905	720,988	720,988
Capital Funds	9,358,308	9,611,257	9,851,326	10,087,883
Total	\$151,725,557	\$166,527,464	\$127,754,862	\$146,550,191

Positions by Core Service **				
Community Facilities Development	34.60	39.06	39.06	40.06
Community Services	63.31	126.48	122.48	141.15
Parks Maintenance and Operations	127.26	367.39	366.35	370.48
Recreation Services	164.32	253.72	253.76	261.73
Strategic Support - Neighborhood Services	18.64	35.21	34.21	36.21
Strategic Support - Other - Neighborhood Services	4.58	4.35	3.35	3.35
Total	412.71	826.21	819.21	852.97

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Parks, Recreation and Neighborhood Services Department

Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Community Facilities Development					
Major Capital Improvement Projects Management	4,527,414	4,097,215	4,305,204	4,500,025	21.25
Minor Parks Capital Improvement Projects	1,920,213	3,897,192	3,124,203	3,124,203	18.81
Sub-Total	6,447,627	7,994,407	7,429,406	7,624,228	40.06
Community Services					
Anti-Graffiti and Anti-Litter	3,957,194	4,295,975	4,663,470	5,625,403	25.75
Illegal Dumping and Homeless Encampment Trash Collection and Abatement Services	8,211,444	19,379,546	8,527,455	19,911,009	64.00
Youth Gang Prevention and Intervention	9,857,368	11,561,494	10,527,741	10,617,741	51.40
Sub-Total	22,026,006	35,237,015	23,718,667	36,154,152	141.15
Parks Maintenance and Operations					
Family Camp	686,741	917,902	1,026,261	1,009,799	8.71
Happy Hollow Park & Zoo	9,628,296	10,277,133	9,669,544	10,043,055	101.54
Municipal Golf Courses	261,772	450,000	0	0	0.00
Neighborhood Parks and Regional Parks	26,817,054	35,188,465	35,304,019	35,873,879	196.73
Park Rangers	2,549,599	3,319,187	3,254,112	3,431,420	22.54
Parks Administration	2,466,710	2,621,847	3,153,638	6,001,493	13.89
Sports Fields Maintenance and Reservations	2,898,198	3,030,559	2,712,874	2,686,000	20.83
Volunteer, Adopt a Park, and Community Gardens	992,105	1,055,194	1,068,858	1,068,858	6.24
Sub-Total	46,300,476	56,860,287	56,189,305	60,114,504	370.48
Recreation Services					
Aquatics	564,052	1,059,047	1,043,450	1,230,705	13.91
Community Center Operations	16,385,198	20,797,652	20,364,914	22,032,151	204.89
Neighborhood Center Partners Program	2,173,603	2,839,400	2,681,823	2,681,823	18.85
Park Activation/Placemaking	549,049	3,692,364	2,727,251	2,712,901	14.08
RCS Administration	1,632,239	1,845,490	1,877,208	1,877,208	7.50
Senior Services	746,047	2,352,782	2,431,239	2,431,239	2.50
Youth Services	42,156	69,043	0	0	0.00
Sub-Total	22,092,345	32,655,778	31,125,884	32,966,027	261.73
Strategic Support - Neighborhood Services					
Capital Budget and Project Management	559,498	653,833	644,988	644,988	3.85
PRNS Emergency Response and Recovery	37,179,456	10,249,103	0	0	0.00
PRNS Financial Management	3,381,509	2,994,084	2,993,173	3,050,787	17.40

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services Department

Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
PRNS Human Resources	1,160,169	715,461	1,078,707	1,078,707	8.73
PRNS Management and Administration	2,392,395	1,874,265	1,520,370	1,670,701	6.23
Sub-Total	44,673,028	16,486,746	6,237,239	6,445,184	36.21
Strategic Support - Other - Neighborhood Services					
PRNS Capital	4,261,969	7,101,537	917,714	917,714	3.35
PRNS Gifts	4,862	550,706	270,001	270,001	0.00
PRNS Other Departmental - City-Wide	3,485,437	7,796,845	244,000	394,000	0.00
PRNS Other Operational - Administration	883,361	0	0	0	0.00
PRNS Overhead	117,966	144,143	122,646	164,382	0.00
PRNS Workers' Compensation	1,432,480	1,700,000	1,500,000	1,500,000	0.00
Sub-Total	10,186,074	17,293,231	3,054,361	3,246,097	3.35
Total	\$151,725,557	\$166,527,464	\$127,754,862	\$146,550,191	852.97

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	826.21	116,932,334	104,521,534
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(615,678)	(615,678)
• Alum Rock Park Vegetation Management		(458,000)	(458,000)
• Happy Hollow Park and Zoo Security		(450,000)	(450,000)
• Beautify San José Management Consolidation and Operations (1.0 Community Coordinator and 1.0 Community Activity Worker)	(2.00)	(219,444)	(219,444)
• Parks and Recreation Capital Flood Repairs (1.0 Senior Analyst)	(1.00)	(189,961)	0
• Racial Equity Staffing (1.0 Senior Analyst)	(1.00)	(176,821)	(176,821)
• Alum Rock Park Maintenance Staffing (1.0 Parks Facilities Supervisor)	(1.00)	(170,750)	(170,750)
• Downtown Streets Team		(150,000)	(150,000)
• Guadalupe River Park Maintenance		(50,000)	(50,000)
• Emma Prusch Park - Veggielution		(33,394)	(33,394)
• San José Parks Foundation		(30,000)	(30,000)
• Parks Rehabilitation Strike Team		(30,000)	(30,000)
• Cambrian Little League Challenger Division		(17,000)	(17,000)
• BAWSI Rollers Program		(15,000)	(15,000)
• CUHSD Education Foundation		(5,000)	(5,000)
• Kyle J. Taylor Foundation		(3,000)	(3,000)
• Community Engagement and Outreach Staffing		(2,000)	(2,000)
• San José BEST Accountability and Oversight Improvements (1.0 Senior Analyst and 1.0 Analyst I)	(2.00)	-	-
One-time Prior Year Expenditures Subtotal:	(7.00)	(2,616,048)	(2,426,087)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Gerontology Specialist to 1.0 Recreation Program Specialist - 1.0 Groundworker to 1.0 Maintenance Worker II - 1.0 Parks Manager to 1.0 Program Manager - 14.0 Recreation Supervisor to 14.0 Parks Facilities Supervisor		2,862,908	3,698,574
• Contract Services: Graffiti Abatement		800,000	800,000
• Utilities: Gas, Electricity, Water		621,000	603,000
• Contract Services: Janitorial Services (Park Restrooms)		196,343	196,343
• Vehicle Operations and Maintenance		136,000	141,000
• Overtime Adjustment		77,644	77,644
• Supplies and Materials: Project Hope Sites		66,000	66,000
• Part-Time Sick Leave Adjustment		4,577	4,577
• Living Wage Adjustment		(1,420,028)	(1,418,424)
Technical Adjustments Subtotal:	0.00	3,344,444	4,168,714
2023-2024 Forecast Base Budget:	819.21	117,660,730	106,264,161

Parks, Recreation and Neighborhood Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Beautify San José	18.25	12,345,486	12,345,486
2. Youth Scholarship Funding		1,000,000	1,000,000
3. Happy Hollow, Emma Prusch, Lake Cunningham Security Staffing	2.00	659,892	659,892
4. Child and Youth Programming Staffing	4.25	528,727	528,727
5. Starbird Youth Center and Berryessa Youth Center Out of School Programming	3.75	266,775	266,775
6. Park Wildland Fire Engine Replacement		200,000	200,000
7. Capital Grants Management Staffing	1.00	194,821	0
8. Aquatics Program	1.00	187,255	187,255
9. Alum Rock Park Staffing	1.00	169,255	169,255
10. Safety Officer Staffing	1.00	150,330	150,330
11. Happy Hollow Education Staffing	1.00	101,901	101,901
12. Youth Intervention Services/Project Hope Vehicles		90,000	90,000
13. New Parks and Recreation Facilities Maintenance and Operations	0.92	58,000	58,000
14. Assistant Arborist Light-Duty Vehicle		40,000	40,000
15. Vehicle O&M (Fleet Staffing)		5,066	5,066
16. CaliforniansForAll Youth Workforce Program - Climate Change Pathway	1.00	0	0
17. Youth Outreach Staffing (Digital Arts Program)	(0.58)	0	0
18. San José BEST Accountability and Oversight Improvements Staffing	1.00	0	0
19. Special Park Use/Park Reservation Staffing	0.00	0	0
20. Fiscal Team Staffing	(0.98)	(155,842)	(155,842)
21. Park Maintenance Management Restructuring	(0.37)	(33,043)	(33,043)
22. California Network and Telecommunications (CalNet) Program Savings		(30,193)	(30,193)
23. Park Ranger Program Management Staffing	(0.48)	(22,692)	(22,692)
Total Budget Proposals Recommended	33.76	15,755,738	15,560,917
2023-2024 Proposed Budget Total	852.97	133,416,468	121,825,078

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Beautify San José	18.25	12,345,486	12,345,486

Neighborhood Services CSA

Community Services Core Service

Anti-Graffiti and Anti-Litter and Illegal Dumping and Homeless Encampment Trash Collection and Abatement Programs

Funding dedicated for Beautify San José (BSJ) efforts in the Proposed Budget includes \$9.5 million to continue programs and services previously funded one-time in 2022-2023 and \$5.9 million for new or augmented programs and services. A total of \$3.2 million in non-personal/equipment funding is recommended to be rebudgeted to 2023-2024 in the American Rescue Plan Fund primarily for equipment and other one-time needs. In total, funding for BSJ in 2023-2024 would increase by \$18.6 million; however, after accounting for rebudgets and reallocations (\$4.5 million) and use of the Homelessness Management Services City-Wide Expenses appropriation (\$1.8 million), the net impact of these additions to the General Fund is \$12.3 million in 2023-2024 and \$8.1 million ongoing. This action also adds 18.25 positions, of which 0.25 of these positions are ongoing.

The following are new or augmented services and programs recommended as directed in the Mayor's March Budget Message for 2023-2024 and approved by the City Council, with the exception of BSJ Staffing. Depending on the success of the pilots and the City's budgetary and other critical City Council priorities, these one-time funded programs will be re-evaluated for continuation as part of the 2024-2025 budget development process.

- **Waterways Trash Pilot** - complements the BSJ Encampment Management Strategy and aligns with the new Stormwater Permit by providing focused efforts on waterways to reduce illicit discharges into the water (trash and biowaste), including bi-weekly trash pickup at encampments located along waterways. Currently, waterways are not serviced at the levels needed to have an impact (specifically reducing trash and other discharges). In addition to using contractual services, one Waterways team (1.0 Community Coordinator, 1.0 Maintenance Worker) will focus on a segment of the Coyote Creek and the second team (1.0 Community Coordinator, 1.0 Maintenance Worker) will focus on a segment of the Guadalupe River. Adds 1.0 Sr. Maintenance Worker to manage the Maintenance Workers on the Waterways team and in the Encampment Trash Program (\$1.6 million);
- **Blight Reduction Gateways Team Pilot** – adds 4.0 Maintenance Worker positions to proactively address blight (graffiti, litter, illegal dumping, encampments) in designated gateways. The team will focus on 10 areas most impacted by blight throughout the City in visible, high-traffic (motorists, bicyclists, pedestrians) locations. The program will include ten gateway areas, starting with priority locations in Council Districts 3, 5, 6, & 7. Due to staffing capacity and the time needed to coordinate with inter-agencies, up to five gateways will have deterrents installed in 2023-2024, and as needed, encampment areas will be abated as deterrents are installed. After the initial deterrents at priority gateways are completed, the remaining gateways and deterrent project areas will be selected and prioritized for installation. Once the areas are cleared, BSJ will work with the Housing Department to provide proactive support at sites to reduce re-encampment (\$1.5 million);
- **Beautify Your Block Pilot** – adds 3.0 Community Activity Worker positions to engage established neighborhood groups/associations and provide focused cleanup efforts in neighborhoods most impacted by blight. The program would leverage neighborhood volunteers to support blight reduction and beautification in neighborhoods by establishing regular litter/trash pickups and graffiti removal; educating residents on using SJ311 to proactively report street light outages, abandoned vehicles, potholes, graffiti, and illegal dumping; and coordinating cleanup efforts in neighborhoods impacted by blight (\$504,000);

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	-------------------	----------------------

Beautify San José (Cont'd.)

- **Cash for Trash Expansion** – adds 2.0 Community Activity Workers positions and nonpersonal/equipment to expand the program by 200 participants - from 500 to 700 - from September 1, 2023 to June 30, 2024 (\$382,000);
- **BSJ Staffing** – increases capacity in the **Graffiti Removal Program** by adding 1.0 Maintenance Worker and deleting 1.0 Community Activity Worker and 0.75 Community Activity Worker part-time positions to proactively abate graffiti in hot spot areas, coordinate with inter-jurisdictional partners, and assist in addressing graffiti on private property. Continues 1.0 Community Services Supervisor position for the management, data collection, and outcome reporting for key programs that serve homeless populations who reside outdoors and/or in lived in vehicles. The position would manage the **Recreational Vehicle (RV) Pollution Prevention Program Pilot** described below (\$159,000 ongoing); and
- **Creek Cleanup Partners** – adds \$90,000 in non-personal/equipment funding to expand community partnerships in high-need areas. Funding for the current three creek partners that address trash and debris along waterways would increase from \$70,000 to \$100,000 each (\$90,000 ongoing).

In the Homelessness Management Services City-Wide Expenses appropriation, prior year savings expected to be rebudgeted into 2023-2024 as part of the year-end budget process will be used on a one-time basis for:

- **RV Pollution Prevention Program Pilot** - Continues 1.0 Community Coordinator and 1.0 Maintenance Worker II positions and adds 1.0 Staff Specialist and 1.0 Maintenance Worker II positions, contractual services and associated non-personal/equipment funding to address biowaste and collect trash from people living in RVs or other vehicles along the public right of way including sidewalks, trails, and roadways. The team will respond to reports of trash and debris near lived-in vehicles that are reported via SJ311 (Vehicle Blight Reimagining), educate those living in vehicles about the proper disposal of waste, and assess vehicles for biowaste removal services. This program supports the requirements of the City's Municipal Regional Stormwater Permit by increasing sanitation for those living in vehicles (\$1.8 million). (Ongoing costs: \$8.1 million)

2. Youth Scholarship Funding	1,000,000	1,000,000
-------------------------------------	------------------	------------------

**Neighborhood Services CSA
Recreation Services Core Service
Community Center Operations Program**

Previously one-time federally funded, this action adds \$1.0 million from the General Fund in 2023-2024 for scholarship funding for youth programs, of which \$500,000 continues ongoing. This funding is in addition to the 2023-2024 Base Budget funding level of \$748,000 of scholarship funding, bringing the total scholarship funding allocation in 2023-2024 to \$1.7 million and \$1.2 million ongoing. The community scholarship needs increased due to pandemic-related financial hardships. All scholarship assistance goes to families already receiving other Governmental subsidy programs, who would be unable to access afterschool or summer programs otherwise. In 2022-2023, American Rescue Plan funding provided an additional \$2,407,965 of scholarship funding to the base funding level, which provided 3,013 unduplicated youth with scholarships that covered 100% of program costs. While at a lower level than what was provided during and immediately following the pandemic, the continuation of scholarship funding accessibility uplifts economically disadvantaged communities by providing barrier-free access to safe, fun, and healthy recreational programs. (Ongoing costs: \$500,000)

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Happy Hollow, Emma Prusch, Lake Cunningham Security Staffing	2.00	659,892	659,892

Neighborhood Services CSA

Parks Maintenance and Operations Core Service

Happy Hollow Park & Zoo and Neighborhood Parks and Regional Parks Programs

This action adds 1.0 Security Officer and 1.0 part-time Security Officer positions, and \$521,000 ongoing non-personal/equipment funding for continued contract security at Happy Hollow Park & Zoo, as well as security activation at Emma Prusch Farm Park and Lake Cunningham Action Sports Park. Previous one-time funding for contracted security guard service provided 24-hour coverage for Happy Hollow, but the Park has still experienced substandard service and frequent incidents of vandalism and break-ins. The added full-time and part-time Security Officer positions will provide daytime security at Happy Hollow and create consistency in incident response and reporting. The non-personal/equipment funding provides contracted security for clearing and closing Happy Hollow, Emma Prusch, and Lake Cunningham, and for overnight support for Happy Hollow and Emma Prusch. (Ongoing costs: \$688,542)

4. Child and Youth Programming Staffing	4.25	528,727	528,727
---	------	---------	---------

Neighborhood Services CSA

Recreation Services Core Service

Community Center Operations Program

Previously one-time federally funded, this action continues one-time funding in the General Fund for 1.0 Parks Facilities Supervisor, 1.0 Analyst I/II and 2.25 Senior Recreation Leader PT-Benefited positions, and \$17,000 of non-personal/equipment funding for City youth services through June 30, 2024. The Parks Facilities Supervisor position oversees planning and delivery of Out of School Time programs (OOST), including ROCK Afterschool programs serving 1,117 kids, Break Camps serving 1,118 youths, and Summer Camps serving over 10,000 preschool and school-aged children. The position also supervises Teen Centers — a gathering place for teens that keeps nearly 4,100 participants positively engaged and away from negative activity such as gang association. The Analyst I/II is responsible for tracking and managing the budget for childcare programs, including federal, State, and local government funding sources and meeting all reporting and financial requirements. The Senior Recreation Leader positions will continue to support the 39 ROCK locations and 10 Teen Centers serving 1,863 youth. As this expansion is still funded on a one-time basis, staff will continue to explore external funding resources to continue this expanded programming beyond 2023-2024. (Ongoing costs: \$0)

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Starbird Youth Center and Berryessa Youth Center Out of School Programming	3.75	266,755	266,755

*Neighborhood Services CSA
Recreation Services Core Service
Community Center Operations Program*

Previously one-time federally funded in 2022-2023, this action continues one-time funding in the General Fund for 1.0 Recreation Program Specialist, 0.75 Senior Recreation Leader, and 2.0 Recreation Leader PT positions, and \$17,000 of non-personal/equipment funding to support youth Out of School programming at Starbird and Berryessa Youth Centers. These positions will continue to provide a full range of youth programs at these sites including ROCK After School, Break Camps, Summer Camps, Leisure programming, and special events. The continued activation of this site supports the Department's mission to promote community spaces for a safe, fun, and healthy San José. (Ongoing costs: \$0)

6. Park Wildland Fire Engine Replacement		200,000	200,000
---	--	---------	---------

*Neighborhood Services CSA
Park Maintenance and Operations Core Service
Park Rangers Program*

This action adds \$200,000 in one-time non-personal/equipment funding to replace a damaged Type 7 Fire Engine. In 2021, the fire engine was stolen from the Central Service Yard and vandalized beyond repair. Funding provides for the replacement of the fire engine, enabling Park Rangers to provide the same level of wildland patrol and fire suppression in and around Kelley Park, acting as effective first responders to wildfire risks. Park Rangers have responded to 23 fire incidents so far in 2022-2023, 76 in 2021-2022, and 156 fires in 2020-2021. (Ongoing costs: \$0)

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Capital Grants Management Staffing	1.00	194,821	0

Neighborhood Services CSA
Community Facilities Development Core Service
Major Capital Improvement Projects Management Program

This action continues and makes permanent 1.0 Senior Analyst in the Parks, Recreation and Neighborhood Services Department (PRNS) to be funded by the Parks Central Construction and Conveyance Tax Fund. This position oversees the grant program in the Parks Capital program. On average, the Senior Analyst oversees 20 grants worth \$18 million each year. As technology has progressed, grant management has become more complex and time consuming. Previously, grant documentation was mailed; however, now information is uploaded electronically thus granting agencies ask for significantly more documentation monthly. In addition, many grants previously requested that reimbursements be submitted as projects were closing; however, now reimbursement information and reports must be submitted quarterly, if not sooner. Previously meetings with granting agencies occurred once per year. However, with the more widespread use of video conferencing tools, meetings with granting agencies now occur six to eight times per year. Furthermore, applying for grants has become more time-consuming with more questions and supporting documentation being requested. The Senior Analyst and other PRNS senior staff meet bi-monthly to discuss new grant opportunities, with a goal of bringing more grant equity funding to all council districts and to pursue untapped grant opportunities. Further, the Senior Analyst oversees for the 2017 Flood Program and will also oversee the 2022 Flood Program, including working with the Finance Department and the Federal Emergency Management Agency to fulfill reporting requirements and disbursement documentation and attend meetings. (Ongoing Costs: \$194,821)

8. Aquatics Program	1.00	187,255	187,255
----------------------------	-------------	----------------	----------------

Neighborhood Services CSA
Recreation Services Core Service
Aquatics Program

Previously one-time federally funded, this action adds ongoing funding for 1.0 Parks Facilities Supervisor position, \$18,000 in non-personal/equipment funding (\$15,000 ongoing and \$3,000 in one-time) to oversee and plan the PRNS Citywide Aquatics Program. The Parks Facilities Supervisor will facilitate lifeguard and swim instructor certification and training, develop a strategic plan to recruit local lifeguard staff, ensure the Aquatics program meets minimum safety standards, and provide accessibility of aquatics programs and activities to disadvantaged children, families, and neighborhoods. Funding this position enables the successful facilitation of summer and year-round aquatics programming, especially in support of the participation of high-need families. For summer 2022, approximately 10,985 children and youth participated in PRNS aquatics programming. This number includes 1,041 swim lessons and 9,944 recreation swimming participants. (Ongoing costs: \$184,255)

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Alum Rock Park Staffing <i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations Core Service</i> <i>Neighborhood Parks and Regional Parks Program</i> This action continues 1.0 Parks Facilities Supervisor position, limit-dated through June 30, 2024, to support Alum Rock Park. Already playing a key role in the inspection of Cherry Flat Dam, this position will continue working with consultants to develop an Alum Rock Park Vegetation Management Plan, work that began in 2022-2023. The plan will design ways to limit severe fire risks in the park and facilitate safe enjoyment of the park for its visitors and neighbors. Once the plan is complete, the Parks Facilities Supervisor will support and implement the plan, identify funding opportunities, continue managing dam operations and supervise the staff or contractors who will be doing the work. (Ongoing costs: \$0)	1.00	169,255	169,255
10. Safety Officer Staffing <i>Neighborhood Services CSA</i> <i>Strategic Support – Neighborhood Services Core Service</i> <i>PRNS Management and Administration Program</i> This action adds 1.0 Senior Analyst position as a dedicated safety officer for safety education, training, and operational needs for field staff in PRNS. Training mitigation responsibilities of this position will include construction/maintenance related hazards, risks for public-facing and community engagement staff, blood borne pathogens, active workplace violence/shooter, environmental hazards, ergonomics, and more. This position will also have purview in emergency preparedness, including drafting standard operating procedure manuals, and managing personal protective equipment ordering and inventory. The role is expected to significantly improve key performance indicators such as Workers' Compensation claims, which increased to 63 total in 2022, costing \$490,000. (Ongoing costs: \$176,796)	1.00	150,330	150,330
11. Happy Hollow Education Staffing <i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations Core Service</i> <i>Happy Hollow Park & Zoo Program</i> This action adds 1.0 Office Specialist position and \$3,000 in one-time non-personal/equipment funding to support education and equity programs at Happy Hollow Park & Zoo. Currently, the Zoo Education Office is using Recreation Leaders positions to assist with office operations, but as the program has developed and expanded, this is proving insufficient. The Office Specialist will support multiple layers of office administrative work and registration processing, including data analysis and verification, customer service to internal and external stakeholders, and maintaining filing systems. This position will also impact community equity by processing scholarships, providing access, and conducting presentations and outreach to underserved communities and Title 1 schools in partnership with the Happy Hollow Foundation. This action is fully offset by increased revenue expected due to the return of the face painting and puppet theater camp programs, and proposed fee increases. (Ongoing costs: \$101,901)	1.00	101,901	101,901

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>12. Youth Intervention Services/Project Hope Vehicles</p> <p><i>Neighborhood Services CSA Community Services Core Service Youth Gang Prevention and Intervention Program</i></p> <p>This action adds \$90,000 in one-time funding to provide two seven-passenger vans for Youth Intervention Services and Project Hope. The vehicles will be used to transport youths to pro-social events, such as sports outings and camping trips, and to carry equipment and supplies for events such as Christmas basket distribution and Late Night Gym. Purchasing these dedicated vans will meet the needs of the programs. (Ongoing costs: \$0)</p>		90,000	90,000
<p>13. New Parks and Recreation Facilities Maintenance and Operations</p> <p><i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Neighborhood Parks and Regional Parks Program</i></p> <p>This action adds 0.01 part-time Park Ranger position/hours, 0.91 part-time Maintenance Assistant position, and \$1,000 ongoing in non-personal/equipment funding for operating and maintenance costs associated with new facilities coming online in 2023-2024. These facilities include the new Prototype Dog Park, new trails from the Guadalupe River Trail spur to Blossom River Drive, and Guadalupe River Trail spur to TopGolf. This funding is supported through liquidation of the New Parks and Recreation Facilities Maintenance and Operations Reserve as described later in this document. (Ongoing costs: \$58,000)</p>	0.92	58,000	58,000
<p>14. Assistant Arborist Light-Duty Vehicle</p> <p><i>Neighborhood Services CSA Parks Maintenance and Operations Core Service Neighborhood Parks and Regional Parks Program</i></p> <p>This action adds \$40,000 in one-time non-personal/equipment funding for the purchase of a light-duty vehicle for use by the Assistant Arborist. The Assistant Arborist is in the field daily to evaluate trees in the park system, and currently uses a personal vehicle to visit the various sites. This funding allows for the purchase of a truck for the Assistant Arborist and vehicle rental costs during the new vehicle procurement period, which lasts approximately 18-24 months. (Ongoing costs: \$0)</p>		40,000	40,000

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
15. Vehicle O&M (Fleet Staffing)		5,066	5,066

*Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Neighborhood Parks and Regional Parks Program*

This action increases the vehicle operating and maintenance costs for PRNS for the addition of 1.0 Maintenance Superintendent position in the Fleet Management Division of Public Works. The Maintenance Superintendent will provide management oversight for Fleet Build-up and Radio Communication teams. Currently, the duties have been shared by the existing Administration staff. The revised structure change will improve efficiency by shifting the work from the existing staff to the Superintendent. (Ongoing costs: \$5,066)

16. CaliforniansForAll Youth Workforce Program – Climate Change Pathway	1.00	0	0
--	------	---	---

*Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Parks Administration Program*

This action allocates \$2.8 million to reflect the 2023-2024 funding of the multi-year CaliforniansForAll Youth Workforce Program grant for the Climate Change Pathway, as approved by City Council on January 25, 2022, and adds 1.0 Senior Analyst, limit dated through June 30, 2024. A total of \$10.2 million was allocated to the Parks, Recreation and Neighborhood Services Department for this work, of which \$1.5 million was allocated in 2021-2022, and \$5.9 million allocated in 2022-2023. This funding reflects the final installment of this grant and will continue to support, through June 2024, the undertaking of environmental projects in parks, trails, and watersheds to improve climate resilience in concert with a variety of community-based organizations, such as the San Jose Conservation Corps, Guadalupe River Park Conservancy, Keep Coyote Creek Beautiful, Trash Punx, Our City Forest, and Veggielution. Supported activities include fire fuel reduction and water conservation efforts and clean-up activities in watersheds, waterways, and other illegal dumping and litter hot spots. The Senior Analyst will provide grant management and oversight including coordinating an externship program for CaliforniansForAll Youth Workforce Program participants to work directly in City maintenance teams, affording participants valuable first-hand experience in City programs and building a pipeline of future City employees. (Ongoing costs: \$0)

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
17. Youth Outreach Staffing (Digital Arts Program) <i>Neighborhood Services CSA</i> <i>Community Services Core Service</i> <i>Youth Gang Prevention and Intervention Program</i> This action adds 1.0 Youth Outreach Worker position and deletes a vacant 0.75 Senior Recreation Leader and 0.83 part-time Recreation Leader positions to support the Digital Arts program at Roosevelt Community Center and Sunol Community School. The Digital Arts program teaches music and video arts to eligible youth as an alternative to participating in youth violence. This program is led by a Youth Outreach Specialist, with support from part-time Senior Recreation Leader and Recreation Leader positions. The Senior Recreation Leader position has never been filled, and the Recreation Leader positions have experienced high turnover. Adding the Youth Outreach Worker position will stabilize staffing for this program and provide two full-time positions for two sites. (Ongoing costs: \$0)	(0.58)	0	0
18. San José BEST Accountability and Oversight Improvements Staffing <i>Neighborhood Services CSA</i> <i>Community Services Core Service</i> <i>Youth Gang Prevention and Intervention Program</i> Previously funded on a one-time basis over a two-year period, this action makes permanent 1.0 Analyst I/II position from the City-Wide Expenses San José BEST and Safe Summer Initiative Program allocation to support the San José BEST program. This position has improved the BEST program contract management and accountability and expanded the program's evaluation design to include individual outcome assessments. The Analyst enhances day-to-day contract monitoring, grantee technical assistance and accountability measures, and assists with the grant application process, as well as contract development and execution. (Ongoing costs: \$0)	1.00	0	0
19. Special Park Use/Park Reservation Staffing <i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations and Recreation Services Core Services</i> <i>Neighborhood Parks and Regional Parks and Park Activation/Placemaking Programs</i> This action adds 1.0 Senior Events Coordinator position, deletes a vacant 1.0 Events Coordinator position, and decreases non-personal/equipment funding by \$11,313 to support the Special Park Use/Park Reservation team. The Senior Events Coordinator is a working manager position that will oversee the Special Park Use/Park Reservations team, and right-size a span of control issue as the team is now supervised by the Senior Events Coordinator in the Placemaking Team. The Special Park Use/Park Reservation Senior Events Coordinator will track and coordinate response to unpermitted events across City park facilities, educate event organizers on permitting policies, and coordinate with partner permitting agencies and stakeholders for the education and enforcement of these policies. (Ongoing cost: \$0)	0.00	0	0

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
20. Fiscal Team Staffing	(0.98)	(155,842)	(155,842)

Neighborhood Services CSA

Recreation Services and Strategic Support – Neighborhood Services Core Services

Community Center Operations, Park Activation/Placemaking, and PRNS Financial Management Program

This action adds 1.0 Account Clerk position, deletes 1.98 part-time Recreation Leader positions, and adds \$3,000 in one-time non-personal/equipment funding to add support to PRNS's Accounts Payable team. Over the past 10 years, PRNS has seen significant increases in the number of contracts, Purchase Orders (PO), and P-card transactions, while the size of the Accounts Payable team has remained the same. During this time, P-card volume has increased from 9,900 to 12,400, and travel requests have doubled to 93 transactions processed per year. The Department has allocated part-time Recreation Leader hours to this task, but that staff lacks the capacity to perform these duties consistently. The Account Clerk I/II will address this extra volume, and further contribute by implementing plans to reduce P-card and travel policy violations, teaching and assisting staff on proper PO procedures, and communicating with vendors in processing POs, invoice payments, and documentation processing. (Ongoing savings: \$49,451)

21. Park Maintenance Management Restructuring	(0.37)	(33,043)	(33,043)
--	---------------	-----------------	-----------------

Neighborhood Services CSA

Parks Maintenance and Operations Core Service

Happy Hollow Park & Zoo and Neighborhood Parks and Regional Parks Programs

This action adds 1.0 Senior Maintenance Worker position, deletes 1.0 vacant Parks Maintenance Repair Worker and 0.37 vacant Regional Park Aide positions, reallocates 1.0 Senior Maintenance Worker position, and adds \$6,000 in one-time non-personal/equipment funding to support maintenance needs at Happy Hollow Park & Zoo and Emma Prusch Farm Park. Currently, Happy Hollow and Emma Prusch share 1.0 Senior Maintenance Worker position. This has proved challenging, as each park has unique and specialized maintenance needs. This action will eliminate 1.0 vacant Park Maintenance Repair Worker and 0.37 Regional Park Aide positions to offset the cost of adding an additional Senior Maintenance Worker to ensure that each park has a dedicated Senior Maintenance Worker. The Senior Maintenance Workers will lead and coordinate maintenance projects and be directly involved with implementing these projects. The new position is expected to reduce the long list of deferred maintenance projects at each park. (Ongoing savings: \$18,080)

Parks, Recreation and Neighborhood Services Department

Budget Changes by Department




Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
22. California Network and Telecommunications (CalNet) Program Savings <i>Neighborhood Services CSA</i> <i>Strategic Support – Neighborhood Services Core Service</i> <i>PRNS Financial Management Program</i>		(30,193)	(30,193)
<p>This action decreases the Department’s non-personal/equipment funding by \$30,193 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$30,193).</p>			
23. Park Ranger Program Management Staffing	(0.48)	(22,692)	(22,692)
<i>Neighborhood Services CSA</i> <i>Parks Maintenance and Operations Core Service</i> <i>Park Rangers Program</i>			
<p>This action adds 1.0 Parks Manager position and deletes 1.0 vacant Senior Park Ranger position and 0.48 vacant part-time Park Ranger position to create a single dedicated manager for the Park Ranger Program. Currently, two Supervising Park Ranger positions in the field report directly to a Division Manager. The Parks Manager position will report directly to the Division Manager and will lead the Supervising Park Rangers, which creates an appropriate command structure for incident response agencies. The Parks Manager will provide procedural decision making and protocol for the Supervising Park Rangers, coordinate with external agencies, and track progress and deficiencies in training and certification. The Parks Manager will also bring expertise in the laws, ordinances, and policies that affect the entire Park Ranger Program. (Ongoing costs: \$12,556)</p>			
2023-2024 Proposed Budget Changes Total	33.76	15,755,738	15,560,917

Parks, Recreation and Neighborhood Services Department




Performance Summary

Four Key Budget Performance Measure Measurement Areas

	★★☆		
Access - How well does a service enable access, participation, visitation, and usage? How well does the service lead to its intended outcome or opportunity pathway?	Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Parks Maintenance and Operations

Performance Measures

			2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	PM 1	% of park concerns completed within time standards established by PRNS	38%	60%	41%	60%
	PM 2	% of residents reporting they visited a park more than seven times in the last year.	N/A ¹	N/A ¹	N/A ¹	50%
	PM 3	Maintenance dollars per developed park acre maintained (includes regional and neighborhood parks, trails, community centers and civic grounds, and community gardens)	\$14,369	\$14,963	\$15,234	\$15,246

¹ This performance measure was updated and will be reported starting FY 23-24.

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
AWH 1	# of customer parks concerns received	1,854	1,700	1,200	1,000
AWH 2	# of Adopted Parks	86	86	83	90
AWH 3	# of Volunteers (unduplicated total, department-wide)	9,052	10,000	11,000	15,000

Data Sources: Parks Maintenance and Operations






Number	Data Source
PM 1	Hexagon; park maintenance tracking system
PM 2	San José Community Survey 2022
AWH 1	Hexagon; park maintenance tracking system
AWH 2	Adopt-A-Park Map: https://csj.maps.arcgis.com/apps/webappviewer/index.html?id=dd3542d532a642b398e60f3324a5c526
AWH 3	Better impact and internal tracking

Parks, Recreation and Neighborhood Services Department

Performance Summary

Community Services

Performance Measures

			2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	PM 1	% of graffiti service requests completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	78%	80%	80%	80%
	PM 2	% of encampments receiving on-time trash pickup (all encampments within the City's jurisdiction)	100%	80%	90%	80%
	PM 3	% of Illegal Dumping (Priority 2) work orders completed within 5 business days	65%	80%	75%	80%
	PM 4	% of participants who completed Youth Intervention Services (YIS) programs ¹	87%	70%	93%	85%
	PM 5	% of participants who completed Bringing Everyone's Strengths Together (BEST) programs	23%	60%	21%	80%

¹ Includes Safe Schools Campus Initiative school incident response, Female Intervention Team Xinachtli Groups, Digital Arts, Clean Slate, and San José Works programs

Activity and Workload Highlights

			2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
AWH 1	# of Neighborhood Litter clean-up events coordinated/ # of locations (neighborhood, businesses, and waterways)		992/997	400/300	600/500	600/500
AWH 2	# of tons of illegal dumping collected (priority 2)		2,319	3,500	2,900	3,500
AWH 3	# of neighborhood dumpster days/ # of locations		83/85	100/65	90/45	100/65
AWH 4	# of interagency coordinated blight reduction activities (trash, dumping, graffiti)		67	100	250	300
AWH 5	# of residents enrolled in Cash for Trash		304	600	500	700

Data Sources: Community Services


Number	Data Source
PM 1	PRNS App Order
PM 2	PRNS Survey123
PM 3	SJ311
PM 4	PRNS tracking
PM 5	BEST Demographics Workbooks
AWH 1	Better Impact and PRNS tracking
AWH 2	SJ311
AWH 3	PRNS tracking
AWH 4	PRNS Survey123
AWH 5	PRNS tracking

Parks, Recreation and Neighborhood Services Department

Performance Summary

Recreation Services

Performance Measures

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
★★☆	PM 1 % of community center participants rating overall quality of programs and services as "good" or "excellent"	74%	80%	75%	80%
	PM 2 % of youth participants that make healthier decisions as a result of their participation in summer camps and after school programs	76%	80%	80%	80%
	PM 3 % of youth recreation classes and camps that utilize a scholarship opportunity	100%	100%	100%	100%
	PM 4 % of community center participants who feel connected to community center resources	77%	75%	75%	75%
★★☆	PM 5 % of community center participants reporting that services have positively impacted their quality of life	90%	95%	90%	90%

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
AWH 1	# of scholarships granted	12,127	17,000	18,500	18,500
AWH 2	# of meals distributed through Senior Nutrition program	264,081	261,461	210,574	232,435
AWH 3	# of youth who participated in swim lessons ¹	N/A ²	900	1,041	1,250
AWH 4	# of youth participating in PRNS after school programs	1,718	2,400	2,041	2,200

¹ This represents the numbers for the summer season of Aquatics and not fiscal year numbers. For reference, the numbers used for 2022-2023 would be for summer season of 2022 (June, July, August 2022) and the target for 2023-2024 would be for the summer season of 2023 (June, July, August 2023).

² 2021-2022 Actual numbers not included. This was the Aquatics season coming out of the COVID suspension of the program and tracking was limited.

Data Sources: Recreation Services


Number	Data Source
PM 1	PRNS Community Center Survey
PM 2	PRNS Community Center Survey
PM 3	PRNS Database Registration System (ActiveNet)
PM 4	PRNS Community Center Survey
PM 5	PRNS Community Center Survey
AWH 1	PRNS Database Registration System (ActiveNet)
AWH 2	Reimbursement Contract with the County of Santa Clara
AWH 3	PRNS Database Registration System (ActiveNet)
AWH 4	PRNS Database Registration System (ActiveNet)

Parks, Recreation and Neighborhood Services Department

Performance Summary

Strategic Support

Performance Measures

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	<i>PM 1</i> % of grant agreements ready for agency signature before services begin (Safe Summer Initiative Grant (SSIG): June 1, Bringing Everyone's Strengths Together: September 1, Senior Health & Wellness: October 1, BeautifySJ: date varies)	57%	80%	38%	80%

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
<i>AWH 1</i>	# of grant agreements with various agencies (Safe Summer Initiative Grant (SSIG), Bringing Everyone's Strengths Together, Senior Health & Wellness, BeautifySJ)	149	142	139	145
<i>AWH 2</i>	Miles of trails under construction	1.5	1.1	1.1	0.58
<i>AWH 3</i>	Miles of trails open to the public	62.36	64.9	64.9	64.9 ¹

¹ Total reported trail mileage will not increase due to an open interim trail (open since 2007) changing to open paved status; therefore, overall mileage (open paved and open interim) will not increase.

Data Sources: Strategic Support

Number	Data Source
<i>PM 1</i>	PRNS Grants Contracts Tracker
<i>AWH 1</i>	PRNS Grants Payment Tracker
<i>AWH 2</i>	PRNS GIS
<i>AWH 3</i>	PRNS GIS

Parks, Recreation and Neighborhood Services Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Account Clerk I/II	3.00	4.00	1.00
Account Clerk I/II PT	0.97	0.97	-
Accounting Technician	3.00	3.00	-
Administrative Officer	1.00	1.00	-
Amusement Park Supervisor	1.00	1.00	-
Analyst I/II	27.00	28.00	1.00
Analyst I/II PT	0.50	0.50	-
Animal Health Technician	1.00	1.00	-
Assistant Arborist	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant Swim Pool Manager PT	0.69	0.69	-
Associate Architect/Landscape Architect	2.00	2.00	-
Associate Structure Landscape Designer	2.00	2.00	-
Automotive Equipment Specialist	1.00	1.00	-
Building Management Administrator	1.00	1.00	-
Class Instructor PT	25.50	25.50	-
Community Activity Worker	24.00	27.00	3.00
Community Activity Worker PT	1.50	0.75	(0.75)
Community Coordinator	19.00	21.00	2.00
Community Programs Administrator	1.00	1.00	-
Community Services Aide PT	22.05	22.05	-
Community Services Supervisor	4.00	5.00	1.00
Cook FT	1.00	1.00	-
Cook PT	2.00	2.00	-
Deputy Director	4.00	4.00	-
Director, Parks, Recreation and Neighborhood Services	1.00	1.00	-
Division Manager	7.00	7.00	-
Entertainment Coordinator	1.00	1.00	-
Events Coordinator I/II	9.00	8.00	(1.00)
Events Coordinator I/II PT	0.50	0.50	-
Exhibit Designer/Builder	1.00	1.00	-
Food and Beverage Services Supervisor	1.00	1.00	-
Food Service Coordinator	2.00	2.00	-
Food Service Coordinator PT	1.00	1.00	-
Gardener	28.00	28.00	-
Gerontology Specialist	3.00	2.00	(1.00)
Geographic Information Systems Specialist I/II	1.00	1.00	-
Golf Course Manager	1.00	1.00	-
Groundskeeper	7.00	7.00	-
Groundswoker	56.00	55.00	(1.00)
Heavy Equipment Operator	3.00	3.00	-

Parks, Recreation and Neighborhood Services Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Instructor Lifeguard PT	8.46	8.46	-
Kitchen Aide PT	2.20	2.20	-
Lifeguard PT	2.26	2.26	-
Maintenance Assistant	28.00	28.00	-
Maintenance Assistant PT	27.33	28.24	0.91
Maintenance Worker I/II	24.00	34.00	10.00
Office Specialist I/II	5.00	6.00	1.00
Park Ranger	11.00	11.00	-
Park Ranger PT	5.93	5.46	(0.47)
Parks Facilities Supervisor	14.00	30.00	16.00
Parks Maintenance Repair Worker I/II	20.00	19.00	(1.00)
Parks Manager	8.00	8.00	-
Planner I/II/III	2.00	2.00	-
Planner IV	1.00	1.00	-
Program Manager	7.00	8.00	1.00
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	4.00	4.00	-
Puppeteer PT	1.50	1.50	-
Recreation Leader PT	149.11	148.30	(0.81)
Recreation Program Specialist	47.00	49.00	2.00
Recreation Specialist	1.00	1.00	-
Recreation Superintendent	6.00	6.00	-
Recreation Supervisor	14.00	0.00	(14.00)
Regional Park Aide PT	11.02	10.65	(0.37)
Rides and Attractions Safety Coordinator	1.00	1.00	-
Security Officer	0.00	1.00	1.00
Security Officer PT	0.00	1.00	1.00
Senior Account Clerk	4.00	4.00	-
Senior Analyst	9.00	9.00	-
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Construction Inspector	2.00	2.00	-
Senior Engineer	1.00	1.00	-
Senior Engineering Technician	1.00	1.00	-
Senior Events Coordinator	1.00	2.00	1.00
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Maintenance Worker	17.00	19.00	2.00
Senior Office Specialist	3.00	3.00	-
Senior Park Ranger	4.00	3.00	(1.00)
Senior Recreation Leader	19.00	19.00	-
Senior Recreation Leader PT	8.67	10.92	2.25
Senior Recreation Leader Teacher PT	1.92	1.92	-

Parks, Recreation and Neighborhood Services Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Senior Therapeutic Treatment Specialist	1.00	1.00	-
Senior Zoo Keeper	2.00	2.00	-
Staff Specialist	7.00	8.00	1.00
Supervising Environmental Services Specialist	1.00	1.00	-
Supervising Park Ranger	2.00	2.00	-
Swimming Pool Manager PT	1.50	1.50	-
Therapeutic Specialist	13.00	13.00	-
Volunteer Coordinator	2.00	2.00	-
Youth Outreach Specialist	9.00	9.00	-
Youth Outreach Worker I	13.00	13.00	-
Youth Outreach Worker I PT	0.10	0.10	-
Youth Outreach Worker II	6.00	7.00	1.00
Zoo Curator	1.00	1.00	-
Zoo Education Specialist	1.00	1.00	-
Zoo Educator	3.00	3.00	-
Zoo Keeper	12.00	12.00	-
Zoo Keeper PT	2.50	2.50	-
Zoo Manager	1.00	1.00	-
			-
Total Positions	826.21	852.97	26.76

PAGE INTENTIONALLY LEFT BLANK

Planning, Building and Code Enforcement Department

Chris Burton, Director

MISSION

Facilitate the preservation and building of a safe, attractive, vibrant and sustainable San José through partnership with and exceptional service to our diverse communities and customers

CITY SERVICE AREA

*Community and Economic Development
Neighborhood Services*

CORE SERVICES

CITYWIDE LAND USE PLANNING

Develop land use plans and policies to guide the future physical growth of the City.

DEVELOPMENT PLAN REVIEW AND BUILDING CONSTRUCTION INSPECTION

Manage and review private development and construction applications to allow issuance of permits in compliance with applicable codes and policies.

CODE ENFORCEMENT

Enforce and promote compliance with local and State codes to ensure a safe, healthy, and attractive community.

Strategic Support: Administration, Clerical Services, Budget Preparation, Fiscal Services, Human Resources, Information Systems, Marketing and Outreach, Emergency Response and Recovery, and Safety/Wellness

Planning, Building and Code Enforcement Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Citywide Land Use Planning Core Service</i>	
Citywide Planning	Guides the physical design and development of San José by maintaining and updating the Envision San José 2040 General Plan; preparing and updating Urban Village Plans, Area Development Policies, and Specific Plans; conducting long-range planning studies and participating with local partners on regional planning; and updating City ordinances and policies as they relate to land use and development; and conducting data analysis.
Planning Environmental Review and Historic Preservation	Ensures environmental protection and considerations are included in San José's land use planning decision-making process. The Historic Preservation Program seeks to identify, preserve, and protect buildings and resources of historical significance in San José.
Planning Administration	Provides administrative support to Planning Development Services for preparation of public hearings and land use entitlement documents.
<i>Development Plan Review and Building Construction Inspection Core Service</i>	
Building Development Services	Ensures private development building projects in San José are built to meet City and State standards by providing customer information, supporting small businesses, issuing building permits, conducting plan reviews, and inspecting building projects to ensure compliance with applicable codes and policies.
Planning Development Services	Ensures development within the City is consistent with the City's General Plan by processing land use entitlement applications for consistency with the City's General Plan, zoning regulations and land use policies; reviewing building permit applications for consistency with the City's requirements and permit approvals; and providing land use and permitting information to the public.
Development Services Administration	Supports the Shared Resources Programs by providing oversight of information technology system development and maintenance support for the department and AMANDA integrated permit and electronic content management systems, imaging documents and processing customer document requests, scheduling building inspections, and assisting customers in person and by phone for appointments.
<i>Code Enforcement Core Service</i>	
Community Code Enforcement	Ensures the health and safety and quality of life for San José residents and businesses by enforcing the municipal code and land use requirements on private property.
Multiple Housing Code Enforcement	Ensures multifamily buildings are maintained in safe, decent, and sanitary conditions by conducting proactive, routine, and complaint-based inspections under the Multiple Housing Residential Occupancy Permit Program.
Solid Waste Code Enforcement	Regulates and inspects solid waste facilities to ensure that each permitted facility is in full compliance with federal, state, and local regulations governing health and operational standards.

Planning, Building and Code Enforcement Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Code Enforcement Core Service</i>	
Code Enforcement Administration	Provides management and oversight to the Code Enforcement Division along with administrative and analytical support, budget preparation, billing, and monitoring.
<i>Strategic Support Core Service</i>	
PBCE Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
PBCE Management and Administration	Provides administrative oversight for the department, including executive management, employee services, human resources, grant tracking/reconciliation, contract management and analytical support.
PBCE Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Planning, Building and Code Enforcement Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Continue and complete development and environmental review processes for the entitlement of 13 Downtown and 4 Outside-of-Downtown major real estate projects.
- Complete the update and merger process for the Five Wounds, Little Portugal, Roosevelt Park and 24th Street and William urban village plans (the Five Wounds Urban Village).
- Consistent with City Council's direction and the requirements of Senate Bill SB 1333, the Planning Division will complete all conforming rezonings to align the rezoning of all property in the City of San José with the properties' General Plan land use designation.
- Per Council direction, Planning will complete General Plan amendments on all 55 mobile home parks in San José to a Mobile Home Park land use designation to further protect these parks from conversion to other uses.
- Complete entitlement processing – development and environmental review for major real estate development projects including but not limited to: Seely Avenue Mixed-Use project in North San José (Hanover Companies), Westgate West Costco, Good Samaritan Hospital Plan, Kaiser Santa Teresa Plan, Coleman/Guadalupe Gardens General Plan Amendment and Zoning, Microsoft Data Center off Trimble Road.
- Continue to streamline process improvements to support the City's efforts to fulfill the City's Smart City Vision, which includes the Broadband and Digital Inclusion Strategy.
- Complete Code Enforcement field inspection services for Emergency complaints within 24 hours and Priority complaints within 72 hours.
- Complete inspections of multifamily family residential properties to ensure buildings receive a routine inspection within the designated 3-year, 5-year, or 6-year cycle time as required by the building's tier assessment.
- Procure new Code Enforcement case management software and begin implementation.
- Procure new City-Generated Tow Service Delivery contract administration and/or software and begin implementation and transfer of contract to the Police Department.

2023-2024 Key Budget Actions

- Adds 4.0 Office Specialist to better address customer service demand in Building Development services, both in person and via email.
- Adds/deletes 1.0 Planning Technician to 1.0 Planner I/II/III positions to assist in the processing Planning review of Building permit applications for zoning conformance, and response to customer inquiries, and makes permanent 1.0 Planner IV position to improve external and internal customer outcomes and ensure consistent service levels and managing team members workload.
- Adds one-time non-personal/equipment funding of \$110,000 for consultant services to prepare guidelines with threshold of significant guide for preparation of CEQA clearance and \$300,000 to continue CEQA pre-clearance for urban village plans.
- Adds one-time non-personal/equipment funding of \$240,000 to help preserve our existing affordable housing stock by changing the General Plan Land Use designations on the 43 remaining mobile home parks in the City to a Mobile Home Park Land Use Designations.

Operating Funds Managed

- Building Development Fee Program Fund
- Citywide Planning Fee Program Fund
- Planning Development Fee Program Fund

Planning, Building and Code Enforcement Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Citywide Land Use Planning	5,741,363	8,901,908	7,305,388	7,722,598
Code Enforcement	9,795,074	13,054,357	13,068,424	13,017,664
Development Plan Review and Building Construction Inspection	32,678,249	39,289,367	38,732,132	40,029,278
Strategic Support - Community & Economic Development	5,254,960	2,665,537	2,627,433	2,840,045
Strategic Support - Neighborhood Services	696,550	707,888	733,122	809,990
Strategic Support - Other - Community & Economic Development	7,383,066	9,924,979	7,308,021	8,041,194
Strategic Support - Other - Neighborhood Services	30,826	0	0	0
Total	\$61,580,089	\$74,544,036	\$69,774,519	\$72,460,770
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	47,660,036	58,907,435	59,043,339	60,099,610
Overtime	463,325	181,622	181,622	181,622
Subtotal Personal Services	\$48,123,361	\$59,089,057	\$59,224,961	\$60,281,232
Non-Personal/Equipment	3,210,516	5,967,976	3,679,176	4,585,982
Total Personal Services & Non- Personal/Equipment	\$51,333,877	\$65,057,033	\$62,904,137	\$64,867,214
Other Costs *				
City-Wide Expenses	2,208,387	2,424,443	35,000	618,154
Housing Loans and Grants	0	0	0	0
Other	2,707,777	35,833	35,833	35,833
Other - Capital	0	0	0	0
Overhead Costs	5,330,049	7,026,727	6,799,549	6,939,568
Total Other Costs	\$10,246,212	\$9,487,003	\$6,870,382	\$7,593,555
Total	\$61,580,089	\$74,544,036	\$69,774,519	\$72,460,770

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Planning, Building and Code Enforcement Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	15,753,537	20,066,357	16,776,913	17,389,554
Airport Maintenance And Operation Fund (523)	81,961	98,223	84,408	84,408
American Rescue Plan Fund (402)	6,622	0	0	0
Building Development Fee Program Fund (237)	32,081,217	39,523,481	38,508,276	39,429,017
Citywide Planning Fee Program Fund (239)	2,550,877	4,609,688	4,126,772	4,588,173
Community Development Block Grant Fund (441)	613,942	1,200,167	1,327,258	1,349,259
Emergency Reserve Fund (406)	2,701,155	0	0	0
Fire Development Fee Program Fund (240)	226,459	252,769	254,785	282,785
Inclusionary Fee Fund (451)	0	24,480	22,355	22,355
Integrated Waste Management Fund (423)	274,206	292,379	272,381	276,381
Low And Moderate Income Housing Asset Fund (346)	260,376	492,661	479,458	485,458
Multi-Source Housing Fund (448)	0	33,150	28,054	28,054
Planning Development Fee Program Fund (238)	6,480,641	7,015,482	7,006,624	7,580,091
Public Works Development Fee Program Fund (241)	214,942	242,705	247,331	305,331
Rental Stabilization Program Fee Fund (450)	28,069	40,460	35,600	35,600
San José-Santa Clara Treatment Plant Operating Fund (513)	0	149,866	157,195	157,195
Sewer Service And Use Charge Fund (541)	85,093	155,226	133,137	133,137
Storm Sewer Operating Fund (446)	108,248	154,799	118,895	118,895
Capital Funds	112,743	192,143	195,077	195,077
Total	\$61,580,089	\$74,544,036	\$69,774,519	\$72,460,770
Positions by Core Service **				
Citywide Land Use Planning	36.49	33.59	33.59	33.59
Code Enforcement	68.11	71.11	71.11	71.31
Development Plan Review and Building Construction Inspection	174.75	184.75	183.75	192.75
Strategic Support - Community & Economic Development	13.23	14.87	13.87	15.27
Strategic Support - Neighborhood Services	4.21	4.47	4.47	4.87
Strategic Support - Other - Community & Economic Development	2.21	3.21	2.21	3.21
Total	299.00	312.00	309.00	321.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Planning, Building and Code Enforcement Department

Department Budget Summary

2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
-------------------------	----------------------	-----------------------	-----------------------	------------------------------------

Dollars by Program*

Citywide Land Use Planning

Citywide Planning	5,030,679	7,964,117	6,464,872	6,882,082	30.48
Planning Administration	461,604	450,508	478,435	478,435	1.32
Planning Environmental Review and Historic Preservation	249,080	487,283	362,081	362,081	1.79
Sub-Total	5,741,363	8,901,908	7,305,388	7,722,598	33.59

Code Enforcement

Code Enforcement Administration	135,718	443,443	439,970	439,970	2.62
Community Code Enforcement	4,481,927	6,773,748	6,913,955	6,863,194	38.24
Multiple Housing Code Enforcement	3,786,987	4,482,835	4,395,675	4,395,675	23.50
Solid Waste Code Enforcement	1,390,442	1,354,331	1,318,825	1,318,825	6.95
Sub-Total	9,795,074	13,054,357	13,068,424	13,017,664	71.31

Development Plan Review and Building Construction Inspection

Building Development Services	25,849,366	31,776,621	31,235,244	31,777,695	150.61
Development Services Administration	1,740,140	2,003,406	2,021,817	2,353,817	9.14
Planning Development Services	5,088,744	5,509,340	5,475,071	5,897,766	33.00
Sub-Total	32,678,249	39,289,367	38,732,132	40,029,278	192.75

Strategic Support - Community & Economic Development

PBCE Emergency Response and Recovery	2,728,743	0	0	0	0.00
PBCE Information Technology - Community and Economic Development	191,707	0	0	0	0.00
PBCE Management and Administration - Community and Economic Development	2,334,510	2,665,537	2,627,433	2,840,045	15.27
Sub-Total	5,254,960	2,665,537	2,627,433	2,840,045	15.27

Strategic Support - Neighborhood Services

PBCE Management and Administration - Neighborhood Services	696,550	707,888	733,122	809,990	4.87
Sub-Total	696,550	707,888	733,122	809,990	4.87

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Strategic Support - Other - Community & Economic Development					
PBCE Other Departmental - City-Wide - Community and Economic Development	1,170,981	2,175,437	297,965	547,965	1.21
PBCE Other Departmental - Grants - Community and Economic Development	899,133	722,815	210,507	553,662	2.00
PBCE Other Operational - Administration - Community and Economic Development	67,232	0	0	0	0.00
PBCE Overhead - Community and Economic Development	5,245,721	7,026,727	6,799,549	6,939,568	0.00
Sub-Total	7,383,066	9,924,979	7,308,021	8,041,194	3.21
Strategic Support - Other - Neighborhood Services					
PBCE Other Departmental - Grants - Neighborhood Services	30,826	0	0	0	0.00
Sub-Total	30,826	0	0	0	0.00
Total	\$61,580,089	\$74,544,036	\$69,774,519	\$72,460,770	321.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	312.00	65,057,033	17,641,914

Base Adjustments

One-Time Prior Year Expenditures Deleted

• Rebudgets		(589,700)	(420,600)
• Coyote Valley Monterey Corridor Study		(575,000)	(575,000)
• Expedited Housing Development		(400,000)	0
• Urban Village Planning		(400,000)	0
• Racial Equity Staffing (1.0 Senior Public Informaiton Representative)	(1.00)	(180,000)	0
• Planning Development Fee Program CEQA Review Staffing (1.0 Planner I)	(1.00)	(140,192)	0
• Building Permit Technology Improvements		(137,000)	0
• Building Code and Reference Updates (2022 California Building Code)		(100,000)	0
• Alviso Historic Survey Grant		(70,000)	(70,000)
• Permit Center Staffing		(12,500)	0
• Code Enforcement Fee Programs Staffing		(4,600)	(4,600)
• Code Enforcement Policy and Program Policy Support Staffing		(2,500)	(2,500)
• Administrative Services Staffing		(2,500)	(600)
• Fiscal Oversight Staffing		(2,500)	(600)
• Citywide Planning Staffing		(2,500)	0
• Destination Home Silicon Valley Staffing (1.0 Planner III)	(1.00)	0	0
One-time Prior Year Expenditures Subtotal:	(3.00)	(2,618,992)	(1,073,900)

Technical Adjustments to Costs of Ongoing Activities

• Salary/benefit changes and the following position reallocations: -1.0 Associate Engineer to 1.0 Engineer I/II	0.00	277,582	137,899
• Fund Shift: Citywide Planning		178,514	0
• Software/Information Services: Data Processing		15,000	0
• Vehicle Maintenance and Operations		(5,000)	36,000
Technical Adjustments Subtotal:	0.00	466,096	173,899

2023-2024 Forecast Base Budget:	309.00	62,904,137	16,741,913
--	---------------	-------------------	-------------------

Budget Proposals Recommended

1. Market Ready Urban Villages (CEQA Pre-Clearance)		300,000	0
2. Permit Center Team - Customer Service General Support Staffing	4.00	279,954	0
3. Preapproved Vendors for Inspections (Best Prepared Installer) and Plan Review (Best Prepared Designer) Programs Staffing	3.00	262,498	0

Planning, Building and Code Enforcement Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
4. Planning, Building and Code Enforcement Community Outreach Staffing	1.00	192,170	96,085
5. SJ Permits (Smart Guide) Software Upgrade		192,000	10,000
6. AMANDA - Geocortex Software Upgrade		150,000	21,000
7. Permit Center - Supervision Staffing	1.00	145,338	0
8. Policy Support Staffing	1.00	144,149	0
9. Environmental Review - Capital Improvement Planning Staffing	1.00	141,443	0
10. Re-Zone Land Use Streamline Resources		117,210	0
11. Environmental Review Process Consultant Services		110,000	0
12. City Planning Post-Secondary Fellowship Program		50,000	0
13. Destination: Home Silicon Valley Staffing	1.00	0	0
14. Building Code Compliance Staffing	0.00	(89,194)	(89,194)
15. Planning Review - Zoning Conformance Staffing	0.00	(24,085)	0
16. California Network and Telecommunications (CalNet) Program Savings		(8,404)	(8,404)
Total Budget Proposals Recommended	12.00	1,963,077	29,487
2023-2024 Proposed Budget Total	321.00	64,867,214	16,771,400

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Market Ready Urban Villages (CEQA Pre-Clearance)		300,000	0

*Community and Economic Development CSA
Citywide Land Use Planning Core Service
Citywide Planning Program*

As directed in the City-Council approved Mayor’s March Budget Message for Fiscal Year 2023-2024, this action adds one-time non-personal/equipment funding of \$300,000, funded by the Citywide Planning Fee Fund, for contractual services to support future development projects by conducting California Environmental Quality Act (CEQA) preclearance documents. The City Council-approved Mayor’s March Budget Message for Fiscal Year 2023-2024 directed the Administration to prioritize allocating resources for CEQA preclearance for “market ready” urban villages. This action will streamline CEQA work and reduce the permitting review and approval process for future urban villages. This action will help reduce workload for other team members by reducing the number of hours spent developing CEQA supporting documents. Staff will re-evaluate available funding sources to support ongoing funding as part of a future budget process. (Ongoing costs: \$0)

2. Permit Center Team - Customer Service General Support Staffing	4.00	279,954	0
--	-------------	----------------	----------

*Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Building Development Services Program*

This action adds 4.0 Office Specialist positions and associated non-personal/equipment funding of \$20,000 to support customers who arrive at the Permit Center Assistance Desk without an appointment and answer general inquiries over email. The Assistance Desk is a core function for the Development Services Permit Center in assisting customers that arrive without an appointment, provide basic information, forms, project status, and connect customers with best resources or City services. During the COVID-19 pandemic closure, the City shifted to a virtual assistance model for Permit Center services. The City experienced an increase in email inquiries and continues to receive a large volume of emails. As part of the 2021-2022 Adopted Operating Budget as approved by City Council, 1.0 Principal Office Specialist and 10.0 Senior Office Specialist positions were eliminated to reflect the resources needed at that time to support the decrease workload as a result of technology improvements. The City plans to increase Permit Center services and shift into a hybrid model of virtual appointments, in-person appointments, and customers without appointments. The City is working on a model where customers do not spend the whole day waiting at City Hall for assistance, which was the model pre-pandemic. Pre-pandemic, the Permit Center desk would assist an average of 200 customers without appointments and be able to help 68% of customers within 30 minutes. Upon full reopening, it is estimated the Assistance Desk will experience 25 customers per hour in person and respond to 300 weekly emails. The positions will assist in reducing response time and reduce demand on other staff currently helping with responses. (Ongoing costs: \$410,552)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Preapproved Vendors for Inspections (Best Prepared Installer) and Plan Review (Best Prepared Designer) Programs Staffing	3.00	262,498	0

*Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Building Development Services Program*

This action adds 2.0 Office Specialist and 1.0 Engineer I/II positions and associated non-personal/equipment funding of \$15,000 in the Building Development Fee Program Fund to manage the Best Prepared Installer and Best Prepared Designer programs. The Best Prepared Installer program eliminates certain inspections and streamlines approvals by a digital verification process. The preapproved contractor will email pictures of the installation with a signed affidavit stating compliance with all building codes/approved plans. A final inspection is scheduled if the review is satisfactory, otherwise an additional inspection of the installation is required. The Best Prepared Designer program will defer upfront plan reviews and reduce the time to issue permits for preapproved designers on certain project types (residential remodels, small additions, etc.). In both programs, City staff will audit 20% of a contractor’s installation details and designer’s plan review and inspections feedback. Audit success rates of less than 90% results in preapproved vendors removal from the programs. The Best Prepared Installer program launched as a pilot in fall 2022 and has seen over 100 projects (average of 20 projects per month) utilize the program as of March 2023. This action will expand Best Prepared Installer program to move past the pilot stage to include additional project types. A pilot of the Best Prepared Designer program is currently underway and has reported 20 projects use the program successfully as of March 2023. The Office Specialist positions will be the points of contact, assist with tracking the projects, enter the inspections into the AMANDA database, and maintain the list of program participants. The Engineer position will verify the record of the unlicensed applicants, maintain the list of approved designers, track projects, close the building review in the AMANDA database, and perform the audits. (Ongoing costs: \$386,557)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Planning, Building and Code Enforcement Community Outreach Staffing	1.00	192,170	96,085

***Community and Economic Development CSA
Strategic Support – Community & Economic Development Core Service
PBCE Management and Administration – Community & Economic Development Program***

***Neighborhood Services CSA
Code Enforcement and Strategic Support – Neighborhood Services Core Services
Community Code Enforcement and PBCE Management and Administration – Neighborhood Services Programs***

This action adds 1.0 Senior Public Information Representative position to manage the communication and outreach efforts for Code Enforcement Division programs, and support the Planning Division’s community engagement efforts and the Building Division’s Accessory Dwelling Unit (ADU) Grant program. Since 2015, the department has maintained a small Public Information team that has primarily focused on promulgating new building codes and planning programs (200+ evolving bulletins and 50+ planning application forms); handling media relations (typically 200+ media actions per year); overseeing department’s social media (a key form of public notification); and developing the department’s web page which represents 25% of the entire City website and 25% of all public-facing documents on the website. The current team cannot support the growth in projects requiring community engagement and Code Enforcement’s growing need to reduce caseload. This position will expand outreach efforts for Code Enforcement programs by conducting campaigns and presentations using behavior-change principles to reduce or prevent cases of blight, front yard paving, unpermitted auto repair, storage of inoperable vehicles, and illegal garage conversions to help reduce general code cases; improving compliance for Tobacco Retail License, ongoing ban of Flavored Tobacco sales, Massage, Vacant Buildings and Storefronts, Building Code Compliance, Abandoned Carts, and other special programs to help reduce code inspection workload; translating Residential Occupancy Permit Guide and Inspection Preparation Guide, producing Code Connection newsletter, and expanding subscriber user base to help increase rental property code compliance amongst Multiple Housing rental property owners. This position will support the Citywide Planning Division by focusing on small business and neighborhood outreach, as currently performed for Five Wounds Urban Village Plan Update, and supporting future urban village plans or ordinance proposals. In the Planning Division, this position will support smaller community engagement efforts (e.g., current Five Wounds Historic Resources Survey) and provide a degree of support as needed on large development community engagement. In the Building Division, this position will support outreach efforts currently underway on the Accessory Dwelling Unit Grant program. In addition, this position will serve as the Language Access Coordinator, provide trainings on using language access tools, develop glossaries for consistent, culture-sensitive translations, provide quality control on translation services, and support City response to non-English media requests. (Ongoing costs: \$192,169)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. SJ Permits (Smart Guide) Software Upgrade		192,000	10,000

***Community and Economic Development CSA
Development Plan Review and Building Construction Inspection and Strategic Support – Other – Community & Economic Development Core Services
Development Services Administration and PBCE Other Departmental – City-Wide Programs***

As directed in the City-Council approved Mayor's March Budget Message for Fiscal Year 2023-2024, this action adds one-time non-personal/equipment funding of \$192,000, funded by the Development Services Fee Programs, to upgrade SJPermits.org (Smart Guide) to improve customers experience of using the online portal. As part of the Development Services Transformation initiative, the City replaced the existing online portal with a new portal technology called Smart Guide in November 2020. The portal is continuing to expand in functionality with the inclusion of an application wizard that will assist customers with selecting the appropriate permit type, expand available self-started permit types for Building permits that cannot be self-administered online, and become the starting point for all permits saving staff time. The portal technology (Smart Guide) is still in its original version (7.0) when development first started in 2018. Since the initial launch, version 10.0 has been released with several improvements and new features have been added including security enhancements, page loading spinner notification, attaching multiple files at once, pop-up windows, smart forms, new permit types available for self-administration, and enhancement allowing customers to start and submit their application (but not self-administer) for Public Works, Fire, and Planning permits. This action includes funding for the vendor to implement these improvements and make other user experience improvements to ensure customers encounter the least number of issues online. The total amount needed for this upgrade is \$200,000 of which \$8,000 will be funded by the Construction Excise Tax Fund included in the 2024-2028 Proposed Traffic Capital Improvement Program for the Transportation Department's share of the costs. (Ongoing costs: \$0)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. AMANDA - Geocortex Software Upgrade		150,000	21,000

***Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Development Services Administration Program***

This action adds one-time non-personal/equipment funding of \$150,000, funded by the Development Services Fee Programs, to upgrade the Geocortex software to the latest version with enhanced security, new features, and compatibility to other City systems. Geocortex is the geographic system software integrated with the AMANDA permitting database that connects permits with addresses in the City and used for public notice of planning applications as part of the public engagement process. Geocortex was integrated as part of the AMANDA 7 upgrade in 2019. The current version of Geocortex is two versions behind and is not compatible with the latest version of ArcGIS Server 10.9.1 (or future) versions used for general updates creating compatibility and functionality problems with other City systems. The Geocortex software has had no updates, patches, or enhancements since 2019. This action will provide the necessary funds to upgrade the Geocortex software which includes costs for license, Virtual Machine equipment, and vendor services to perform bi-directional integration. (Ongoing costs: \$0)

7. Permit Center - Supervision Staffing	1.00	145,388	0
--	-------------	----------------	----------

***Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Planning Development Services Program***

This action continues a temporary position on an ongoing basis by adding 1.0 Planner IV position and associated non-personal/equipment funding of \$5,000 in the Planning Development Fee Program Fund to improve external and internal customer service with increased supervisory management for the Permit Center. The Permit Center team provides daily, direct customer service to applicants, residents, business owners, and the development community. The Permit Center team previously had two Planner IV positions until June 2021 when one position was eliminated as part of the 2021-2022 Adopted Budget. The Permit Center has processed 3,275 permits as of December 2023 in 2022-2023, 7,564 in 2021-2022, and 6,469 in 2020-2021. This position will supervise the day-to-day operations of Planner I/II/III and Planning Technician positions at the Permit Center, provide guidance and support to the team when assisting Permit Center customers and applicants, make immediate decisions on difficult or unusual development project proposals, review and approve minor discretionary permits, and be responsible for assigning projects and managing each team members workload. This position will also coordinate with other Development Services partners in the Permit Center to ensure consistent service levels between the partners, gathers and analyzes data on permit and customer activity, and uses this data to make changes to operations to improve service levels. This position will aid in addressing the backlog in managing pending applications, reviews, and delays in responding to customers inquiring about project statuses, concerns, and complaints. (Ongoing costs: \$215,507)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
8. Policy Support Staffing	1.00	144,149	0

***Community and Economic Development CSA
Strategic Support Core Service***

PBCE Management and Administration – Community and Economic Development Program

This action adds 1.0 Analyst I/II position through June 30, 2024 to support and implement updates to Planning, Building, and Code Enforcement Department’s Policy and Procedure Hub and Customer Service Charter, launched in 2022. The Policy and Procedure Hub is the central location for department operational policies. The Customer Service Charter is a webpage that includes the services, metrics, and resources that illustrate the pursuit to provide excellent customer service and help make informed management decisions. The Policy and Procedure Hub and Customer Service Charter are two of the foundational elements of the management framework and require ongoing support and maintenance to implement as part of the modus operandi of the department. The position will assist the supervisors in updating and maintaining the Customer Service Charter and communicating it to the public. The position will manage the Policy and Procedure Hub ensuring consistency, timeliness, and access to all department policies to provide clear expectations of work. The position will work with policy owners/authors to ensure new policies are created and shared with the Department, help maintain the customer support system that gathers customer inquiries into a single location, monitor the system to ensure timely responses, and implement improvements including automation, canned responses, and public knowledge base articles. This action will ensure the continuity of core management framework systems while also expanding customer service and operational infrastructure. Expected benefits include clearer direction for employees, retaining institutional knowledge, and development opportunities for staff who create new policies. (Ongoing costs: \$0)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Environmental Review - Capital Improvement Planning Staffing <i>Community and Economic Development CSA Development Plan Review and Building Construction Inspection Core Service Planning Development Services Program</i>	1.00	141,443	0
<p>This action continues a temporary position on an ongoing basis by adding 1.0 Planner I position and associated non-personal/equipment funding of \$1,000 in the Planning Development Fee Program Fund to provide timely environmental review support in CEQA and NEPA for public projects and capital improvement projects managed by other City Departments. Under the California Environmental Quality Act (CEQA), the City is required to disclose the environmental impacts of all its actions including all City Council approvals, many staff-level actions involving development and construction, and policy implementation. Furthermore, City projects that require Federal funding or approval by a Federal agency require review under the National Environmental Policy Act (NEPA). The Planning Division has sole authority to issue CEQA clearance on behalf of the City of San José. (Ongoing costs: \$142,632)</p>			
10. Re-Zone Land Use Streamline Resources <i>Community and Economic Development CSA Citywide Land Use Planning Core Service Citywide Planning Program</i>		117,210	0

This action adds one-time non-personal/equipment funding of \$117,210, funded by the Citywide Planning Fee Fund, to provide peak staffing resources to streamline aligning zoning district of properties with their General Plan Land Use Designation in accordance with California Senate Bill 1333. California Senate Bill 1333 became effective January 2019 and requires charter cities to bring zoning designations of parcels into conformance with their general plan. The City has approximately 12,000 properties that need to be rezoned and City staff have completed approximately 4,000 properties, with approximately 8,000 properties left. This funding will help streamline rezoning, facilitate housing, reduce confusion among property owners, and save property owner's time and money, and cover the costs to rezone the remaining properties. (Ongoing costs: \$0)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	-------------------	----------------------

11. Environmental Review Process Consultant Services		110,000	0
---	--	----------------	----------

***Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Planning Development Services Program***

As directed in the City-Council approved Mayor’s March Budget Message for Fiscal Year 2023-2024, this action adds one-time non-personal/equipment funding of \$110,000, in the Planning Development Fee Program Fund, for consultant services to address three recommendations from the City Auditor’s Report 22-02. In March 2022, the Office of the City Auditor completed the audit of the City’s environmental review process which included 12 recommendations to reduce review times and improve consistency. Recommendations included preparation of Environmental Consultant guidelines, a significance thresholds guide for preparing CEQA clearance documents, and standard CEQA documents templates for City staff and Environmental consultants. The guidelines and templates will help environmental consultants and City staff prepare CEQA documents have a standard layout and approach to analysis. This action will strengthen the adequacy of the City’s documents and help reduce total review times by minimizing the number of administrative draft reviews. The guidelines will also help train new Planners on the Environmental Review team and aide in the implementation of Audit Recommendation 1 - to expand the model in which planners handle both the entitlement and environmental review. (Ongoing costs: \$0)

12. City Planning Post-Secondary Fellowship Program		50,000	0
--	--	---------------	----------

***Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Planning Development Services Program***

As directed in the City-Council approved Mayor’s March Budget Message for Fiscal Year 2023-2024, this action adds one-time personal services funding of \$50,000 for a San José State University (SJSU) student fellowship program in the Planning Development Fee Program Fund. The City Council-approved Mayor’s March Budget Message for Fiscal Year 2023-2024 directed the Administration to continue developing opportunities to attract entry-level planners by leveraging local educational institutions as bridges between graduates and careers. This action will help foster a pipeline of part-time student employees who would be eligible for employment upon graduation. (Ongoing costs: \$0)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Destination: Home Silicon Valley Staffing	1.00	0	0

***Community and Economic Development CSA
Strategic Support Core Service***

PBCE Other Departmental - Grants – Community and Economic Development Program

This action continues 1.0 Planner III position, through June 30, 2024, funded by the Destination: Home Silicon Valley (SV) grant. On November 6, 2018, City Council accepted a grant agreement with Destination: Home SV in the amount of \$540,000 to expedite supportive or extremely low-income (ELI) housing developments and affordable housing policy work for three years. A new grant agreement approved by City Council on September 14, 2021 extends the program with Destination: Home SV for an additional three years, through June 30, 2024. The executed grant agreement will be paid in three installments of \$180,000 annually, of which \$180,000 in revenue is reflected in the General Fund Revenue Estimate section of this document and represents the third and final installment of the grant. The Planner position will provide support and assistance in supportive and low-income affordable housing development projects. (Ongoing costs: \$0)

14. Building Code Compliance Staffing	0.00	(89,194)	(89,194)
--	-------------	-----------------	-----------------

***Neighborhood Services CSA
Code Enforcement Core Service***

Community Code Enforcement Program

This action adds 1.0 Senior Permit Specialist position and eliminates 1.0 vacant Building Inspector II position to reallocate and realign resources to improve overall compliance, total cases completed, and customer experience. The Building Code case process requires coordination between multiple divisions which can lead to confusion. The process requires that the applicant work with the Code Enforcement Inspector to develop the plans/application before submitting a Building permit. The customer must then coordinate with two divisions to ensure the violation is addressed accurately. Customers are often inexperienced with the process, lack sufficient expertise/resources, and need additional assistance which attributes to the backlog of open cases. Permit process delays contribute to a backlog of over 2,000 Code Enforcement building cases which are 50% of General Code open cases and 36% of all open cases across all programs. This position will serve as the point of contact through the process and serve as a liaison between customer, Code Enforcement, and the Building Division providing a streamlined process to correct the building code violations. The position will also provide critical customer support and allow Code Enforcement to transfer duties, such as process and review application submittals, provide counter and telephone service to general public, answer code related issues, supply information regarding permit processing, policies, and procedures, perform minor clerical and filing duties, and track, research, and retrieve permitted plans for residential and commercial properties. This action will reduce process bottlenecks, and customers will experience more equitable service delivery. (Ongoing savings: \$47,645)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
15. Planning Review - Zoning Conformance Staffing	0.00	(24,085)	0

***Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Planning Development Services Programs***

This action adds 1.0 Planner I/II/III position and eliminates 1.0 vacant Planning Technician position in the Planning Development Fee Program Fund to improve process times in planning review of Building permit applications for zoning conformance, improve Planning's lead time in taking in Planning applications and fees, and improve response time to customer inquiries. The Planning Division's review of building permit applications has increased beyond pre-pandemic levels, with 4,216 zoning conformance reviews in 2018-2019 compared to 4,931 in 2021-2022. Planning review of applications have remained steady during the pandemic, averaging 1,556 applications annually across 2019-2020, 2020-2021, and 2021-2022. The Planning Division pivoted from assisting customers in-person to email inquiries, thereby extending the accessibility for customers seeking assistance on preapplication zoning and planning questions. Since the Planning Division began providing services via email during the pandemic, emailed inquiries have increased from 6,087 inquiries in 2020-2021 to 6,964 inquiries in 2021-2022. This position will provide support, greater technical knowledge, and experience in processing Planning applications and reviewing building permits for zoning compliance. This position will support increased development activity on Planning's permit center team to respond to emailed zoning and planning inquiries, to process minor Planning applications, and other administrative-type work related to processing development projects. (Ongoing costs: \$20,592)

Planning, Building and Code Enforcement Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment




2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
16. California Network and Telecommunications (CalNet) Program Savings <i>Community and Economic Development CSA Strategic Support Core Service PBCE Management and Administration – Community and Economic Development Program</i>		(8,404)	(8,404)
<p>This action decreases the Planning, Building, and Code Enforcement Department’s non-personal/equipment funding by \$8,404 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$8,404)</p>			
2023-2024 Proposed Budget Changes Total	12.00	\$1,963,077	\$29,487

Planning, Building and Code Enforcement Department

Performance Summary

Code Enforcement

Performance Measures

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target	
	PM 1	% of new General Code Program cases receiving an initial inspection within targeted response times:				
		- Emergency Inspection within Target Response Times	84%	100%	97%	100%
		- Priority Inspection within Target Response Times	66%	75%	80%	75%
		- Routine Inspections within Target Response Times	39%	60%	48%	60%
	PM 2	% of Multiple Housing Program buildings receiving a proactive, routine inspection within annual target by tier:				
		- Tier 1 (must be inspected once every 6 years)	27%	10%	9%	100% (204 buildings)
		- Tier 2 (must be inspected once every 5 years)	42%	50%	38%	100% (600 buildings)
		- Tier 3 (must be inspected once every 3 years)	68%	70%	100%	100% (876 buildings)
★★★☆☆	PM 3	% of General Code Program cases resolved within processing time targets, based on case type				
★★★☆☆	PM 4	Violations Closed per Month (Multiple Housing Program)				
		524	N/A ¹	554	550	
	PM 5	% of annual proactive inspections completed on schedule for fee-based Code Enforcement programs:				
		- Special Programs	67%	80%	80%	100%
		- Multiple Housing Program	55%	70%	71%	100%

¹ This is a new performance measure for 2023-2024 and historical targets are not applicable.

Planning, Building and Code Enforcement Department

Performance Summary

Code Enforcement

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
General Code Program Complaint Cases:					
<i>AWH 1</i>	- Opened	2,882	3,000	2,500	2,500
	- Resolved	2,644	3,000	2,400	2,800
<i>AWH 2</i>	Total # of Multiple Housing Program buildings proactively inspected	978	1,700	1,300	1,700
<i>AWH 3</i>	# of units inspected annually (Multiple Housing Program)	4,451	5,000	5,400	7,000
Total # of inspections conducted for complaints (including initial, compliance, and re-inspections):					
<i>AWH 4</i>	- General Code Program (nonfee-based programs)	N/A ¹	1,500	TBD ²	TBD ²
	- Multiple Housing Program	N/A ¹	250	TBD ²	TBD ²
<i>AWH 5</i>	# of calls received by support staff	11,964	11,000	11,000	11,000

¹ This is a new performance measure for 2023-2024 and historical targets are not applicable.

² Report generation is being updated and staff will have data available for inclusion in the 2024-2025 Proposed Budget.

Four Key Budget Performance Measure Measurement Areas



Access - How well does a service enable access, participation, visitation, and usage? How well does the service lead to its intended outcome or opportunity pathway?



Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?



Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?



Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Data Sources





Number	Data Source
<i>PM 1</i>	Code Enforcement Division Dashboard Crystal Report
<i>PM 2</i>	AMANDA database report
<i>PM 3</i>	Code Enforcement Division Dashboard Crystal Report
<i>PM 4</i>	Code Enforcement Division Dashboard Crystal Report
<i>PM 5</i>	AMANDA database report
<i>AWH 1</i>	Code Enforcement Division Dashboard Crystal Report
<i>AWH 2</i>	AMANDA database report
<i>AWH 3</i>	AMANDA database report
<i>AWH 4</i>	Code Enforcement Division Dashboard Crystal Report
<i>AWH 5</i>	Antigen Report

Planning, Building and Code Enforcement Department

Performance Summary

Development Plan Review & Building Construction Inspection

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of projects that receive consistent feedback from staff throughout the course of project review:				
- Planning Permit Plan Review	N/A ¹	80%	N/A ¹	80%
- Building Permit Plan Review	N/A ¹	80%	N/A ¹	80%
- Building Inspectors Consistent with Building Plan Check	N/A ¹	80%	N/A ¹	80%
- Building Inspectors Consistent among Multiple Inspectors	N/A ¹	80%	N/A ¹	80%
 Ratio of current year fee revenue to development fee program cost (includes reserve funding)	100%	100%	100%	100%
 Development projects completed within processing time targets:				
- Planning Permit Process	36% ²	85%	75% ²	100%
- Building Plan Check Process	61% ³	85%	60% ³	85%
- Building Inspection Process				
• Within 24 hours	79%	70%	82%	70%
• Within 48 hours	82%	90%	85%	90%
 % of process participants rating service good or better:				
- Planning Permit Process	N/A ¹	85%	N/A ¹	85%
- Building Plan Check Process	N/A ¹	85%	N/A ¹	85%
- Building Inspection Process	N/A ¹	85%	N/A ¹	85%

¹ A Request for Proposal for a consultant for the Development Survey was in progress in 2020-2021 and did not conclude in time for a survey to be completed. It is anticipated that the performance measure data for 2022-2023 will be available for inclusion in the 2023-2024 Adopted Budget.

² Planning activities were impacted due to the COVID-19 pandemic and staff vacancies.

³ The Expedited Plan Review team have not been operating in person and have seen decreased efficiency in 2020-2021 and 2021-2022 due to plans needing to be routed to the 2nd floor Plan Review team instead of on-the-spot expedited review.

Planning, Building and Code Enforcement Department

Performance Summary

Development Plan Review & Building Construction Inspection

Activity and Workload Highlights




	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of building permits issued	39,938	40,000	39,408	39,000
# of customers served in Permit Center ¹	6,298	59,000	8,000	40,000
# of plan checks	9,004	8,000	9,412	9,000
# of field inspections ²	101,360	180,000	99,255	99,000
# of planning applications and reviews				
- Major	66	70	54	71
- Minor	456	500	510	461
- Permit Center	5,081	5,500	4,913	4,644
# of environmental clearances				
- Major	149	135	162	152
- Minor	374	250	368	330
¹	The Permit Center in City Hall was closed to customers beginning March 2020 due to the COVID-19 pandemic and has since been re-opened by appointment only. Building Division has vacancies in 2022-2023 that impact building permit applications, which means lower conformance review volume. The 2023-2024 Forecast reflects projected activity lower than 2022-2023 because of the economy and construction activity decreasing.			
²	The 2021-2022 Actual and 2022-2023 Estimate reflect the service impacts due to the COVID-19 pandemic. COVID-19 protocols coupled with supply chain issues affected construction sites and reduced the volume of inspections. In addition, permit issuance has not returned to pre-pandemic levels. The 2023-2024 Forecast reflects a projected decrease because of the economy and construction activity decreasing.			

Planning, Building and Code Enforcement Department

Performance Summary

Citywide Land Use Planning

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of special planning efforts completed within targeted cost: Specific/Area Policy Plans:	100%	100%	0% ¹	100%
 % of special planning efforts completed within targeted time: Specific/Area Policy Plans:	100%	100%	N/A ¹	100%
 % of planning process participants rating service as “good” or “excellent”	N/A ²	85%	N/A ²	85%

¹ No Special Area Policy Plans were scheduled to be completed or were completed in 2022-2023.

² Data for this measure is collected through a survey conducted by Citywide Planning. The survey was not conducted in 2017-2018, 2018-2019, 2019-2020, 2020-2021, and 2021-2022. The survey will not be conducted in 2022-2023 but Citywide Planning Division plans to conduct the survey in 2023-2024.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of Scheduled/Completed Specific/Area Policy Plans ¹	1 of 1	1 of 4	0 of 0 ¹	4 of 4 ¹
# of planning policy studies ²	6	7	4	2
# of General Plan Amendments ³	16	18	7	56

¹ The update of the Little Portugal, Five Wounds, Roosevelt Park, and 24th Street and William Street Urban Village Plans (Four Plans total) are scheduled to be completed in 2023-2024.

² In 2021-2022, updates to cannabis land use regulations were approved, as well as the Senate Bill 9 (SB9) Emergency ordinance. In addition, staff completed four large policy efforts tied to the Four-Year Review of the General Plan: Coyote Valley, Urban Village policies, Neighborhood Business Districts policies, and Opportunity Housing. Work Items that have either been completed in 2022-2023, or are anticipated to be completed, include the Parking and TDM ordinance framework, updates to Council Policy 5-1 Transportation Policy, updates to Council Policy 5-1 for transportation analysis/VMT policy and the Housing Element update. Upcoming work items for 2023 - 2024 include proposing development standards for SB 9 housing, and completing all the conforming rezoning of 12,000 properties as required by state law SB 1333.

³ In 2021-2022, there were 6 privately initiated General Plan Amendments (GPA's) and 10 City-initiated GPA's for the Four-Year Review; note there is overlap between the Planning Policy Study and General Plan Amendments performance measures as some of the Four-Year Review of the General Plan Policy work resulted in General Plan Amendments. In 2022-2023, there were 2 City initiated GPA's and four privately initiated GPA's. There were three additional anticipated privately initiated GPA's that did not move forward for various reasons. The Housing Element and an additional City initiated GPA are anticipated by the end of 2022-2023. Anticipated General Plan amendments for 2023-2024 include changing the General Plan land use designation on 55 mobile home parks, and one privately initiated GPA.

Planning, Building and Code Enforcement Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	7.00	8.00	1.00
Assistant Director of Planning, Bldg and Code Enforceme	1.00	1.00	-
Assistant to the Director	1.00	1.00	-
Associate Engineer	19.00	18.00	(1.00)
Building Inspection Manager	4.00	4.00	-
Building Inspector Combination Certified I/II/III/Sr	63.00	62.00	(1.00)
Building Inspector, Supervisor Certified I/II	15.00	15.00	-
Code Enforcement Inspector I/II	46.00	46.00	-
Code Enforcement Supervisor	7.00	7.00	-
Deputy Director	4.00	4.00	-
Director of Planning, Building and Code Enforcement	1.00	1.00	-
Division Manager	9.00	9.00	-
Engineer I/II	0.00	2.00	2.00
Environmental Inspector I/II	3.00	3.00	-
Office Specialist	0.00	6.00	6.00
Permit Specialist	5.00	5.00	-
Planner I/II/III	35.00	36.00	1.00
Planner IV	13.00	14.00	1.00
Planning Technician	5.00	4.00	(1.00)
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	3.00	3.00	-
Principal Permit Specialist	7.00	7.00	-
Principal Planner	3.00	3.00	-
Program Manager	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	3.00	3.00	-
Senior Engineer	7.00	7.00	-
Senior Office Specialist	11.00	11.00	-
Senior Permit Specialist	16.00	17.00	1.00
Senior Public Information Representative	1.00	1.00	-
Senior Supervisor, Administration	2.00	2.00	-
Staff Specialist	8.00	8.00	-
Supervising Environmental Services Specialist	1.00	1.00	-
Total Positions	312.00	321.00	9.00

PAGE INTENTIONALLY LEFT BLANK

Police Department

Anthony Mata, Police Chief

MISSION

Create safe places to live, work and learn through community partnerships

CITY SERVICE AREA

Public Safety

CORE SERVICES

CRIME PREVENTION AND COMMUNITY EDUCATION

Provide programs and services through community education and partnerships to reduce criminal activity and enhance public safety.

INVESTIGATIVE SERVICES

Provide for the objective examination of events through the collection of evidence, interviewing of witnesses, the interrogation of suspects, and other activities, to arrive at a resolution or successful prosecution.

REGULATORY SERVICES

Provide for the mandated regulation of businesses and activities and the issuance of those attendant mandated permits that are in the public interest.

RESPOND TO CALLS FOR SERVICE AND PATROL SUPPORT

Provide for 24-hour emergency and non-emergency police calls, which include but are not limited to crimes against persons and property, disturbances, traffic accidents, disasters, and medical emergencies,

Strategic Support: Department Management, Public Information, Fiscal Integrity, Systems Availability, Recruiting/Training, Facilities and Vehicle Management, Wellness of the Workforce, Safety, and Emergency Response and Recovery

Police Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Crime Prevention and Community Education Core Service</i>	
Crime Prevention	Provides community-oriented policing, community education programs, and problem-solving support for the Police Department and the community.
School Liaison / Truancy Abatement	Develops and maintains positive communications and relationships between the Police Department and the school districts within the city; supports truancy abatement services.
School Safety	Provides for the safety of school age children as they travel to and from school.
<i>Investigative Services Core Service</i>	
Assaults	Investigates assault cases, hate crimes, criminal threats, and brandishing weapons cases.
Court Liaison	Liaisons with the District Attorney's Office, seeks and processes criminal citations, and coordinates witnesses.
Crime Analysis	Identifies crime trends and crime patterns through analysis of crime data.
Family Violence	Uses a collaborative approach to provide a secure, comfortable and convenient location for victims of family violence in order to facilitate the investigation of their cases and seek the services necessary to ensure their continued safety and well-being.
Financial Crimes / Burglary	Provides police services to the community by investigating economic crimes.
Gang Investigations	Investigates gang-related crimes committed by members of criminal street gangs.
Homicide / Crime Scene	Provides for the investigation of all homicides, suspicious deaths, child deaths, in-custody deaths, and officer-involved fatal incidents.
Internal Affairs	Responsible for receiving, documenting, and investigating all citizen complaints, as well as Department-initiated investigations involving Department members.
Investigations Administration	Provides leadership and management for investigative services.
Juvenile / Missing Persons	Responsible for investigating a wide variety of cases involving juvenile offenders and for locating persons who are formally reported as missing from within the city.
Robbery	Conducts investigations of robberies, extortions, kidnappings, grand theft "purse snatch" cases, and other robbery-related crimes.

Police Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Investigative Services Core Service</i>	
Sexual Assaults	Investigates sex offenses reported in the city.
Special Investigations	Collects, analyzes, and disseminates information on the criminal activities of organized crime groups, emerging criminal groups, public disorder and terrorist groups, and threats to public officials or private citizens.
<i>Regulatory Services Core Service</i>	
Cannabis Regulation	Maintains regulatory oversight for cannabis collectives including site inspections, background investigations on collectives' employees, investigation of Municipal Code violations, and conducting analysis of criminal activity related to cannabis operations.
Gaming Control	Maintains regulatory oversight for cardrooms including site inspections, background investigations on cardrooms' employees, investigation of Municipal Code violations, and conducting analysis of criminal activity relating to cardroom operations.
Permits	Maintains regulatory oversight for business permits such as taxi companies, tow companies, massage parlors, entertainment venues, gaming establishments, bingo parlors, and peddlers in accordance with the Municipal Code.
<i>Respond to Calls for Service and Patrol Support Core Service</i>	
9-1-1 Call Taking & Police Dispatch	Serve as the vital link between public safety and those who need assistance by answering and dispatching emergency and non-emergency calls in a timely, precise, and skilled manner.
Air Support	Provides aerial support for police ground units on matters relating to public and officer safety.
Airport Division	Provides basic police services as well as coordinates with partners to enforce the Airport Security Plan and ensure compliance with all FAA and TSA security directives, existing regulations, and emergency amendments at San José Mineta International Airport.
Downtown Services	Manages policing activities for events associated with the Downtown Entertainment Zone, including regulatory enforcement of the City's Entertainment and Conditional Use Permits at nightclubs and bars, enforcement of Alcoholic Beverage Control violations, cruise management traffic diversion, and patrol checks at parking garages in the Entertainment Zone.
Field Operations Administration	Provides leadership and management for field operations.
Field Patrol	Performs continuous patrol and response to calls for service to ensure immediate public safety.

Police Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Respond to Calls for Service and Patrol Support Core Service</i>	
Metro	Performs a variety of functions, including street level narcotics enforcement, prostitution enforcement, tactical support for the MERGE Unit, augmenting the VCET Unit during upticks in violent gang crime, and various special assignments as needed.
Reserves / Volunteers	Manages volunteers who assist the Department for relief, special functions and community events.
Special Operations	Responds to high-risk incidents, including hostage/barricade situations, with specially trained and equipped staff.
Traffic Enforcement	Enforces traffic laws in order to reduce traffic collisions, their resulting injuries, and facilitates the safe and expedient flow of vehicular and pedestrian traffic.
Violent Crimes Enforcement	With a highly skilled and trained team, provides enforcement of crimes associated with violence related to criminal gang activity in an effort to reduce and prevent youth crime and violence.
<i>Strategic Support Core Service</i>	
Police Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Police Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Police Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Police Department Management and Administration	Provides executive-level, analytical and administrative support to the department.
Police Records	Manages and maintains local, state and federal databases in order to assist in the identification, apprehension and prosecution of criminal offenders, and to ensure officer and public safety.
Police Research and Development	Performs research and preparation of complex reports and projects involving inter-departmental issues and intergovernmental topics as well as coordinates release of information in accordance with the California Public Records Act.
Police Training and Academy	Delivers constantly updated training programs that support the Department's commitment to excellence, reflecting the highest professional standards in managerial, operational, and personal performance.
Police Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Police Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Maintain a vibrant, safe community by delivering high quality police services.
- Continue to provide effective and timely response to calls for service.
- Improve the positive relationship the community has with the Police Department, which is critical in patrolling the City and investigating crimes and enabling quick resolution of the most serious crimes.
- Strive to reduce crime rates, conduct investigations effectively, and continue efforts to deter violence.
- Work collaboratively with the community to reimagine public safety, finding innovative and effective strategies for problem solving.
- Continue the redistricting project to realign the Police Department division, district, and beat boundaries to effectively distribute police resources that account for future population growth, economic development, and community needs. The updated patrol model will ensure optimal availability of resources and efficient delivery of police services.

2023-2024 Key Budget Actions

- Adds 2.0 Forensic Analyst and 1.0 System Applications Programmer positions ongoing to the Police Department Crime Intelligence Data Center.
- Adds the following as directed in the City Council-approved Mayor's March Budget Message for Fiscal Year 2023-2024:
 - 6.0 Community Service Officer positions assigned to the San José Downtown area to provide additional resources.
 - One-time funding of \$250,000 to pilot technology applications to improve the efficiency and effectiveness of limited staffing resources.
 - Ongoing non-personal/equipment funding of \$210,000 for the Automated License Plate Reader (ALPR) Program.
 - Adds 17.0 Police Officer, 2.0 Police Sergeant, and 1.0 Police Lieutenant positions, to the Field Patrol unit beginning in 2024-2025, with a start date in February 2025 in accordance with recruit academy projections.
- Adds one-time funding of \$180,000 to fund the Psychiatric Emergency Response Team (PERT) program operated in partnership with the County of Santa Clara.
- Adds one-time funding of \$1 million to Police Department Bureau of Technology to update servers, software and WiFi.
- Adds one-time funding of \$150,000 to continue the lateral sworn officer hiring incentive program.
- Adds one-time funding of \$350,000 to provide additional capacity to process and respond to California Public Records Act requests.
- Adds one-time funding of \$1.3 million for recruiting and backgrounding for sworn and non-sworn vacancies.
- Adds one-time overtime funding of \$800,000 as a match to the anticipated partnership with the Santa Clara Valley Water District for police trail patrol along Coyote Creek and Guadalupe River.
- Adds ongoing non-personal/equipment funding of \$100,000 to support the hiring of child forensic interviewers for the Children's Advocacy Center (CAC).
- Adds one-time overtime funding of \$100,000 to support traffic safety and illegal sideshow.
- Adds 1.0 Police Forensic Analyst position to support investigative case work in the Family Violence Unit of the Bureau of Investigations.

Operating Funds Managed

- Edward Byrne Memorial Justice Assistance Grant
- Federal Drug Forfeiture Fund
- Supplemental Law Enforcement Services Fund
- State Drug Forfeiture Fund

Police Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Crime Prevention and Community Education	5,538,607	7,513,841	7,325,439	7,325,439
Investigative Services	96,929,233	94,584,491	98,262,618	99,559,918
Regulatory Services	4,890,545	5,057,608	5,047,343	5,047,343
Respond To Calls For Service and Patrol Support	311,223,661	322,134,033	324,840,803	331,863,325
Strategic Support - Other - Public Safety	18,121,726	17,609,864	9,508,025	9,508,025
Strategic Support - Public Safety	64,832,766	58,973,490	55,593,535	58,903,626
Total	\$501,536,536	\$505,873,327	\$500,577,763	\$512,207,675
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	408,213,502	425,008,608	432,513,046	435,430,302
Overtime	46,152,018	26,178,801	23,471,104	23,671,104
Subtotal Personal Services	\$454,365,520	\$451,187,409	\$455,984,150	\$459,101,406
Non-Personal/Equipment	29,055,009	36,775,233	35,221,335	39,110,796
Total Personal Services & Non-Personal/Equipment	\$483,420,529	\$487,962,642	\$491,205,485	\$498,212,202
Other Costs *				
City-Wide Expenses	5,630,614	5,419,908	7,500	965,695
General Fund Capital	0	0	0	3,665,000
Gifts	6,617	2,000	0	0
Housing Loans and Grants	0	0	0	0
Other	2,058,939	3,528,337	350,000	350,000
Other - Capital	0	0	0	0
Overhead Costs	0	10,440	14,778	14,778
Workers' Compensation	10,419,838	8,950,000	9,000,000	9,000,000
Total Other Costs	\$18,116,007	\$17,910,685	\$9,372,278	\$13,995,473
Total	\$501,536,536	\$505,873,327	\$500,577,763	\$512,207,675

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Police Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	498,512,652	501,102,065	499,592,749	511,222,661
Airport Maintenance And Operation Fund (523)	117,446	121,067	127,646	127,646
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)	167,136	1,093,584	0	0
General Purpose Parking Fund (533)	286,849	320,000	350,000	350,000
Gift Trust Fund (139)	6,617	2,000	0	0
State Drug Forfeiture Fund (417)	149,922	29,300	0	0
Supplemental Law Enforcement Services Fund (414)	2,034,617	2,699,991	0	0
Capital Funds	261,297	505,320	507,368	507,368
Total	\$501,536,536	\$505,873,327	\$500,577,763	\$512,207,675
Positions by Core Service **				
Crime Prevention and Community Education	64.67	68.67	68.67	68.67
Investigative Services	308.50	316.50	317.50	321.50
Regulatory Services	23.00	23.00	23.00	23.00
Respond To Calls For Service and Patrol Support	934.20	1,113.50	1,113.50	1,119.50
Strategic Support - Public Safety	138.50	218.50	215.50	216.50
Total	1,468.87	1,740.17	1,738.17	1,749.17

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Police Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Crime Prevention and Community Education					
Crime Prevention	1,556,981	2,105,635	1,987,801	1,987,801	13.00
School Liaison/Truancy Abatement	1,547,606	2,106,124	2,266,805	2,266,805	6.00
School Safety	2,434,020	3,302,082	3,070,833	3,070,833	49.67
Sub-Total	5,538,607	7,513,841	7,325,439	7,325,439	68.67
Investigative Services					
Assaults	3,519,071	3,962,689	4,173,919	4,173,919	15.00
Court Liaison	1,967,175	1,971,760	1,997,805	1,997,805	12.00
Crime Analysis	2,380,576	2,753,998	2,958,606	2,958,606	18.00
Family Violence	6,118,717	6,153,695	6,284,601	6,430,399	23.00
Financial Crimes/Burglary	4,713,872	5,603,740	6,058,963	6,058,963	22.00
Gang Investigations	5,561,056	5,911,654	6,125,423	6,125,423	21.00
Homicide/Crime Scene	13,505,530	11,012,217	11,549,902	11,549,902	34.00
Internal Affairs	6,702,890	6,049,898	6,413,233	6,413,233	18.00
Investigations Administration	10,272,713	11,003,616	11,802,919	11,961,114	27.00
Juvenile/Missing Persons	1,396,537	1,453,119	1,509,757	1,509,757	5.50
Robbery	4,970,454	4,279,624	4,549,886	4,549,886	14.00
Sexual Assaults	18,815,856	18,034,348	17,107,383	17,327,383	56.00
Special Investigations	17,004,786	16,394,133	17,730,223	18,503,530	56.00
Sub-Total	96,929,233	94,584,491	98,262,618	99,559,918	321.50
Regulatory Services					
Cannabis Regulation	1,389,606	1,444,536	1,511,417	1,511,417	6.00
Gaming	1,669,868	1,628,506	1,537,416	1,537,416	7.00
Permits	1,831,070	1,984,566	1,998,510	1,998,510	10.00
Sub-Total	4,890,545	5,057,608	5,047,343	5,047,343	23.00
Respond To Calls For Service and Patrol Support					
9-1-1 Call Taking & Police Dispatch	27,687,082	30,536,032	30,548,923	34,213,923	165.50
Air Support	3,616,454	2,677,287	2,853,746	2,853,746	7.00
Airport Division	9,158,757	9,034,978	10,004,160	10,004,160	11.00
Downtown Services	2,384,551	2,791,345	2,843,912	2,843,912	7.00
Field Operations Administration	7,116,693	5,332,380	5,779,807	5,779,807	22.00
Field Patrol	221,602,325	228,856,871	229,310,213	231,867,735	773.00
Metro	7,519,046	8,739,484	9,078,302	9,078,302	29.00
Police - Reserves Unit	1,382,473	1,266,539	1,228,634	1,228,634	5.00
Special Operations	18,848,859	18,785,835	18,579,841	19,379,841	54.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Police Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Traffic Enforcement	6,698,350	9,145,434	9,388,549	9,388,549	30.00
Violent Crimes Enforcement	5,209,070	4,967,848	5,224,718	5,224,718	16.00
Sub-Total	311,223,661	322,134,033	324,840,803	331,863,325	1,119.50
Strategic Support - Other - Public Safety					
Police Capital	96,171	0	0	0	0.00
Police Gifts	6,617	2,000	0	0	0.00
Police Other Departmental - City-Wide	596,738	1,327,743	493,247	493,247	0.00
Police Other Departmental - Grants	5,175,154	7,269,681	0	0	0.00
Police Other Operational - Administration	1,827,208	50,000	0	0	0.00
Police Overhead	0	10,440	14,778	14,778	0.00
Police Workers' Compensation	10,419,838	8,950,000	9,000,000	9,000,000	0.00
Sub-Total	18,121,726	17,609,864	9,508,025	9,508,025	0.00
Strategic Support - Public Safety					
Police Department Management and Administration	7,448,266	7,816,549	7,391,509	7,391,509	11.00
Police Emergency Response and Recovery	191,375	0	0	0	0.00
Police Financial Management	3,229,340	2,750,362	2,948,814	2,948,814	16.00
Police Human Resources	9,593,461	8,732,855	8,142,501	9,635,501	28.00
Police Information Technology	9,397,767	10,575,857	8,673,406	10,118,497	24.00
Police Records	10,156,731	10,684,689	10,570,331	10,570,331	80.50
Police Research and Development	4,420,710	4,345,844	3,930,595	4,280,595	17.00
Police Training and Academy	20,395,115	14,067,334	13,936,379	13,958,379	40.00
Sub-Total	64,832,766	58,973,490	55,593,535	58,903,626	216.50
Total	\$501,536,536	\$505,873,327	\$500,577,763	\$512,207,675	1,749.17

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Police Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	1,740.17	487,962,642	486,732,157
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(2,830,959)	(2,216,421)
• Police Sworn Hire Ahead Program		(7,350,000)	(7,350,000)
•		(996,599)	(996,599)
• Foot Patrol in Downtown and High Needs Neighborhoods			
• Coyote Creek and Guadalupe River Trail Patrol		(600,000)	(600,000)
• Police Public Records Team Staffing (2.0 Analyst I/II)	(2.00)	(461,486)	(461,486)
• Mobile Crisis Assessment Team		(151,440)	(151,440)
• Recruiting and Backgrounding		(895,000)	(895,000)
• Re-Arresting Criminal Defendants		(300,000)	(300,000)
• National Incident Management System and Incident Command System Training		(274,000)	(274,000)
• FirstNet Equipment Refresh		(226,000)	(226,000)
• Children's Advocacy Center (CAC) Forensic Interview Staffing		(221,274)	(221,274)
• Police Walking Patrol – Districts: Lincoln, Sam, X-Ray, and Charlie		(194,000)	(194,000)
• Police Officer Lateral Hiring Incentives		(150,000)	(150,000)
• Public-Facing Evidence Collection Portal		(125,000)	(125,000)
• Improving Criminal Justice Program		(120,000)	(120,000)
• Traffic Safety and Illegal Sideshows		(100,000)	(100,000)
• Cameras, License Plate Readers and Gunshot Detection Equipment		(72,000)	(72,000)
• Girls and Women Empowerment Conference		(50,000)	(50,000)
• Racial Equity Staffing (1.0 Senior Analyst)	(1.00)	(178,497)	(178,497)
• Drug Enforcement Administration		(723)	(723)
One-Time Prior Year Expenditures Subtotal:	(3.00)	(15,296,978)	(14,682,440)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:	0.00	15,254,858	15,250,569
- 1.0 Crime & Intelligence Analyst to 1.0 Police Forensic Analyst II			
- 1.0 Senior Police Data Specialist to 1.0 Analyst I/II			
- 79.0 Public Safety Radio Dispatcher FT to 79.0 Police Radio Dispatcher FT			
- 2.0 Public Safety Radio Dispatcher PT to 2.0 Police Radio Dispatcher PT			
- 14.0 Senior Public Safety Radio Dispatcher to 14.0 Senior Police Dispatcher FT			
- 6.0 Supervising Public Safety Dispatcher to 6.0 Supervising Police Dispatcher			
- 1.0 Senior Office Specialist to 1.0 Police Data Specialist II			
- 1.0 Office Specialist II to 1.0 Police Data Specialist II			
- 1.0 Training Specialist to 1.0 Program Manager			
- 1.0 Principal Office Specialist to 1.0 Senior Account Clerk			

Police Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

Base Adjustments	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
• Job Classification Reconciliation:	0.00	0 #	0
- (1.00) Analyst I/II			
- (2.00) Crime and Intelligence Analyst			
- (1.00) Office Specialist I/II			
- (1.00) Senior Office Specialist			
- (1.00) Supervising Applications Analyst			
- 4.00 Police Forensic Analyst I/II			
- 1.00 Program Manager			
- 1.00 Senior Analyst			
• City Council approval 09/13/2022 for Recommendation on a Process for Random Audits of Officer-Worn Body Camera Footage: Adds 1.0 Senior Analyst	1.00	193,487	193,487
• Overtime Adjustment		1,246,487	1,246,487
• Vehicle Operations & Maintenance		840,925	840,925
• Vehicle Replacements: Police Fleet		484,750	484,750
• Utilities: Gas, Electricity, Water		228,000	228,000
• Contract Services: County Crime Lab		110,731	110,731
• Contract Services: Crime Scene Cleaning		60,000	60,000
• Software/Information Services: NetMotion Mobility		53,382	53,382
• MERGE Unit Overtime Adjustment		45,998	45,998
• Field Training Officer Overtime Adjustment		42,534	42,534
• Motorcycle Unit Overtime Adjustment		42,250	42,250
• Contract Services: Body Worn Camera Program		41,243	41,243
• Software/Information Services: Intergraph		40,722	40,722
• Operations and Maintenance: Airport Division		39,914	39,914
• Contract Services: Crime Scene Cleaning (Vehicle Biohazards)		18,000	18,000
• Night Shift Differential Adjustment		16,516	16,516
• GASB 87 Leases: Toshiba Copier/Multi-Function Devices		9,426	9,426
• Supplies and Materials: Community Policing (Ice Cream)		6,000	6,000
• Supplies and Materials: Badges and Shields		5,000	5,000
• Training: Body Worn Camera Recertification		5,000	5,000
• Community-Based Organization: YWCA Solutions to Domestic Violence		3,928	3,928
• Contract Services: Hazardous Material Disposal		3,000	3,000
• Canine Unit Overtime Adjustment		2,687	2,687
• Community-Based Organization: Truancy Abatement and Burglary Suppression		2,036	2,036
• Bomb Squad Overtime Adjustment		1,146	1,146
• Software/Information Services: Sheriff's Law Enforcement Telecom System (SLETS)		1,000	1,000
• Software/Information Services: Alarm Trak Software Maintenance		1,000	1,000
• Community-Based Organization: San Jose Police Chaplaincy Program		891	891
• Community-Based Organization: Crisis Intervention for Youth		589	589

Police Department
Budget Reconciliation

Personal Services and Non-Personal/Equipment
(2022-2023 Adopted to 2023-2024 Proposed)

Base Adjustments	Positions	All Funds (\$)	General Fund (\$)
Technical Adjustments to Costs of Ongoing Activities			
• Living Wage Adjustment		(261,679)	(261,679)
Technical Adjustments Subtotal:	1.00	18,539,821	18,535,532
2023-2024 Forecast Base Budget	1,738.17	491,205,485	490,585,249
Budget Proposals Recommended			
1. Sworn and Non-Sworn Recruiting and Backgrounding		1,320,000	1,320,000
2. Field Patrol Staffing		1,076,250	1,076,250
3. Community Service Officer Downtown Ambassador Staffing	6.00	907,233	907,233
4. Police Records Management System Virtual Machine Server Replacement		650,000	650,000
5. Crime Intelligence Data Center Expansion	3.00	563,307	563,307
6. Police Public Records Team Staffing		350,000	350,000
7. WiFi Upgrade and Installation		320,000	320,000
8. Police Technology Demonstration Pilot		250,000	250,000
9. Automated License Plate Reader (ALPR) Program		210,000	210,000
10. Systems Development Staffing	1.00	203,903	203,903
11. Quality Assurance and Training Software		195,000	195,000
12. Psychiatric Emergency Response Team		180,000	180,000
13. Police Officer Lateral Incentive Program		150,000	150,000
14. Forensic Analyst Staffing	1.00	145,798	145,798
15. Vehicle M&O Charges (Fleet Staffing)		144,039	144,039
16. Improving Criminal Justice Program		120,000	120,000
17. Children's Advocacy Center Forensic Interviewer		100,000	100,000
18. Digital Crime Scene Server Hardware Replacement and Software Upgrade		100,000	100,000
19. Traffic Safety and Illegal Sideshows		100,000	100,000
20. California Network and Telecommunications (CalNet) Program Savings		(78,812)	(78,812)
Total Budget Proposals Recommended	11.00	7,006,717	7,006,717
2023-2024 Proposed Budget Total	1,749.17	498,212,202	497,591,966

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Sworn and Non-Sworn Recruiting and Backgrounding		1,320,000	1,320,000

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Human Resources Program

This action adds one-time personal services funding of \$1.0 million and one-time non-personal/equipment funding of \$250,000 for recruiting, as well as ongoing non-personal/equipment funding of \$70,000 for software to assist with background investigations of candidates for the upcoming Police Officer Recruit Academies and civilian candidates for non-sworn vacancies. Personal Services funding of \$1.0 million will augment the existing backgrounding positions in the Department's Base Budget, bringing total backgrounding resources in 2023-2024 to approximately \$1.8 million, as the Department works to fill vacant sworn and civilian positions. Non-personal/equipment funding is requested to continue the use of a consultant to conduct a comprehensive recruiting marketing plan that includes various targeted radio, print, and social media marketing (\$250,000). The plan will target online search engines, social media, professional business organizations, hiring platforms and will target specific geographic locations based on career fairs and events coordinated with the Police Department Recruiting Unit attending those events. Additional non-personal/equipment funding of \$70,000 provides ongoing support for a cloud-based software system designed to assist with pre-employment background investigations. The Department issued a Request for Proposals last fiscal year for a cloud-based software system, which will decrease cycle times for all types of the Department's backgrounds. The software allows Background Investigators to manage pre-employment background investigations online in one central location, with little to no paper handling, saving the Police Department significant time and money and allowing applicants to be hired more quickly. Currently, Background Investigators process approximately 1,300 background investigations a year; the funding is expected to help expand that number of investigations to 1,405 per year to help relieve delays in non-sworn positions requiring background investigations. (Ongoing costs: \$70,000)

2. Field Patrol Staffing		1,076,250	1,076,250
---------------------------------	--	-----------	-----------

Public Safety CSA
Respond to Calls for Service and Patrol Core Service
Field Patrol Program

As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds 17.0 Police Officer, 2.0 Police Sergeant, and 1.0 Police Lieutenant positions, to the Field Patrol unit beginning in 2024-2025, with a start date in February 2025 in accordance with recruit academy projections. This action also adds one-time non-personal/equipment funding of \$1,076,250, of which \$93,500 is ongoing, for the purchase of seven vehicles and associated supplies and equipment for the sworn positions. The Department's priority is public safety and calls-for-service, response time goals, and lowering overall crime, which in turn drive how these resources are allocated. In consideration of the Department's staffing needs, the most immediate need is to focus on calls for service and response time. It is critical to have sufficient patrol officers available to respond to calls for service, especially in the most impacted areas. (Ongoing costs: \$1,613,016)

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Community Service Officer Downtown Ambassador Staffing	6.00	907,233	907,233

Public Safety CSA

Respond to Calls for Service and Patrol Support Core Service

Field Patrol Program

As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds 6.0 Community Service Officer positions, one-time non-personal /equipment funding of \$248,780, and ongoing non-personal/equipment funding of \$6,000 to expand the current Community Service Officer (CSO) Program to be assigned to the San José Downtown area. Helping to serve in an ambassador role with their consistent presence and visibility in San José's Downtown area, the CSOs will engage with the public and businesses to address concerns and build relationships. Primarily deployed on bicycles and on foot, CSOs will be assigned to the greater Downtown area and will perform non-hazardous police functions, conduct crime and burglary investigations, and deliver non-emergency police services in support of patrol. In addition, CSOs will write reports in the field, interview witnesses, conduct follow-up investigations, collect evidence, photograph, fingerprint at crime scenes, and perform various other tasks. The non-personal/equipment funding includes a one-time allocation of \$180,000 for the purchase of three new vehicles, one-time allocation of \$68,780 for standard issue equipment and bicycles, and ongoing funding of \$6,000 for other supplies and equipment. (Ongoing costs: \$886,998)

4. Police Records Management System Virtual Machine Server Replacement		650,000	650,000
---	--	---------	---------

Public Safety CSA

Strategic Support – Public Safety Core Service

Police Information Technology Program

This action adds one-time non-personal/equipment funding of \$650,000 to fund Virtual Machine Server replacements for the Police Department's Records Management System (RMS). The current system hosts the RMS servers and 86 virtual servers, supporting a wide range of needs (SQL databases, Watch Commander Report system, Electronic Citation system, Intranet, etc.). Due to the complexity of growth and RMS upgrades over the years, the Hyperconverged Infrastructure (HCI) cluster capacity is currently at 92%. The refresh will ensure the reliability and resiliency of the RMS system and ensure police officers are able to support the residents of San José in an effective and efficient manner. This action allows the HCI refresh to continue to support the various internal applications Department staff utilize in the investigations of crimes and issuance of electronic citations. (Ongoing costs: \$0)

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Crime Intelligence Data Center Expansion	3.00	563,307	563,307

Public Safety CSA
Investigative Services Core Service
Special Investigations Program

This action adds 2.0 Police Forensic Analyst positions, 1.0 Systems Application Programmer II position, and non-personal/equipment funding of \$141,270 to support the expansion of the Crime Intelligence Data Center (CIDC). CIDC staff is frequently utilized by the Intelligence Unit to help track known offenders and provide real-time alerts to appropriate officers. This work is done 24/7 and often requires alerts and notifications outside of the regular workday. CIDC has the capacity to code software tools and applications to expand their ability to support Bureau of Investigations units. For example, CIDC is currently building a tool to triage and prioritize Human Trafficking cases from several disparate sources. This will provide a level of efficiency and innovation to a previously antiquated process. The CIDC is committed to internally developing offender-based predictive tools to positively impact public safety. CIDC is coding a tool to help investigate unsolved robberies and if successful, will allow the Robbery Unit to solve a number of cold cases. CIDC is also working on an automated statistical reporting tool to provide the Bureau of Field Operations (BFO) with real-time information specific to pressing citywide crime issues. The addition of the Systems Applications Programmer II position to the Police Department will support the expansion of CIDC to support Police Command Center, ALPR, Intel, BFO (all four divisions) and other ancillary duties. This funding is to help support the Flock Automated License Plate Reader (ALPR) program administration in a time where the program is expected to expand significantly in the coming years. The additional funding enables the Department to create and develop tools which will ultimately lead to better service from the Police Department. (Ongoing costs: \$574,083)

6. Police Public Records Team Staffing		350,000	350,000
---	--	---------	---------

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Research and Development Program

This action adds one-time personal services funding of \$350,000 to continue funding for temporary staffing to address the increasing workload associated with recent amendments to the California Public Records Act (CPRA) and the volume of records requested. Multiple State legislative changes to CPRA requirements have impacted the department's workload: Senate Bill 1421 (SB1421), effective January 1, 2019, related to peace officer personnel records and other records; Assembly Bill 748, effective July 1, 2019, requiring all video and audio depicting an officer involved shooting or use of force causing great bodily injury be released within 45 days; and Senate Bill 16, effective January 1, 2022, requiring the release of additional categories related to incidents involving officer misconduct. Duties related to CPRA requests include communicating with requestors, researching resources and compiling responsive records, detailed review of responsive records for redactions, crafting professional responses, file management, and adhering to retention guidelines. The additional funding for temporary staffing will allow the department to return current staff temporarily assigned to CPRA workloads to their normal duties. (Ongoing costs: \$0)

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

7. WiFi Upgrade and Installation		320,000	320,000
----------------------------------	--	---------	---------

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Information Technology Program

This action adds one-time non-personal/equipment funding of \$320,000 for the replacement of WiFi hardware equipment at the Police Department Police Administration Building (PAB), Police and Communications (PAC) building, Police Department Substation (PDS), and new install at the Police campus Special Operations building. The existing WiFi infrastructure was originally installed in 2012 and is no longer supported, as such City Information Technology Department advised the Police Department to replace the WiFi infrastructure to ensure reliability for critical Public Safety functions and ensure the hardware meets the latest cybersecurity standards. (Ongoing costs: \$0)

8. Police Technology Demonstration Pilot		250,000	250,000
--	--	---------	---------

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Information Technology Program

As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action allocates one-time non-personal/equipment funding of \$250,000 to pilot technology applications in various Police Department units in compliance with the City’s technology use policies that protect privacy and ensure cybersecurity. To provide capacity to engage in experimentation with new technologies that improve the efficiency and effectiveness of limited staffing resources, this allocation will provide the opportunity to test software performance before going through a full implementation. (Ongoing costs: \$0)

9. Automated License Plate Reader (ALPR) Program		210,000	210,000
--	--	---------	---------

Public Safety CSA
Investigative Services Core Service
Special Investigations Program

This action adds ongoing non-personal/equipment funding of \$210,000 to support 76 Automated License Plate Readers (ALPRs) previously funded as a pilot program with Urban Areas Security Initiative (UASI) grant set to expire in December 2023, as directed in the City Council-approved Mayor’s March Budget Message for Fiscal Year 2023-2024. The San José Police Department has indicated the pilot has been successful in reducing crime and increasing solved. The San José Police Department recognizes the importance of employing technology in law enforcement and this funding will continue to support the goal of creating a safer and secure community. (Ongoing costs: \$210,000)

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Systems Development Staffing	1.00	203,903	203,903

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Information Technology Program

This action adds 1.0 Information Systems Analyst position, to the Police Department Systems Development Division (SDD) and ongoing non-personal/equipment funding of \$11,434. The position's primary responsibility will be to protect department infrastructure and applications from cyber criminals and hackers seeking to cause damage or steal sensitive police data/information. This position will be responsible for coordinating with the Cybersecurity Office, completing routine and zero day patching protocols, addressing alerts by monitoring tools, and will be a designated Department of Justice (DOJ) Criminal Justice Information Services (CJIS) officer to coordinate and handle annual DOJ audits. (Ongoing costs: \$221,400)

11. Quality Assurance and Training Software		195,000	195,000
--	--	----------------	----------------

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Human Resources and Police Training Academy Programs

This action adds one-time non-personal/equipment funding of \$195,000 and ongoing non-personal/equipment funding of \$34,600 for a Quality Assurance (QA) Program for the Communications Unit (\$173,000) and Department-wide training tracking software (\$22,000). The Police Department receives over 1.3 million calls annually. In recent years, the San José Police Department (SJPD) has been asked to increase accountability, engage in police reform, provide more de-escalation training, and reduce liability. A significant component of that falls within the SJPD Training Unit. The Training Unit is the central hub for department-wide training and responsible for the tracking of Department members' training. The Training Unit currently lacks a software system to track and manage training. Without this software, the Department is unable to effectively track training, identify deficiencies and gaps, ensure equitable training to all Department members, and quickly provide information when asked about a specific Department member's training history. The software will seamlessly communicate with the current Field Training Program LEFTA system to include Department member's complete training profile, from Academy entry through Field Training and in-service to track, source, and aggregate training records. (Ongoing costs: \$34,600)

12. Psychiatric Emergency Response Team		180,000	180,000
--	--	----------------	----------------

Public Safety CSA
Respond to Calls for Service and Patrol Core Service
Field Patrol Program

This action allocates one-time non-personal/equipment funding of \$180,000 to continue the Psychiatric Emergency Response Team (PERT) program operated by the County of Santa Clara and previously funded with State of California Mental Health Services Act grant funds. The PERT program pairs a County behavioral health clinician with the Police Department to respond to calls for service involving mental health issues. While State funding for this program is expiring, the City seeks to continue the partnership with the County by funding the costs of the clinician to better assess the long-term viability of this program and will explore external funding opportunities. (Ongoing costs: \$0)

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>13. Police Officer Lateral Incentive Program</p> <p>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service <i>Field Patrol Program</i></p> <p>This action allocates one-time personal services funding of \$150,000 to fund a hiring incentive program for lateral hired police officers. Lateral hires of street-ready police officers from other agencies yield savings to the City by reducing training and academy costs. This funding will provide \$10,000 incentive bonuses for each lateral sworn officer that is hired into the San José Police Department. (Ongoing costs: \$0)</p>		150,000	150,000
<p>14. Forensic Analyst Staffing</p> <p>Public Safety CSA Investigative Services Core Service <i>Family Violence Program</i></p> <p>This action adds 1.0 Police Forensic Analyst II position, to support the Bureau of Investigations (BOI), Family Violence Unit (FVU). FVU, consisting of the Domestic Violence Unit, Child/Elder Abuse and Threats Unit, and the Missing Persons and Juvenile Units. FVU typically receives approximately 300-500 cases a month. With limited detectives, the Unit is unable to investigate every single case and therefore detectives must prioritize their case load. Case assignments are made on a priority basis. Felony crimes of violence and all domestic violence incidents are given the highest priority. Unfortunately, detectives do not have the bandwidth to review all cases in a timely manner and conduct the appropriate follow-up investigative steps that are required for a thorough investigation. Detectives triage their assigned cases and prioritize based on victim cooperation, severity of the crime and likelihood of suspect apprehension. FVU received 9,343 cases in 2021-2022; one of the highest caseloads in BOI. This funding will add one Police Forensic Analyst to assist with data and intelligence analysis/gathering, assist in the evaluation of data to direct enforcement and policy, and assist with presenting data at the Public Safety, Finance, and Strategic Support Committee meetings and other special meetings, as this work has grown exponentially over the last two years. This position will also take administrative workload off of detectives, which will allow sworn personnel assigned to FVU to focus on investigations. (Ongoing costs: \$159,983)</p>	1.00	145,798	145,798
<p>15. Vehicle M&O Charges (Fleet Staffing)</p> <p>Public Safety CSA Respond to Calls for Service and Patrol Support Core Service <i>Field Patrol Program</i></p> <p>This action adds non-personal/equipment funding of \$144,039 for vehicle and operations costs related to the Fleet Staffing (Communication Installers) budget action, as described in the Public Works Department section of this document. The positions will be focusing on shop operations which includes supporting ongoing maintenance and repairs to mobile units, building new or replacement vehicles to meet delivery time, and provide ongoing upgrades on communication equipment for Police, Fire, and other departments. The Fleet Management Division has a backlog of repairs and building vehicles, so these positions will support efforts to reduce this backlog and continue to maintain the City's vehicles and equipment. (Ongoing costs: \$176,940)</p>		144,039	144,039

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>16. Improving Criminal Justice Program</p> <p><i>Public Safety CSA</i> <i>Investigative Services Core Service</i> <i>Sexual Assaults Program</i></p> <p>This action adds ongoing non-personal/equipment funding of \$120,000 to continue the Improving Criminal Justice Program. On March 22, 2018, the San José Police Department received multiyear grant funding in the amount of \$810,272 from the Department of Justice (DOJ) Office of Violence Against Women, to improve responses to crimes related to domestic violence and sexual assaults. The funding was sub-awarded to YWCA of Golden Gate Silicon Valley to support one Domestic Violence Advocate and one sexual assault advocate to provide crisis intervention and follow-up services to victims of sexual assault and victims of sex trafficking. The grant expired in September 2022 and was not renewed by the DOJ. This funding will continue to support the program going forward. (Ongoing costs: \$120,000)</p>		120,000	120,000
<p>17. Children's Advocacy Center Forensic Interviewer</p> <p><i>Public Safety CSA</i> <i>Investigative Services Core Service</i> <i>Sexual Assaults Program</i></p> <p>This action adds ongoing personal services funding of \$100,000 to support the hiring of child forensic interviewers for the Children's Advocacy Center (CAC). The CAC supports families and children who are victims of sexual assault. The child forensic interviewers provide critical services in support of the CAC by conducting interviews and mandatory peer reviews of interviews conducted by detectives within the Department. The City of San José and the County of Santa Clara entered a reimbursement agreement for \$76,000 for services between January 1, 2021 and December 31, 2021, where the City provides staffing for a part-time Child Forensic Interviewer with costs for the position to be reimbursed by the County. The Agreement was amended for an additional \$161,494 for services and has subsequently been amended to extend services to June 30, 2023. Continuation of the part-time Child Forensic Interviewer, per the extended Agreement, is anticipated to cost \$121,274. (Ongoing costs: \$100,000)</p>		100,000	100,000
<p>18. Digital Crime Scene Server Hardware Replacement and Software Upgrade</p> <p><i>Public Safety CSA</i> <i>Strategic Support – Public Safety Core Service</i> <i>Police Information Technology Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$100,000 to fund the replacement of the Digital Crime Scene Server that stores digital crime scene evidence. This funding will purchase two new servers to store digital crime scene evidence and ensure the Department is able to retain the evidence stipulated by the City Retention Schedules. The non-personal/equipment funding of \$100,000 will ensure reliability, resilience, and ensure data integrity, availability, and security of such evidence. (Ongoing costs: \$0)</p>		100,000	100,000

Police Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment





2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
19. Traffic Safety and Illegal Sideshows <i>Public Safety CSA</i> <i>Responds to Calls for Service and Patrol Support Core Service</i> <i>Field Patrol Program</i> This action adds one-time overtime funding of \$100,000 to continue to support the investigation and violation enforcement of illegal street racing and sideshows. The funding provides overtime resources for special enforcement details, as needed. In 2022- 2023, the program was funded on a one-time basis and resulted in 19 arrests, 1,290 citations, and 27 impounded vehicles. While illegal street racing and sideshows spiked last year, activity levels have since fallen and are anticipated to remain at a lower level in 2023-2024. (Ongoing costs: \$0)		100,000	100,000
20. California Network and Telecommunications (CalNet) Program Savings <i>Public Safety CSA</i> <i>Strategic Support – Public Safety Core Service</i> <i>Police Information Technology Program</i> This action decreases the Police Department’s non-personal/equipment funding by \$78,812 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$78,812)		(78,812)	(78,812)
2023-2024 Proposed Budget Changes Total	11.00	\$7,006,717	\$7,006,717

Police Department

Performance Summary

Crime Prevention and Community Education

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to the national crime rate (Index Crimes)	N/A ¹	0%	N/A ¹	0%
 San José's crime rate (per 100,000 inhabitants) – by % and # - as compared to the California crime rate (CCI)	2,629.3/2,649.0 -0.7% ²	0%	N/A ¹	0%
 San José's crime rate (per 100,000 inhabitants) – by % and # as compared to 12 similar cities (CCI)	N/A ¹	0%	N/A ¹	0%
 % of requested crime prevention presentations scheduled within 30 days	98%	99%	99%	99%

¹ Due to the ongoing nationwide transition to a new crime reporting system (National Incident-Based Reporting System – NIBRS), data is not available.

² Data represents reported statistics for calendar year 2021.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of patrol hours spent on proactive community policing	11,303	12,500	6,458	6,500
# of community presentations (excluding schools)	235	250	224	230
# of participants at community presentations (excluding schools)	6,280	6,800	6,564	6,800
# of school presentations	469	350	846 ¹	600
# of participants at school presentations	16,088	14,000	60,428 ²	37,200

¹ The number of school presentations increased due to high demand from middle and high schools.



² The number of participants at school presentations increased due to high demand from middle and high schools, which account for a larger student population.

Police Department

Performance Summary

Investigative Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of cases assigned that result in criminal filings or are otherwise successfully resolved	36.5%	45%	37.4%	35%
 % of change (increase or decrease) for # of cases assigned compared to the previous year	-6.0%	0%	-2.3%	3%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of cases received	56,089	55,000	57,926	56,000
# of cases assigned ¹	28,288	30,000	27,642	27,500
# of cases that result in criminal filings	10,332	11,000	10,346	10,000
# of outstanding cases (cases currently open)	5,664	5,500	5,750	5,750
# of cases operationally closed due to lack of investigative resources	14,110	14,500	13,380	13,250
# of cases operationally closed ²	55,126	56,750	53,382	53,000

¹ Number of cases assigned reflects the number of cases received that have a solvability factor and can be assigned if resources allow. This number differs from the number of cases received as some cases have insufficient information or leads to warrant assignment for further investigation.





² Number of cases operationally closed reflects cases that were resolved (solved, cleared, or closed) within the fiscal year regardless of when they were assigned. As a result, this number may include cases initially assigned in a prior fiscal year.

Police Department

Performance Summary

Regulatory Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of cardroom licenses, key employee licenses and cardroom work permits revoked or denied as compared to total licenses/work permits issued	1.06%	1.6%	1.06%	1.06%
 % of cardroom license revocations and denials overturned on appeal to total licenses or work permits revoked or denied	0%	0%	0%	0%
 % of cardroom employee work permit applications receiving written decision within the ordinance mandated 20 working days	100%	100%	100%	100%
 Ratio of budgeted costs to estimated Revenues ¹	1.70:1	2.00:1	1.53:1	1.50:1

¹ Includes non-recoverable enforcement costs.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of gaming permit applications processed	663	740	592	592
# of cardroom/key employee license applications	27	16	40	40
# of denials and revocations – cardrooms only	7	4	6	6
# of denials overturned – cardrooms only	0	0	0	0
# of taxi cabs permitted	158	100	182	200 ¹
# of gaming permits issued	656	760	524	524










¹ Taxicab guidelines were updated in August 2022, which resulted in lower costs to taxicab companies; it is anticipated that the number of permits issued for taxicabs will increase. Additionally, an analysis of time tasks for processing taxicab driver applications was conducted and will result in a decrease of associated fees for 2023-2024; it is anticipated that this factor will contribute to an increase in applicants and ultimately permits issued.

Police Department

Performance Summary

Respond to Calls for Service and Patrol Support

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of 9-1-1 calls that are answered within 15 seconds	86.57%	95%	86.42%	90%
 Average time in which emergency calls, including 9-1-1 calls, are answered (in seconds) ¹	7.83	6.50	6.50	6.50
 Average time in which non-emergency calls, including 3-1-1 calls are answered (in seconds)	145.95	25.00	155.46	25.00
 Average time in which Telephone Reporting Automation Center (TRAC) calls are answered (in minutes)	3.56	6.00	4.17	6.00
 Average response time (City-wide) – (in minutes)	7.34	6.00	7.85	6.00
Priority One (present or imminent danger to life or major damage/loss of property)				
Average call processing time	1.28	1.50	1.34	1.50
Average call queuing time	0.65	0.50	0.84	0.50
Average call driving-to-arrival time	5.42	4.00	5.68	4.00
 Average response time (City-wide) – (in minutes)	23.93	11.00	26.31	11.00
Priority Two (injury or property damage or potential for either to occur)				
Average call processing time	1.59	1.50	1.65	1.50
Average call queuing time	12.49	3.50	13.95	3.50
Average call driving-to-arrival time	9.85	6.00	10.73	6.00
 Annual cost of Police to respond to calls for service (in millions) ¹	\$153.16	\$164.50	\$160.35	\$166.76
 Annual cost per call for Police service	\$129.28	\$144.24	\$130.55	\$135.77
 Ratio of fatal collisions to total number of traffic collisions	1:139	1:180	1:187	1:180

¹ Includes 9-1-1, 7-digit, wireless, California Highway Patrol (CHP) transfers and Transit Unit - BART (as of June 2020).

Police Department

Performance Summary

Respond to Calls for Service and Patrol Support

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of emergency calls received ¹	646,403	670,000	633,924	650,000
# of wireless 9-1-1 calls received	505,010	525,000	494,654	500,000
# of non-emergency calls received ²	558,737	494,000	609,896	700,000
# of reports received by alternative means	28,022	28,000	26,906	28,000
# of officer-initiated calls received	72,025	79,000	67,518	73,000
# of hours of off-duty uniformed work at special events (includes security and traffic control)	32,307	35,000	33,252	34,000
# of special events coordinated by Secondary Employment Unit ³	1,026	1,200	860	900
# of officer work permits processed for Secondary Employment	1,335	1,200	1,168	900 ³
Cost of providing Secondary Employment capability ⁴	\$944,514	\$833,650	\$914,867	\$896,088
# of total traffic collisions	9,562	9,500	9,720	9,700
# of injury traffic collisions	3,289	3,400	3,516	3,500
# of fatal traffic collisions	69	50	56	50
# of neighborhood traffic enforcement requests received	1,315	1,500	1,362	1,362
# of DUI arrests (Traffic Enforcement generated)	3	8	12	20
# of moving violation citations issued by Traffic Enforcement Unit personnel (both hazardous and non-hazardous)	15,488	12,000	22,612	22,612
¹	Includes 9-1-1, 7 digit, wireless, California Highway Patrol (CHP) transfers and Transit Unit - BART (as of June 2020).			
²	Includes 7-digit non-emergency, and Telephone Report Automated Center (TRAC) calls			
³	The Secondary Employment Unit is in the process of updating the work permit to allow authorization for an officer to work in uniform for any SEU approved employer. It is anticipated that this new process will decrease the number of officer work permits processed.			
⁴	Cost includes secondary employment administrative costs and excludes costs paid directly to off-duty Officers by secondary employers and event promoters.			

Police Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	24.00	22.00	(2.00)
Assistant Chief of Police	1.00	1.00	-
Assistant Communications Manager	1.00	1.00	-
Background Investigator	5.00	5.00	-
Chief of Police	1.00	1.00	-
Community Service Officer I/II	61.00	67.00	6.00
Crime and Intelligence Analyst	12.00	9.00	(3.00)
Crime and Intelligence Data Administrator	1.00	1.00	-
Crime and Intelligence Data Technician	3.00	3.00	-
Crime Prevention Specialist	12.00	12.00	-
Crime Prevention Supervisor	1.00	1.00	-
Crisis Intervention Training Manager	1.00	1.00	-
Department Information Technology Manager	3.00	3.00	-
Deputy Chief of Police	4.00	4.00	-
Deputy Director U	2.00	2.00	-
Digital Media Technician	1.00	1.00	-
Division Manager	5.00	5.00	-
Information Systems Analyst	3.00	4.00	1.00
Latent Fingerprint Examiner II	1.00	1.00	-
Latent Fingerprint Examiner III	5.00	5.00	-
Latent Fingerprint Examiner Supervisor	1.00	1.00	-
Maintenance Worker II	1.00	1.00	-
Messenger Clerk	1.00	1.00	-
Network Engineer	4.00	4.00	-
Network Technician I/II/III	3.00	3.00	-
Office Specialist I/II	11.00	9.00	(2.00)
Office Specialist II PT	0.50	0.50	-
Police Captain	9.00	9.00	-
Police Communications Manager	1.00	1.00	-
Police Data Specialist I/II	67.00	69.00	2.00
Police Data Specialist PT	1.50	1.50	-
Police Forensic Analyst I/II	7.00	15.00	8.00
Police Lieutenant	41.00	41.00	-
Police Officer	927.00	927.00	-
Police Property Specialist I/II	19.00	19.00	-
Police Property Supervisor	2.00	2.00	-
Police Sergeant	190.00	190.00	-
Police Radio Dispatcher	0.00	79.00	79.00
Police Radio Dispatcher PT	0.00	2.00	2.00
Principal Office Specialist	9.00	8.00	(1.00)
Program Manager	2.00	4.00	2.00
Public Safety Communication Specialist	58.00	58.00	-

Police Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Public Safety Communication Specialist PT	1.50	1.50	-
Public Safety Radio Dispatcher	79.00	0.00	(79.00)
Public Safety Radio Dispatcher PT	2.00	0.00	(2.00)
School Crossing Guard PT	44.67	44.67	-
School Safety Supervisor	4.00	4.00	-
Senior Account Clerk	3.00	4.00	1.00
Senior Analyst	9.00	10.00	1.00
Senior Auditor	3.00	3.00	-
Senior Crime and Intelligence Analyst	2.00	2.00	-
Senior Community Service Officer	6.00	6.00	-
Senior Office Specialist	17.00	15.00	(2.00)
Senior Police Data Specialist	11.00	10.00	(1.00)
Senior Police Dispatcher	0.00	14.00	14.00
Senior Public Information Representative	1.00	1.00	-
Senior Public Safety Dispatcher	14.00	0.00	(14.00)
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	16.00	16.00	-
Supervising Applications Analyst	2.00	1.00	(1.00)
Supervising Auditor	1.00	1.00	-
Supervising Community Services Officer	1.00	1.00	-
Supervising Police Data Specialist	4.00	4.00	-
Supervising Police Dispatcher	0.00	6.00	6.00
Supervising Public Safety Dispatcher	6.00	0.00	(6.00)
Supply Clerk	1.00	1.00	-
Systems Applications Programmer I/II	1.00	2.00	1.00
Training Specialist	2.00	1.00	(1.00)
Total Positions	1,740.17	1,749.17	9.00

Note: Of the 1,749.17 positions in the Police Department in 2023-2024, 1,173.00 are sworn positions and 576.17 are civilian positions. Included in the 2023-2024 Proposed Budget is an action to increase sworn positions by 20 positions as part of the 2024-2025 Base Budget to align with anticipated recruit academies. With these additional 20 positions, the total of sworn positions will increase to 1,193.00.

PAGE INTENTIONALLY LEFT BLANK

Public Works Department

Matthew Loesch, Acting Director

MISSION

To provide excellent service in building a smart and sustainable community, maintaining and managing city assets, and serving the animal care needs of the community

CITY SERVICE AREA

*Community & Economic Development
Neighborhood Services
Strategic Support*

CORE SERVICES

ANIMAL CARE AND SERVICES

Promote and protect the health, safety and welfare of animals and people in the City of San José.

FACILITIES MANAGEMENT

Provide safe, efficient, comfortable, attractive, and functional buildings and facilities.

FLEET AND EQUIPMENT SERVICES

Manage operations which provide a safe and reliable fleet of vehicles and equipment.

PLAN, DESIGN, AND CONSTRUCT PUBLIC FACILITIES AND INFRASTRUCTURE

Plan, design, and construct public facilities and infrastructure, Materials Testing Laboratory, and Surveying Services.

REGULATE/FACILITATE PRIVATE DEVELOPMENT

Review private development to ensure that new development contributes to the safety and welfare of the residents as well as the City's economic development.

Strategic Support: Infrastructure and Mapping, Financial and Contractual Administration, Technology Services, Equality Assurance, Human Resources, and Emergency Response and Recovery

Public Works Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Animal Care and Services Core Service</i>	
Animal Licensing and Customer Services	Provides licensing, adoption and customer service support, such as spay and neuter, quarantine, and owner surrender for customers at the Animal Services Center.
Animal Services Field Operations	Provides field services to ensure the health, safety and welfare of animals and people in the City.
<i>Facilities Management Core Service</i>	
City Facilities Repairs and Minor Capital Improvements	Addresses City facility needs, including tracking and conducting repairs and minor capital improvements, managing improvement and remodel projects, performing building system repairs and improvements, and maintaining the work order database.
Energy and Water Conservation	Provides support to ensure the latest energy and water conservation technologies and methodologies are incorporated for all major capital projects.
Facility Maintenance and Operations – City Hall	Provides maintenance, event services and security for City Hall; maintenance includes programmed preventive maintenance and corrective maintenance.
Facility Maintenance and Operations – Non-City Hall	Provides maintenance for City-owned facilities (not City Hall), including programmed preventive maintenance and corrective maintenance through requests and building assessments, and repairs in areas such as locksmith work, carpentry, electrical, HVAC, painting, and plumbing.
<i>Fleet and Equipment Services Core Service</i>	
Fleet Maintenance and Operations	Provides preventive maintenance, repairs, and statutory inspections for over 2,800 vehicles and equipment that support public safety, public health, and general government operations citywide.
Fleet Replacement	Manages the acquisition and disposal of all vehicles and equipment, including vehicle procurement and build-up.
Radio Communication	Provides reliable, necessary public and non-public safety-related communications equipment, maintains existing radio equipment and ensures optimal functionality, strategically plans for future upgrades and technology changes while supporting the Silicon Valley Regional Interoperability Authority.

Public Works Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Plan, Design, and Construct Public Facilities and Infrastructure Core Service</i>	
City Facilities Architectural Services and Capital Project Administration	Provides architectural services and project administration for the delivery of capital improvements for City-owned facilities, including recreational facilities, parks, trails, libraries, public safety facilities, and various cultural and municipal facilities.
City Facilities Engineering and Inspection Services	Provides engineering and surveying services to determine roadway pavement sections and develop topographic map; provides quality assurance during construction to ensure compliance with the contract documents, the California Building Standard Code, and industry standards of care.
Transportation, Sanitary and Storm Sewer Capital	Supports the design and construction of right-of-way capital infrastructure projects, general engineering plan review for regional projects, and electrical engineering review for projects constructed by private developers.
<i>Regulate / Facilitate Private Development Core Service</i>	
Public Works Development Services	Provides support to ensure new development projects comply with applicable regulations and provide the necessary public infrastructure including, but not limited to: streets, sidewalks, storm and sanitary sewers, streetlights, landscaping in frontages and street islands, and traffic signals.
<i>Strategic Support Core Service</i>	
Public Works Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.
Public Works Management and Administration	Provides administrative oversight for the department, including executive management, financial management, information technology support, human resources, and analytical support.

Public Works Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Oversee the City's capital projects, ensuring on-time and on-budget delivery that meet the needs of San José residents.
- Maintain City facilities, equipment, and vehicles.
- Provide expedited and quality plan review services for the development community.
- Provide animal care and services resources with concentrated focus on public health and safety.

2023-2024 Key Budget Actions

- Adds 7.0 Animal Care Attendant positions and 3.0 Animal Shelter Coordinator positions to provide a night shift for the Animal Care Center, implementing 24 hours of care and services for the animals at the shelter.
- Adds 3.0 Animal Care Attendant positions; 1.0 Supervisor, Animal Services Operations position; continues two temporary positions on an ongoing basis by adding 1.0 Senior Office Specialist position and 1.0 Supervisor, Animal Services Operations position; and eliminates 2.0 Office Specialist Part-Time Unbenefited positions; 2.0 Animal Care Attendant Part-Time Unbenefited positions; and 1.0 Animal Shelter Coordinator position to support shelter operations, customer service/licensing, and medical services.
- Adds 1.0 Senior Carpenter position, 1.0 Senior Air Conditioning Mechanic position, and 1.0 Senior Electrician position to help support and maintain Measure T funded City facilities including the Fire Training Center and the Emergency Operations Center which are scheduled to come online in Fall 2023.
- Adds 2.0 Communications Installer positions to support the Fleet Management Division. The division has a backlog of ongoing maintenance and repairs to mobile units, building new or replacement vehicles to meet delivery time, and provide ongoing upgrades on communication equipment for Police, Fire, and other departments.
- Adds 1.0 Program Manager position to support the Administration Division. The Program Manager position will lead all human resources related efforts which includes recruitment, health and safety, temporary position requests, and employee leave management, to ensure that the department's workforce needs are better aligned and addressed.
- Adds 1.0 Senior Facility Repair Worker position to support the ongoing maintenance and repairs at the Animal Care Center. The Animal Care Center has a backlog of over 100 work orders for repairs and maintenance needs.
- Adds 1.0 Staff Specialist, 1.0 Principal Construction Inspector, 1.0 Engineer II, and 1.0 Engineering Technician II positions; eliminates 1.0 Office Specialist I/II and 3.0 Senior Construction Inspector positions; and realigns various capital service funded positions to support the delivery of the City's Capital Improvement Programs for 2023-2024.
- Eliminates 1.0 Senior Construction Inspector, 2.0 Associate Construction Inspector, and 2.0 Engineering Technician II positions; and realigns the Small Cell Permitting Fund positions due to the anticipated reduction in workload in 2023-2024.

Operating Funds Managed

- Public Works Program Support Fund
- Public Works Development Fee Program Fund
- Public Works Small Cell Permitting Fee Program Fund
- Vehicle Maintenance and Operations Fund

Public Works Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Animal Care and Services	9,028,188	10,114,631	10,834,883	12,188,866
Facilities Management	34,306,976	34,419,769	32,467,003	34,934,487
Fleet and Equipment Services	25,365,154	31,124,369	31,926,465	36,156,142
Plan, Design, and Construct Public Facilities and Infrastructure	34,409,977	45,695,937	48,007,681	48,776,492
Regulate/Facilitate Private Development	16,825,107	17,143,064	17,933,404	16,556,999
Strategic Support - Community & Economic Development	91,304	0	0	0
Strategic Support - Neighborhood Services	1,125,473	872,450	954,823	954,823
Strategic Support - Other - Community & Economic Development	127,956	1,993,950	593,319	593,319
Strategic Support - Other - Neighborhood Services	4,953,710	373,000	320,000	320,000
Strategic Support - Other - Public Safety	533,085	500,000	0	0
Strategic Support - Other - Strategic Support	26,635,059	46,088,760	23,061,989	39,574,850
Strategic Support - Strategic Support	22,032,121	12,607,379	12,497,690	13,057,452
Total	\$175,434,108	\$200,933,309	\$178,597,257	\$203,113,430
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	93,398,035	106,493,567	110,440,345	111,971,997
Overtime	3,613,493	1,251,083	1,340,782	1,340,782
Subtotal Personal Services	\$97,011,528	\$107,744,650	\$111,781,127	\$113,312,779
Inventory	9,133,142	8,913,000	8,913,000	8,913,000
Non-Personal/Equipment	19,725,316	21,991,605	24,468,505	24,933,376
Total Personal Services & Non-Personal/Equipment	\$125,869,985	\$138,649,255	\$145,162,632	\$147,159,155
Other Costs *				
City-Wide Expenses	2,940,816	7,758,356	2,636,319	4,643,108
General Fund Capital	30,792,707	26,404,000	2,082,000	18,685,000
Gifts	185,843	373,000	320,000	320,000
Other	9,074,688	21,021,229	21,018,008	25,018,008
Other - Capital	81,615	0	0	0
Overhead Costs	4,642,177	6,277,469	6,928,298	6,838,159
Workers' Compensation	620,290	450,000	450,000	450,000
Total Other Costs	\$49,564,123	\$62,284,054	\$33,434,625	\$55,954,275
Total	\$175,434,108	\$200,933,309	\$178,597,257	\$203,113,430

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Public Works Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	73,855,409	77,398,034	51,297,509	72,138,974
Airport Maintenance And Operation Fund (523)	156,844	221,542	231,532	231,532
American Rescue Plan Fund (402)	1,921,671	411,498	0	0
Building Development Fee Program Fund (237)	58,071	62,722	63,628	63,628
Business Improvement District Fund (351)	274,556	0	0	0
Citywide Planning Fee Program Fund (239)	55,238	68,879	74,638	74,638
Community Development Block Grant Fund (441)	3,778,247	198,744	185,993	185,993
Community Facilities District No. 8 (Communications Hill) Fund (373)	52,007	100,000	100,000	100,000
Convention and Cultural Affairs Fund (536)	47,155	9,000	9,000	9,000
Coronavirus Relief Fund (401)	(635,117)	0	0	0
Downtown Property And Business Improvement District Fund (302)	9,999	10,000	10,000	10,000
Emergency Reserve Fund (406)	754,790	0	0	0
Fire Development Fee Program Fund (240)	9,716	14,151	14,737	14,737
General Purpose Parking Fund (533)	7,508	79,488	79,488	79,488
Gift Trust Fund (139)	212,389	373,000	320,000	320,000
Homeless Housing, Assistance, and Prevention Fund (454)	465,351	0	0	0
Integrated Waste Management Fund (423)	459,344	637,072	688,517	688,517
Low And Moderate Income Housing Asset Fund (346)	149,736	205,446	192,726	192,726
Planning Development Fee Program Fund (238)	46,524	48,579	49,125	49,125
Public Works Development Fee Program Fund (241)	14,016,901	13,973,893	14,871,592	15,749,385
Public Works Program Support Fund (150)	20,323,239	21,647,468	21,996,362	22,177,715
Public Works Small Cell Permitting Fee Program Fund (242)	4,046,408	2,983,511	3,186,689	681,471
San José Clean Energy Operating Fund (501)	0	159,821	209,772	209,772
San José-Santa Clara Treatment Plant Operating Fund (513)	46,835	148,140	148,129	148,129
Sewage Treatment Plant Connection Fee Fund (539)	622,960	640,351	640,351	640,351
Sewer Service And Use Charge Fund (541)	2,050,746	3,343,037	3,331,256	3,431,256
Storm Sewer Operating Fund (446)	768,987	1,081,195	1,094,984	944,870
Transient Occupancy Tax Fund (461)	726	0	0	0
Vehicle Maintenance And Operations Fund (552)	25,157,633	30,801,501	31,625,860	35,930,768
Water Utility Fund (515)	39,274	39,547	39,547	39,547
Capital Funds	26,680,959	46,276,690	48,135,822	49,001,807
Total	\$175,434,108	\$200,933,309	\$178,597,257	\$203,113,430

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Public Works Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Positions by Core Service **				
Animal Care and Services	50.27	78.57	78.57	90.57
Facilities Management	59.65	86.65	86.65	91.65
Fleet and Equipment Services	70.55	72.55	72.55	74.55
Plan, Design, and Construct Public Facilities and Infrastructure	216.46	249.80	249.80	253.00
Regulate/Facilitate Private Development	97.94	89.69	89.69	82.00
Strategic Support - Neighborhood Services	2.50	2.50	2.50	2.50
Strategic Support - Other - Neighborhood Services	0.00	0.00	6.00	6.00
Strategic Support - Other - Strategic Support	1.00	5.75	5.75	5.75
Strategic Support - Strategic Support	56.51	61.76	59.76	62.25
Total	554.88	647.27	651.27	668.27

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Public Works Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Animal Care and Services					
Animal Licensing and Customer Services	5,795,028	6,710,084	7,380,963	8,734,946	66.57
Animal Services Field Operations	3,233,159	3,404,547	3,453,920	3,453,920	24.00
Sub-Total	9,028,188	10,114,631	10,834,883	12,188,866	90.57
Facilities Management					
City Facilities Repairs and Minor Capital Improvements	8,979,847	8,010,202	3,726,173	3,726,173	18.50
Energy and Water Conservation	11,163	183,094	185,568	185,568	1.00
Facility Maintenance and Operations - City Hall	6,374,868	9,273,154	9,899,688	9,899,688	28.00
Facility Maintenance and Operations - Non City Hall	18,941,098	16,953,319	18,655,573	21,123,057	44.15
Sub-Total	34,306,976	34,419,769	32,467,003	34,934,487	91.65
Fleet and Equipment Services					
Fleet Maintenance and Operations	19,928,498	20,928,689	21,649,967	21,879,644	65.55
Fleet Replacement	4,021,749	8,497,486	8,497,486	12,497,486	0.00
Radio Communication	1,414,907	1,698,194	1,779,012	1,779,012	9.00
Sub-Total	25,365,154	31,124,369	31,926,465	36,156,142	74.55
Plan, Design, and Construct Public Facilities and Infrastructure					
City Facilities Architectural Services and Capital Project Administration	5,316,943	7,804,667	8,639,424	8,639,424	40.00
City Facilities Engineering and Inspection Services	3,441,476	15,315,802	15,890,867	15,557,647	80.81
Transportation, Sanitary and Storm Sewer Capital	25,651,558	22,575,468	23,477,390	24,579,420	132.19
Sub-Total	34,409,977	45,695,937	48,007,681	48,776,492	253.00
Regulate/Facilitate Private Development					
Public Works Development Services	16,825,107	17,143,064	17,933,404	16,556,999	82.00
Sub-Total	16,825,107	17,143,064	17,933,404	16,556,999	82.00
Strategic Support - Community & Economic Development					
Public Works Management and Administration - Community and Economic Dev	91,304	0	0	0	0.00
Sub-Total	91,304	0	0	0	0.00
Strategic Support - Neighborhood Services					
Public Works Management and Administration - Neighborhood Services	1,125,473	872,450	954,823	954,823	2.50
Sub-Total	1,125,473	872,450	954,823	954,823	2.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Public Works Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Strategic Support - Other - Community & Economic Development					
Public Works Capital - Community and Economic Development	52,007	0	0	0	0.00
Public Works Other Departmental - City-Wide - Community and Economic Dev	75,949	1,993,950	593,319	593,319	0.00
Sub-Total	127,956	1,993,950	593,319	593,319	0.00
Strategic Support - Other - Neighborhood Services					
Public Works Capital - Neighborhood Services	4,722,395	0	0	0	0.00
Public Works Gifts - Neighborhood Services	208,562	373,000	320,000	320,000	0.00
Public Works Other Departmental - City-Wide - Neighborhood Services	22,753	0	0	0	6.00
Sub-Total	4,953,710	373,000	320,000	320,000	6.00
Strategic Support - Other - Public Safety					
Public Works Capital - Public Safety	533,085	500,000	0	0	0.00
Sub-Total	533,085	500,000	0	0	0.00
Strategic Support - Other - Strategic Support					
Public Works Capital - Strategic Support	21,462,965	21,891,006	1,932,000	18,535,000	4.75
Public Works Other Departmental - City-Wide - Strategic Support	146,282	5,840,285	2,121,691	2,121,691	1.00
Public Works Other Operational - Administration - Strategic Support	397,499	11,630,000	11,630,000	11,630,000	0.00
Public Works Overhead	4,425,483	6,277,469	6,928,298	6,838,159	0.00
Public Works Workers' Compensation - Strategic Support	202,829	450,000	450,000	450,000	0.00
Sub-Total	26,635,059	46,088,760	23,061,989	39,574,850	5.75
Strategic Support - Strategic Support					
Public Works Emergency Response and Recovery	388,511	411,498	0	0	0.00
Public Works Information Technology - Strategic Support	512,795	2,311,490	2,230,024	2,551,242	13.06
Public Works Management and Administration - Strategic Support	21,130,815	9,884,391	10,267,666	10,506,210	49.19
Sub-Total	22,032,121	12,607,379	12,497,690	13,057,452	62.25
Total	\$175,434,108	\$200,933,309	\$178,597,257	\$203,113,430	668.27

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Public Works Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	647.27	138,649,255	42,885,678
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• GIS Enterprise Aerial Contract		(125,000)	(125,000)
• Animal Care Trap-Neuter-Release Services		(50,000)	(50,000)
• COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments (1.0 Division Manager)	(1.00)	(256,300)	0
• Public Works Department Staffing Plan - Capital Improvement Program (1.0 Associate Engineer)	(1.00)	(155,198)	0
	(2.00)	(586,498)	(175,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/Benefit Changes and the following position reallocations: - 1.0 Animal Health Technician to 1.0 Animal Shelter Coordinator - 1.0 Senior Analyst to 1.0 Program Manager		3,410,482	248,727
• City Council approval 11/1/2022 for Construction Agreement Amendment for the Emergency Interim Housing at the Police Administration Building Parking E-Lot: Adds 1.0 Building Management Administrator, 1.0 Division Manager, 2.0 Senior Construction Inspector, and 2.0 Senior Facility Worker	6.00	1,080,754	1,080,754
• Utilities: Gas, Electricity, Water		895,000	870,000
• Contract Services: Animal Care Services		527,000	527,000
• Contract Services: Janitorial Services		269,000	269,000
• Contract Services: Trade Services		254,000	254,000
• GPS/Telematics Vehicle Management System		250,000	-
• Contract Services: Janitorial Services (Sunday Library Hours)		208,000	208,000
• Vehicle Operations & Maintenance		115,000	106,000
• Overtime Adjustment		93,828	33,627
• Contract Services: Construction Services		41,000	41,000
• Contract Services: Fleet Vendor Pricing		29,000	-
• Software/Information Services: AutoCAD and Civil3D licenses		24,000	-
• Software/Information Services: AssetWorks		17,000	-
• LED City Facilities - Connectivity		13,400	13,400
• Police Department Access Control System		4,000	4,000
• New Measure T Facilities Maintenance and Operations		3,000	3,000
• Night Shift Differential Adjustment		6,347	3,440
• Dues and Subscriptions: USA North		2,500	-

Public Works Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Living Wage Adjustment		(143,436)	(143,436)
Technical Adjustments Subtotal:	6.00	7,099,875	3,518,512
2022-2023 Forecast Base Budget:	651.27	145,162,632	46,229,190
Budget Proposals Recommended			
1. Animal Care and Services	12.00	1,353,983	1,353,983
2. Measure T Operations and Maintenance Staffing	3.00	460,695	460,695
3. GIS Enterprise Aerial Contract		232,000	232,000
4. Fleet Staffing (Communications Installers)	2.00	229,677	0
5. Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs		200,000	50,000
6. Administration Division Staffing	1.00	153,480	48,844
7. Information Technology Services Support Staffing	1.00	111,212	36,112
8. Workers' Compensation, Health and Safety Staffing	1.00	104,521	0
9. Vehicle M&O (Fleet Staffing)		50,042	50,042
10. Measure E - Interim Housing Site Development Staffing	2.00	0	0
11. Public Works Department Staffing Plan - Development Fee Program	(5.00)	(780,369)	0
12. Public Works Department Staffing Plan - Capital Improvement Program	0.00	(84,048)	0
13. California Network and Telecommunications (CalNet) Program Savings		(34,671)	0
Total Budget Proposals Recommended	17.00	1,996,523	2,231,677
2022-2023 Proposed Budget Total	668.27	147,159,155	48,460,866

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Animal Care and Services	12.00	1,353,983	1,353,983

Neighborhood Services CSA

Animal Care and Services Core Service

Animal Licensing and Customer Services Program

- **Night Shift Operations Staffing:** This action adds 7.0 Animal Care Attendant positions, 3.0 Animal Shelter Coordinator positions, and night shift differential funding to include a night shift for Animal Care Center operations, implementing 24 hours of care and services for the animals at the shelter. Starting in April 2023, the Animal Care Center will be open to the public from 10:00 a.m. to 6:00 p.m. Tuesday through Friday, and 10:00 a.m. to 5:00 p.m. on Saturday and Sunday. On Monday, the organization will be closed to the public, however, they will have staff on site caring for the animals and process paperwork. The night shift team will primarily focus on the care of the animals and will be closed to the public. The Animal Care Attendant positions will support the feeding for younger animals, assist with any emergency needs, and help with cleaning around the shelter which includes laundry, washing dishes, sorting inventory, and restocking food carts for the morning shift. The Animal Shelter Coordinator positions will provide supervision, the coordination of job duties, and elevated care and services during this shift. Currently, the facility has been dropping off younger animals at contracted services such as MedVet to support the feeding throughout the night and additionally have been utilizing employees and volunteers to care for these animals overnight. The addition of the night shift will enable the support to younger animals to be shifted gradually away from MedVet and refocus those efforts to be conducted at the Animal Care Center. These service enhancements will ensure the health and wellness of animals in the care of Animal Care and Services and reduce the reliance on alternative solutions to provide these services (Ongoing costs: \$1,122,436)

- **Customer Service/Licensing & Medical Services Staffing:** This action adds 3.0 Animal Care Attendant positions; 1.0 Supervisor, Animal Services Operations position; continues two temporary positions on an ongoing basis by adding 1.0 Senior Office Specialist position and 1.0 Supervisor, Animal Services Operations position; and eliminates 2.0 Office Specialist Part-Time Unbenefited positions; 2.0 Animal Care Attendant Part-Time Unbenefited positions; and 1.0 Animal Shelter Coordinator position to support shelter operations, customer service/licensing, and medical services. This action also allocates one-time non-personal/equipment funding of \$200,000. One of the Supervisor, Animal Services Operations positions will be responsible for the live outcomes such as adoptions, rescue outcomes, return to owners, the foster program, and the transfers to rescue partners. In the short time the temporary Supervisor, Animal Services Operation position has been in place, adoptions have improved by 13% from October through December 2022, compared to the prior quarter, and is tracking to continue improving in the upcoming months. In addition, rescue outcomes have decreased by 20%, compared to the prior quarter, and is projected to remain consistent in the following months. To further support adoption and rescue outcomes, one-time non-personal/equipment funding of \$200,000 will provide support and incentives to partner organizations for their assistance in the placement and adoption of animals from the shelter. The other Supervisor, Animal Services Operations position will support the medical team by scheduling, training, and managing the Animal Health Technicians and work closely with the veterinarians to support overall medical services. The addition of a full-time Senior Office Specialist position will help with recruitment and retention issues as well as provide more consistent staffing to provide better customer service to the public. The Senior Office Specialist position will manage the front desk team, address high-level paperwork, and assist with the animal licensing program. This team is experiencing difficulties with maintaining adequate staffing levels through part-time staffing due to high turnovers. The additional Animal Care Attendant positions will focus on kennel cleanings,

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

feedings, and conducting more playgroups which will provide socialization activities to more than 20 dogs at a time to help lower stress and improve behaviors. Currently, the City funds contractual services to primarily focus on cleaning more than 200 fully utilized dog kennels and while they get cleaned, Animal Care Attendants provide food and water at the same time. In addition, Animal Care Attendants are responsible for feeding all animals at the shelter, cleaning cages for other animals including cats, bunnies, and guinea pigs, and assisting the medical team with transport, laundry, and restocking inventory. The Animal Care Center has been accurately assessing, monitoring, and documenting animal's behaviors upon intake and throughout the length of stay by Animal Care Attendants, Animal Health Technicians, Coordinators, Supervisors, Veterinarians, and the Program Manager. With the additional staffing, they will be able to conduct larger playgroups for approximately an hour which will improve dogs' behaviors and that will increase fosters and adoptions. These actions will build on the overall efforts to enhance supervisor oversight and improve staffing levels at the Animal Care Center by reducing part-time staffing which is susceptible to high turnover. (Ongoing costs: \$385,558)

- **Facilities Staffing:** This action adds 1.0 Senior Facility Repair Worker position to support the ongoing maintenance and repairs at the Animal Care Center. This position will focus on identifying and addressing maintenance needs as well as scheduling and coordinating with contractors and City trades staff to complete larger repairs. Due to the age of the facility and the daily operational model of the Animal Care Center, frequent maintenance on the facility is required. The current backlog of work orders of varying size and scope is approximately 100 work orders. To address this backlog, the Public Works Department reassigned a facility worker from City Hall to the Animal Care Center. Once this position is filled, the City Hall facility worker will return to their normal duties. (Ongoing costs: \$142,008)
- **Earmarked Reserves – Animal Care and Services Foundation Reserve:** A separate action, as reflected in the General Fund Capital, Transfers, and Earmarked Reserves section of this document, establishes a one-time reserve for \$100,000 as seed funding for the potential future establishment of a new non-profit foundation dedicated to support the Animal Care and Services Foundation. As recommended by community stakeholders, the goal of the foundation should be to explore and develop resources both financially and non-financially within Animal Care Services. From a financial perspective, the organization will be able to raise funds to provide additional amenities for animals in need. The organization could also provide equipment, supplies, materials and much needed volunteers to support the vast amount of animals in need. This funding will be held in reserve for future allocation as the Administration continues engagement with community stakeholders to chart the most appropriate scope and organizational structure for a new foundation. (Ongoing costs: \$0)
- **General Fund Capital – Animal Care and Services – Various Improvements:** A separate action as reflected in the General Fund Capital, Transfers, and Earmarked Reserves section of this document, adds one-time funding of \$500,000 for various improvement projects at the Animal Care and Services facility. The funding will support the rehabilitation of the roofing for the entire facility, replace sewer pipes, and for electrical repairs and replacements. The improvements towards the electrical and sewer pipe issues will provide a safer environment for staff, animals, and the public at the Animal Care Center. The replacement of a completely new roof to the shelter will resolve leaking issues and will improve the overall look. (Ongoing costs: \$0)

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Measure T Operations and Maintenance Staffing	3.00	460,695	460,695

Strategic Support CSA

Facilities Management Core Service

Facility Maintenance and Operations – Non City Hall Program

This action adds 1.0 Senior Carpenter, 1.0 Senior Air Conditioning Mechanic, and 1.0 Senior Electrician positions, one-time non-personal/equipment funding of \$10,500, and ongoing non-personal/equipment funding of \$13,000 to support Measure T funded City facilities including the Fire Training Center and the Emergency Operations Center that will come online in Fall 2023. The new infrastructure contains a complicated building system that will require more preventative maintenance and the higher-level positions are required to oversee and manage the inclusion of the high technology building systems. Additionally, ongoing non-personal/equipment funding of \$13,000 will support the connectivity and software license agreement for Measure T - City Facilities LED Lighting that is anticipated to come online at the beginning of 2023-2024. This funding need was anticipated in the 2024-2028 General Fund Forecast, and the liquidation of an Earmarked Reserve set aside in the Forecast for this purpose is also included elsewhere in this document. (Ongoing costs: \$540,489)

3. GIS Enterprise Aerial Contract		232,000	232,000
--	--	----------------	----------------

Strategic Support CSA

Strategic Support – Strategic Support Core Service

Public Works Information Technology – Strategic Support Program

This action adds one-time non-personal/equipment funding of \$232,000 to support a geographic information system data capture and processing project. This project will be entering year four of five and has been funded on a one-time basis. The project will capture high-resolution aerial and oblique imagery and Light Detection and Ranging (LiDAR) data and generate a set of LiDAR-derived three-dimensional products, including building footprints, digital elevation model (DEM), and digital surface model (DSM). Aerial and oblique imagery will be captured annually, while LiDAR and LiDAR-derived products will be captured twice over the five-year project. Successful implementation of this project will provide critical datasets that add value across nearly all City departments. By collaborating with the County and other local municipalities on this project, the city receives data for a larger geographic area at a fraction of the cost of independently acquiring it. (Ongoing costs: \$0)

4. Fleet Staffing (Communications Installers)	2.00	229,677	0
--	-------------	----------------	----------

Strategic Support CSA

Fleet and Equipment Services Core Service

Fleet Maintenance and Operations Program

This action adds 2.0 Communications Installer positions to support the Fleet Management Division. The positions will be focusing on shop operations which includes supporting ongoing maintenance and repairs to mobile units, building new or replacement vehicles to meet delivery time, and provide ongoing upgrades on communication equipment for Police, Fire, and other departments. The Fleet Management Division has a backlog of repairs and building vehicles, so these positions will support efforts to reduce this backlog and continue to maintain the City's vehicle and equipment. (Ongoing costs: \$227,061)

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Storm and Sanitary Sewer Infrastructure and Regulatory Investment Needs		200,000	50,000

Strategic Support CSA

Plan, Design, and Construct Public Facilities and Infrastructure Core Service

Transportation, Sanitary, and Storm Sewer Capital Program

This action adds personal services funding for a contract manager in the Sewer Service and Use Charge Fund (\$100,000), the Storm Sewer Operating Fund (\$50,000), and the General Fund (\$50,000) to manage a consultant contract to evaluate liabilities and revenue options for Sanitary and Storm Utilities as well as beginning to form the Storm and Sanitary Sewer Utility Systems as discreet City Utilities. As the City faces challenges such as deferred maintenance backlog, increasing regulatory compliance requirements, future population growth, and emerging effects of climate change, expansion of investment is required. To fully understand the system and associated project needs, an additional proposal found elsewhere in this document adds a Principal Engineer position and one-time funding of \$550,000 in non-personal/equipment funding as well as shifts 0.10 Deputy Director position to the Sewer Service and Use Charge Fund (\$375,000), the Storm Sewer Operating Fund (\$187,500), and the General Fund (\$187,500). This contract manager will act in a coordinating role for the consultant study in providing information and data from a Stormwater Management and Regulatory Environment. The project will proceed as follows: Phase 1 - A: consultant reviews and validates existing studies, conducts interviews, holds meetings to understand City's current funding and resources for Sanitary and Storm programs including capacity study, repair and rehab program in the Capital Improvement Program, operations and maintenance equipment and staffing level, and regulatory requirements. Phase 1 - Task B: consultant prepares cost estimates for the needs and coordinates and develops a work plan to deliver these projects. Phase 2 - consultant will prepare a financing plan and rates model. After Phase 2, additional staff may be considered to carry out the long-term vision to reorganize these utilities and pursue alternative funding sources outside of the General Fund. (Ongoing costs: \$200,000)

6. Administration Division Staffing	1.00	153,480	48,844
-------------------------------------	------	---------	--------

Community and Economic Development CSA

Regulate/Facilitate Private Development Core Service

Public Works Development Services Program

Strategic Support CSA

Strategic Support – Strategic Support Core Services

Public Works Management and Administration – Strategic Support Program

This action adds 1.0 Program Manager position and one-time non-personal/equipment funding of \$4,000 to support the Administration Division. The size and breadth of the Department activities require a high volume of complex work at a management level. The Program Manager position will lead all human resources related efforts which includes recruitment, health and safety, temporary position requests, and employee leave management, to ensure that the department's workforce needs are better aligned and addressed. The position will act as the principal liaison with the Human Resources Department's Employment Services Division to develop and implement recruitment and retention strategies. Additionally, to help reduce the frequency and severity of employee injuries, the Program Manager will help in developing and implementing strategies and supporting Department managers to ensure compliance with required safety trainings. (Ongoing costs: \$199,307)

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>7. Information Technology Services Support Staffing</p> <p><i>Community and Economic Development CSA Regulate/Facilitate Private Development Core Service Public Works Development Services Program</i></p> <p><i>Strategic Support CSA Strategic Support – Strategic Support Core Services Public Works Information Technology – Strategic Support and Public Works Management and Administration – Strategic Support Programs</i></p> <p>This action adds 1.0 Network Technician position to provide desktop, field, and network support to the Public Works Department. The Department currently has one full-time Network Engineer position supporting the entire department. The workload has increased due to additional devices being deployed, remote users requiring support, and new technologies being evaluated to streamline business processes. Additional responsibilities including upgrades and ongoing maintenance of the TrendMicro anti-virus, Axis/Checkpoint VPN software support, and SharePoint site management are being transitioned from the Information Technology Department. The addition of the Network Technician position will meet the department's desktop support requirements and provide better customer service to Public Work's staff. (Ongoing costs: \$142,107)</p>	1.00	111,212	36,112
<p>8. Workers' Compensation, Health and Safety Staffing</p> <p><i>Community and Economic Development CSA Regulate/Facilitate Private Development Core Service Public Works Development Services Program</i></p> <p><i>Strategic Support CSA Strategic Support – Strategic Support Core Services Public Works Management and Administration – Strategic Support Program</i></p> <p>This action adds 1.0 Staff Specialist position to address the workload related to workers' compensation, health and safety, employee leave, and city-wide training. The Public Works Department has a team of 640 employees with one existing Analyst position providing administrative and analytical support to all non-recruitment related duties for the entire department. While student interns have been assisting, they can only assist in lower-level tasks and the interns have a high turnover rate. The addition of a Staff Specialist position will help address the workload related to the program and to provide the back-up support to the Analyst. (Ongoing costs: \$133,164)</p>	1.00	104,521	0
<p>9. Vehicle M&O (Fleet Staffing)</p> <p><i>Strategic Support CSA Strategic Support – Strategic Support Core Services Public Works Management and Administration – Strategic Support Program</i></p> <p>This action adds non-personal/equipment funding of \$50,042 for vehicle and operations costs related to the Fleet Staffing (Communications Installers) budget action, as described above in this document. (Ongoing costs: \$61,474)</p>		50,042	50,042

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Measure E – Interim Housing Site Development Staffing	2.00	0	0

Strategic Support CSA
Facilities Management Core Service
Facility Maintenance and Operations– Non-City Hall Program

As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action reflects a portion of the recommended reallocation of uncommitted Measure E resources to fund homeless prevention, support, and management investments. This action adds 1.0 Associate Engineer position and 1.0 Program Manager position, through June 30, 2026, and personal services funding for two rehired retirees funded by the Measure E – Interim Housing Site Development Staffing City-Wide Expenses appropriation, as described in the City-Wide Expenses section of this document. These positions will facilitate the site identification, design, and construction/improvement of sites for Emergency Interim Housing, safe parking, or other uses to shelter currently unsheltered residents. The Associate Engineer position will be responsible for managing the project feasibility study, site analysis, developing and managing construction documents, procuring the project for bidding, and performing construction administration and management. The Program Manager will be responsible for managing and coordinating the City's emergency housing program. The position will be responsible for selecting and analyzing the potential housing sites, recreational vehicle (RV) parking sites and storage sites, as well as coordinating between the City Manager's Office, Public Works and Housing Departments regarding funding and project execution, developing and overseeing the project's progress, and coordinating ordinance development and memorandums. These resources will provide additional capacity to move interim housing projects through project development at a more rapid pace. (Ongoing costs: \$0)

11. Public Works Department Staffing Plan - Development Fee Program	(5.00)	(780,369)	0
--	---------------	------------------	----------

Community and Economic Development CSA
Regulate/Facilitate Private Development Core Service
Public Works Development Services Program

Strategic Support CSA
Plan, Design, and Construct Public Facilities and Infrastructure Core Service
Transportation, Sanitary and Storm Sewer Capital Program

This action eliminates 1.0 Senior Construction Inspector position, 2.0 Associate Construction Inspector positions, and 2.0 Engineering Technician II positions; and realigns the Small Cell Permitting Fee Program Fund positions due to the anticipated reduction in workload in 2023-2024 to support the delivery of the City’s Utilities Fee Program and the Capital Improvement Programs for 2023-2024. The funding realignment of the positions will be needed to support the Bart Phase II project which includes duties such as geologic and transportation analysis, environmental clearance, sanitary models, and site developments. The 0.50 Engineer II position, 1.0 Senior Engineer position, and 1.0 Senior Construction Inspector position will remain in the Small Cell Permitting Fund to complete the existing permits across the City. Careful consideration was taken by staff to realign multiple positions to support ongoing projects. (Ongoing savings: \$786,426)

Public Works Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment



2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>12. Public Works Department Staffing Plan – Capital Improvement Program</p> <p><i>Community and Economic Development CSA Regulate/Facilitate Private Development Core Service Public Works Development Services Program</i></p> <p><i>Strategic Support CSA Plan, Design, and Construct Public Facilities and Infrastructure Core Service City Facilities Engineering and Inspection Services and Transportation, Sanitary and Storm Sewer Capital Programs</i></p> <p>This action adds 1.0 Staff Specialist position, 1.0 Principal Construction Inspector position, 1.0 Engineer II position, and 1.0 Engineering Technician II position; eliminates 1.0 Office Specialist I/II position and 3.0 Senior Construction Inspector positions; and realigns various capital service funded positions to support the delivery of the City’s Capital Improvement Programs for 2023-2024 based upon review and analysis of the project delivery needs included in the 2023-2024 Proposed Operating and Capital Budgets. It is anticipated that in 2023-2024 additional resources will be needed to support new Airport projects, Sanitary and Storm Sewer projects, provide leadership to support the team at the Regional Wastewater facility, and to continue the high level of support to the Department of Transportation (DOT) street resurfacing efforts. Furthermore, multiple positions were realigned or eliminated from the Small Cell Permitting Fee Fund due to the anticipated reduction in workload in 2023-2024 as construction for Small Cell projects are completed across the City. The action of realigning or eliminating positions from the Small Cell Permitting Fee Program Fund to the Public Works Development Fee Program Fund and other Capital funds is also recommended in this document. Careful consideration was taken by staff to realign multiple positions to support new and ongoing projects. (Ongoing costs: \$7,530)</p>	0.00	(84,048)	0
<p>13. California Network and Telecommunications (CalNet) Program Savings</p> <p><i>Strategic Support CSA Strategic Support – Strategic Support Core Service Public Works Management and Administration – Strategic Support</i></p> <p>This action decreases the Public Works Department's non-personal/equipment funding by \$34,671 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$34,671)</p>		(34,671)	0
2023-2024 Proposed Budget Changes Total	17.00	1,996,523	2,231,677

Public Works Department

Performance Summary

Animal Care and Services

Performance Measures





		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
	Average length of stay per fiscal year (days) for:				
	<i>PM 1</i> - dogs	12	N/A ¹	22	18
	- cats	11	N/A ¹	18	15
	- other	12	N/A ¹	14	12
	<i>PM 2</i> % of Priority 1 calls with response time in one hour or less. (Priority 1: injured or aggressive animal, or public safety assist)	96%	96%	96%	96%

¹ This is a new performance measure for 2023-2024.

Activity and Workload Highlights

		2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
<i>AWH 1</i>	Animal licenses issued annually	58,673	64,000	60,000	60,000
<i>AWH 2</i>	# of animals adopted/rescued/returned	11,599	11,500	8,740	10,000
<i>AWH 3</i>	# of incoming animals	14,506	16,000	10,600	12,000
<i>AWH 4</i>	# of calls for service completed	20,108	21,000	18,000	19,000
<i>AWH 5</i>	# of low-cost spay/neuter surgeries provided to public	3,736	4,000	1,400	2,000

Four Key Budget Performance Measure Measurement Areas

			
Access - How well does a service enable access, participation, visitation, and usage? How well does the service lead to its intended outcome or opportunity pathway?	Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Data Sources









Number	Data Source
<i>PM 1</i>	Chameleon Database Animal's Average Stay at Shelter Report
<i>PM 2</i>	Chameleon Database Activity Statistics with Response Time Report
<i>AWH 1</i>	Chameleon Database Current SJ Lics-year end Report
<i>AWH 2</i>	Chameleon Database Kennel Statistics Report
<i>AWH 3</i>	Chameleon Database Kennel Statistics Report
<i>AWH 4</i>	Chameleon Database Activity Statistics with Response Time Report
<i>AWH 5</i>	Chameleon Database Spay Neuter Surgeries Report

Public Works Department

Performance Summary

Facilities Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of facilities with a condition assessment rating of good or better (3 or better on a 5-pt scale)	85%	85%	80%	85%
 % of change in energy usage in all City Accounts from 2007 baseline	N/A ¹	(10%)	N/A ¹	(10%)
 % of energy use that is renewable	N/A ¹	50%	N/A ¹	50%
 % of preventative maintenance work orders completed	46%	60%	60%	60%
 % of health and safety concerns mitigated within 24 hours	97%	100%	80%	100%
 % of non-health and safety work completed within time standards	51%	75%	60%	75%
 % of time a request for record retention item is delivered within one day	84%	95%	90%	95%
 % of customers who rate service as good or excellent based on timeliness of response and quality of work	76%	85%	N/A ²	85%

¹ Data unavailable due to ongoing staff vacancies in the Green Building group.

² Data unavailable due to issues collecting survey data from customers.

Public Works Department

Performance Summary

Facilities Management

Activity and Workload Highlights





	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of corrective and preventative work orders completed	22,832	12,000	13,000	13,000
Total cost for services	\$0.28M	\$0.40M	\$0.40M	\$0.40M
- Materials Management Services				
Total dollars recovered from surplus sales	\$487,311	\$750,000	\$1.2M	\$750,000
# of record retention requests completed	2,436	4,000	2,290	3,500
Total square footage maintained	2.77M	2.77M	2.77M	2.77M

Public Works Department

Performance Summary

Fleet and Equipment Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of fleet that is alternate fuel vehicles	48%	48%	49%	49%
 % of fleet in compliance with replacement cycle:				
- Emergency Vehicles	100%	100%	100%	100%
- General Fleet	83%	83%	83%	83%
 Cost per mile or hours, by class (of equipment)				
- Police (miles)	\$0.45	\$0.47	\$0.41	\$0.43
- Fire (miles)	\$2.49	\$3.08	\$3.13	\$2.81
- General Fleet Light (miles)	\$0.42	\$0.40	\$0.41	\$0.42
- General Fleet Heavy (miles)	\$1.77	\$1.88	\$2.25	\$2.01
- Off Road Light (hours)	\$1.12	\$1.13	\$1.08	\$1.10
- Off Road Heavy (hours)	\$1.05	\$1.45	\$1.07	\$1.06
 % of customers who rate service good or better based on:				
- Timeliness	92%	92%	95%	94%
- Convenience	97%	97%	98%	98%
- Courtesy	100%	99%	99%	100%

Activity and Workload Highlights





	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of repair and preventative work orders	18,779	19,500	18,000	18,900
Total number of vehicles and equipment	2,927	2,900	2,900	2,925

Public Works Department

Performance Summary

Plan, Design, and Construct Public Facilities and Infrastructure

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of projects completed within the approved baseline budget ¹	95%	90%	85%	90%
 Departmental project delivery costs compared to target industry norm:				
- Projects ≤ \$500,000	64%	64%	81%	64%
- Projects > \$500,000	25%	44%	25%	44%
 % of projects designed and constructed by Public Works within approved baseline schedule ²	92%	85%	67%	85%
 % of projects rated as good or excellent based on the achievement of project goals and the quality of the overall final product	91% ³	85%	95%	85%
<p>¹ Projects are considered “completed” when final cost accounting has occurred, and the project has been accepted; projects are considered “on budget” when the total expenditures do not exceed 101% of the baseline budget. Data may not match similar performance measures identified in the 2024-2028 Capital Improvement Program as this section in the 2023-2024 Proposed Operating Budget only incorporates Public Works Department managed projects while the former includes all citywide projects.</p> <p>² Projects are considered “delivered” when they are available for the intended used; projects are considered “on schedule” if delivered within two months of the baseline schedule. Data may not match similar performance measures identified in the 2024-2028 Capital Improvement Program as this section in the 2023-2024 Proposed Operating Budget only incorporates Public Works Department managed projects while the former includes all citywide projects.</p> <p>³ Based on surveys received.</p>				

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of construction projects delivered	40	60	49	55
Total construction cost of projects ¹	\$70,903,000	\$75,000,000	\$194,000,000	\$100,000,000




¹ For multi-year projects, the total construction costs are reflected in the year that the project is completed rather than spread over multiple years.

Public Works Department

Performance Summary

Regulate / Facilitate Private Development

Performance Measures

	2021-2022	2022-2023	2022-2023	2023-2024
	Actual	Target	Estimated	Target
 Ratio of fee revenue to Development Fee Program cost (includes Development Fee Program Reserve funding)	100%	100%	100%	100%
 Selected cycle time measures for:				
- Construction permit processing targets met	88%	85%	85%	85%
- Planning processing targets met	90%	85%	85%	85%
 % of Development process participants rating service as good or excellent:				
- Development Review	85%	85%	85%	85%

Activity and Workload Highlights


	2021-2022	2022-2023	2022-2023	2023-2024
	Actual	Forecast	Estimated	Forecast
# of underground service alert requests received	85,704	70,000	72,965	77,000
# of Public Works permit applications	507	570	560	560
Value of permitted public improvements	\$7,447,426	\$13,000,000	\$7,000,000	\$7,000,000
Value of accepted public improvements	\$11,291,300	\$8,000,000	\$6,000,000	\$6,000,000

Public Works Department

Performance Summary

Strategic Support

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of reviewed projects that attain established labor compliance goals by project completion	100%	100%	100%	100%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of contracts with wage requirements	129	130	144	130
# of contracts with labor compliance violations identified	15 ¹	10	9	10
Minimum wage compliance cases:				
# Opened	13	5	4	5
# Resolved	13 ²	5	0	5
# of contractors' employees owed restitution	164 ³	30	29	40
Total \$ amount of restitution owed to employees	\$600,171 ⁴	\$35,000	\$28,931	\$40,000

¹ Vendors may have provided additional documentation, thus cancelling the violation.

² Investigations may be ongoing and cross multiple years.

³ If a violation is cancelled, the number of affected workers is reduced. The Department completed two violations cases in 2021-2022 that produced a high number of contractors' employees owed restitution.

⁴ The Department completed two violation cases in 2021-2022 that produce large restitution awards.

Public Works Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	5.00	5.00	-
Air Conditioning Supervisor	1.00	1.00	-
Analyst I/II	11.00	11.00	-
Animal Care Attendant	9.00	19.00	10.00
Animal Care Attendant PT	15.07	13.07	(2.00)
Animal Health Technician	6.00	5.00	(1.00)
Animal Health Technician PT	3.80	3.80	-
Animal Services Officer	13.00	13.00	-
Animal Shelter Coordinator	3.00	6.00	3.00
Animal Shelter Veterinarian	2.00	2.00	-
Animal Shelter Veterinarian PT	1.40	1.40	-
Assistant Director	1.00	1.00	-
Associate Architect/Landscape Architect	2.00	2.00	-
Associate Construction Inspector	25.00	23.00	(2.00)
Associate Engineer	56.00	56.00	-
Associate Engineering Technician	19.00	19.00	-
Associate Structure/Landscape Designer	15.00	15.00	-
Automotive Equipment Specialist	1.00	1.00	-
Building Inspector Supervisor	2.00	2.00	-
Building Inspector/Combination Certified	10.00	10.00	-
Building Management Administrator	2.00	3.00	1.00
Carpenter	4.00	4.00	-
Chief of Surveys	2.00	2.00	-
Communications Installer	2.00	4.00	2.00
Communications Technician	4.00	4.00	-
Construction Manager	6.00	6.00	-
Contract Compliance Assistant	1.00	1.00	-
Contract Compliance Coordinator	4.00	4.00	-
Contract Compliance Specialist	7.00	7.00	-
Deputy Director of Public Works	5.00	5.00	-
Director of Public Works	1.00	1.00	-
Dispatcher	5.00	5.00	-
Division Manager	10.00	10.00	-
Electrician I/II	6.00	6.00	-
Electrician Supervisor	1.00	1.00	-
Engineer I/II	55.00	56.00	1.00
Engineering Geologist	1.00	1.00	-

Public Works Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Engineering Technician II/I	27.00	26.00	(1.00)
Equipment Maintenance Supervisor	3.00	3.00	-
Equipment Mechanic Assistant I/II	22.00	22.00	-
Events Coordinator I/II	1.00	1.00	-
Facility Attendant	3.00	3.00	-
Facility Repair Worker	4.00	4.00	-
Facility Sound and Light Technician	1.00	1.00	-
Fleet Manager	1.00	1.00	-
Geographic Information Systems Specialist I/II	5.00	5.00	-
Information Systems Analyst	6.00	6.00	-
Instrument Person	5.00	5.00	-
Land Surveyor	1.00	1.00	-
Maintenance Contract Supervisor	1.00	1.00	-
Maintenance Assistant/Maintenance Worker I	3.00	3.00	-
Maintenance Worker II	1.00	1.00	-
Mechanic I/II	22.00	22.00	-
Mechanical Parts Supervisor	1.00	1.00	-
Network Engineer	4.00	4.00	-
Network Technician	0.00	1.00	1.00
Office Specialist I/II	6.00	5.00	(1.00)
Office Specialist II PT	3.00	1.00	(2.00)
Painter	3.00	3.00	-
Plumber	3.00	3.00	-
Principal Account Clerk	2.00	2.00	-
Principal Construction Inspector	8.00	9.00	1.00
Principal Engineer/Architect	4.00	4.00	-
Principal Engineering Technician	5.00	5.00	-
Program Manager	10.00	13.00	3.00
Radio Communications Supervisor	1.00	1.00	-
Recreation Leader PT	1.00	1.00	-
Security Officer	7.00	7.00	-
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	5.00	5.00	-
Senior Accountant	1.00	1.00	-
Senior Air Conditioning Mechanic	2.00	3.00	1.00
Senior Analyst	7.00	6.00	(1.00)
Senior Animal Services Officer	4.00	4.00	-
Senior Architect/Landscape Architect	4.00	4.00	-
Senior Auto Equipment Specialist	1.00	1.00	-
Senior Carpenter	1.00	2.00	1.00
Senior Communications Technician	1.00	1.00	-

Public Works Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Senior Construction Inspector	38.00	36.00	(2.00)
Senior Electrician	7.00	8.00	1.00
Senior Engineer	15.00	15.00	-
Senior Engineering Technician	18.00	18.00	-
Senior Events Coordinator	1.00	1.00	-
Senior Facility Attendant	2.00	2.00	-
Senior Facility Repair Worker	2.00	5.00	3.00
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Mechanic I/II	6.00	6.00	-
Senior Office Specialist	6.00	7.00	1.00
Senior Public Information Representative	1.00	1.00	-
Senior Security Officer	1.00	1.00	-
Senior Systems Applications Programmer	3.00	3.00	-
Senior Transportation Specialist	3.00	3.00	-
Senior Warehouse Worker	1.00	1.00	-
Staff Specialist	7.00	9.00	2.00
Structure/Landscape Designer I/II	4.00	4.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervising Environmental Services Specialist	1.00	1.00	-
Supervisor, Animal Services Operations	2.00	4.00	2.00
Survey Field Supervisor	6.00	6.00	-
Survey Party Chief	1.00	1.00	-
Systems Application Programmer I/II	1.00	1.00	-
Trades Supervisor	2.00	2.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Worker I/II	2.00	2.00	-
Warehouse Supervisor	1.00	1.00	-
Total Positions	647.27	668.27	21.00

Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

MISSION

Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans

CITY SERVICE AREA

Strategic Support

CORE SERVICES

RETIREMENT PLAN ADMINISTRATION

Management and administration of the retirement trust funds, administration of retirement benefits, and supervision of investment assets.

Strategic Support: Retirement Boards' Support, Training, and Contract Administration

Office of Retirement Services

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Retirement Plan Administration Core Service</i>	
Benefits	Provides retirement planning and counseling services to plan members and administers health care and other benefits for retirees and beneficiaries.
Investments	Manages retirement plan assets in a manner which seeks to achieve long-term net returns in excess of the actuarial investment return assumption and adopted benchmarks while maintaining a reasonable level of investment risk.
<i>Strategic Support Core Service</i>	
Retirement Financial Management	Prepares annual comprehensive financial reports for the retirement plans; runs monthly payroll for retirees and beneficiaries; manages the budget and all other financial transactions for the department.
Retirement Human Resources	Manages personnel-related functions for the department, including hiring, employee development, employee discipline, and personnel transactions.
Retirement Information Technology	Manages the Pension Administration System which houses all retirement data and runs most of the retirement business transactions; provides other information technology services, planning, system development and maintenance for the department.
Retirement Management and Administration	Provides executive-level, analytical, and administrative support to the department and retirement boards.

Office of Retirement Services

Department Budget Summary

Expected 2023-2024 Service Delivery

- Manage Retirement Plans' assets and seek solutions to increase investment returns and reduce volatility and cost, while mitigating risk.
- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to remove risk from the plans, and decrease volatility.
- Provide quality retirement planning, counseling, and financial reporting.

2023-2024 Key Budget Actions

N/A

Operating Funds Managed

- Federated Retiree Health Care Trust Fund
- Federated Retirement Fund
- Fire Retiree Health Care Trust Fund
- Police and Fire Retirement Fund
- Police Retiree Health Care Trust Fund

Office of Retirement Services

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Retirement Plan Administration	4,738,111	5,330,188	5,765,124	5,765,124
Strategic Support - City Council Appointees	2,857,200	2,914,834	3,011,749	3,011,749
Strategic Support - Other - Council Appointees	24,300	32,000	30,000	30,000
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,872
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	7,519,000	8,160,022	8,691,872	8,691,872
Subtotal Personal Services	\$7,519,000	\$8,160,022	\$8,691,872	\$8,691,872
Total Personal Services & Non-Personal/Equipment	\$7,519,000	\$8,160,022	\$8,691,872	\$8,691,872
<i>Other Costs *</i>				
City-Wide Expenses	100,611	117,000	115,000	115,000
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$100,611	\$117,000	\$115,000	\$115,000
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,872

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide expenses of \$115,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document as follows:

1. Source and Use of Funds: There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.
2. Summary Information: A summary of the City contributions to the Retirement Funds is included in the Summary Information section of this document.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of Retirement Services

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	100,611	117,000	115,000	115,000
Federated Retirement Funds	3,582,000	4,081,897	4,347,907	4,347,907
Police and Fire Retirement Funds	3,937,000	4,078,125	4,343,966	4,343,966
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,872
Positions by Core Service				
Retirement Plan Administration	25.80	28.80	28.80	28.80
Strategic Support - City Council Appointees	14.20	14.20	14.20	14.20
Total	40.00	43.00	43.00	43.00

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide expenses of \$115,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document as follows:

1. Source and Use of Funds: There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.
2. Summary Information: A summary of the City contributions to the Retirement Funds is included in the Summary Information section of this document.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of Retirement Services

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	2,446,561	2,919,862	3,152,128	3,152,128	17.55
Retirement Investments	2,291,550	2,410,326	2,612,995	2,612,995	11.25
Sub-Total	4,738,111	5,330,188	5,765,124	5,765,124	28.80
Strategic Support - City Council Appointees					
Retirement Services Financial Management	1,242,400	1,245,026	1,257,292	1,257,292	6.45
Retirement Services Information Technology	751,900	752,062	826,036	826,036	3.45
Retirement Services Management and Administration	862,900	917,746	928,421	928,421	4.30
Sub-Total	2,857,200	2,914,834	3,011,749	3,011,749	14.20
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	24,300	32,000	30,000	30,000	0.00
Sub-Total	24,300	32,000	30,000	30,000	0.00
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,872	43.00

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide expenses of \$115,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document as follows:

1. Source and Use of Funds: There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.
2. Summary Information: A summary of the City contributions to the Retirement Funds is included in the Summary Information section of this document.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)





	Positions	All Funds (\$)
Prior Year Budget (2022-2023):	43.00	8,160,022
<hr/> Base Adjustments		
One-Time Prior Year Expenditures Deleted		
NONE		
One-time Prior Year Expenditures Subtotal:	43.00	8,160,022
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes:		531,850
- 1.0 Accounting Technician to 1.0 Accountant I/II		
- 1.0 Office Specialist II to 1.0 Senior Office Specialist		
- 1.0 Staff Specialist II to 1.0 Analyst I/II		
Technical Adjustments Subtotal:	0.00	531,850
2023-2024 Forecast Base Budget:	43.00	8,691,872
<hr/> Budget Proposals Recommended		
NONE		
<hr/> 2023-2024 Proposed Budget Total		
	43.00	8,691,872

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Actuarial Funded Status				
• Federated Pension Plan	57.0%	58.0%	58.0%	55.0%
• Police and Fire Pension Plan	79.6%	80.0%	80.0%	80.0%
 Investment Rate of Returns ¹				
• Federated Pension Plan				
- 1 year	(4.4%)	6.625%	6.625%	6.625%
- 3-year average	8.6%	N/A ²	9.61%	N/A ²
- 5-year average	7.2%	N/A ²	7.3%	N/A ²
- 10-year average	6.3%	N/A ²	6.16%	N/A ²
• Police and Fire Pension Plan				
- 1 year	(5.0%)	6.625%	6.625%	6.625%
- 3-year average	7.3%	N/A ²	8.56%	N/A ²
- 5-year average	6.6%	N/A ²	6.58%	N/A ²
- 10-year average	6.4%	N/A ²	6.08%	N/A ²
 % of members (active and retired) that rate department services as very good or excellent based on accuracy and usefulness of work	90%	100%	87%	100%
 Administrative costs per plan member in total for both plans	\$746	\$755	\$763	\$773

¹ There is a greater than 50% probability in any year that the portfolio will match the target return.

² There is not a separate target for 3-year, 5-year, and 10-year average returns.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of active and retired members surveyed	174	400	94	150

Office of Retirement Services

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	1.00	2.00	1.00
Account Clerk I/II	1.00	1.00	-
Accounting Technician	1.00	0.00	(1.00)
Analyst I/II	7.00	8.00	1.00
Assistant Director and Chief Investment Officer	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Director of Retirement Services	1.00	1.00	-
Division Manager	2.00	2.00	-
Executive Assistant U	1.00	1.00	-
Financial Analyst	1.00	1.00	-
Information Systems Analyst	1.00	1.00	-
Network Technician I/II/III	1.00	1.00	-
Office Specialist I/II	1.00	0.00	(1.00)
Retirement Investment Analyst I/II	2.00	2.00	-
Retirement Investment Officer	3.00	3.00	-
Retirement Investment Operations Supervisor	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	3.00	3.00	-
Senior Auditor	1.00	1.00	-
Senior Office Specialist	0.00	1.00	1.00
Senior Retirement Investment Officer	2.00	2.00	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	7.00	6.00	(1.00)
Total Positions	43.00	43.00	0.00

PAGE INTENTIONALLY LEFT BLANK

Transportation Department

John Ristow, Director

MISSION

The mission of the Transportation Department is to plan, develop, operate, and maintain transportation facilities, services, and related systems which contribute to the livability and economic health of the City

CITY SERVICE AREA

*Environmental and Utility Services
Transportation and Aviation Services*

CORE SERVICES

SANITARY SEWER MAINTENANCE

Provide timely and effective cleaning and repair of the sanitary sewer collection system to ensure uninterrupted sewage flow to the San José-Santa Clara Regional Wastewater Facility.

STORM SEWER MAINTENANCE

Maintain and operate the storm sewer system in a way that ensures proper flow and is environmentally sensitive to the regional water tributary system and the South San Francisco Bay.

PARKING SERVICES

Provide well-maintained and operated public on-street and off-street parking facilities, implement effective policies and regulations, and encourage compliance with posted regulations and State and local codes.

PAVEMENT MAINTENANCE

Maintain and repair the street network pavement to allow for optimum street service life and the safe and efficient travel of the public.

STREET LANDSCAPE MAINTENANCE

Provide for the management and maintenance of street landscapes, street trees, and sidewalks in order to provide a safe and aesthetically pleasing streetscape.

TRAFFIC MAINTENANCE

Ensure the proper operation of the City's traffic devices and streetlights by providing maintenance and repair of traffic signals, streetlights, traffic safety devices, signs, and roadway markings.

TRANSPORTATION PLANNING AND PROJECT DELIVERY

Plan and develop the City's transportation system, prioritizing complete streets projects, programs and policies that advance sustainability and equity.

TRANSPORTATION SAFETY AND OPERATIONS

Provide for the safe and efficient movement of all roadway users by applying a Safe System Approach in designing and operating the road system.

Strategic Support: Budget and Financial Services, Information Technology, Marketing & Outreach, Personnel, and Training and Safety

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Sanitary Sewer Maintenance Core Service</i>	
Sanitary Sewer System Maintenance	Provides maintenance and engineering services for the 2,000+ mile sanitary sewer system.
<i>Storm Sewer Maintenance Core Service</i>	
Storm Sewer Operation and Maintenance	Provides maintenance and engineering services for the City's 1,250+ mile storm sewer system and interdepartmental coordination on water quality issues and storm response.
Street Sweeping	Provides in-house street sweeping on the City's mayor arterial and business district streets and inspects street sweeping.
<i>Parking Services Core Service</i>	
Off-Street Parking	Manages the City's public parking facilities including planning, maintenance, security, and operations of parking facilities, and implementation of the annual capital improvement program.
On-Street Downtown Operations	Provides transportation planning and operations support for special events in the Downtown area and City-wide, including developing and implementing event transportation and parking management plans.
On-Street Parking	Provides on-street parking compliance services in metered zones, school zones, residential permit parking zones, and supports street sweeping, construction activities, and enhanced traffic safety; collects revenue for parking fees and fines; and provides meter maintenance. Manages vehicle abatement program with an equity lens.
<i>Pavement Maintenance Core Service</i>	
Corrective Pavement Repair	Responds to urgent service requests and complaints to repair potholes and other minor damage to the pavement network.
Pavement Maintenance Administration and Capital Project Delivery	Assesses and manages the City's 2,500+ mile pavement network, including planning and delivering the annual pavement maintenance projects, managing and developing the capital pavement budget, installing ADA curb ramps and maintaining the City's bridges.
<i>Street Landscaping Maintenance Core Service</i>	
Special District Landscape Services	Oversees contractual landscape maintenance in 23 special-funded maintenance districts that have been established in the City.
Streetscape Services	Provides in-house and contractual landscape maintenance on City-owned median islands and frontage properties, tree and sidewalk inspections and repair, special event support, and roadway illegal dumping response for street and traffic safety. Assesses and manages the urban forest to protect, enhance, and grow the City's tree canopy.

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Traffic Maintenance Core Service</i>	
Traffic Signal Maintenance	Performs maintenance and repairs on the City's 950+ traffic signals, maintains communications between traffic infrastructure and the centralized traffic management system, and performs special project work for traffic signal infrastructure upgrades in addition to funding utility costs for signals city-wide.
Traffic Signs and Markings Maintenance	Performs preventive and corrective maintenance on traffic signs and roadway markings and performs banner installations; installs and repairs traffic safety and traffic calming improvements.
Traffic Streetlights Maintenance	Performs maintenance and repairs on the City's 65,600+ streetlights in addition to funding utility costs for streetlights city-wide.
<i>Transportation Planning and Project Delivery Core Service</i>	
Transportation Capital Project Delivery	Manages the development of major local street improvement and regional transit, rail, and highway projects throughout the City, including grant pursuit, grant management, policy review, project planning, CEQA review, engineering and design, roadway geometric design, and construction.
Transportation Multi-Modal Alternatives	Designs streets for all transportation modes (walking, bicycling, transit, driving) to increase safety and multi-modal travel. Coordinates with new development applicants for the department, in close coordination with the City's Development Services.
Transportation Planning and Policy	Plans and implements the transportation elements of the General Plan, coordinates transportation and land use planning studies, analyzes the performance of the transportation system, supports policy and technical committees for regional transportation organizations, and reviews and advocates for transportation legislation and funding serving San José interests. Supports implementation of Climate Smart San José, through programs to electrify the transportation system and increase the use of sustainable, emerging transportation modes.
<i>Transportation Safety and Operations Core Service</i>	
Neighborhood Traffic	Responds to an average of 1,200 traffic safety service requests annually. Services include traffic studies which may result in the installation of traffic control devices, pedestrian and bicycle improvements, or physical roadway features, including signage, pavement striping, and/or pavement markings.
Traffic Safety	Constructs traffic safety improvement projects for pedestrian safety and traffic calming. Provides traffic safety education to children, adults, and older adults. Implements the Vision Zero Action Plan to build a culture of safety through community outreach and engagement, data analytics, quick build data-driven safety improvements and prioritizing resources on high corridors and districts with high fatal and severe injury crashes.
Traffic Signals, Streetlights and Systems Management	Operates the City's 950+ traffic signals to ensure safe and efficient movement of all roadway users. Manages associated traffic systems (communication and video network) to support remote traffic management capabilities, transit signal priority, emergency vehicle preemption priority and smart city operations. Manages streetlight LED conversion and smart control update.

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Transportation Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Transportation Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Transportation Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Transportation Management and Administration	Provides executive-level, analytical and administrative support to the department. Performs community outreach, strategic communications, and media relations to advance priorities.

Transportation Department

Department Budget Summary

Expected 2023-2024 Service Delivery

- Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement. Prioritize implementation of Vision Zero Action Plan strategies to reduce traffic fatalities.
- Continue work on implementing balanced, multimodal goals of the Envision San José 2040 General Plan to provide a transportation network for all users that is safe, efficient, and sustainable.
- Facilitate a variety of regional transportation projects, including BART Silicon Valley Phase II, California High Speed Rail, Caltrain Modernization, Airport Connector, the expanded Diridon Integrated Station, and numerous highway interchange and overcrossing improvements.
- Continue the efficient and effective repair and maintenance of the City's approximately 2,500 miles of transportation infrastructure, including streetlights, traffic signals, traffic and street signs, pavement, roadway markings, trees, landscaping, street sweeping, sidewalks, curb ramps, sewers, and storm drains.
- Provide parking for business, retail, and event customers and employees in Downtown parking facilities, as well as parking compliance services in support of businesses and programs.
- Support the development, demonstration, and implementation of new technologies and innovations that help advance critical transportation goals.
- Continue to effectively manage the Department's budget; hire and effectively train employees; manage information technology to maximize productivity; and continually improve employee safety.

2023-2024 Key Budget Actions

- Makes permanent 1.0 Public Information Representative II to continue providing website and social media content, outreach materials, engagement analytics, and expanded multilingual outreach.
- Adds 1.0 Associate Engineer and 1.0 Engineer I/II to deliver grant-funded safety projects (from the Active Transportation Program Cycle 6 and One Bay Area Grant 3 programs), and adds 1.0 Associate Engineer to support grant-funded project delivery, funded from a \$10 million State earmarked allocation for implementing Vision Zero multimodal safety improvements, including projects such as Senter Road improvements between Story Road and Monterey Road.
- Adds 1.0 Transportation Specialist position through June 30, 2025, to support key initiatives of the Vision Zero Action Plan, primarily focusing on pre- and post- project studies to understand the effectiveness of projects implemented on the Priority Safety Corridors.
- Makes permanent 1.0 Transportation Specialist to support department grant application processes and develop and manage the department's grant evaluation process.
- Makes permanent 1.0 Engineer I/II to manage multiple pavement projects, maintain the Pavement Management System database, and support ADA curb ramp projects.
- Adds 1.0 Senior Engineer through June 2025 for Bridge Maintenance Engineering work to include planning, design, and delivery of bridge preventative maintenance and rehabilitation projects.
- Adds 1.0 Engineer I/II for Sanitary Sewer Engineering to conduct field work and analysis related to sanitary sewer overflows and overflow prevention.
- Makes permanent 1.0 Senior Engineer and 1.0 Associate Engineer to support Signal Design projects and program delivery.
- Makes permanent 1.0 Senior Engineer to supervise the Department's Development Review activities and continue providing the expertise and capacity to meet workload demands for Transportation Development Reviews, including major new development projects in the City's priority growth areas.
- Makes permanent 1.0 Principal Account Clerk to provide fiscal support for the Infrastructure Maintenance Division and makes permanent 1.0 Human Resources Analyst I/II to help address the current high level of vacant positions in the department by conducting full-cycle recruitments, liaising with the Human Resources Department, and training department staff on recruitment processes, policies, and procedures.

Transportation Department

Department Budget Summary

Operating Funds Managed

- Community Facilities District/Maintenance Assessment District Funds
- Downtown Property Business and Improvement District Fund
- General Purpose Parking Fund

Transportation Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Parking Services	16,605,955	21,809,307	21,695,774	22,050,070
Pavement Maintenance	10,533,000	9,952,412	10,921,473	11,274,293
Sanitary Sewer Maintenance	19,645,185	22,001,589	24,161,712	26,426,506
Storm Sewer Maintenance	6,926,444	8,390,113	8,291,540	8,291,540
Strategic Support - Environmental & Utility Services	2,078,176	2,148,407	2,322,538	2,411,222
Strategic Support - Other - Environmental & Utility Services	5,348,438	6,118,668	8,488,929	8,963,976
Strategic Support - Other - Transportation & Aviation	6,097,924	8,032,009	6,250,071	6,250,071
Strategic Support - Transportation & Aviation	5,190,771	3,697,533	3,669,811	3,707,514
Street Landscape Maintenance	17,794,940	24,029,508	23,128,174	23,125,910
Traffic Maintenance	14,746,821	16,354,226	18,240,788	18,408,202
Transportation Planning and Project Delivery	8,276,332	9,389,693	9,458,754	10,037,711
Transportation Safety and Operations	14,077,776	14,170,384	14,096,762	15,004,595
Total	\$127,321,762	\$146,093,849	\$150,726,326	\$155,951,611
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	70,779,069	79,246,222	87,013,554	89,074,565
Overtime	2,582,423	1,860,463	1,812,593	1,812,593
Subtotal Personal Services	\$73,361,492	\$81,106,685	\$88,826,147	\$90,887,158
Non-Personal/Equipment	35,320,053	45,822,055	44,157,179	46,846,406
Total Personal Services & Non-Personal/Equipment	\$108,681,545	\$126,928,740	\$132,983,326	\$137,733,564
<i>Other Costs *</i>				
City-Wide Expenses	4,777,359	4,673,739	3,517,000	3,517,000
General Fund Capital	1,443,149	1,098,000	0	0
Housing Loans and Grants	0	0	0	0
Other	4,292,946	4,556,976	5,232,071	5,232,071
Other - Capital	0	0	0	0
Overhead Costs	7,691,932	8,331,394	8,488,929	8,963,976
Workers' Compensation	434,831	505,000	505,000	505,000
Total Other Costs	\$18,640,217	\$19,165,109	\$17,743,000	\$18,218,047
Total	\$127,321,762	\$146,093,849	\$150,726,326	\$155,951,611

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Transportation Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	43,063,564	50,126,225	48,624,825	49,292,313
American Rescue Plan Fund (402)	5,456	0	0	0
Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)	1,959,264	2,300,755	2,382,269	2,382,269
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)	176,794	209,239	222,707	222,707
Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)	104,983	119,400	140,922	61,922
Community Facilities District No. 12 (Basking Ridge) Fund (376)	393,994	475,933	283,464	290,061
Community Facilities District No. 13 (Guadalupe Mines) Fund (310)	72,804	101,208	57,797	57,797
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)	148,206	179,259	188,957	188,957
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)	106,793	175,936	194,392	199,336
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)	348,946	241,579	276,970	276,970
Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)	6,464	145,693	15,834	126,334
Community Facilities District No. 8 (Communications Hill) Fund (373)	806,215	1,165,517	1,219,718	1,219,718
Downtown Property And Business Improvement District Fund (302)	3,589,476	4,411,283	5,232,071	5,232,071
Emergency Reserve Fund (406)	675,183	0	0	0
General Purpose Parking Fund (533)	9,465,684	11,925,950	12,090,075	11,991,272
Maintenance District No. 1 (Los Paseos) Fund (352)	366,096	472,333	349,144	349,144
Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)	94,178	124,828	136,493	136,493
Maintenance District No. 13 (Karina-O'Nel) Fund (366)	43,419	40,928	41,535	41,535
Maintenance District No. 15 (Silver Creek Valley) Fund (368)	1,514,232	1,682,247	1,491,965	1,491,965
Maintenance District No. 18 (The Meadowlands) Fund (372)	83,552	75,811	57,923	57,923
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)	262,198	197,961	170,815	170,815
Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)	84,726	107,138	131,542	131,542

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Transportation Department

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)	118,927	130,847	171,488	135,488
Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)	92,540	96,715	103,765	103,765
Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)	214,426	110,202	131,002	131,002
Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)	88,013	89,199	151,728	151,728
Maintenance District No. 8 (Zanker-Montague) Fund (361)	153,076	171,444	119,474	119,474
Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)	202,876	219,594	249,976	249,976
Sewer Service And Use Charge Fund (541)	26,274,140	27,679,086	29,879,243	32,299,393
Storm Sewer Operating Fund (446)	8,075,803	11,431,754	11,423,351	11,423,351
Capital Funds	28,729,736	31,885,785	35,186,881	37,416,289
Total	\$127,321,762	\$146,093,849	\$150,726,326	\$155,951,611

Positions by Core Service **

Parking Services	18.55	72.84	72.84	72.84
Pavement Maintenance	38.40	64.30	64.30	66.30
Sanitary Sewer Maintenance	1.65	106.80	106.55	107.55
Storm Sewer Maintenance	12.21	41.81	41.66	41.66
Strategic Support - Environmental & Utility Services	9.95	9.95	10.35	11.03
Strategic Support - Transportation & Aviation	14.40	15.65	14.65	15.94
Street Landscape Maintenance	42.30	52.05	53.05	53.08
Traffic Maintenance	47.65	47.65	47.65	47.65
Transportation Planning and Project Delivery	40.40	43.40	43.20	47.20
Transportation Safety and Operations	67.05	70.05	69.25	74.25
Total	292.56	524.50	523.50	537.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Transportation Department

Department Budget Summary

2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
-------------------------	----------------------	-----------------------	-----------------------	------------------------------------

Dollars by Program*

Parking Services

Off-Street Parking	6,614,344	8,031,835	7,807,190	7,780,300	6.60
On-Street Downtown Operations	455,019	1,105,579	702,733	1,163,291	3.45
On-Street Parking	9,536,592	12,671,893	13,185,851	13,106,480	62.79
Sub-Total	16,605,955	21,809,307	21,695,774	22,050,070	72.84

Pavement Maintenance

Corrective Pavement Repair	2,713,598	542,580	574,321	574,321	4.40
Pavement Maintenance Administration and Capital Project Delivery	7,819,402	9,409,832	10,347,153	10,699,973	61.90
Sub-Total	10,533,000	9,952,412	10,921,473	11,274,293	66.30

Sanitary Sewer Maintenance

Sanitary Sewer System Maintenance	19,645,185	22,001,589	24,161,712	26,426,506	107.55
Sub-Total	19,645,185	22,001,589	24,161,712	26,426,506	107.55

Storm Sewer Maintenance

Storm Sewer Operation and Maintenance	4,766,397	6,437,404	6,466,819	6,466,819	32.05
Street Sweeping	2,160,047	1,952,709	1,824,720	1,824,720	9.61
Sub-Total	6,926,444	8,390,113	8,291,540	8,291,540	41.66

Strategic Support - Environmental & Utility Services

Transportation Financial Management - Environmental and Utility Services	434,117	507,000	480,096	568,780	3.78
Transportation Human Resources - Environmental and Utility Services	277,285	268,119	351,380	351,380	1.80
Transportation Information Technology - Environmental and Utility Services	627,949	568,284	600,439	600,439	2.05
Transportation Management and Administration- Environmental and Utility Services	738,826	805,004	890,622	890,622	3.40
Sub-Total	2,078,176	2,148,407	2,322,538	2,411,222	11.03

Strategic Support - Other - Environmental & Utility Services

Transportation Overhead - Environmental and Utility Services	5,348,438	6,118,668	8,488,929	8,963,976	0.00
Sub-Total	5,348,438	6,118,668	8,488,929	8,963,976	0.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Transportation Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Strategic Support - Other - Transportation & Aviation					
Transportation Capital - Transportation and Aviation	64,085	340,000	0	0	0.00
Transportation Other Departmental - City-Wide - Transport and Aviation	40,121	563,000	513,000	513,000	0.00
Transportation Other Operational - Administration - Transport and Aviation	3,620,232	4,411,283	5,232,071	5,232,071	0.00
Transportation Overhead - Transportation and Aviation	2,343,494	2,212,726	0	0	0.00
Transportation Workers' Compensation - Transportation and Aviation	29,992	505,000	505,000	505,000	0.00
Sub-Total	6,097,924	8,032,009	6,250,071	6,250,071	0.00
Strategic Support - Transportation & Aviation					
Transportation Emergency Response and Recovery	1,394,318	0	0	0	0.00
Transportation Financial Management - Transportation and Aviation	1,505,176	1,112,918	1,154,089	1,159,128	7.34
Transportation Human Resources - Transportation and Aviation	488,959	472,996	499,153	531,757	2.85
Transportation Information Technology - Transportation and Aviation	882,077	1,175,993	1,218,763	1,216,497	3.70
Transportation Management and Administration - Transportation and Aviation	920,240	935,626	797,807	800,132	2.05
Sub-Total	5,190,771	3,697,533	3,669,811	3,707,514	15.94
Street Landscape Maintenance					
Special District Landscape Services	6,737,484	7,973,973	7,812,999	7,812,411	13.93
Streetscape Services	11,057,455	16,055,535	15,315,175	15,313,499	39.15
Sub-Total	17,794,940	24,029,508	23,128,174	23,125,910	53.08
Traffic Maintenance					
Traffic Signal Maintenance	3,466,904	4,815,467	5,408,746	5,407,160	17.20
Traffic Signs and Markings Maintenance	3,076,910	3,728,115	4,070,686	4,070,686	22.00
Traffic Streetlights Maintenance	8,203,007	7,810,644	8,761,357	8,930,357	8.45
Sub-Total	14,746,821	16,354,226	18,240,788	18,408,202	47.65
Transportation Planning and Project Delivery					
Transportation Capital Project Delivery	4,403,064	5,221,228	4,798,441	5,377,485	25.59
Transportation Multi-Modal Alternatives	1,376,765	1,437,241	1,582,795	1,582,795	7.50
Transportation Planning and Policy	2,496,503	2,731,224	3,077,517	3,077,430	14.11
Sub-Total	8,276,332	9,389,693	9,458,754	10,037,711	47.20

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Transportation Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Transportation Safety and Operations					
Neighborhood Traffic	2,683,836	2,426,858	2,553,400	2,551,866	11.65
Traffic Safety	5,060,684	4,023,241	3,982,492	4,254,749	23.35
Traffic Signals and Systems Management	6,333,256	7,720,285	7,560,871	8,197,980	39.25
Sub-Total	14,077,776	14,170,384	14,096,762	15,004,595	74.25
Total	\$127,321,762	\$146,093,849	\$150,726,326	\$155,951,611	537.50

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2021-2022 Actuals may not subtotal due to rounding.

Transportation Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	524.50	126,928,740	43,854,486
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(716,000)	(175,000)
• Red Light Running Cameras Pilot Program		(733,000)	(733,000)
• Full/Large Trash Capture Devices Maintenance		(567,400)	0
• Community Forest Management Program		(473,800)	(473,800)
• Automatic Public Toilets		(410,000)	(410,000)
• Street Sweeping for Protected Bike Lanes		(373,600)	0
• Vehicle Abatement and Pavement Parking Compliance Staffing		(263,261)	(263,261)
• Small Business Transit Passes		(200,000)	0
• Racial Equity Staffing (1.0 Senior Analyst)	(1.00)	(193,039)	(193,039)
• Automated Speed Detection and Messaging		(175,000)	(175,000)
• Special Assessment District Landscape and Infrastructure Projects		(130,000)	0
• Transportation Demand Employee Benefit (Bike Share)		(40,000)	0
• Tree Planting: GIS Mapping Council District 4		(50,000)	(50,000)
• Beautification of Hedding and North Bayshore		(9,000)	(9,000)
• Enhanced Street Sweeping in Downtown Neighborhoods		(5,320)	(5,320)
One-time Prior Year Expenditures Subtotal:	(1.00)	(4,339,420)	(2,487,420)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Security Services Supervisor to 1.0 Parking and Traffic Control Supervisor		8,028,265	1,968,520
• Utilities: Gas, Electricity, and Water		1,264,000	1,110,000
• Machinery/Equipment: Scheduled Vehicle Replacements		540,000	0
• Vehicle Operations and Maintenance		197,000	9,000
• Contract Services: Sewer Odor Control		142,000	0
• Overtime Adjustment		69,450	17,589
• Contract Services: Landscape Services		64,300	49,000
• Contract Services: Traffic Signal Knockdown Repair		50,000	50,000
• Tow Away Signs		21,000	21,000
• Community-Based Organization: Our City Forest		13,624	13,624
• Night Shift Differential Adjustment		4,367	2,026
Technical Adjustments Subtotal:	0.00	10,394,006	3,240,759
2023-2024 Forecast Base Budget:	523.50	132,983,326	44,607,825

Transportation Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Sanitary Sewer Maintenance Replacement Vehicles		2,082,000	0
2. Automated Public Toilets		438,000	438,000
3. Traffic Signal Safety Staffing	2.00	433,849	0
4. Development Fee Program Staffing	1.00	227,822	89,468
5. Multimodal Safety Improvements and Grant Projects Staffing	1.00	203,260	0
6. Transportation Local Project Delivery Staffing	2.00	191,569	0
7. Sanitary Sewer Engineering Staffing	1.00	182,793	0
8. Pavement Maintenance Staffing	1.00	179,878	0
9. Bridge Maintenance Engineering Staffing	1.00	172,941	0
10. New Traffic Infrastructure Assets Maintenance and Operations		169,000	169,000
11. Grants and Data-Based Transportation Evaluation Staffing	1.00	159,653	0
12. Public Information Staffing	1.00	152,517	0
13. Transportation Department Administrative Services Staffing	2.00	132,565	2,147
14. Vision Zero Priority Safety Corridors Project Evaluation Staffing	1.00	119,740	0
15. Capital Expressway/Evergreen Place Community Facilities District Maintenance and Operations		110,500	0
16. Special District Cost Reductions		(115,000)	0
17. Parking Program Staffing	0.00	(72,707)	(43,596)
18. Events Management Staffing	0.00	(10,212)	19,618
19. California Network and Telecommunications (CalNet) Program Savings		(7,933)	(7,149)
Total Budget Proposals Recommended	14.00	4,750,235	667,488
2023-2024 Proposed Budget Total	537.50	137,733,564	45,275,313

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Sanitary Sewer Maintenance Replacement Vehicle		2,082,000	0

*Environmental and Utility Services CSA
Sanitary Sewer Maintenance Core Service
Sanitary Sewer System Maintenance Program*

This action provides one-time funding of \$2,082,000 from the Sewer Service and Use Charge Fund to purchase three sewer combination trucks to address deferred vehicle replacements. Sewer combination trucks are critical equipment that are used to conduct preventative maintenance of the sanitary sewer system to prevent sewage spills and vacuum up sewage when it overflows. Many sewer combination trucks in the fleet are past their useful life. This proposal adds funding to purchase two vehicles deferred from 2022-2023 and one replacement vehicle for 2023-2024. The cost of vehicles has increased on average by approximately 20% over the last couple of years. As vehicles reach and exceed their useful life, the time spent out of service during repair and the likelihood that accidents and injuries could occur increases. The current turnaround time from when the City's Fleet Services places an order to when the vehicle is put into service is between 18 and 24 months, so it is imperative to keep adding vehicle replacement orders into the pipeline. (Ongoing costs: \$0)

2. Automated Public Toilets		438,000	438,000
-----------------------------	--	---------	---------

*Transportation and Aviation Services CSA
Parking Services Core Service
On-Street Downtown Operations Program*

This action continues funding of \$438,000 on an ongoing basis in the General Fund to provide continued operations and maintenance (O&M) associated with the five existing Automatic Public Toilets (APT) in the Downtown. Previously funded on a one-time basis, the \$438,000 provides \$410,000 for estimated annual rent and \$28,000 for utilities (water, electricity, phone). In December 2019, City Council approved a contractual services agreement for continued O&M of APTs in the Downtown, with an option for up to five one-year extension periods. Fiscal Year 2023-2024 will be the third year of the five-year extension period. (Ongoing costs: \$438,000)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Traffic Signal Safety Staffing	2.00	433,849	0

*Transportation and Aviation Services CSA
 Transportation Safety and Operations Core Service
 Traffic Signals and Systems Management Program*

This action continues and makes permanent 1.0 Senior Engineer and 1.0 Associate Engineer positions, funded by Traffic Capital Funds, to support traffic signal safety improvement projects. The Senior Engineer will focus on advancing the Capital Improvement Program (CIP) to reduce the project backlog and improve traffic signal safety. The position will support the advancement of Signal Design project and program delivery, including proactive development of a signal warrant/modification prioritization program, systemwide deployment of traffic signal safety and mobility tools such as accessible pedestrian signals and retroreflective signal head backplates, mitigation of recurring signal infrastructure knockdowns, and rehabilitation of aging and deficient infrastructure. The Associate Engineer position will support Development and Regional projects and Vision Zero traffic signal project delivery initiatives. These positions are important to be able to deliver several key traffic signal safety improvement projects and programs, including grant-funded projects, and for providing traffic signal coordination, planning, and engineering review support to private development and other capital projects on a timely basis. (Ongoing costs: \$433,849)

4. Development Fee Program Staffing	1.00	227,822	89,468
--	-------------	----------------	---------------

*Transportation and Aviation Services CSA
 Transportation Planning and Project Delivery Core Service
 Transportation Capital Project Delivery Program*

This action makes permanent 1.0 Senior Engineer position to continue providing the development review team with the expertise and capacity to meet workload demands, including major new development projects in the City's priority growth areas. The position is funded through development review fees and will oversee development review processes for the department and supervise three positions. The position will work on development and analysis of roadway design, signals, streetscape design, bikeways, pedestrian facilities, and the local traffic analysis component of a development project's Transportation Analysis report. The position also liaisons with the Public Works and Planning, Building and Code Enforcement Departments for coordination and reporting as well as internal coordination within the Transportation Department. (Ongoing costs: \$227,822)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Multimodal Safety Improvements and Grant Project Staffing	1.00	203,260	0

*Transportation and Aviation Services CSA
 Transportation Safety and Operations Core Service
 Traffic Signals and Systems Management Program*

This action adds 1.0 Associate Engineer position in the Transportation Safety, Operations, and Parking Services Division through June 30, 2026, to lead the delivery of the East San José Safety Improvements for Senter Road Project and support other grant-funded safety projects as needed. This position will be funded from a \$10 million State earmarked allocation programmed in the Building and Structure Construction Tax Fund for the implementation of Vision Zero pedestrian, bicycle, and transit improvements along the corridor. This Associate Engineer position will provide project management and engineering, data collection, evaluation, and community engagement support necessary to deliver the improvement project to make Senter Road safer and more accessible for all street users. As part of Assembly Bill 178 in June 2022, \$10 million in State Earmark funds were identified for the City to provide key pedestrian/bicyclist safety and transit improvements along 4.7 miles of Senter Road, between Story Road and Monterey Road. (Ongoing costs: \$203,260)

6. Transportation Local Project Delivery Staffing	2.00	191,569	0
--	------	---------	---

*Transportation and Aviation Services CSA
 Transportation Planning and Project Delivery Core Service
 Transportation Capital Project Delivery Program*

This action adds 1.0 Associate Engineer and 1.0 Engineer I/II positions ongoing, funded by Traffic Capital Funds and reimbursed through grants, to deliver grant-funded safety improvement projects. The positions will provide the Local Project Delivery team with project management and delivery support. The City has recently been awarded, but not yet programmed in the CIP, approximately \$63 million in One Bay Area Grant (OBAG3) and Active Transportation Program (ATP) grants for priority areas Complete Streets and Vision Zero projects. Since all these grant-funded projects have the same deadlines for expenditure and reimbursement, the Associate Engineer and Engineer I/II positions will advance these grant-funded safety improvement projects in a timely fashion, meeting the grant requirements and deadlines. (Ongoing costs: \$383,139)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Sanitary Sewer Engineering Staffing	1.00	182,793	0

***Environmental and Utility Services CSA
Sanitary Sewer Maintenance Core Services
Sanitary Sewer System Maintenance Program***

This action adds 1.0 Engineer II position and associated non-personal/equipment funding of \$4,130 (one-time of \$2,915 and ongoing of \$1,215) from the Sanitary Sewer Fund to perform field work and analysis related to sanitary sewer overflows (SSO) and overflow prevention. The State Water Board has issued new Wastewater Discharge Requirements (WDR) which will become effective May 6, 2023 and will require additional fieldwork and analysis for the Sanitary Sewer Engineering Team associated with SSOs and SSO prevention. Adding an Engineer I/II will provide the capacity needed to meet the new WDR requirements. In addition to SSO prevention, the focus will be on expanded fieldwork, analysis and reporting activities related to new WDR guidelines. Additionally, the position will have the following responsibilities: assist with ensuring the city meets regulatory requirements for SSO prevention and reporting; assist with the Pavement Project Coordination ensuring the associated sanitary sewer video inspection and repair work is completed prior to the relevant streets being paved to minimize disturbing fresh pavement; assist with the Root Control program to minimize SSOs caused by tree roots; participate in Plan Reviews for capital improvements and development projects to ensure appropriate sewer capacity is provided and issues that may impact the sanitary sewer operation and maintenance are considered; and work with the Associate Engineer, Senior Engineer, and Sewer Division Manager on public information efforts for grease, rags, wipes, and other community outreach efforts. (Ongoing costs: \$181,093)

8. Pavement Maintenance Staffing	1.00	179,878	0
---	-------------	----------------	----------

***Transportation and Aviation Services CSA
Pavement Maintenance Core Service
Pavement Maintenance Administration and Capital Project Delivery Program***

This action makes permanent 1.0 Engineer I/II position for the Major Streets Pavement team funded by the Traffic Capital Funds. This Engineer position will continue to manage and maintain the City's Pavement Management System (PMS), manage multiple minor and major construction projects, provide review on development and construction plans, and support ADA curb ramp program by maintaining and running analysis to prioritize ramp construction projects. The addition of an ongoing Engineer I/II position will play a key role in helping the City meet all the legal requirements set out by CREEC (Civil Rights Education and throughout the City by 2030 and upgrade existing non-compliant ramps by 2038. The Engineer I/II will also provide ongoing updates to the department's GIS maps, which are necessary to ensure the successful and effective construction of approximately 2000 curb ramps (and 250 miles of pavement) annually. Additionally, the Engineer I/II will be beneficial to meeting the ADA transition plan goal for implementing a public facing database to better manage the City's infrastructure assets in 2023-2024. This position will also provide the technical expertise needed to ensure compliance with uniform codes, engineering principles, and Federal, State, and local ordinances and regulations. (Ongoing costs: \$179,878)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Bridge Maintenance Engineering Staffing	1.00	172,941	0

Transportation and Aviation Services CSA

Pavement Maintenance Core Service

Pavement Maintenance Administration and Capital Project Delivery Program

This action adds 1.0 Senior Engineer, limit-dated through June 30, 2025, that will play a major role in planning, design, and delivery of bridge preventive maintenance and rehabilitation projects that is funded in the Public Safety and Infrastructure Bond Fund (Measure T). This position will work with the existing 1.5 positions funded by Measure T to create a team of 2.5 positions to manage maintenance and repairs for the 245 bridges throughout the City, of which 159 bridges (each exceeding 20 feet in length) are part of the National Bridge Inventory (NBI), 78 are non-NBI vehicular bridges, and 8 are non-NBI pedestrian bridges. This position will contribute to the City meeting its goal of minimizing deterioration and preventing structural deficiency of its bridge infrastructure. The Senior Engineer will be responsible for establishing short-term and long-term maintenance plans for the program and shifting the current process from a reactive approach to a proactive approach. Additionally, in the last 6 months, the department has identified 100 potential bridges that the City could be responsible for maintenance. The position will also be responsible for developing a comprehensive bridge repair program, a 5-year optimization plan and seeking funding opportunities through grants. Additionally, this position would establish priorities and processes for maintenance work orders for the backlog of 83 bridges, establish a plan and process for routine non-NBI and in-depth NBI bridge inspections, and provide technical oversight for the design and construction of bridge projects (ranging from \$300,000 to over \$15 million in construction costs). (Ongoing costs: \$230,589)

10. New Traffic Infrastructure Assets Maintenance and Operations		169,000	169,000
---	--	----------------	----------------

Transportation and Aviation Services CSA

Traffic Maintenance Core Service

Traffic Streetlights Maintenance Program

This action provides non-personal/equipment funding of \$169,000 in the General Fund for the maintenance and operations impacts associated with new capital improvements that are scheduled to come on-line during 2023-2024 as part of the five-year Traffic CIP, such as Senter Road Traffic Safety Improvements, Transportation Fund for Clean Air 2020-2021 Hillsdale Avenue Safety and Bikeway Improvements, and Vision Zero: Quick Build Branham Lane. This funding need was anticipated in the 2024-2028 General Fund Forecast, and the liquidation of an Earmarked Reserve set aside in the forecast for this purpose is also included. (Ongoing costs: \$169,000)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
11. Grants and Data-Based Transportation Evaluation Staffing	1.00	159,653	0

*Transportation and Aviation Services CSA
 Transportation Planning and Project Delivery Core Service
 Transportation Capital Project Delivery Program*

This action makes permanent 1.0 Transportation Specialist position, funded by Traffic Capital Funds, to support a growing grant program to secure local, State, and federal grants and implement a data-based transportation evaluation program. The position will continue to aid the department in meeting the goals set forth through the Vision Zero program, the Pavement Program, and Move San José by obtaining grant funding for transportation infrastructure projects. Congress recently passed two new bills that provide unprecedented levels of funding for transportation infrastructure, safety, and climate action-related projects. Given the importance and urgency of the City's safety and climate-related goals, and the potential to leverage new funding sources to meet these goals, this position will provide ongoing staff resources to support the growing availability and competitiveness of grant opportunities arising from recent federal legislation. In addition to supporting grant pursuits, this position will allow the department to complete its goal of developing an evaluation-based data collection program for grant projects. This position will be responsible for developing a data-based evaluations program to inform on the benefits of previously implemented projects and would further serve to make future grant submissions more competitive. The Transportation Specialist would allocate 50% of the time to individual grant application support, including mapping, analysis, narrative descriptions, required forms, field photos, and other tasks. The other 50% of the time would be allocated to developing and managing a grant evaluation process. (Ongoing costs: \$159,653)

12. Public Information Staffing	1.00	152,517	0
--	-------------	----------------	----------

*Transportation and Aviation Services CSA
 Transportation Safety and Operations Core Service
 Traffic Safety Program*

This action continues and makes permanent 1.0 Public Information Representative II position, funded by Traffic Capital Funds. This position is needed to meet the ongoing demand for website content, social media content, outreach materials, engagement analytics, and expanded multilingual outreach. Since the creation of a Public Information Manager position in late 2018, the department has taken on several large new projects and programs requiring regular, high-quality communications and public engagement. In the last year, the department has relied on the temporary position to manage accurate and timely digital communications for the Emerging Mobility Action Plan, the Mabury/Berryessa/101 regional project, Move San José (the City's Access and Mobility Plan), the residential permit parking (RPP) program, the annual pavement maintenance program, Walk 'n' Roll, and the Community Forest Management Plan. The workload of the position will continue to be spread across the following activities: 25% for traffic safety (including Vision Zero and Walk n' Roll), 25% for planning and projects, 25% for infrastructure maintenance (including pavement, sewers, street sweeping, and trees), 10% for parking, 5% for traffic signals and streetlights, 1% for regional projects, and 9% for miscellaneous activities (like cross- departmental projects, one-off requests, etc.). (Ongoing costs: \$153,855)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
-----------------------------------	-----------	----------------	-------------------

13. Transportation Department Administrative Services Staffing	2.00	132,565	2,147
---	-------------	----------------	--------------

*Environmental and Utility Services CSA
Strategic Support – Environmental & Utility Services Core Service
Transportation Financial Management Program*

*Transportation and Aviation Services CSA
Strategic Support – Transportation & Aviation and Street Landscape Maintenance Core Services*

Special District Landscape Services, Transportation Financial Management, Transportation Human Resources, Transportation Management and Administration Programs

This action continues and makes permanent two positions: 1.0 Principal Account Clerk position, funded from the Sanitary Sewer Fund, Maintenance District Funds, and Traffic Capital Funds to provide fiscal support for the infrastructure Maintenance Division and 1.0 Analyst II to support hiring for the Transportation Department. The Analyst will be funded from General Fund vacancy savings. The Principal Account Clerk position is needed to ensure that invoices are paid timely, and to communicate with the Finance Department, program managers, and vendors regarding purchase order renewals, invoice processing, accruals, and billing cancellations. The position will prioritize and coordinate workload for Infrastructure Maintenance Division fiscal services and will supervise two Senior Account Clerks. With the current staffing of level, the average overtime of the Senior Account Clerk was approximately 20 hours per pay period from January 2021 to November 2022, and with that level of overtime there was insufficient time to ensure timely procurement of resources and payment of invoices. The Analyst is responsible for conducting full-cycle recruitments to fill vacancies for the entire department, serves as a liaison to Human Resources Department, coordinates and conducts training to nearly every level of department staff to ensure staff understands the recruitment process, recruitment reports, and/or other general human resource and departmental recruitment policies and procedures. The continuation of this position is critical to address the current high level of vacancies which impacts the Department's ability to deliver services to the community and creates an environment in which staff are challenged with high workloads and demands. (Ongoing costs: \$133,057)

14. Vision Zero Priority Safety Corridors Project Evaluation Staffing	1.00	119,740	0
--	-------------	----------------	----------

*Transportation and Aviation Services CSA
Transportation Safety and Operations Core Service
Traffic Safety Program*

This action adds 1.0 Transportation Specialist position through June 30, 2025, funded from Traffic Capital Funds, to support the key initiatives of the Vision Zero Action Plan, primarily focusing on pre- and post- project studies to understand the effectiveness of projects implemented on the Priority Safety Corridors. This position will use the department's data analytics platform to understand how projects, including specific improvements, have been performing by conducting pre- and post- project evaluations. This position is key to ensuring that the right solutions are applied where needed by analyzing crash, speed, and volume data, including other goals, objectives, and performance measures. Evaluations should occur over multiple periods (ideally 6 months, 1 year, and 2 years post project implementation) for each project. Without a dedicated resource to evaluate these projects, progress has been slow and difficult for the department to determine which safety projects have yielded the greatest reduction in crashes. (Ongoing costs: \$159,653)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>15. Capitol Expressway-Evergreen Place Community Facilities District Maintenance and Operations</p> <p><i>Transportation and Aviation Services CSA Street Landscape Maintenance Core Service Special District Landscape Services Program</i></p> <p>This action establishes non-personal/equipment funding for the Transportation Department in the amount of \$110,500 for maintenance (\$103,000) and water (\$7,500) costs associated with the new Communities Facilities District 17 (Capitol Expressway - Evergreen Place) which is planned to come online in 2023-2024. The contractual services funding will be used to maintain a type II landscaping, trees, and irrigation maintenance as well as maintain local amenities, such as benches and trash cans, within the district. (Ongoing costs: \$110,500)</p>		110,500	0
<p>16. Special District Cost Reductions</p> <p><i>Transportation and Aviation Services CSA Street Landscape Maintenance Core Service Special District Landscape Services Program</i></p> <p>This action decreases the Transportation Department's non-personal/equipment funding in the Maintenance District 20 (Renaissance - N. First Landscaping) by \$36,000 and in Community Facilities District 11 (Adeline - Mary Helen) by \$79,000. The cost reductions in Maintenance District 20 are needed to better align costs with the estimated assessment revenues. Scheduled tree maintenance will be eliminated and the number of contractual services hours for maintenance will be reduced by approximately 25% by extending the time between visits to the district. As a result, the landscaping may look less maintained during the weeks the work is not done. The cost reductions in Community Facilities District 11 are primarily due to reduced landscape maintenance and watering needs for a portion of the district because the developer is developing the area. (Ongoing savings: \$115,000)</p>		(115,000)	0
<p>17. Parking Program Staffing</p> <p><i>Transportation and Aviation Services CSA Parking Services Core Service Off-Street Parking, On-Street Downtown Operations, and On-Street Parking Programs</i></p> <p>This action adds 1.0 Parking/Ground Transportation Administrator (PGTA) position and deletes 1.0 Parking and Traffic Control Supervisor position to enhance management oversight of the Department of Transportation's Parking Compliance Unit (PCU). The PGTA will assume the Meter Shop oversight responsibilities of the deleted supervisor position. Within the PCU, the PGTA will be the primary contact to communicate with the public and address customer service issues. Additionally, the position will provide a layer of oversight between the supervisors in the Transportation Department's Parking Compliance Unit's (PCU) and the On-Street Parking Manager, such as by preparing performance evaluations. This, in turn, will free up supervisors to focus on field operations and provide the Parking Compliance Unit with additional high-level administrative support and oversight. In addition, the PGTA will provide customer service support to the Vehicle Abatement Program by responding and addressing hot spots and sensitive issues, which currently have been elevated to higher level managers in the Parking Division. The gap in management has resulted in an additional workload for the On-Street Parking Manager and the Division Manager as significant amounts of time are spent reviewing Supervisors' work and providing operational guidance when inexperience, inability, or a lack of capacity exists. (Ongoing savings: \$8,989)</p>	0.00	(72,707)	(43,596)

Transportation Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment







2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
18. Events Management Staffing	0.00	(10,212)	19,618
<p><i>Transportation and Aviation Services CSA Parking Services Core Service Off-Street Parking and On-Street Downtown Operations Programs</i></p> <p>This action adds 1.0 Engineering Technician I/II position and deletes 1.0 Staff Specialist position, funded by the General Purpose Parking Fund, to provide engineering and field support for the development of comprehensive Transportation and Parking Management Plans (TPMP) for city-wide outdoor special events and adds 1.0 Engineer I/II position and deletes 1.0 Transportation Specialist position, funded by the General Fund, to better align Special Events staffing to deliver a higher level of technical engineering and analysis. The Engineering Technician position is needed to meet the ongoing analytical, engineering, project management, and field work required given the significant increase in the number of events to be managed and the Transportation Department's playing a more prominent role in the Traffic and Parking Management Plan (TPMP) development process. Currently one Engineer I/II position is responsible for the development of all special event TPMPs. The addition of the Engineering Technician position will allow the division to adequately address the workload and field inspection duties associated with as many as 500 events per year. The Engineer I/II position is needed due to the technical and engineering-specific nature of the work to develop comprehensive TPMPs which are consistent with City and State guidelines. As the number, footprint, complexity, and dynamics of special events have changed over the years, year-round planning and coordination effort now require additional support to provide a higher level of technical engineering and analysis coordination with event producers, the Office of Cultural Affairs, City Council offices, the Parking Compliance Unit and the San José Police Department Secondary Employment Unit. (Ongoing savings: \$9,169)</p>			
19. California Network and Telecommunications (CalNet) Program Savings		(7,933)	(7,149)
<p><i>Transportation and Aviation Services CSA Department-wide Department-wide</i></p> <p>This action decreases the Transportation Department's non-personal/equipment funding by \$7,933 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated for the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$7,933)</p>			
2023-2024 Proposed Budget Changes Total	14.00	4,750,235	667,488

Transportation Department

Performance Summary

Parking Services

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of on-street parkers in compliance with all regulations	85%	90%	85%	90%
 Parking System revenue to operating cost ratio	1.29	1.03	1.25	1.25
 % of meter repair service requests completed in 1 day	100%	100%	100%	100%
 % of citation appeal requests completed in 14 days	100%	95%	75% ¹	95%
 % of reported abandoned or stored vehicles in voluntary compliance by staff's second visit	78%	75%	75%	75%
 % of customers rating services good or better based upon satisfaction, appearances, comfort (4 or better on a 1-5 scale)	N/A ²	85%	N/A ³	85%

¹ Decrease in percentage of citation appeal requests being completed within 14 days was delayed due to staffing vacancies. The position was filled in late 2022-2023; so there should be improvements in processing requests in 2023-2024.

² Due to the pause of parking operations as a result of the COVID-19 pandemic, the parking operations vendor does not have the staffing available to conduct surveys, nor does the current level of parking activity generate sufficient responses to produce meaningful data. Surveys are anticipated to resume in 2023-2024, with the results included as part of the 2024-2025 Proposed Budget.

³ Post-pandemic survey responses have been received at a statistically insignificant rate. Staff is working with the parking operations vendor to develop survey collection enhancements in preparation to conduct the surveys in 2023-2024.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of monthly parking customers served	53,809	64,000	48,000	50,000
# of parking visitors served	902,221	1,035,000	1,000,000	1,200,000
# of parking meter service activities completed	9,251	10,000	12,500 ¹	12,300 ¹
# of parking citations issued	153,946	165,000 ²	175,000	190,000
# of parking citations appealed/adjudicated	4,723	4,900	6,000	6,500 ³

¹ The number of meters in service increased by 10% in 2022-2023.

² Parking citation issuance has begun to recover from pandemic impacts at a higher rate than initially anticipated.




³ As parking citation issuance increases, so will requests for citation appeals/adjudications.

Transportation Department

Performance Summary

Pavement Maintenance

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 75)	68	69	71	72
 % of corrective pavement repairs completed within established time guidelines:				
- Priority: Completed within 2 days	100%	98%	98%	100%
- Non-Priority: Completed within 30 days	97%	90%	90%	90%
 Ratio of the Weighted Average Pavement Condition Index (WAPCI) of Local Streets in Equity Priority Communities (EPC) over the WAPCI of Local Streets in Non-EPC. ¹	N/A	N/A	1.12	1.00

¹ Data collected for 2022-2023, but new measure for 2023-2024.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Miles of paved roadway to maintain	2,519	2,519	2,519	2,519
Miles of streets receiving surface seal application ¹	100	104	93	165
Miles of street resurfacing completed ¹	123	134	142	98
# of pothole repairs completed	2,704	5,500	4,000	5,500
Square yards of large pavement repairs completed	57,002	50,000	50,000	50,000
Average sealing maintenance cost per mile of street (includes preparation work)	\$143,584	\$193,000	\$139,247	\$105,000





¹ The number of miles sealed or resurfaced varies annually based on need and optimum use of available funds.

Transportation Department

Performance Summary

Sanitary Sewer Maintenance

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 # of sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized)	2.0	2.0	2.1	2.0
 % of reported sanitary sewer problems responded to within 30 minutes ¹	48%	60%	43%	60%
 % of in-house repairs completed within established time guidelines:				
- Priority A: Service completely severed Full service restored – 24 hours; final repairs – 5 days	90%	90%	85%	90%
- Priority B: Service exists at a limited capacity Final repair – 20 days	90%	90%	80%	90%
- Priority C: Future service impact identified Corrective actions – 90 days	64%	90%	55%	90%
 % of customers rating services good or better based upon timeliness and effectiveness (rating of 4 or greater on a 1 – 5 scale)	100%	100%	100%	100%

¹ The Department is transitioning to a new database and analyzing the data related to this measure. Data may be updated after the transition is completed, which is targeted for 2023-2024.

Transportation Department

Performance Summary

Sanitary Sewer Maintenance

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Miles/number of sewer line segments ¹	2,044/46,358	2,045/46,300	2,040/46,437	2,045/46,310
Miles of sanitary sewer lines cleaned	839	1,000	650	1,000
# of sanitary sewer main line stoppages cleared	243	200	250	200
Miles of sanitary sewer lines inspected by video to support maintenance and repair	115	80	68	80
# of reported sanitary sewer problems	3,921	4,000	3,900	4,000
# of sewer repairs completed	808	700	700	700
# of sanitary sewer overflows	35	40	42	40





¹ Mileage and segment numbers are managed by the Public Works Department and may vary based on when reports are prepared.

Transportation Department

Performance Summary

Storm Sewer Maintenance

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of storm sewer inlets without obstruction	100%	96%	98%	96%
 % of swept curb miles rated by City as good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale)	51% ¹	75%	55% ¹	75%
 % of high priority storm sewer service requests/repairs addressed within 4 hours	83%	90%	82%	90%
 % of customers rating street sweeping services as good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale) ²	44%	55%	44%	55%

¹ The shift to more people working from home since the COVID-19 pandemic resulted in residents not moving cars, which impacts the ability to sweep effectively.

² Data for this measure is collected through a biennial survey, last conducted in February 2022. The next survey is planned to be completed in 2023-2024, and those results will be reported in the 2024-2025 Proposed Budget.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Miles/number of storm sewer segments ¹	1,079/31,086	1,130/31,000	1,079/31,196	1,130/31,000
# of storm sewer inlets ¹	35,640	35,560	35,686	35,690
# of storm sewer inlet stoppages identified and cleared	455	1,000	1,150	1,000
# of curb miles swept	60,391 ²	67,000	57,300 ²	67,000
Thousands of tons of sweeping debris collected	5.0 ²	9.0	5.0 ²	9.0

¹ Mileage and segment numbers are managed by the Public Works Department and may vary based on when reports are prepared.





² Equipment downtime due in part to supply chain issues and staff shortages impacted route completion. More cars are parked at the curb due to people working from home. For each car parked at the curb three car-lengths of curb are missed leading to reduced amounts of debris collected.

Transportation Department

Performance Summary

Street Landscape Maintenance

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of general benefit street landscapes in good condition	97%	96%	92%	90%
 % of sidewalks, curbs, gutters, and parkstrips repaired within 90 days of the notification of damage	43%	40%	30%	40%
 % of unimproved rights-of-way that are rated as fire safe by June 30 th	100%	100%	100%	100%
 % of customers rating tree and sidewalk services good or better (4 or better on a 1 – 5 scale) ¹	N/A	N/A	N/A	N/A

¹ The Department no longer reports customer ratings for tree services. The Community Forest program needs time to establish before creating a new customer survey.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Acres of general benefit-maintained street landscapes	224	289	289	289
# of street tree emergency responses	751	1,000	1,500 ¹	1,200
# of sidewalk repairs completed	5,142	6,200	6,000	6,500
Acres/districts of Special District street landscapes	337/23	338/24	337/23	342/24 ²
# of street tree pruning permits issued / # of trees pruned	618/2,129	400/10,000	2,000/13,000	2,000/14,000 ³
# of street tree removal permits issued / # of trees removed	282/1,222	500/750	826/1,000	900/1,000
# of tree plantings	N/A	N/A	2,000	1,300

¹ Increased due to heavy storm season.

² Community Facilities District No. 17 (Capital Expressway – Evergreen Place) coming online in 2023-2024.









³ Scaling up with increased staffing.

Transportation Department

Performance Summary

Traffic Maintenance

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of traffic signal preventative maintenance activities completed within established guidelines	25%	33%	28%	33%
 % of traffic and street name signs meeting visibility and operational guidelines	81%	81%	69%	80%
 % of traffic roadway markings meeting visibility and operational guidelines	86%	64%	80%	80%
 % of time streetlights are operational	99%	98%	99%	99%
 % of traffic signal malfunctions responded to within 30 minutes	16%	25%	30%	32%
 % of traffic signs and street name signs service requests completed within prioritized operational guidelines	95%	100%	98%	98%
 % of all roadway marking service requests completed within prioritized operational guidelines	96%	100%	100%	100%
 % of reported streetlight malfunctions repaired within 7 days ¹	46%	50%	65%	65%

¹ Streetlights with burned out low-pressure sodium (LPS) bulbs are being replaced with LED fixtures as of 2019-2020. LED fixtures have a longer cycle-time than simply replacing bulbs. Since there are fewer malfunctions over time, malfunctions can be addressed more quickly.

Transportation Department

Performance Summary

Traffic Maintenance

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of traffic signals	964	968	966	966
# of streetlights	65,359	65,350	65,375	65,380
# of traffic and street name signs	124,250	125,000 ¹	125,000	129,000
# of square feet of markings (in millions)	5.90	7.90	6.09	6.25
# of traffic signal repair requests completed ²	1,887	2,000	2,200	2,250
# of traffic signal preventive maintenance activities completed	728	964	650	964
# of traffic and street name signs repair/replacement requests completed	1,078	1,200	1,200	1,200
# of traffic and street name signs preventively maintained	1,462	1,700	1,700	1,700
# of roadway markings maintenance requests completed	157	300	200	200
# of roadway markings preventively maintained (sq.ft)	707,961	950,000	500,000	700,000
# of streetlight repair requests completed	7,110	9,500	4,500	4,000

¹ Reflects estimated levels. Actual counts will be updated after completion of city-wide inventory of street signs, which is expected to be completed in 2023-2024 and will be reported in the 2023-2024 Actuals and 2024-2025 Forecast.


² The activity level varies based on the number of repair calls received from residents.

Transportation Department

Performance Summary

Transportation Planning and Project Delivery

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of local Transportation CIP projects delivered within 2 months of approved baseline schedule	82%	100%	70%	80%

Activity and Workload Highlights




	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of local Transportation Capital projects in CPMS Database	107	217	75	75
Dollar amount of Transportation grant reimbursements (in millions)	\$68.6M	\$135.0M	\$54.0M	\$109.0M
# of regional projects in the City	18	17	16	16

Transportation Department

Performance Summary

Transportation Safety and Operations

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of traffic signals proactively re-timed along commute corridors to minimize wait times	28%	15%	28% ¹	15%
 % of signs and markings installed within 35 days from initial study request	80%	65%	65%	65%
 % of customers rating services as good or better based upon timeliness, added safety, and satisfaction with solution	94%	85%	85%	85%

¹ Traffic signal retiming was delayed due to traffic pattern changes during the COVID-19 pandemic, creating a backlog of signal retiming workload. This backlog was addressed in 2021-2022 and 2022-2023, leading to a higher number of signals being retimed. In 2023-2024, work is expected to return to typical levels.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of pedestrian safety enhancement/traffic calming projects completed	39	35	35	40
# of pedestrian and bike fatalities ¹ :	31	31	40	28
- Children ages 5 to 17	2	2	1	1
- Seniors ages 65+	8	8	12	7
# of traffic fatalities (all causes) ¹	60	60	65	54
# of pedestrian and bike injuries ¹ :	500	433	457	390
- Children ages 5 to 17	85	80	70	72
- Seniors ages 65+	44	34	50	30
# of traffic congestion projects completed	696	600	600	600
# of traffic studies completed and implemented	1,229	1,200	1,200	1,200
# of people receiving traffic safety education:				
- Children ages 5 to 17	18,905	15,000	25,000	25,000
- Adults	4,025	2,000	7,000	7,000
# of special events managed	444	400	450	450



¹ The number of pedestrian and bike injuries is being reported on a calendar year basis (Q1 Jan-Mar., Q2 April-June, Q3 July-Sept., Q4 Oct.-Dec.).

Transportation Department

Performance Summary

Strategic Support

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 % of invoices paid within 30 days	70%	85%	70%	85%
 % of customers whose service quality expectations are met or exceeded (4 or better on a 1 – 5 scale)	91%	95%	95%	95%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of financial/budget transactions	19,509	19,500	19,500	19,500
# of employees hired	137	120	156	160
# of responses to information technology issues	1,592	1,400	1,500	1,600

Transportation Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	9.00	10.00	1.00
Arborist	1.00	1.00	-
Arborist Technician	3.00	3.00	-
Assistant Arborist	4.00	4.00	-
Assistant Director	1.00	1.00	-
Associate Construction Inspector	22.00	22.00	-
Associate Engineer	33.00	36.00	3.00
Associate Engineering Technician	5.00	5.00	-
Associate Transportation Specialist	10.00	10.00	-
Communications Technician	1.00	1.00	-
Concrete Finisher	3.00	3.00	-
Construction Manager	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	3.00	3.00	-
Director of Transportation	1.00	1.00	-
Division Manager	8.00	8.00	-
Electrical Maintenance Superintendent	1.00	1.00	-
Electrician I/II	13.00	13.00	-
Electrician Supervisor	3.00	3.00	-
Engineer I/II	35.00	38.00	3.00
Engineering Technician I/II	3.00	4.00	1.00
Engineering Trainee PT	1.50	1.50	-
Geographic Information Systems Specialist II	3.00	3.00	-
Heavy Equipment Operator	10.00	10.00	-
Information Systems Analyst	4.00	4.00	-
Maintenance Assistant/Maintenance Worker I	64.00	64.00	-
Maintenance Assistant PT/Maintenance Worker I PT	1.50	1.50	-
Maintenance Superintendent	4.00	4.00	-
Maintenance Supervisor	12.00	12.00	-
Maintenance Worker II	79.00	79.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-
Office Specialist I/II	2.00	2.00	-
Operations Manager	1.00	1.00	-
Parking and Traffic Control Officer	43.00	43.00	-
Parking and Traffic Control Officer PT	3.50	3.50	-
Parking and Traffic Control Supervisor	3.00	3.00	-
Parking/Ground Transportation Administrator	2.00	3.00	1.00
Parking Manager I/II	2.00	2.00	-
Principal Account Clerk	-	1.00	1.00

Transportation Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Principal Construction Inspector	3.00	3.00	-
Principal Engineer/Architect	1.00	1.00	-
Program Manager	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	-	1.00	1.00
Security Services Supervisor	1.00	-	(1.00)
Senior Account Clerk	3.00	3.00	-
Senior Analyst	7.00	6.00	(1.00)
Senior Construction Inspector	8.00	8.00	-
Senior Electrician	3.00	3.00	-
Senior Engineer	13.00	16.00	3.00
Senior Engineering Technician	2.00	2.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	2.00	2.00	-
Senior Maintenance Worker	24.00	24.00	-
Senior Office Specialist	5.00	5.00	-
Senior Parking and Traffic Control Officer	5.00	5.00	-
Senior Transportation Specialist	8.00	8.00	-
Staff Specialist	8.00	7.00	(1.00)
Street Sweeper Operator	5.00	5.00	-
Structure/Landscape Designer I/II	1.00	1.00	-
Systems Application Programmer II	2.00	2.00	-
Transportation Specialist	15.00	17.00	2.00
Total Positions	524.50	537.50	13.00

City-Wide Expenses

MISSION

To provide for City-Wide expenses that relate to more than one department or are not directly associated with ongoing departmental operations

CITY SERVICE AREAS

Community and Economic Development

Neighborhood Services

Transportation and Aviation Services

Environmental and Utility Services

Public Safety

Strategic Support

City-Wide Expenses

Department Budget Summary

	2021-2022 Actuals <u>1</u>	2022-2023 Adopted <u>2</u>	2023-2024 Forecast <u>3</u>	2023-2024 Proposed <u>4</u>	% Change <u>2 to 4</u>
Dollars by Core Service					
Community and Economic Development	35,892,766	\$66,096,513	\$12,161,772	\$15,445,575	(76.6%)
Environmental and Utility Services	2,428,159	2,778,465	1,246,000	1,246,000	(55.2%)
Neighborhood Services	19,896,952	52,589,408	15,246,484	47,135,080	(10.4%)
Public Safety	26,871,823	29,176,821	18,007,500	18,965,695	(35.0%)
Transportation and Aviation Services	5,301,897	5,173,739	4,017,000	4,017,000	(22.4%)
Strategic Support	299,126,030	29,857,821	18,604,002	21,160,791	(29.1%)
Strategic Support - Council Appointees	13,495,980	27,739,922	11,795,038	18,580,508	(33.0%)
Total	\$403,013,608	\$213,412,689	\$81,077,796	\$126,550,650	(40.7%)
Dollars by Category					
City-Wide Expenses	\$403,013,608	\$213,412,689	\$81,077,796	\$126,550,650	(40.7%)
Total	\$403,013,608	\$213,412,689	\$81,077,796	\$126,550,650	(40.7%)
Dollars by Category					
General Fund	\$403,013,608	\$213,412,689	\$81,077,796	\$126,550,650	(40.7%)
Total	\$403,013,608	\$213,412,689	\$81,077,796	\$126,550,650	(40.7%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2022-2023):	0.00	213,412,689
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Community and Economic Development CSA		
• Rebudget: Accessory Dwelling Unit Amnesty Program		(293,000)
• Rebudget: Adobe Sponsored Artist Support		(30,000)
• Rebudget: Berryessa Flea Market Vendor Business Transition Fund		(10,000)
• Rebudget: Blight Busters		(198,314)
• Rebudget: Business Improvement District Creation		(53,000)
• Rebudget: Business Incentive - Samsung		(30,000)
• Rebudget: CaliforniansForAll Youth Workforce Program - Administration		(25,324)
• Rebudget: Cannabis Equity Assistance Program		(667,091)
• Rebudget: Children's Discovery Museum Capital Maintenance		(116,442)
• Rebudget: Council District #4 Economic Assistance Program		(88,000)
• Rebudget: Creating Connections		(134,973)
• Rebudget: Cultural Affairs Special Project		(12,000)
• Rebudget: Destination: Home SV Grant		(115,800)
• Rebudget: Diridon Station Area Development Planning		(1,000,000)
• Rebudget: District 10 Murals		(76,000)
• Rebudget: District 7 Murals		(27,000)
• Rebudget: Downtown Pedestrian Quality of Life		(147,000)
• Rebudget: Eastridge/Tully Business Association		(100,000)
• Rebudget: Google Community Benefits - Community Stabilization		(1,749,187)
• Rebudget: Google Community Benefits - Economic Development		(4,450,000)
• Rebudget: Hammer Theater Capital Maintenance		(30,000)
• Rebudget: Historic Preservation		(133,409)
• Rebudget: Japantown Creative Center for the Arts Transportation Improvements		(150,000)
• Rebudget: Measure E - 35% Low Income		(4,375,000)
• Rebudget: Measure E - 45% Extremely Low Income		(15,625,000)
• Rebudget: Measure E - Guadalupe River Park Housing Support (10%HPRA)		(2,000,000)
• Rebudget: Measure E - Homeless Legal Services		(575,000)
• Rebudget: Measure E - Quetzal Gardens (30% LI)		(1,000,000)
• Rebudget: Museum Place Project		(5,000)
• Rebudget: Neighborhood Business Districts		(175,000)
• Rebudget: Office of Equality Assurance Labor Compliance System		(1,400,000)
• Rebudget: Parade of Floats Public Art Statues		(350)
• Rebudget: Pocket Park in Tropicana-Lanai Neighborhood		(23,000)
• Rebudget: Safe RV Parking		(20,000)
• Rebudget: San José Creates and Connects		(11,000)
• Rebudget: Silicon Valley Recovery Roundtable		(25,000)
• Rebudget: Small Business Anti-Displacement Research		(18,134)
• Rebudget: Small Business Recovery - Supplemental Arts + Cultural Funding		(1,914,500)
• Rebudget: Small Business Recovery - Support Festival Programming		(200,000)

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Community and Economic Development CSA		
• Rebudget: Storefront Activation Program - Alum Rock		(75,000)
• Rebudget: SV Creates		(55,000)
• Rebudget: Tech Interactive Capital Maintenance		(331)
• Rebudget: T-Mobile Macro Site Permitting		(237,192)
• Rebudget: VTA Eastridge to BART Regional Connector Public Art		(72,000)
• Rebudget: Weavers' Gift Ohlone Sculpture Restoration		(6,905)
• Rebudget: work2future San José Job Center Relocation		(246,200)
• 4th of July Celebration		(270,000)
• Art and Mural Beautification		(250,000)
• Billy DeFrank Center Mural		(3,000)
• CaliforniansForAll Youth Workforce Program - Administration		(75,973)
• Cannabis Equity Program		(500,000)
• Cesar Chavez Home		(500,000)
• Children's Discovery Museum		(175,500)
• CreaTV - Business and Entertainment Districts		(21,000)
• CreaTV - Hybrid Event Space		(100,000)
• Destination: Home SV Grant		(178,820)
• Diridon Station Area Development Planning		(6,210,781)
• Donor Wall		(150,000)
• Downtown Pedestrian Quality of Life		(100,000)
• Kayla Salazar Mural		(25,000)
• Local Early Action Planning - Housing and Community Development Grant		(366,272)
• Measure E - African American Cultural Center (40% ELI)		(560,000)
• Measure E - Guadalupe River Park Housing Support (10% HPRA)		(580,000)
• Measure E - Homeless Student Housing (10% HPRA)		(115,000)
• Mesa Redonda Street Vendor Trainings		(60,000)
• Mobile Home Park Protections		(30,000)
• Non-Profit Food Provider Permitting Costs		(500,000)
• Paseo de San Antonio Update		(75,000)
• Responsible Landlord Engagement Initiative		(200,000)
• San Jose Downtown Association		(200,000)
• School of Arts & Culture Expansion		(1,000,000)
• Senate Bill 2 - Housing and Community Development Grant		(136,636)
• Small Business Recovery - Supplemental Arts + Cultural Funding		(2,000,000)
• South Bay Community Land Trust		(250,000)
• Sports Authority		(250,000)
• Storefront Activation Grant Program		(500,000)
• Thang Do Memorial		(25,000)
• Vitality Grants for Small Businesses in Council District 8		(150,000)
• Winchester Business Association		(50,000)
• Yes in God's Backyard (YIGBY) Environmental Study		(200,000)
Subtotal:	0.00	(53,504,134)

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Environmental and Utility Services CSA		
• Rebudget: Burrowing Owl Habitat Management		(65,000)
• Rebudget: Clean Creeks and Healthy Watersheds		(102,800)
• Rebudget: Climate Smart San José Plan Implementation		(20,000)
• Rebudget: Diridon Station Area Development Planning - Electric Microgrid		(200,000)
• Rebudget: Expedited Purified Water Program		(125,665)
• Diridon Station Area Development Planning - Electric Microgrid		(1,231,000)
Subtotal:	0.00	(1,744,465)
Neighborhood Services CSA		
• Rebudget: Behavior Change Campaign and Beautification		(50,700)
• Rebudget: CaliforniansForAll Youth Workforce Program - Climate Change Pathway		(1,466,316)
• Rebudget: Childcare Facilities and Training		(177,600)
• Rebudget: Department of Justice - Bureau of Justice Assistance Grant Category 7		(10,668)
• Rebudget: Digital Divide		(500,000)
• Rebudget: Digital Inclusion		(1,034,000)
• Rebudget: Homeless Rapid Rehousing		(845,000)
• Rebudget: Library Grants		(94,886)
• Rebudget: San José BEST Accountability and Oversight Improvements		(160,000)
• Rebudget: San José BEST and Safe Summer Initiative Programs		(556,252)
• Rebudget: San José Public Library Foundation Grants		(670,000)
• Rebudget: Social and Emotional Support in Evergreen Elementary School District		(100,000)
• Rebudget: Summer Youth Nutrition		(69,043)
• Rebudget: The Trash Punx		(50,000)
• CaliforniansForAll Youth Workforce Program - Climate Change Pathway		(5,885,829)
• CaliforniansForAll Youth Workforce Program - Learning Loss Mitigation Pathway		(3,204,532)
• CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2022		(87,584)
• Emergency Interim Housing Construction and Operation		(21,500,000)
• Hispanic Foundation of Silicon Valley		(50,000)
• Library Grants		(365,000)
• San José BEST Accountability and Oversight Improvements		(330,000)
• Youth Reinvestment Grant		(302,675)
Subtotal:	0.00	(37,510,085)

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Public Safety CSA		
• Rebudget: 2021 Collaborative Approaches Toward Preventing and Addressing Hate Grant		(292,458)
• Rebudget: 2021 National Sexual Assault Kit Initiative		(462,947)
• Rebudget: Assistance to Firefighters Grant - COVID-19 Supplemental 2020		(321,566)
• Rebudget: Bureau of Emergency Medical Services and Training Center Relocation		(360,000)
• Rebudget: CalOES Mobile Operations Satellite Expeditionary System		(2,185,000)
• Rebudget: Car Break-in Prevention Program		(464,658)
• Rebudget: City Law Enforcement Grant 2016-2017		(6,514)
• Rebudget: County of Santa Clara EMS Trust Fund - 2022		(40,416)
• Rebudget: CrimeStoppers		(39,000)
• Rebudget: Fire Station 26		(10,000)
• Rebudget: Hazard Mitigation Grant Program		(1,012,938)
• Rebudget: Hazardous Materials Consent Judgment		(26,169)
• Rebudget: Internet Crimes Against Children Task Force Invited Awards - Police 2020		(603,428)
• Rebudget: Justice and Mental Health Collaboration Program		(131,950)
• Rebudget: Local Sales Tax - FirstNet Emergency Communications Network		(95,000)
• Rebudget: Mobile Data Computer Replacement		(1,021,171)
• Rebudget: Northern California Regional Intelligence Center - Police 2021		(81,968)
• Rebudget: OVW Improving Criminal Justice Response Program		(94,432)
• Rebudget: Police Reforms Workplan		(640,800)
• Rebudget: Public Safety Power Shutoff Resiliency		(390,438)
• Rebudget: Selective Traffic Enforcement Grant Program 2021-2022		(148,678)
• Rebudget: Silicon Valley Community Foundation Strengthening Community Relations Project		(1,819)
• Rebudget: State Homeland Security Grant Program		(320,437)
• Rebudget: State Homeland Security Grant Program - Police 2021		(351,898)
• Rebudget: Untested Sexual Assaults Evidence Grant (USAEG) Backlog Reduction 2021		(45,032)
• Rebudget: Urban Areas Security Initiative Grant - Fire 2020		(104,137)
• Rebudget: Urban Areas Security Initiative Grant - Fire 2021		(679,375)
• Rebudget: Urban Areas Security Initiative Grant - Police 2020		(12,572)
• Rebudget: Urban Areas Security Initiative Grant - Police 2021		(753,483)
• 2021 EMPG Grant - OEM (Emergency Management Performance Grant)		(46,214)
• Capture Crime Pilot Program		(75,000)
• Gun Safety with the State of California Department of Justice		(150,000)
• Hazard Mitigation Grant Program		(393,041)
• Northern California Regional Intelligence Center - Police 2021		(74,782)
• Northern California Regional Intelligence Center Staffing		(107,000)
• Security Camera Rebate Program		(75,000)
• Warmline 211 System		(100,000)
Subtotal:	0.00	(11,719,321)

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Transportation and Aviation Services CSA		
• Rebudget: Citywide Tree Inventory Study		(120,000)
• Rebudget: Contractual Street Tree Planting		(224,406)
• Rebudget: Internet of Things (IoT) Speed Dashboard		(47,000)
• Rebudget: Park Strip Tree Planting		(180,000)
• Rebudget: Story Road Corridor Banner Installation		(5,333)
• Rebudget: Tree Mitigation		(800,000)
• Safest Driver Program		(50,000)
Subtotal:	0.00	(1,426,739)
Strategic Support CSA		
• Rebudget: Arena Community Fund		(217,420)
• Rebudget: City Council Participatory Budgeting - Administration		(5,000)
• Rebudget: City Council Participatory Budgeting - Council District #01		(48,023)
• Rebudget: City Council Participatory Budgeting - Council District #03		(300,000)
• Rebudget: City Council Participatory Budgeting - Council District #05		(101,193)
• Rebudget: City Hall Audio System Enhancements		(50,000)
• Rebudget: City Manager Special Projects		(375,000)
• Rebudget: City of San José Disparity Study		(50,000)
• Rebudget: City Outreach and Education Efforts		(185,000)
• Rebudget: City Website and Intranet Redesign		(105,000)
• Rebudget: Community Plan to End Homelessness - Quality of Life and Healthy Neighborhoods		(1,213,000)
• Rebudget: Customer Service Vision and Standards		(400,000)
• Rebudget: Data Capacity Expansion Project		(730,000)
• Rebudget: Elections and Ballot Measures		(2,512,000)
• Rebudget: ERP System Feasibility Assessment		(200,000)
• Rebudget: ESUHSD Community WiFi - Mt Pleasant		(1,671,203)
• Rebudget: ESUHSD Community WiFi - Silver Creek		(1,671,203)
• Rebudget: Fair Labor Standards Act System Configuration		(250,000)
• Rebudget: False Claims Act Litigation Settlement		(261,640)
• Rebudget: Financial Management System (FMS) Upgrade		(216,000)
• Rebudget: Flood Emergency Response Plans		(45,000)
• Rebudget: General Liability Claims		(9,700,000)
• Rebudget: Internal Financial Controls Evaluation		(102,000)
• Rebudget: Learning and Development Roadmap		(313,000)
• Rebudget: My San José 2.0		(6,218)
• Rebudget: Organizational Effectiveness		(19,000)
• Rebudget: Recovery Foundation and Drive to Digital - Hybrid Workplace		(430,000)
• Rebudget: Recovery Foundation and Drive to Digital - OneCity Workplace		(400,000)
• Rebudget: Revenue Enhancement Consulting Services		(297,000)
• Rebudget: T-Mobile Macro Site Process Reimbursement		(125,000)
• City Initiatives Roadmap: Outcomes, Equity Indicators, and Performance Management		(350,000)
• City of San José Disparity Study		(400,000)
• Climate and Seismic Resilience Planning		(1,287,000)
• Employee Resource Groups		(25,000)
• Fellowship Support		(40,000)

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Strategic Support CSA		
• Financial Management System (FMS) Upgrade		(85,000)
• Planned Parenthood Mar Monte		(250,000)
• Police Garage Key Storage		(250,000)
• Recovery Foundation and Drive to Digital - Hybrid Workplace		(500,000)
• Recovery Foundation and Drive to Digital - Omnichannel Strategy, Process Engineering, and Service Delivery Automation		(210,000)
• Recovery Foundation and Drive to Digital - OneCity Workplace		(500,000)
Subtotal:	0.00	(25,895,900)
One-time Prior Year Expenditures Subtotal:	0.00	(131,800,644)
 Technical Adjustments to Costs of Ongoing Activities		
Community and Economic Development CSA		
• 4th Street Garage Banquet Facility Maintenance and Operations		(15,000)
• Arena Authority		9,949
• Business Incentive - Business Cooperation Program		(12,000)
• Business Incentive - Business Cooperation Program Administration		(12,000)
• Business Incentive - Samsung		30,000
• Children's Discovery Museum		10,421
• Children's Discovery Museum Capital Maintenance		3,057
• Hammer Theater Center Operations and Maintenance		9,835
• History San José		27,053
• Joint Venture Silicon Valley		14,535
• Local Sales Tax - San José Works - Youth Jobs Initiative		65,879
• Measure E - 5% Program Administration		(750,000)
• Mexican Heritage Plaza Maintenance and Operations		14,370
• Property Leases		85,092
• San José Downtown Association		10,927
• San José Museum of Art		17,218
• Sports Authority		17,129
• Tech Museum of Innovation		42,928
Subtotal:	0.00	(430,607)
Environmental and Utility Services CSA		
• City Facilities Solid Waste Collection and Processing		(23,000)
• Sanitary Sewer Fees		235,000
Subtotal:	0.00	212,000
Neighborhood Services CSA		
• San José BEST and Safe Summer Initiative Programs		257,820
• San José Learns		40,000
• Senior Nutrition Program		69,341
• Workers' Compensation Claims - PRNS		(200,000)
Subtotal:	0.00	167,161

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
Public Safety CSA		
• Workers' Compensation Claims - Fire		500,000
• Workers' Compensation Claims - Police		50,000
Subtotal:	0.00	550,000
Transportation and Aviation Services CSA		
• Emergency Street Tree Services		(273,000)
• Sidewalk Repairs		543,000
Subtotal:	0.00	270,000
Strategic Support CSA		
• 1970, 1980, and 1990 COLA Federated, Police & Fire Retirees		(2,000)
• ACFR Annual Audit		8,300
• Banking Services		12,000
• Bond Project Audits		(15,933)
• Certified Access Specialist (CASp) Program - ADA Compliance		26,198
• City Auditor's Office Performance Audit		3,000
• City Dues/Memberships		20,312
• City Outreach and Education Efforts		8,000
• Commercial Paper Program Fees		123,000
• Customer Service Vision and Standards		(200,000)
• Digital Inclusion Program		(63,000)
• Elections and Ballot Measures		1,290,794
• Energy Services Company (ESCO) Debt Service		117,000
• Fellowship Support		6,400
• Financial Management System (FMS) Upgrade		(15,000)
• Government Access - Capital Expenditures		(18,000)
• Grant Compliance Single Audit		2,919
• Insurance Premiums		411,696
• PEG - CreaTV		(9,000)
• Police Officers' Professional Liability Insurance		14,011
• Property Tax Administration Fee		122,500
• Public, Educational, and Government (PEG) Access Facilities - Capital		(52,000)
• San José 311 Enhancements		(750,000)
• Sick Leave Payments Upon Retirement		(1,000,000)
• TRANs Debt Service		(1,500,000)
• Workers' Compensation State License		156,000
Subtotal:	0.00	(1,302,803)
Technical Adjustments Subtotal:	0.00	(534,249)
2023-2024 Forecast Base Budget:	0.00	81,077,796

City-Wide Expenses

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Budget Proposals Recommended		
Community and Economic Development CSA		
1. 4th of July Celebration		250,000
2. Arena Peddler Mitigation Pilot Program		100,000
3. CaliforniansForAll Youth Workforce Program - Administration		50,649
4. Creating Helpful Incentives to Produce Semiconductors and Science (CHIPS) Act Facilitation		200,000
5. Destination: Home SV Grant		180,000
6. Economic Development Pre-Development Activities		100,000
7. Mobile Home Park Protections		240,000
8. Regional Early Action Planning - Housing and Community Development Grant		163,154
9. San José State University/City Downtown Co-Branding Pilot Campaign		100,000
10. Small Business Recovery - Supplemental Arts + Cultural Funding		1,000,000
11. Sports Authority		150,000
12. Storefront Activation Grant Program		750,000
Community and Economic Development Subtotal:	0.00	3,283,803
Neighborhood Services CSA		
1. BeautifySJ Grant		150,000
2. CaliforniansForAll Youth Workforce Program - Climate Change Pathway		2,847,855
3. Child and Youth Services - Family, Friend, & Neighborhood Program		(500,000)
4. Measure E - Emergency Interim Housing Construction and Operations		18,890,750
5. Measure E - Homeless Response and Outreach		6,999,991
6. Measure E - SJ Bridge		3,500,000
Neighborhood Services Subtotal:	0.00	31,888,596
Public Safety CSA		
1. Coyote Creek and Guadalupe River Trail Patrol		800,000
2. Northern California Regional Intelligence Center Staffing		158,195
Public Safety Subtotal:	0.00	958,195
Strategic Support CSA		
1. City Initiatives Roadmap: Outcomes, Equity Indicators, and Performance Management		70,000
2. Climate and Seismic Resilience Planning		463,000
3. Community-Based Violence Solutions		400,000
4. Customer Service Vision and Standards		4,000,000
5. ERP System Feasibility Assessment		50,000
6. Measure E - Homelessness Coordination Team		1,852,470
7. Measure E - Interim Housing Site Development Staffing		2,006,790
8. San José 311 Enhancements		500,000
Strategic Support Subtotal:	0.00	9,342,260
Total Budget Proposals Recommended	0.00	45,472,854
2023-2024 Proposed Budget Total	0.00	126,550,650

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
1. 4th of July Celebration		250,000
<p>This action adds one-time funding of \$250,000 to the Office of Economic Development and Cultural Affairs to support costs associated with professional pyrotechnic events at Discovery Meadow for the 4th of July celebration in 2024 hosted by the San José Rotary Club. This allocation covers the costs of the pyrotechnic contract, event production, marketing and communications, and City costs for traffic control, permits, and related City services. (Ongoing costs: \$0)</p>		
2. Arena Peddler Mitigation Pilot Program		100,000
<p>This action adds one-time funding of \$100,000 to establish the Arena Peddler Mitigation Pilot Program allocation, supporting the creation of a pilot program near the SAP Center to ensure compliance with City and County laws and collaborate with Sharks Sports and Entertainment (SSE) to designate safe zones for peddlers and patrons. The conceptual pilot program is anticipated to include enhanced signage directing patrons to designated zone(s), mobile hand-washing stations, portable restrooms, City staff supported event set-up/take-down, enforcement, security (Police Department overtime staffing), and trash collection and cleaning provided by Groundwerx or a similar organization. (Ongoing costs: \$0)</p>		
3. CaliforniansForAll Youth Workforce Program - Administration		50,649
<p>This action adds one-time funding of \$50,649 for the administration of the CaliforniansForAll Youth Workforce Program by the Office of Economic Development and Cultural Affairs (OEDCA). The CaliforniansForAll Youth Workforce Program is funded on a reimbursement basis by a three-year grant totaling \$13,976,741 from the California Volunteers State Agency. This grant funding, approved by the City Council on January 25, 2022, has enabled the Parks, Recreation, and Neighborhood Services and Library Departments to continue the Resilience Corps Program over a three-year period and to enhance and expand current training and employment opportunities for under-served young adults with a focus on Climate Change and Learning Loss Mitigation pathways. OEDCA provides support to the departments managing these respective pathways through multilingual outreach assistance, performance tracking, coordination of State reports, and development of partnerships with training organizations, supportive service agencies, and employers. This recommended funding allocation represents the third and final annual installment for grant administration. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
4. Creating Helpful Incentives to Produce Semiconductors and Science (CHIPS) Act Facilitation		200,000
<p>This action provides one-time funding of \$200,000 to the Office of Economic Development and Cultural Affairs to incentivize and facilitate San José companies to access funding through the federal Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS Act) by supplementing anticipated State of California incentives through the California Competes tax credit program, the Employment Training Panel and the California Research Tax Credit. The CHIPS Act will provide \$39 billion in funding for the development of semiconductor and equipment manufacturing capacity within the United States, reducing dependence on the foreign production of semiconductors and enhancing national security. The U.S. Department of Commerce is also expected to give preference to projects that include state and local incentives that maximize regional and local competitiveness, invest in the surrounding community, and prioritize broad economic gains, rather than outsized financial contributions to a single company. Accordingly, this allocation of funding is intended to establish a local incentive program, supplementing federal CHIPS grants or loan guarantees and State funding for qualifying applications, with funds to be distributed in the form of grants for the purchase of equipment or partial reimbursements of Utility Users Tax payments. An estimated 7 to 10 companies are expected to submit CHIPS Act applications for projects in San José. (Ongoing costs: \$0)</p>		
5. Destination: Home SV Grant		180,000
<p>This action continues funding for 1.0 Planner III position in the Planning, Building, and Code Enforcement Department through June 30, 2024. On November 6, 2018, City Council accepted a grant agreement with Destination: Home SV in the amount of \$540,000 to expedite supportive or extremely low-income (ELI) housing developments and affordable housing policy work for three years. A new grant agreement approved by City Council on September 14, 2021, extended the program with Destination: Home SV for an additional three years, through June 30, 2024. The executed grant agreement will be paid in three installments of \$180,000 annually, of which \$180,000 in revenue is included in this action and represents the third and final installment of the grant. The Planner position will provide support and assistance in supportive and low-income affordable housing development projects. (Ongoing costs: \$0)</p>		
6. Economic Development Pre-Development Activities		100,000
<p>This action provides one-time funding of \$100,000 to the Economic Development Pre-Development Activities allocation for consulting services to assist the City with the development of a Request for Proposal (RFP) to select a qualified developer for a City-owned property consisting of approximately 159 acres of land located at Los Esteros Road and Zanker Lane, adjacent to Highway 237. The selected consultant will assist with interviewing short-listed developers, selecting a preferred developer, and negotiating on behalf of the City as the administering agency and co-owner of the San Jose-Santa Clara Regional Wastewater Facility. This RFP is consistent with the Surplus Land Act, as confirmed by the State of California's Department of Housing and Community Development through its approval to proceed in August 2022, and with the land use principles included in the Plant Master Plan as recommended by the Treatment Plant Advisory Committee and adopted by the San José City Council on November 19, 2013. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
7. Mobile Home Park Protections		240,000
<p>As directed in the City-Council approved Mayor’s March Budget Message for Fiscal Year 2023-2024, this action adds one-time funding of \$240,000 for the Mobile Home Park Protection allocation to continue work on changing the land use designation of the remaining 43 mobile home parks identified to be 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 for at least five sites. On October 18, 2022, the City Council directed 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. An additional allocation of \$105,000 was approved by the City Council as part of the 2022-2023 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. (Ongoing costs: \$0)</p>		
8. Regional Early Action Planning – Housing and Community Development Grant		163,154
<p>This action adds one-time funding of \$163,154, offset by grant revenues, for the Regional Early Action Planning - Housing and Community Development Grant City-Wide Expenses appropriation for staff and consultant costs. On April 12, 2022, the City Council adopted a resolution authorizing the City to apply for the Regional Early Action Planning (REAP) Grant. On January 18, 2023, the standard agreement with the Association of Bay Area Governments for the grant was fully executed. This grant will allow for the staff and the consultant services to support Senate Bill 9, Housing Element and Five Wounds Plan Updates projects. This grant will allow for technical assistance, preparation, and adoption of planning documents to accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Assessment. A consultant will be hired to prepare a CEQA environmental initial study to examine the impacts of the proposed project, which includes a General Plan Amendment, General Plan Text Amendment, and related conforming rezoning. The Five Wounds Plan project could be eligible for an Addendum to the Envision San José 2040 General Plan Environmental Impact Report, if the initial study, supported by a Transportation Analysis and Greenhouse Gas Analysis, confirm none of the conditions outlined in CEQA Guidelines Section 15152 are identified. This action appropriates the remaining balance from the total grant award of \$462,154. The grant award period is through September 30, 2023. (Ongoing costs: \$0)</p>		
9. San José State University/City Downtown Co-Branding Pilot Campaign		100,000
<p>This action allocates one-time funding of \$100,000 to support an effort with San José State University for a joint City and University co-branding pilot campaign. Equally matched by an allocation from the University, the partnership will maximize the visibility of both institutions, with the goal to increase a sense of placemaking and belonging that would translate to increased attendance and visitor spending at Downtown venues, restaurants, bars, and hotels. As a key economic driver for City revenues, piloting this small-scale effort could yield meaningful increases in business activity. Targeted investments may include light pole banners, City and University logo displays at key intersections, and promotional media of collegiate athletic and cultural events in the downtown core. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Community and Economic Development CSA		
10. Small Business Recovery – Supplemental Arts + Cultural Funding		1,000,000
<p>As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action provides one-time funding of \$1.0 million for arts and cultural grants administered by OEDCA, supplementing projected allocations from Transient Occupancy Tax revenues (TOT) for 2023-2024. Combined with the projected \$5.7 million in funding from the TOT Fund, this allocation increases overall funding for arts and cultural grants to \$6.7 million in 2023-2024 to help mitigate the pandemic’s lingering negative impact on TOT revenues, which have historically provided funding to the City’s arts partners. (Ongoing costs: \$0)</p>		
11. Sports Authority		150,000
<p>This action adds one-time funding of \$150,000 to support the San José Sports Authority (SJSA) in hosting the 2023 U.S. Gymnastics Championships, National Congress and Trade Show from August 24-27, 2023 at the SAP Center and San José McEnery Convention Center. The SJSA will raise funding from external sources to fulfill the bid fee commitment and additional event commitments necessary to host this sporting event, which resulted in an estimated economic impact of \$6.4 million in direct business sales, 6,200 local room nights, and approximately 26,000 visitor days when it was last hosted in 2016. Additional committed events in 2023-2024 include the: Rock- n-Roll Races & Health Expo (October); 2024 AHL All-Star Game (February); Western Intercollegiate Golf Tournament (April); and, NCAA Men’s Golf Regional Championship (May). (Ongoing costs: \$0)</p>		
12. Storefront Activation Grant Program		750,000
<p>As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds one-time funding of \$750,000 to the Storefront Activation Grant Program allocation to activate vacant storefronts in downtown San José. This funding will support the activation of up to 20 vacant storefronts in the downtown core in various ways including, but not limited to, commercial or community pop-ups (six months to one year), longer-term activation, or art installations. Additional uses may include tenant improvement and/or rent grants, permitting fee allowances, assistance with operational expenses, artist compensation, and exterior façade enhancement grants to ensure the pedestrian experience associated with a designated pop-up location is attractive and inviting. (Ongoing costs: \$0)</p>		
Subtotal Community and Economic Development CSA:	0.00	3,283,803

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Neighborhood Services CSA		
1. BeautifySJ Grant		150,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds \$150,000 in one-time funding to augment the "Beautify Your Block" pilot program with Beautify SJ grants for neighborhood associations to plant trees, add landscaping and gardening projects, paint murals, and complete other small scale beautification projects. (Ongoing costs: \$0)</p>		
2. CaliforniansForAll Youth Workforce Program – Climate Change Pathway		2,847,855
<p>This action allocates \$2.8 million to reflect the 2023-2024 funding of the multi-year CaliforniansForAll Youth Workforce Program grant for the Climate Change Pathway, as approved by City Council on January 25, 2022. A total of \$10.2 million was allocated to the Parks, Recreation and Neighborhood Services Department for this work, of which \$1.5 million was allocated in 2021-2022, and \$5.9 million allocated in 2022-2023. This funding reflects the final installment of this grant and will continue to support through June 2024 the undertaking of environmental projects in parks, trails, and watersheds to improve climate resilience in concert with a variety of community-based organizations, such as Keep Coyote Creek Beautiful, Trash Punx, Our City Forest, Veggielution, and Goodwill of Silicon Valley. Supported activities include water conservation efforts and clean-up activities in watersheds, waterways, and other illegal dumping and litter hot spots. (Ongoing costs: \$0)</p>		
3. Child and Youth Services – Family, Friend, & Neighborhood Program		(500,000)
<p>This action shifts ongoing funding of \$500,000 from City-Wide Expenses to Library's Personal Services and Non-Personal/Equipment appropriations to fund 1.0 Literacy Program Specialist position and continue the work underway for the Family, Friend, and Neighbor program. The Family, Friend, and Neighbor program is an effort to support the ongoing education and skill-building of informal childcare providers throughout the City. The program provides electronic and in-person programming designed for caretakers in both English and other languages to help provide children with higher quality caretaking when resources designed for formal/professional caretakers are not available. (Ongoing savings: \$500,000)</p>		

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Neighborhood Services CSA		
4. Measure E – Emergency Interim Housing Construction and Operations		18,890,750
<p>The Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by City Council, gave direction to reallocate uncommitted Measure E resources to fund homeless prevention, support, and management investments. This action infuses an additional \$18.9 million of one-time resources to further support construction efforts and long-term operating and maintenance costs of interim housing communities, motels, safe parking sites, and similar approaches to reduce the City’s unsheltered homeless population. To align with previous and current City Council direction to sustain interim housing communities over the long-term, total annual costs of the existing seven Emergency Interim Housing (EIH) sites (including the recently authorized Monterey/Branham site) and five other EIH/safe parking sites could reach \$50 million by 2029-2030, of which a substantial portion would need to come from local City sources, such as the General Fund or an ongoing reallocation of a portion of Measure E funding, unless external resources can be identified, which will be aggressively pursued to the extent possible. Allocating additional one-time funds now further supplements other external resources expected to be received in the near future, such as future rounds of Homeless Housing, Assistance and Prevention (HHAP) and Project HomeKey awards from the State of California. As described in Manager’s Budget Addendum #3, <i>Fiscal Sustainability of Interim Housing Operations and Maintenance Costs</i>¹, issued as part of the 2022-2023 budget development process, the City’s ability to continue to construct and operate EIH sites is contingent upon both a large infusion of City funds and external funding from HHAP, Project HomeKey, and other sources. An updated analysis of the long-term financial impact of EIH-related investments will be issued as a Manager’s Budget Addendum later in May 2023. (Ongoing costs: \$0)</p>		
5. Measure E – Homeless Response and Outreach		6,999,991
<p>The Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by City Council, gave direction to reallocate uncommitted Measure E resources to fund homeless prevention, support, and management investments. This action allocates funding for staffing – 1.0 Senior Development Officer position, 2.0 Development Officer positions, 1.0 Analyst I/II position, and 2.0 Therapeutic Specialist positions, all limit-dated through June 30, 2026 – and contractual services funding in the Housing Department. This allocation, anticipated to be spent over a three-year period, will provide for enhanced levels of homeless outreach and data tracking to help meet the March Budget Message direction, as well as pilot a small team of trauma-informed specialists that can work in close concert with Beautify San José and the Police Department in advance of or to maintain abated encampments. (Ongoing costs: \$0)</p>		
6. Measure E – SJ Bridge		3,500,000
<p>This action allocates \$3.5 million to Measure E – San José Bridge, which when added to carryover funding from 2022-2023 of \$1.5 million, brings total program funding to \$5.0 million. This funding extends the San José Bridge Program through 2023-2024 and ensures capacity for approximately 120 formerly unsheltered residents to receive employment and housing services while they help beautify the city with the goal to transition to permanent housing and employment. (Ongoing costs: \$0)</p>		
Subtotal Neighborhood Services CSA:	0.00	31,888,596

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Public Safety CSA		
1. Coyote Creek and Guadalupe River Trail Patrol		800,000
<p>This action adds one-time overtime funding of \$800,000 to support the Coyote Creek and Guadalupe River Trail Patrol program with matching funds in partnership with the Santa Clara Valley Water District (SCVWD). On December 15, 2021, SCVWD and the City of San José executed an agreement for the Coyote Creek Trail Patrol Program, whereby each party contributes \$400,000, for a total of \$800,000, to provide a focused law enforcement presence by the San José Police Department at a newly opened section of trail running along Coyote Creek between William Street and Tully Road. The agreement formally ends on June 30, 2023, or until the \$400,000 not-to-exceed amount paid by SCVWD is fully expended, whichever happens earlier. On February 14, 2023, the program was expanded to include the Guadalupe River and the adjacent Guadalupe Gardens area from January 1, 2023 to June 30, 2023 (\$400,000). The continuation of this program beyond June 30, 2023 is subject to future discussion with the Santa Clara Valley Water District and the City of San José. (Ongoing costs: \$0)</p>		
2. Northern California Regional Intelligence Center Staffing		158,195
<p>This action adds one-time funding to support a portion of the cost of a temporary Police Lieutenant position in the Police Department assigned to the Northern California Regional Intelligence Center (NCRIC). NCRIC is an all-crimes/all-threats fusion center providing analytic and technical resources to collect, evaluate, analyze, and disseminate timely information related to terrorist threats, criminal events, organized criminal activity, narcotics organizations, gang activity, and serial crime events to government and private sector agencies. The current NCRIC – Police 2022 grant will pay for \$283,000 of the position cost leaving a gap of \$158,195. (Ongoing costs: \$0)</p>		
Subtotal Public Safety CSA:	0.00	958,195

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Strategic Support CSA		
1. City Initiatives Roadmap: Outcomes, Equity Indicators, and Performance Management		70,000
<p>This action adds one-time funding for the City Initiatives Roadmap: Outcomes, Equity Indicators, and Performance Management project to continue support for 1.0 limit-dated Senior Executive Analyst (SEA) position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations through June 30, 2024. The SEA will continue staff efforts to modernize City Service Area and departmental Core Service performance measures, activity and workload highlights, and community indicators that inform the equity, efficiency, and effectiveness of the City's service delivery system. The first year of this initiative (2022-2023) focused on piloting the performance management model with the Neighborhood Services City Service Area and associated departmental Core Services. The second year will focus on scaling to three additional City Service Areas and those related departmental Core Services. This action, along with an additional \$190,000 from prior year savings expected to be rebudgeted into 2023-2024 as part of a future budget process, will fund this position. (Ongoing costs: \$0)</p>		
2. Climate and Seismic Resilience Planning		463,000
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2022-2023, as approved by the City Council, this action allocates funds previously reserved in 2022-2023 to continue the Climate and Seismic Resilience Planning initiative for a second year. The Climate and Seismic Resilience Planning initiative is a multi-departmental team led from the City Manager's Office, informed by equity considerations, to drive results on key resilience objectives and major capital projects in the areas of drought resilience, sea level rise, microgrid development, urban forests, seismic safety, Coyote Valley open space implementations, electrification, and prioritizing the rehabilitation of aging City infrastructure. (Ongoing costs: \$0)</p>		
3. Community-Based Violence Solutions		400,000
<p>As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds \$400,000 to the Community-Based Violence Solutions project to the Office to the City Manager. This action provides one-time funding to develop a community-based approach to preventing and responding to domestic violence, founded on the idea that residents across the community, such as family, friends, neighbors, co-workers, and members of community organizations that include faith institutions, civic organizations, or businesses can take action to intervene in violence. A community-based approach aims to strengthen community-based systems to resist violence in all of its forms. As a first step, consultant services will be procured to develop a service model and tools needed to implement a community-based violence prevention and intervention program. After this consultant work is complete, the remaining funds may be used to support a pilot program implementing the service model developed by the consultant. (Ongoing costs: \$0)</p>		

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Strategic Support CSA

4. Customer Service Vision and Standards **4,000,000**

This action adds funding to support the City's Customer Service Vision and Standards project. Funding will be used for professional services, software licensing and support, and for four limit-dated positions through June 30, 2026, including 1.0 Enterprise Supervising Technology Analyst position in the Information Technology Department and 1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, and 1.0 Executive Analyst positions in the City Manager's Office. After conducting a discovery of the current customer service experience, challenges, and future opportunity areas, a Vision and a set of Standards for a three-year transformation plan of the customer service experience for San José residents, businesses, and guests was formulated. The first year will focus on cultural change, training, process re-engineering, initial centralized governance, and technology planning and pilot implementation of a centralized customer relationship management system (CRM). Quick wins will also be explored in the short-term. The second year of the project will front-load the effort to integrate the CRM with appropriate departmental systems and migrate appropriate data to deliver a city-wide 360-degree view of San José customers. The third year will sustain the momentum to complete the implementation as soon as possible to allow for the ramp-up of other major technology projects including potentially the Enterprise Resource Planning (ERP) modernization. The three-year project is estimated to cost \$12.9 million and the non-personal/equipment funding for the remaining two years will be identified in a future budget process. (Ongoing costs: \$285,000)

5. ERP System Feasibility Assessment **50,000**

This action adds funding to perform an assessment of the City's Enterprise Resource Planning (ERP) System. The funding will support assessment of the licensing, systems and cloud hosting requirements, maintenance requirements, and transition needs to a modern ERP solution. An Enterprise Supervising Technology Analyst (ESTA) position in the Information Technology Department will serve as the technology project manager, leading the consolidation and replacement of the City's aging ERP applications with a modern and robust ERP system and will work in collaboration with a Program Manager in the Finance Department to complete this effort. Spanning a multi-year period, the ESTA and Program Manager will define the project scope, objectives, and timelines, and will manage the project team to ensure the ERP project is delivered on time and on budget. A Request for Proposals for a third-party vendor to assist with scope and system requirements is currently underway. (Ongoing costs: \$0)

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Strategic Support CSA

6. Measure E – Homelessness Coordination Team	1,852,470
--	------------------

As directed in the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, the Administration was directed to explore the use of uncommitted Measure E-resources for reallocation to homeless prevention, support, and management investments. This action adds \$1.9 million for a Homelessness Coordination Team in the City Manager’s Office. Funding for three limited positions in the City Manager’s Office of Administration, Policy, and Intergovernmental Relations through June 30, 2026, are recommended and their responsibilities include:

- 1.0 Assistant to the City Manager – Provides direct support to the Deputy City Manager position focused on advancing the City’s efforts on ending homelessness and improving the quality of life for both the housed and the unhoused. The A2CM position will provide overall day-to-day coordination and project accountability and supervise two SEA positions also funded from this allocation. The first year of this position is funded in the Community Plan to End Homelessness – Quality of Life and Healthy Neighborhoods. The remaining two years of this position will be funded from Measure E;
- 1.0 Senior Executive Analyst - Coordinates development of a framework around gateways and allowed spaces; provides interdepartmental and interagency coordination regarding the application of homelessness safety net services; brings supplemental capacity for planning and emergency coordination for "fast-moving " crises that inevitably arise; and aligns project and systems work around environmental impacts of homelessness; and
- 1.0 Senior Executive Analyst - Oversees data dashboard requirements for homelessness funding and programs; coordinates data development and analysis of key homelessness impact initiatives related to public safety, environmental degradation, and understanding the needs of unhoused residents; pursues access of and leverage the County's Homeless Management Information System (HMIS) data; and provides overall data coordination across departments, including serving as CMO lead for ensuring data interoperability between Encampment Management and Homeless Data Integration System, San José 311, and other relevant applications.

(Ongoing costs: \$0)

7. Measure E – Interim Housing Site Development Staffing	2,006,789
---	------------------

As directed by the Mayor’s March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action reallocates uncommitted Measure E resources to fund homeless prevention, support, and management investments. This action adds funding to support 1.0 Associate Engineer position and 1.0 Program Manager position, through June 30, 2026, and personal services funding for two rehired retirees in the Public Works Department. These positions will facilitate the site identification, design, and construction/improvement of sites for Emergency Interim Housing, safe parking, or other uses to shelter currently unsheltered residents. The Associate Engineer position will be responsible for managing the project feasibility study, site analysis, developing and managing construction documents, procuring the project for bidding, and performing construction administration and management. The Program Manager will be responsible for managing and coordinating the City’s emergency housing program. The position will be responsible for selecting and analyzing the potential housing sites, recreational vehicle parking sites and storage sites, as well as coordinating between the City Manager’s Office, Public Works and Housing Departments regarding funding and project execution, developing and overseeing the project’s progress, and coordinating ordinance development and memorandums. These resources will provide additional capacity to move interim housing projects through project development at a more rapid pace. (Ongoing costs: \$0)

City-Wide Expenses

Budget Changes by City Service Area

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Strategic Support CSA		
8. San José 311 Enhancements		500,000
<p>As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action adds funding to continue support of the San José 311 Enhancements project and continues support of 1.0 Enterprise Supervising Technology Analyst (ESTA) and 2.0 Senior Analyst positions in the Information Technology Department (ITD) through June 30, 2024. The San José 311 Enhancements project has identified digital service delivery analytical improvements and has developed new services that bridge access, language, and ease-of-use barriers, which are experienced by disproportionately underserved portions of the community. The funding will help to sustain the current platform as ITD works to refine the project scope of the SJ311 website and mobile applications' customer experience and collaboration between City-wide departments; an example of which is adding vehicle blight upgrade for the platform and sustaining vendor support services and licensing. The ESTA position will provide resolution for technical issues, work within ITD and other departments on enhancements for the applications and new add-ons, and document those enhancements and technical issues. One of the Senior Analyst positions will provide business analysis for enhancements for the vehicle blight add on; design the user interface for internal and external experience; and develop documents of process flow to ensure process efficiencies. The second Senior Analyst position will provide analysis and recommendations for new initiatives for the San José 311 Omni Channel roadmap, create reports and dashboards, and help to identify areas within San José to improve based on delivery service to underserved communities. The cost of the positions in 2023-2024 is anticipated to be partially offset by estimated unspent funding currently allocated to the San José 311 Enhancements allocation, which will be recommended for rebudget into 2023-2024 as part of a future budget process. (Ongoing costs: \$350,000)</p>		
Subtotal Strategic Support CSA:	0.00	9,342,260
2023-2024 Proposed Budget Changes Total		45,472,854

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Community and Economic Development				
<i>City Manager - Office of Economic Development and Cultural Affairs</i>				
4th of July Celebration	50,000	270,000	0	250,000
Adobe Sponsored Artist Support	0	30,000	0	0
Arena Authority	241,493	248,737	258,687	258,687
Art and Mural Beautification	0	250,000	0	0
Berryessa Flea Market Vendor Business Transition Fund	12,598	10,000	0	0
Billy DeFrank Center Mural	0	3,000	0	0
Business Improvement District Creation	0	53,000	0	0
Business Incentive - Business Cooperation Program	0	12,000	0	0
Business Incentive - Business Cooperation Program Administration	0	12,000	0	0
Business Incentive - Samsung	65,512	130,000	130,000	130,000
CaliforniansForAll Youth Workforce Program - Administration	0	101,297	0	50,649
Cannabis Equity Assistance Program	0	667,091	0	0
Cannabis Equity Program	0	500,000	0	0
Cesar Chavez Home	0	500,000	0	0
Children's Discovery Museum	337,250	522,868	357,789	357,789
Children's Discovery Museum Capital Maintenance	0	192,866	79,481	79,481
CHIPS Act Facilitation	0	0	0	200,000
CityView Acquisition Project	1,610,345	0	0	0
City-wide Retail Attraction Program	24,226	0	0	0
Council District #4 Economic Assistance Program	0	88,000	0	0
County of Santa Clara Public Art Master Plan	8,099	0	0	0
Creating Connections	24,209	134,973	0	0
CreaTV - Business and Entertainment Districts	0	21,000	0	0
CreaTV Hybrid Event Space	0	100,000	0	0
Cultural Affairs Special Project	343	12,000	0	0
Diridon Station Area Development Planning	595,017	7,210,781	0	0
District 10 Murals	3,695	76,000	0	0
District 7 Murals	2,822	27,000	0	0
Donor Wall	0	150,000	0	0
Downtown Pedestrian Quality of Life	55,000	247,000	0	0
Eastridge/Tully Business Association	0	100,000	0	0
Economic Development Pre-Development Activities	17,478	100,000	100,000	200,000
Google Community Benefits - Economic Development	112	4,450,000	0	0
Hammer Theater Center Operations and Maintenance	318,300	327,849	337,684	337,684

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Hammer Theatre Capital Maintenance	0	60,000	30,000	30,000
History San José	875,500	901,765	928,818	928,818
Japantown CCA	0	150,000	0	0
Joint Venture Silicon Valley	36,617	38,383	52,918	52,918
Keyla Salazar Mural	0	25,000	0	0
Local Assistance	2,350	0	0	0
Local Sales Tax - San José Works - Youth Jobs Initiative	1,504,726	1,647,000	1,712,880	1,712,880
Manufacturing Jobs Initiative	20,000	0	0	0
Mesa Redonda	0	60,000	0	0
Monterey Corridor Gateway Revitalization	42,210	0	0	0
Museum Place Project	0	5,000	0	0
National Endowment for the Arts Creative Ambassadors	30,000	0	0	0
Neighborhood Business Districts	100,000	225,000	50,000	50,000
Neighborhood Gateway Galleries	20,000	0	0	0
Parade of Floats Public Art Statues	1,787	350	0	0
Paseo de San Antonio Update	0	75,000	0	0
Peddler Mitigation/Secondary Employment	0	0	0	100,000
Pocket Park in the Tropicana-Lanai Neighborhood	4,070	23,000	0	0
Property Leases	2,079,019	1,905,142	1,990,234	1,990,234
San José Creates and Connects	0	11,000	0	0
San José Downtown Association	350,373	473,182	284,109	284,109
San José Economic Identity	826	0	0	0
San José Museum of Art	557,200	573,916	591,133	591,133
San Jose Regional Transportation Hub Project	41,448	0	0	0
San José State University/City Downtown Co-Branding Pilot Campaign	0	0	0	100,000
School of Arts & Culture at Mexican Heritage Plaza - Avenida de Altares	75,000	0	0	0
School of Arts and Culture Expansion	0	1,000,000	0	0
Sick Leave Payments Upon Retirement	35,579	0	0	0
Silicon Valley Recovery Roundtable	0	25,000	0	0
Small Business Anti-Displacement Research	0	18,134	0	0
Small Business Recovery - Supplemental Arts + Cultural Funding	1,925,587	3,914,500	0	1,000,000
Small Business Recovery - Support Festival Programming	200,000	200,000	0	0
Sports Authority	415,761	678,236	445,365	595,365
Storefront Activation Grant Program	132,802	500,000	0	750,000
Storefront Activation Program - Alum Rock	0	75,000	0	0
SV Creates	55,000	55,000	0	0
Tech Interactive Capital Maintenance	127,065	110,831	110,500	110,500
Tech Museum of Innovation	1,389,250	1,430,927	1,473,855	1,473,855
Thang Do Memorial	0	25,000	0	0

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
T-Mobile Macro Site Permitting	932	0	0	0
Vitality Grants for Small Businesses	0	150,000	0	0
VTA Eastridge to BART Regional Connector Public Art	54,619	72,000	0	0
Weavers' Gift Ohlone Sculpture Restoration	18,000	6,905	0	0
Winchester Business Association	0	50,000	0	0
work2future San Jose Job Center Relocation	75,749	246,200	0	0
<i>Fire Department</i>				
Diridon Station Area Development Planning - Post Application	(5,658)	0	0	0
Diridon Station Area Development Planning	80,627	0	0	0
Sick Leave Payments Upon Retirement	722,013	0	0	0
<i>Housing Department</i>				
CommUniverCity Program	0	100,000	100,000	100,000
Friends from Meals on Wheels	121,616	0	0	0
Google Community Benefits	500,407	1,749,187	0	0
Guadalupe River Park Housing Support	0	2,580,000	0	0
Homeless Roundtable & Proactive Engagement	58,124	0	0	0
Local Assistance	1,277,500	0	0	0
Measure E - 35% Low Income	0	4,375,000	0	0
Measure E - 45% Extremely Low Income	0	15,625,000	0	0
Measure E - 5% Program Administration	913,743	3,250,000	2,500,000	2,500,000
Measure E - African American Cultural Center (40% ELI)	0	560,000	0	0
Measure E - Homeless Legal Services	0	575,000	0	0
Measure E - Homeless Student Housing	62,652	115,000	0	0
Measure E - Homelessness Prevention	6,161,737	0	0	0
Measure E - Quetzal Gardens (30% LI)	0	1,000,000	0	0
Responsible Landlord Engagement Initiative	86,398	200,000	0	0
Safe RV Parking	0	20,000	0	0
South Bay Community Land Trust	0	250,000	0	0
Testing, Tracing and Isolation	10,000,000	0	0	0
<i>Planning, Building and Code Enforcement Department</i>				
ADU Amnesty Program	0	293,000	0	0
Blight Busters	42,086	198,314	0	0
Certified Access Specialist Program	(700)	0	0	0
Climate Smart San José Plan Implementation	(1,612)	0	0	0
Destination: Home SV Grant	153,333	294,620	0	180,000
Development Fee Program Integrated Permitting System	191,707	0	0	0
Diridon Station Area Development Planning	309,902	0	0	0
Historic Preservation	76,619	133,409	0	0
Local Early Action Planning - Housing and Community Development	90,000	0	0	0

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Local Early Action Planning - Housing and Community Development Grant	0	366,272	0	0
Mobile Home Park Protections	0	30,000	0	240,000
Non-Profit Food Provider Permitting Costs	0	500,000	0	0
Planning Commission	34,890	35,000	35,000	35,000
Regional Early Action Planning - Housing and Community Development Grant	0	0	0	163,154
Senate Bill 2 - Housing and Community Development Grant	433,379	136,636	0	0
Sick Leave Payments Upon Retirement	67,232	0	0	0
T-Mobile Macro Site Permitting	811,550	237,192	0	0
Yes in God's Backyard (YIGBY)	0	200,000	0	0
<i>Public Works Department</i>				
4th Street Garage Banquet Facility Maintenance and Operations	0	15,000	0	0
Diridon Station Area Development Planning	167,252	0	0	0
Mexican Heritage Plaza Capital Maintenance	0	100,000	100,000	100,000
Mexican Heritage Plaza Maintenance and Operations	0	478,950	493,319	493,319
Office of Equality Assurance Labor Compliance System	0	1,400,000	0	0
TOTAL	\$35,892,766	\$66,096,513	\$12,161,772	\$15,445,575

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Environmental and Utility Services				
<i>Community Energy Department</i>				
Diridon Station Area Development Planning - Electric Microgrid	664,464	1,431,000	0	0
Local Assistance	(10)	0	0	0
<i>Environmental Services Department</i>				
Burrowing Owl Habitat Management	0	65,000	0	0
City Facilities Solid Waste Collection and Processing	88,036	114,000	91,000	91,000
Clean Creeks, Healthy Watersheds	219,613	102,800	0	0
Climate Protection Grant	(1,491)	0	0	0
Climate Smart	37,559	0	0	0
Climate Smart San José Plan Implementation	518,467	20,000	0	0
Diridon Station Area Development Planning	9,910	0	0	0
Expedited Purified Water Program	2,655	125,665	0	0
PPE & Janitorial Services	(43)	0	0	0
Sanitary Sewer Fees	451,798	595,000	830,000	830,000
Sick Leave Payments Upon Retirement	131,444	0	0	0
Storm Fees	305,758	325,000	325,000	325,000
TOTAL	\$2,428,159	\$2,778,465	\$1,246,000	\$1,246,000

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Neighborhood Services				
<i>Housing Department</i>				
Emergency Interim Housing Construction and Operation	0	21,500,000	0	0
Homeless Rapid Rehousing	1,924,246	4,845,000	4,000,000	4,000,000
Homeless Response Team	109,341	0	0	0
Measure E - Emergency Interim Housing Construction and Operations	0	0	0	18,890,750
Measure E - Homeless Response and Outreach	0	0	0	6,999,991
Measure E - SJ Bridge	0	0	0	3,500,000
<i>Library Department</i>				
10,000 Degrees	10,000	0	0	0
CaliforniansForAll Youth Workforce Program – Learning Loss Mitigation Pathway	0	3,204,532	0	0
Child and Youth Services - Family, Friend, & Neighborhood Program	220,017	500,000	500,000	0
Digital Inclusion	2,038,024	1,034,000	0	0
Digital Divide	0	500,000	0	0
Hispanic Foundation of Silicon Valley	50,000	50,000	0	0
Library Grants	548,433	459,886	0	0
San José Learns	1,000,000	1,000,000	1,040,000	1,040,000
Sick Leave Payments Upon Retirement	18,982	0	0	0
SJPL Foundation Grants	393,269	670,000	0	0
Youth Commission	2,814	5,000	5,000	5,000
<i>Parks, Recreation and Neighborhood Services Department</i>				
After School Education and Safety Programs for 2020-2021	(150)	0	0	0
After School Education and Safety Programs for 2021-2022	398,531	0	0	0
Alum Rock Park 150th Anniversary	53,591	0	0	0
Alviso Community Garden	16,212	0	0	0
Beautify SJ - Illegal Dumping	539,713	0	0	0
BeautifySJ Grants	378,397	100,000	100,000	250,000
Behavior Change Campaign and Beautification	0	50,700	0	0
CaliforniansForAll Youth Workforce Program - Climate Change Pathway	0	7,352,145	0	2,847,855
CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2020-2021	81,815	0	0	0
CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2022	53,233	87,584	0	0
CalVIP Trauma to Triumph at Regional Medical Center Program 2020-2021	289,532	0	0	0
Childcare Facilities and Training	0	177,600	0	0
Department of Justice - Bureau of Justice Assistance Grant Category 3	(1,080)	0	0	0

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Department of Justice - Bureau of Justice Assistance Grant Category 7	69,466	10,668	0	0
First 5 Santa Clara County	0	100,000	0	0
Food and Necessities	569,549	0	0	0
Homelessness Management Services	0	0	0	0
Local Assistance	(1,251)	0	0	0
Local Sales Tax - San José Works - Youth Jobs Initiative	828	0	0	0
Mattress Recycling Grant	93,308	0	0	0
Neighborhood Association Start Up Impact Fund	21,616	0	0	0
Outdoor Park Activation	128,397	0	0	0
Park and Open Street Activation - Council District #03	24,265	0	0	0
PG&E Summer Cooling Shelter Program Grant	2,242	0	0	0
Placemaking and Public Space Activations	144,000	144,000	144,000	144,000
San Jose BEST Accountability and Oversight	0	490,000	0	0
San José BEST and Safe Summer Initiative Programs	5,543,368	7,001,745	6,703,313	6,703,313
San Jose Parks Foundation Rebate Program	20,000	0	0	0
SCC Teen Programming Grant	41,251	0	0	0
Senior Nutrition Program	3,049,912	1,184,830	1,254,171	1,254,171
Sick Leave Payments Upon Retirement	67,876	0	0	0
Sourcewise Grant for Recreation and Connectivity Project	8,322	0	0	0
Summer Youth Nutrition Program	67,463	69,043	0	0
The Trash Punx	50,000	50,000	0	0
Viva Calle San José 2021-2022	102,078	0	0	0
Workers' Compensation Claims - PRNS	1,432,480	1,700,000	1,500,000	1,500,000
Youth Commission	(1,633)	0	0	0
Youth Reinvestment Grant	315,745	302,675	0	0
<i>Public Works Department</i>				
Public Works Unfunded Projects	22,753	0	0	0
TOTAL	\$19,896,952	\$52,589,408	\$15,246,484	\$47,135,080

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Public Safety				
<i>Office of the City Manager</i>				
2020 EMPG Grant - OEM	70,766	0	0	0
2021 EMPG Grant - OEM	0	46,214	0	0
CalOES Mobile Operations Satellite Expeditionary System	0	2,185,000	0	0
FirstNet Emergency Communications Network	124,662	95,000	0	0
Hazard Mitigation Grant Program	23,123	1,405,979	0	0
Police Reforms Workplan	11,794	640,800	0	0
Public Safety Community Process	89,590	0	0	0
Public Safety Power Shutoff Resiliency	2,887	390,438	0	0
<i>Fire Department</i>				
Assistance to Firefighters Grant - COVID-19 Supplemental 2020	185,275	321,566	0	0
Bureau of EMS and Training Center Relocation	0	360,000	0	0
County of Santa Clara EMS Trust Fund	437,578	0	0	0
County of Santa Clara EMS Trust Fund – 2022	0	40,416	0	0
Fire Station 26	0	10,000	0	0
Hazardous Materials Consent Judgment	2,625	26,169	0	0
Urban Areas Security Initiative Grant - Fire 2020	135,174	104,137	0	0
Urban Areas Security Initiative Grant - Fire 2021	201,248	679,375	0	0
Workers' Compensation Claims - Fire	9,461,652	8,500,000	9,000,000	9,000,000
<i>Independent Police Auditor's Office</i>				
Independent After Action Incident Report	74,613	0	0	0
Silicon Valley Foundation Strengthening Community Relations Project	385	1,819	0	0
<i>Police Department</i>				
2021 Collaborative Approaches Toward Preventing and Addressing Hate Grant	698	292,458	0	0
2021 National Sexual Assault Kit Initiative	1,332	462,947	0	0
Bay Area Regional Interoperability Communication System (BAYRICS)	0	7,500	7,500	7,500
Beautify SJ - Illegal Dumping	(17,240)	0	0	0
Bulletproof Vest Partnership 2020	145	0	0	0
Bulletproof Vest Partnership 2021	61,440	0	0	0
Capture Crime Program	0	75,000	0	0
Car Break-in Prevention Program	98,759	464,658	0	0
City Law Enforcement Grant 2016-2017	0	6,514	0	0
Coronavirus Emergency Supplemental Funding Program Grant 2020	6,596	0	0	0
Coyote Creek Trail Patrol	437,894	0	0	800,000
CrimeStoppers	2,700	39,000	0	0
Gun Safety with the California Department of Justice	0	150,000	0	0

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Internet Crimes Against Children (ICAC) Task Force Invited Awards - Police 2020	337,569	603,428	0	0
Internet Crimes Against Children State Grant 2020-2021	768,859	0	0	0
Internet Crimes Against Children State Grant 2021-2022	91,370	0	0	0
Internet Crimes Against Children Task Force Invited Awards	127,028	0	0	0
Justice and Mental Health Collaboration Program	423,900	131,950	0	0
Local Sales Tax - Mobile Data Computer Replacements	74,685	0	0	0
Mobile Data Computer Replacement	113,206	1,021,171	0	0
NCS-X Implementation Program	144,598	0	0	0
Northern California Regional Intelligence Center - Police 2020	119,738	0	0	0
Northern California Regional Intelligence Center - Police 2021	125,191	156,750	0	0
Northern California Regional Intelligence Center Staffing (City Match)	111,000	107,000	0	158,195
OVW Improving Criminal Justice Response Program	304,527	94,432	0	0
Parent Project - Santa Clara County	21,658	0	0	0
San José End of Watch Police Memorial	62,230	0	0	0
Security Camera Rebate Program	0	75,000	0	0
Selective Traffic Enforcement Program 2020-2021	57,553	0	0	0
Selective Traffic Enforcement Program 2021-2022	77,530	148,678	0	0
Sick Leave Payments Upon Retirement	1,827,208	0	0	0
State Homeland Security Grant Program	72,146	320,437	0	0
State Homeland Security Grant Program - Police 2021	0	351,898	0	0
Untested Sexual Assaults Evidence Grant (USAEG) Backlog Reduction 2021	2,136	45,032	0	0
Urban Areas Security Initiative Grant - Police 2019	80,000	0	0	0
Urban Areas Security Initiative Grant - Police 2020	96,158	12,572	0	0
Urban Areas Security Initiative Grant - Police 2021	0	753,483	0	0
Warmline 211 System	0	100,000	0	0
Workers' Compensation Claims - Police	10,419,838	8,950,000	9,000,000	9,000,000
TOTAL	\$26,871,823	\$29,176,821	\$18,007,500	\$18,965,695

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Transportation and Aviation Services				
<i>Airport Department</i>				
BeautifySJ & Encmpmnt Wste Pck-Up - Veh Abtmnt Prog, Prctve Ptrl, + Cmplnt Resp Sick Leave Payments Upon Retirement	61,389	0	0	0
<i>Transportation Department</i>				
Beautify SJ - Illegal Dumping	13,668	0	0	0
BeautifySJ & Encmpmnt Wste Pck-Up - Veh Abtmnt Prog, Prctve Ptrl, + Cmplnt Resp	348,784	0	0	0
BeautifySJ and Encampment Waste Pick-Up - Downtown Automated Public Toilets	364,895	0	0	0
Behavior Change Campaign and Beautification	27,912	0	0	0
City Council Participatory Budgeting - Council District #03	25,000	0	0	0
Citywide Tree Inventory Study	0	120,000	0	0
Climate Smart San José Plan Implementation	135,849	0	0	0
Contractual Street Tree Planting	0	228,406	4,000	4,000
Diridon Station Area Development Planning - Post Application	(10,934)	0	0	0
Emergency Street Tree Services	444,502	773,000	500,000	500,000
General Employee Tuition	503	0	0	0
Internet of Things (IoT) Speed Dashboard	27,933	47,000	0	0
Park Strip Tree Planting	28,275	180,000	0	0
Safest Driver Program	0	50,000	0	0
Sick Leave Payments Upon Retirement	30,757	0	0	0
Sidewalk and Tree Hardship	484,065	513,000	513,000	513,000
Sidewalk Repairs	2,774,451	1,957,000	2,500,000	2,500,000
Story Road Corridor Banner Installation	6,667	5,333	0	0
Tree Mitigation	75,032	800,000	0	0
Workers' Compensation Claims - Transportation	404,840	500,000	500,000	500,000
TOTAL	\$5,301,897	\$5,173,739	\$4,017,000	\$4,017,000

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Strategic Support				
<i>Finance Department</i>				
Banking Services	832,043	712,000	724,000	724,000
Certified Access Specialist Program	37,058	240,000	266,198	266,198
City of San José Disparity Study	0	450,000	0	0
Commercial Paper Program Fees	71,512	277,000	400,000	400,000
Energy Services Company (ESCO) Debt Service	781,633	909,000	1,026,000	1,026,000
ERP System Feasibility Assessment	0	200,000	0	50,000
Fair Labor Standards Act System Configuration	0	325,000	75,000	75,000
Financial Management System (FMS) Upgrade	1,320	316,000	0	0
Flood Emergency Response Plans	0	45,000	0	0
Human Resources/Payroll Budget Systems Upgrades	370	0	0	0
Insurance Premiums	1,727,438	2,292,830	2,704,526	2,704,526
Internal Financial Controls Evaluation	0	102,000	0	0
Police Officers' Professional Liability Insurance	102,545	114,367	128,378	128,378
Property Tax Administration Fee	2,281,043	2,450,000	2,572,500	2,572,500
Revenue Enhancement Consulting Services	262,061	1,049,000	752,000	752,000
Sick Leave Payments Upon Retirement	30,332	5,000,000	4,000,000	4,000,000
TRANS Debt Service	285,866,685	1,500,000	0	0
<i>Human Resources Department</i>				
City Health Plan Incentive	100,000	0	0	0
Employee Resource Group	0	25,000	0	0
Fellowship Support	0	200,000	166,400	166,400
General Employee Tuition	97,456	100,000	100,000	100,000
Learning and Development Roadmap	266,534	313,000	0	0
Organizational Effectiveness	0	59,000	40,000	40,000
Planned Parenthood Mar Monte	0	250,000	0	0
Remote Work Facilitation - Effective Teams	203,824	0	0	0
Sick Leave Payments Upon Retirement	5,483	0	0	0
Workers' Compensation Claims - Other Departments	1,232,330	1,500,000	1,500,000	1,500,000
Workers' Compensation State License	843,374	844,000	1,000,000	1,000,000
<i>Information Technology Department</i>				
Customer Service Vision and Standards	0	0	0	0
Data Capacity Expansion Project	0	730,000	0	0
Digital Inclusion Program	0	819,000	756,000	756,000
ESUHSD Community WiFi - Network Maintenance	2,660	0	0	0
ESUHSD Community WiFi – Tech Refresh	493,204	0	0	0
Local Sales Tax - My San José 2.0	24,442	0	0	0
My San José 2.0	0	6,218	0	0

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Recovery Fndtion & Drive to Digital - Omchnl Strty, Prcss Eng & Svc Dlvry Auto	93,502	210,000	0	0
Recovery Foundation and Drive to Digital - Hybrid Workplace	47,280	930,000	0	0
Recovery Foundation and Drive to Digital - OneCity Workplace	0	900,000	0	0
Remote Work Facilitation - Drive to Digital	222,760	0	0	0
San José 311 Enhancements	313,694	750,000	0	500,000
Sick Leave Payments Upon Retirement	17,175	0	0	0
T-Mobile Macro Site Process Reimbursement	0	125,000	0	0
<i>Public Works Department</i>				
4th Street Garage Banquet Facility Maintenance and Operations	10,967	0	0	0
Chinese Historical Society	3,000	3,000	3,000	3,000
City Facilities Security Improvements	112,577	0	0	0
City Facilities Safety Assessment	51,396	0	0	0
City Hall Audio System Enhancements	4,966	50,000	0	0
Digital Divide	1,522,351	0	0	0
ESUHSD Community WiFi - Mt Pleasant	0	1,671,203	0	0
ESUHSD Community WiFi - Silver Creek	0	1,671,203	0	0
Facilities Improvements	12,445	0	0	0
Flood Emergency Response Plans	181,496	0	0	0
General Employee Tuition	2,008	0	0	0
Government Access - Capital Expenditures	0	418,000	400,000	400,000
Measure E - Interim Housing Site Development Staffing	0	0	0	2,006,789
Mexican Heritage Plaza Maintenance and Operations	465,000	0	0	0
PEG - CreaTV	0	249,000	240,000	240,000
Police Garage Key Storage	0	250,000	0	0
PPE & Janitorial Services	(9,530)	0	0	0
Public, Educational, and Government (PEG) Access Facilities - Capital	0	1,252,000	1,200,000	1,200,000
Public Works Unfunded Projects	210,205	200,000	200,000	200,000
Sick Leave Payments Upon Retirement	152,582	0	0	0
Thomas Fallon Statue Deaccession	31,348	0	0	0
Workers' Compensation Claims - Public Works	417,461	350,000	350,000	350,000
<i>Office of the City Attorney</i>				
False Claims Act Litigation Settlement	353	261,640	0	0
General Liability Claims	7,926,381	15,700,000	6,000,000	6,000,000
Measure E - 5% Program Administration	93,294	0	0	0
Sick Leave Payments Upon Retirement	120,452	0	0	0
<i>Office of the City Auditor</i>				
Bond Project Audits	81,256	86,708	70,775	70,775
CAFR Annual Audit	259,226	276,666	284,966	284,966

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Grant Compliance Single Audit	98,905	97,276	100,195	100,195
<i>Office of the City Clerk</i>				
Arena Community Fund	318,881	467,420	250,000	250,000
Board of Fair Campaign and Political Practices	38,568	40,000	40,000	40,000
Cadillac Winchester Neighborhood	6,000	0	0	0
City Auditor's Office Performance Audit	3,175	3,000	6,000	6,000
City Council Participatory Budgeting - Administration	0	5,000	0	0
City Council Participatory Budgeting - Council District #01	55,482	48,023	0	0
City Council Participatory Budgeting - Council District #03	53,392	300,000	0	0
City Council Participatory Budgeting - Council District #05	3,815	101,193	0	0
City Dues / Memberships	478,117	507,790	528,102	528,102
Civil Service Commission	14,899	16,000	16,000	16,000
Council District Outdoor Activation	0	250,000	250,000	250,000
Elections and Ballot Measures	2,697	5,021,206	3,800,000	3,800,000
Mayor and City Council Travel	4,762	10,000	10,000	10,000
State of the City Convocation	7,585	45,000	45,000	45,000
<i>Office of the City Manager</i>				
2-1-1 Call Center	75,000	75,000	75,000	75,000
Cannabis Equity Assistance Program	39,378	0	0	0
City Council Participatory Budgeting - Council District #03	1,130	0	0	0
City Initiatives Roadmap: Outcomes, Equity Indicators, + Performance Management	0	350,000	0	70,000
City Manager Special Projects	(11,372)	375,000	0	0
City Outreach and Education Efforts	17,550	277,000	100,000	100,000
City Website and Intranet Redesign	74,040	105,000	0	0
City-wide Open Data Environment and Architecture	21,000	0	0	0
Climate and Seismic Resilience Planning	0	1,287,000	0	463,000
Communications and Translation Services	7,373	0	0	0
Community Plan to End Homelessness – Quality of Life and Healthy Neighborhoods	58,925	1,213,000	0	0
Community-Based Violence Solutions	0	0	0	400,000
CommUniverCity Program	120,732	0	0	0
Consulting and Planning Support	73,118	0	0	0
Customer Satisfaction Survey (Bi-Annual)	38,900	79,000	79,000	79,000
Customer Service Vision and Standards	0	600,000	0	4,000,000
Data Capacity Expansion Project	28,217	0	0	0
Digital Inclusion Program	981,750	0	0	0
E-Ideas Program	0	25,000	25,000	25,000
Government Access - Capital Expenditures	213,930	0	0	0
Labor / Employee Relations Consultant Funding	6,005	0	0	0

City-Wide Expenses

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Local Assistance	(1,634)	0	0	0
Local Sales Tax - My San José 2.0	175,371	0	0	0
Measure E - Homelessness Coordination Team	0	0	0	1,852,470
Organizational Effectiveness	59,033	0	0	0
PEG - CreaTV	245,088	0	0	0
Public, Educational, and Government (PEG) Access Facilities - Capital	1,238,831	0	0	0
Sick Leave Payments Upon Retirement	80,766	0	0	0
T-Mobile Macro Site Process Reimbursement	250,000	0	0	0
Ujima Adult and Family Services	35,000	0	0	0
<i>Office of Retirement Services</i>				
1970, 1980, and 1990 COLA Federated, Police & Fire Retirees	24,300	32,000	30,000	30,000
Police Retirees' Health / Dental Fees	76,311	85,000	85,000	85,000
TOTAL	\$312,622,011	\$57,597,743	\$30,399,040	\$39,741,299

PAGE INTENTIONALLY LEFT BLANK

General Fund Capital, Transfers, Reserves

MISSION

To provide necessary funding for: (1) capital projects not funded by a dedicated funding source, (2) transfers to other funds, (3) reserves earmarked for known future needs, and (4) a reserve for unforeseen contingencies

CITY SERVICE AREAS

Community and Economic Development
Environmental and Utility Services
Neighborhood Services
Public Safety
Transportation and Aviation Services
Strategic Support

EXPENSE TYPE

Capital Contributions
Transfers to Other Funds
Earmarked Reserves
Contingency Reserve

General Fund Capital, Transfers, Reserves

Budget Summary

	2021-2022 Actuals 1	2022-2023 Adopted 2	2023-2024 Forecast 3	2023-2024 Proposed 4	% Change	% Change
Dollars by Expense Type						
Capital Contributions	35,349,634	50,932,732	5,832,000	27,900,000	(45.2%)	(100.0%)
Transfers to Other Funds	30,393,345	25,468,954	26,841,041	30,841,041	21.1%	(100.0%)
Earmarked Reserves	N/A	380,396,479	109,847,590	99,509,258	(73.8%)	(100.0%)
Contingency Reserve	N/A	41,000,000	47,000,000	47,000,000	14.6%	(100.0%)
Total	\$65,742,979	\$497,798,165	\$189,520,631	\$205,250,299	(58.8%)	(100.0%)
Dollars by Category						
Capital, Transfers, Reserves	65,742,979	497,798,165	189,520,631	205,250,299	(58.8%)	(100.0%)
Total	\$65,742,979	\$497,798,165	\$189,520,631	\$205,250,299	(58.8%)	(100.0%)
Dollars by Fund						
General Fund	65,742,979	497,798,165	189,520,631	205,250,299	(58.8%)	(100.0%)
Total	\$65,742,979	\$497,798,165	\$189,520,631	\$205,250,299	(58.8%)	(100.0%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A	N/A

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2022-2023):	0.00	497,798,165
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions: Rebudgets		(39,853,000)
• Capital Contributions: Agnews Park Property Development		(200,000)
• Capital Contributions: Alviso Community Garden Irrigation		(32,732)
• Capital Contributions: Branham and Monterey Sideshow Deterrents		(50,000)
• Capital Contributions: City Facilities Seismic Shut-off Valves		(100,000)
• Capital Contributions: City Hall Carpet Replacement		(650,000)
• Capital Contributions: City Hall Exterior Restoration		(300,000)
• Capital Contributions: City Hall Garage Pump Replacement		(100,000)
• Capital Contributions: City Hall Security Upgrades		(500,000)
• Capital Contributions: Cropley Avenue Crosswalk		(25,000)
• Capital Contributions: Downtown Neighborhoods Traffic Calming		(100,000)
•		(100,000)
• Capital Contributions: Emma Prusch Park Electrical and Infrastructure Upgrades		
• Capital Contributions: Family-Friendly City Facilities		(100,000)
• Capital Contributions: Hammer Theatre Center Fire Detection Alarm and Devices Design		(200,000)
• Capital Contributions: Hammer Theatre Center HVAC Condensing Unit Replacement		(140,000)
• Capital Contributions: History San José - Miscellaneous Repair		(200,000)
• Capital Contributions: History San José ADA Compliance		(285,000)
• Capital Contributions: Kooser Road Crosswalk		(125,000)
• Capital Contributions: Monterey Road Wildlife Corridor Improvements		(100,000)
• Capital Contributions: Municipal Garage Ceiling Repair and Light Upgrades		(150,000)
• Capital Contributions: Old Fire Training Center Environmental Cleanup		(200,000)
• Capital Contributions: Police Administration Building Gate Improvements		(200,000)
• Capital Contributions: San José Municipal Stadium LED Lighting		(800,000)
•		(100,000)
• Capital Contributions: San José Museum of Art Door and Window Improvement		
• Capital Contributions: Sideshow Mitigation in District 10		(100,000)
• Capital Contributions: Soundwall at the Bernal Way Terminus		(4,000)
• Capital Contributions: Thank You Monument		(296,000)
• Capital Contributions: The Tech Interactive Skylight Replacement		(100,000)
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund		(2,000,000)
• Earmarked Reserves: Rebudgets		(257,724,818)
• Earmarked Reserves: 2023-2024 East San Jose Small Business Corridor Staffing Reserve		(174,447)
• Earmarked Reserves: Budget Stabilization Reserve		(6,900,000)
• Earmarked Reserves: Climate and Seismic Resilience Planning Reserve		(463,000)
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		2,000,000
• Earmarked Reserves: Measure E - 10% Homeless Prevention and Rental Assistance Reserve		695,000

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Earmarked Reserves: Measure E - 30% Low-Income Households Reserve		560,000
• Earmarked Reserves: Vehicle Abatement Enhancement Program Reserve		(177,000)
• Earmarked Reserves: Cultural Facilities Capital Maintenance		1,000,000
	0.00	(308,294,997)
Technical Adjustments to Costs of Ongoing Activities		
• Capital Program and Public Works Department Support Service Costs		10,000
• Transfers of Other Funds: Business Improvement District Fund		19
• Transfers to Other Funds: Alum Rock Community Business Improvement District Fund		59,573
• Transfers to Other Funds: City Hall Debt Service Fund		1,505,044
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund		1,000,000
• Transfers to Other Funds: Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)		100,000
• Transfers to Other Funds: Vehicle Maintenance and Operations Fund		500,000
• Transfers to Other Funds: Downtown Property and Business Improvement District Fund		207,451
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		250,000
• Earmarked Reserves: Measure E - 10% Homeless Prevention and Rental Assistance Reserve		(1,425,000)
• Earmarked Reserves: Measure E - 15% Shelter Construction and Operations Reserve		(2,137,500)
• Earmarked Reserves: Measure E - 30% Low-Income Households Reserve		(4,275,000)
• Earmarked Reserves: Measure E - 40% Extremely Low-Income Households Reserve		(5,700,000)
•		(712,500)
• Earmarked Reserves: Measure T Maintenance and Operations Reserve		463,000
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		58,000
• Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations		169,000
• Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		1,000,000
• Earmarked Reserves: Police Staffing Reserve		2,400,000
• Earmarked Reserves: Salaries and Benefits Reserve		545,376
• Contingency Reserve		6,000,000
	0.00	17,463
2023-2024 Forecast Base Budget:	0.00	189,520,631

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
Budget Proposals Recommended		
Capital Contributions		
1. Capital Contributions: 280 Almaden Ave Beautification Improvement Project		1,850,000
2. Capital Contributions: 911 Call Center Fixtures, Furniture and Equipment		3,665,000
3. Capital Contributions: Animal Care and Services - Various Improvements		500,000
4. Capital Contributions: Center for Performing Arts Chiller, Cooling Tower, and Boilers Replacement		7,600,000
5. Capital Contributions: Children's Discovery Museum - Curb and Walkway Rehabilitation		350,000
6. Capital Contributions: City Facilities Security Enhancements		1,000,000
7. Capital Contributions: City Facilities Seismic Shut-off Valves		50,000
8. Capital Contributions: City Hall Backup Generator Switch Replacement		100,000
9. Capital Contributions: City Hall Equipment Replacement		100,000
10. Capital Contributions: Electric Vehicle Charging Site Assessment		300,000
11. Capital Contributions: Fire Station 32 Furniture, Fixtures, & Equipment		1,800,000
12. Capital Contributions: Fleet Shop Improvements		500,000
13. Capital Contributions: Hammer Theatre Center HVAC Condensing Unit Replacement		28,000
14. Capital Contributions: Radio Service Monitors		175,000
15. Capital Contributions: San José Museum of Art Cooling Tower Replacement		2,850,000
16. Capital Contributions: The Tech Interactive Chiller and Cooling Tower Replacement		1,200,000
	0.00	22,068,000
Transfers to Other Funds		
1. Transfer to the Vehicle Maintenance and Operations Fund (Fleet Replacement)		4,000,000
	0.00	4,000,000
Earmarked Reserves		
1. Earmarked Reserves: 2024-2025 City-wide Business Development Staffing Reserve		173,712
2. Earmarked Reserves: Animal Care and Services Foundation Reserve		100,000
3. Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(1,250,000)
4. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		(2,000,000)
5. Earmarked Reserves: Essential Services Reserve		3,000,000
6. Earmarked Reserves: Information Technology Sinking Fund Reserve		4,500,000
7. Earmarked Reserves: Measure E - 30% Low-Income Households Reserve		(14,250,000)
8. Earmarked Reserves: Measure E - 40% Extremely Low-Income Households Reserve		(19,000,000)
9. Earmarked Reserves: Measure E - 5% Moderate-Income Households Reserve		(2,375,000)
10. Earmarked Reserves: Measure E - 10% Homeless Prevention and Rental Assistance Reserve		4,750,000
11. Earmarked Reserves: Measure E - Revenue Stabilization Reserve		15,102,956
12. Earmarked Reserves: New Measure T Facilities Maintenance and Operations Reserve		(463,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	General Fund (\$)
<hr/>		
Budget Proposals Recommended		
<hr/>		
Earmarked Reserves		
13. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		(58,000)
14. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations		(169,000)
15. Earmarked Reserves: Police Department Sworn Backfill Reserve		5,000,000
16. Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		(1,000,000)
17. Earmarked Reserves: Police Staffing Reserve		(2,400,000)
	<hr/>	<hr/>
	0.00	(10,338,332)
Total Budget Proposals Recommended	0.00	15,729,668
<hr/>		
2023-2024 Proposed Budget Total	0.00	205,250,299
<hr/>		

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Capital Contributions

- Capital Contributions: 280 Almaden Ave Beautification Improvement Project** **1,850,000**

Strategic Support CSA

This action adds one-time funding of \$1.85 million to support cleaning, beautifying, and ensuring ongoing maintenance of the beautification project site located under Interstate 280 bounded by Almaden Avenue, Reed Street, Vine Street, and Grant Street. The current location has experienced frequent illegal dumping and proliferation of encampments. With the funding from the Clean California Initiative, this project will address blight, beautification, and the needs of the unsheltered community in the surrounding areas. The scope of the project includes the following elements: safe storage trailers for unsheltered people to store possessions, placement of previously fabricated trailers for PATH (local non-profit) to operate a safe storage program and provide other support services to unsheltered people (e.g. water, snacks, referrals), a potential community garden, installation of sidewalks and connecting bike lanes, painting and beautification of the freeway structural columns, and tree and low maintenance plantings and fencing. (Ongoing costs: \$0)

- Capital Contributions: 911 Call Center Fixtures, Furniture and Equipment** **3,665,000**

Public Safety CSA

This action adds one-time funding of \$3.7 million to cover the furniture, fixtures and equipment costs related to the Measure T 911 Call Center Expansion project. While the construction of the expanded facility is funded by Measure T proceeds, expenditures for furniture, fixtures, and equipment are not bond eligible. This project provides renovations to the current facility and expands into spaces previously occupied by the Office of Emergency Management. Construction is anticipated to begin in November 2023 with completion anticipated for December 2024. Construction will be completed in phases as the facility will continue as a fully operational 911 Call Center. New furniture, fixtures, and equipment will be installed as the phased construction is completed allowing for dispatchers to rotate to available workstations throughout the construction process. This funding covers the costs of 72 workstations (49 control room, 6 office, and 17 classroom), software licensing, a video monitoring wall, and additional equipment and moving expenses. (Ongoing costs: \$0)

- Capital Contributions: Animal Care and Services - Various Improvements** **500,000**

Strategic Support CSA

This action adds one-time funding of \$500,000 for various improvement projects at the Animal Care and Services facility. The funding will support the rehabilitation of the roofing for the entire facility, replace sewer pipes, and for electrical repairs and replacements. The improvements towards the electrical and sewer pipe issues will provide a safer environment for staff, animals, and the public at the Animal Care Center. The replacement of a completely new roof to the shelter will resolve leaking issues and will improve the overall look. (Ongoing costs: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Capital Contributions

- | | | |
|---|--|-----------|
| 4. Capital Contributions: Center for Performing Arts Chiller, Cooling Tower, and Boiler Replacement | | 7,600,000 |
|---|--|-----------|

Strategic Support CSA

This action adds one-time funding of \$7.6 million to support the replacement of the chiller, cooling tower, boilers, pumps, new controls, and electrical service upgrade at the San Jose Center for Performing Arts. The current mechanical equipment is the original equipment that was installed when the 50-year-old building was constructed, and it has exceeded the industry standard life expectancy of 25 years. The aging equipment has been serviced numerous times for several different issues and it currently remains unreliable for the facility. The current chiller is equipped with R-11 refrigerant which was outdated over 15 years ago. The replacement equipment/units are more energy-efficient with new controls to meet the current regulatory code and help achieve facility energy savings goals. (Ongoing costs: \$0)

- | | | |
|---|--|---------|
| 5. Capital Contributions: Children's Discovery Museum - Curb and Walkway Rehabilitation | | 350,000 |
|---|--|---------|

Strategic Support CSA

This action adds one-time funding of \$350,000 for the repairs of the curve pavement and walkway in the drop-off zone area caused by deterioration from use and weather. The visitor drop-off zone of the facility is actively used by the public and the broken curb and walkway have been ongoing safety and liability concerns. The rehabilitation of the curb and walkway will ensure safety enhancements are provided to help keep the public safe. (Ongoing costs: \$0)

- | | | |
|---|--|-----------|
| 6. Capital Contributions: City Facilities Security Enhancements | | 1,000,000 |
|---|--|-----------|

Strategic Support CSA

This action adds one-time funding of \$1.0 million to fund security enhancement needs for City-Owned facilities. Through an assessment of eighteen existing facilities, improvements in both operations and infrastructure were identified that should be done to improve the security for the users, the workers, and to the facilities. The funding will be used towards the highest priority facility security needs identified in those assessments, to help further develop assessment criteria to plan for the review of the remaining 300+ City Facilities, and to develop a list of grant and funding sources for future investment. (Ongoing costs: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
7. Capital Contributions: City Facilities Seismic Shut-off Valves		50,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$50,000 to support the installation of seismic gas shutoff valves for Airport facilities that are supplied with natural gas. This is required to comply with building code and insurance requirements. Installation of these shut-off valves will provide increased safety measures in the case of a catastrophic seismic event and will also provide on-going cost savings on insurance premiums. (Ongoing costs: \$0)</p>		
8. Capital Contributions: City Hall Backup Generator Switch Replacement		100,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$100,000 for the replacement of a new automatic transfer switch for the back-up power generator at City Hall. The current automatic transfer switch has reached the end of its serviceable life cycle and must be replaced to ensure proper back-up power in the case of the loss of power. The installation will ensure that City Hall will not be impacted during the events of utility power loss which means continued operations and protection to City data and critical systems. (Ongoing costs: \$0)</p>		
9. Capital Contributions: City Hall Equipment Replacement		100,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$100,000 for the replacements of a new forklift, plaza and vertical surface power washers, and pallet jack located at City Hall. The current forklift and pallet jack have met the end of their serviceable life cycle and are inoperable in a safe and reliable manner. The plaza and vertical surface power washers will allow for exterior restoration and cleaning due to graffiti and other vandalism. (Ongoing costs: \$0)</p>		
10. Capital Contributions: Electric Vehicle Charging Site Assessment		300,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$300,000 for the assessment of electrical vehicle chargers infrastructure at City facilities to accommodate the City of San José Fleet and the public. The assessment will help scope out potential project logistics and budget to begin planning for future electrical vehicle charging locations. The assessment work will abide by local and state mandates and aim towards the goal of lower fossil fuel consumption. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Capital Contributions

11. Capital Contributions: Fire Station 32 Furniture, Fixtures, & Equipment		1,800,000
--	--	------------------

Public Safety CSA

This action adds one-time funding of \$1.8 million for the purchase of furniture, fixtures, and equipment (FF&E) for Fire Station 32. These costs are fully offset by the liquidation of the existing New Fire Station FF&E Reserve in the General Fund. As part of the Measure T, Disaster Preparedness, Public Safety and Infrastructure Bond Program, Fire Station 32 will be constructed as a dual company fire station which is estimated to come online September 2024. The FF&E funding is needed to purchase furniture and equipment for the personnel associated with both companies along with a Type 1 Engine and a Tiller Truck. This allocation represents a portion of the \$4.3 million needed for Fire Station 32 FF&E, with \$2.3 million for the Tiller Truck to be purchased through the Fire Apparatus Replacement Program and the rest programmed in the Fire Construction and Conveyance Tax Fund (\$227,000). (Ongoing costs: \$0)

12. Capital Contributions: Fleet Shop Improvements		500,000
---	--	----------------

Strategic Support CSA

This action adds one-time funding of \$500,000 for the improvements of various building infrastructure and equipment in the Fleet shops located at West Yard, South Yard, and at the Regional Wastewater Facility. Operations of the Fleet program at the corporation yards and the Regional Wastewater Facility locations are being impacted due to the aged buildings and equipment. In particular, lighting upgrades, building envelope improvements, painting, and various fleet equipment replacements are needed to properly maintain vehicles and create a safe working environment for employees occupying the spaces. (Ongoing costs: \$0)

13. Capital Contributions: Hammer Theatre Center HVAC Condensing Unit Replacement		28,000
--	--	---------------

Strategic Support CSA

This action adds one-time funding of \$28,000 to support the replacement of the 15-ton condensing unit at the Hammer Theatre Center. The heating, ventilation, and air conditioning (HVAC) at the Hammer Theatre Center has aged beyond its useful life and is costly to continue to maintain. The mechanical equipment is used to maintain comfortable temperatures for patrons and staff members in the facility. Funding will be used to replace and update the equipment to ensure the HVAC system is in good working order. This project was allocated \$140,000 in the 2022-2023 Adopted Operating Budget and this additional funding will go towards the completion of the project. (Ongoing costs: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
14. Capital Contributions: Radio Service Monitors		175,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$175,000 to fund new service monitors used for radio programming and maintenance. The Radio Team requires service monitors in order to properly maintain many of the radio equipment (portables, mobiles, and consoles), and with all types of technology, the existing monitors are either obsolete or are no longer functioning. New, current monitors are required in order to program and maintain, and be compatible with, the newer radio equipment being procured for public safety and non-public safety departments. (Ongoing costs: \$0)</p>		
15. Capital Contributions: San José Museum of Art Cooling Tower Replacement		2,850,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$2.9 million for the replacement of a new cooling tower at the San José Museum of Art. The current cooling tower has been repaired numerous times and is beyond its useful service life and becoming more difficult to repair due to the age of the equipment. The installation of a new cooling tower will ensure uninterrupted operations at the facility and maintain a temperature necessary to house, on loan, art collections and remain open for the City residents to enjoy. (Ongoing costs: \$0)</p>		
16. Capital Contributions: The Tech Interactive Chiller and Cooling Tower Replacement		1,200,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$1.2 million for the replacement of two new chillers and a cooling tower at The Tech Interactive Museum. The current mechanical equipment is beyond the serviceable life and has been experiencing significant downtime. During warmer days it will be difficult to maintain cooler temperature in the facility with inoperable and unreliable equipment which can result in closure of the museum. The installation of two new chillers and a cooling tower will ensure uninterrupted operations at the facility. (Ongoing costs: \$0)</p>		
Subtotal Capital Contributions:	0.00	22,068,000

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Transfers to Other Funds

- | | |
|---|------------------|
| 1. Transfers to Other Funds: Vehicle Maintenance and Operations Fund | 4,000,000 |
|---|------------------|

Strategic Support CSA

This action increases the transfer to the Vehicle Maintenance and Operations Fund by \$4.0 million on a one-time basis for general fleet replacement. The 2023-2024 Base Budget allocates ongoing funding of \$1.75 million from the General Fund each year to replace City vehicles whose departmental operations are funded by the General Fund. While this ongoing allocation is sufficient for vehicle replacement on a going forward basis, there is a current backlog of vehicle replacement needs totaling approximately \$12.6 million. This recommended action will reduce the backlog by one-third. Additional one-time funding will need to be identified as part of a future budget process to fully eliminate the vehicle replacement backlog. (Ongoing costs: \$0)

Subtotal Transfers to Other Funds:	0.00 4,000,000
---	----------------------------

Earmarked Reserves

- | | |
|---|----------------|
| 1. Earmarked Reserves: 2024-2025 City-wide Business Development Staffing Reserve | 173,712 |
|---|----------------|

Community and Economic Development CSA

As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council, this action establishes the 2024-2025 City-wide Business Development Staffing Reserve to support the continuation of a limit-dated Senior Executive Analyst position within the Office of Economic Development and Cultural Affairs through 2024-2025. The limit-dated Senior Executive Analyst position will focus on corporate and business retention, recruitment and facilitation, navigating businesses through permitting processes with an eye toward simplifying the process for new entrants into San José, as well as facilitate limited-time commercial and community activations that could easily open vacant space throughout the city. (Ongoing costs: \$0)

- | | |
|---|----------------|
| 2. Earmarked Reserves: Animal Care and Services Foundation Reserve | 100,000 |
|---|----------------|

Strategic Support CSA

This action establishes the Animal Care and Services Foundation Reserve in the amount of \$100,000 as seed funding for the potential future establishment of a new non-profit foundation dedicated to support the Animal Care and Services Foundation. As recommended by community stakeholders, the goal of the foundation should be to explore and develop resources both financially and non-financially within Animal Care Services. From a financial perspective, the organization will be able to raise funds to provide additional amenities for animals in need. The organization could also provide equipment, supplies, materials and much needed volunteers to support the vast amount of animals in need. This funding will be held in reserve for future allocation as the Administration continues engagement with community stakeholders to chart the most appropriate scope and organizational structure for a new foundation. (Ongoing costs: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
3. Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(1,250,000)
<i>Strategic Support CSA</i>		
<p>This action liquidates the Cultural Facilities Capital Maintenance Reserve in 2023-2024 to fund a portion of the cultural facilities capital improvements programmed in the 2023-2024 Proposed Capital Budget. Ongoing contributions of \$1.25 million will continue to support cultural facility capital rehabilitation work in 2024-2025. (Ongoing savings: \$0)</p>		
4. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		(2,000,000)
<i>Strategic Support CSA</i>		
<p>This action liquidates the Deferred Infrastructure and Maintenance Reserve that was set aside as part of the 2024-2028 General Fund Forecast to be allocated to deferred maintenance and technology projects included as part of the 2023-2024 Proposed Budget. (Ongoing savings: \$0)</p>		
5. Earmarked Reserves: Essential Services Reserve		3,000,000
<i>Strategic Support CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action establishes an Essential Services Reserve in the amount of \$3.0 million that will be used to support services that are of essential importance to our residents. Services deemed essential by the City Council will be funded with the use of these one-time funds. (Ongoing costs: \$0)</p>		
6. Earmarked Reserves: Information Technology Sinking Fund Reserve		4,500,000
<i>Strategic Support CSA</i>		
<p>This action allocates funding of \$4.5 million to the Information Technology Sinking Fund Reserve in 2023-2024, of which \$200,000 is recommended to continue on an ongoing basis. Initially established with \$2.0 million as directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2019-2020, this reserve currently stands at \$6.5 million. Though improved from its initial starting point, this reserve still falls far short of the level needed to address the City's deferred Information Technology infrastructure backlog of \$45.8 million as reported to the Transportation and Environment Committee at their meeting on April 4, 2022. The recommended funding in this action will bring the reserve to \$11.0 million, or nearly 25% of the current backlog amount. The establishment of the modest ongoing allocation is anticipated to be reevaluated on an annual basis for incremental adjustments to help phase in a higher level of sustainable information technology replacement funding over the long term. (Ongoing costs: \$200,000)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Earmarked Reserves

7. **Earmarked Reserves: Measure E - 30% Low-Income Households Reserve** (14,250,000)

Community and Economic Development CSA

As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council, this action reallocates uncommitted Measure E resources on a one-time basis expected to be received in 2023-2024 to support homeless prevention, support, and management investments. This action liquidates the Measure E – 30% Low-Income Households Reserve that was set aside in the 2023-2024 Base Budget as part of a series of actions included in the 2023-2024 Proposed Budget to reallocate 2023-2024 and prior year Measure E funds that were earmarked for affordable housing development, but have not been committed by the City Council for specific projects or uses. The reallocated funds are recommended to be spent over a multi-year period to fund a Homelessness Coordination Team in the City Manager's Office, Interim Housing Site Development Staffing in the Public Works Department, Emergency Interim Housing Construction and Operations, Homeless Response and Outreach in the Housing Department, the continuation of the SJ Bridge program into 2023-2024, and an increase to the Homeless Prevention and Rental Assistance Reserve. A portion of the reallocated funds will be set aside in a Measure E Revenue Stabilization Reserve to provide capacity to absorb the likely revenue shortfall anticipated in 2022-2023 resulting from the real estate market's poor performance, which ensures that other Measure E funding commitments stay intact. Additional information regarding the reallocation of uncommitted Measure E resources is provided in Attachment D to the City Manager's Transmittal Message of the 2023-2024 Proposed Operating Budget. (Ongoing savings: \$0)

8. **Earmarked Reserves: Measure E - 40% Extremely Low-Income Households Reserve** (19,000,000)

Community and Economic Development CSA

As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council, this action reallocates uncommitted Measure E resources on a one-time basis expected to be received in 2023-2024 to support homeless prevention, support, and management investments. This action liquidates the Measure E – 40% Extremely Low-Income Households Reserve that was set aside in the 2023-2024 Base Budget as part of a series of actions included in the 2023-2024 Proposed Budget to reallocate 2023-2024 and prior year Measure E funds that were earmarked for affordable housing development, but have not been committed by the City Council for specific projects or uses. The reallocated funds are recommended to be spent over a multi-year period to fund a Homelessness Coordination Team in the City Manager's Office, Interim Housing Site Development Staffing in the Public Works Department, Emergency Interim Housing Construction and Operations, Homeless Response and Outreach in the Housing Department, the continuation of the SJ Bridge program into 2023-2024, and an increase to the Homeless Prevention and Rental Assistance Reserve. A portion of the reallocated funds will be set aside in a Measure E Revenue Stabilization Reserve to provide capacity to absorb the likely revenue shortfall anticipated in 2022-2023 resulting from the real estate market's poor performance, which ensures that other Measure E funding commitments stay intact. Additional information regarding the reallocation of uncommitted Measure E resources is provided in Attachment D to the City Manager's Transmittal Message of the 2023-2024 Proposed Operating Budget. (Ongoing savings: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
-----------------------------------	-----------	-------------------

Earmarked Reserves

9. Earmarked Reserves: Measure E - 5% Moderate-Income Households Reserve (2,375,000)

Community and Economic Development CSA

As directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council, this action reallocates uncommitted Measure E resources on a one-time basis expected to be received in 2023-2024 to support homeless prevention, support, and management investments. This action liquidates the Measure E – 5% Moderate-Income Households Reserve that was set aside in the 2023-2024 Base Budget as part of a series of actions included in the 2023-2024 Proposed Budget to reallocate 2023-2024 and prior year Measure E funds that were earmarked for affordable housing development, but have not been committed by the City Council for specific projects or uses. The reallocated funds are recommended to be spent over a multi-year period to fund a Homelessness Coordination Team in the City Manager's Office, Interim Housing Site Development Staffing in the Public Works Department, Emergency Interim Housing Construction and Operations, Homeless Response and Outreach in the Housing Department, the continuation of the SJ Bridge program into 2023-2024, and an increase to the Homeless Prevention and Rental Assistance Reserve. A portion of the reallocated funds will be set aside in a Measure E Revenue Stabilization Reserve to provide capacity to absorb the likely revenue shortfall anticipated in 2022-2023 resulting from the real estate market's poor performance, which ensures that other Measure E funding commitments stay intact. Additional information regarding the reallocation of uncommitted Measure E resources is provided in Attachment D to the City Manager's Transmittal Message of the 2023-2024 Proposed Operating Budget. (Ongoing savings: \$0)

10. Earmarked Reserves: Measure E – 10% Homeless Prevention and Rental Assistance Reserve 4,750,000

Community and Economic Development CSA

This action adds one-time funding of \$4.75 million to the Measure E – 10% Homeless Prevention and Rental Assistance Reserve. As directed in the Mayor's March Budget Message for 2023-2024, as approved by the City Council, this action doubles the 2023-2024 Base Budget allocation for homeless prevention for a total amount in 2023-2024 of \$9.5 million. (Ongoing costs: \$0)

11. Earmarked Reserves: Measure E – Revenue Stabilization Reserve 15,102,956

Community and Economic Development CSA

This action establishes a Measure E – Revenue Stabilization Reserve in the amount of \$15.1 million. Because Measure E revenues in 2022-2023 are expected to fall short of the \$65 million revenue estimate, this Reserve will ensure that a portion of uncommitted Measure E resources remain unspent to absorb the likely revenue shortfall to ensure that other Measure E funding commitments stay intact. (Ongoing costs: \$0)

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
12. Earmarked Reserves: New Measure T Facilities Maintenance and Operations Reserve		(463,000)
<i>Strategic Support CSA</i>		
This action liquidates the New Measure T Facilities Maintenance and Operations Reserve that was established in the 2024-2028 General Fund Forecast for projected operations and maintenance expenses of \$463,000 related to Measure T funded projects coming online in 2023-2024. (Ongoing savings: \$463,000)		
13. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		(58,000)
<i>Neighborhood Services CSA</i>		
This action liquidates the New Parks and Recreation Facilities Maintenance and Operations Reserve that was established in the 2024-2028 General Fund Forecast for projected operations and maintenance expenses of \$58,000 related to new parks and recreation facilities that are scheduled to become operational in 2023-2024, and for which operations and maintenance costs will be assumed by the City. (Ongoing savings: \$58,000)		
14. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve		(169,000)
<i>Transportation and Aviation Services CSA</i>		
This action liquidates the New Traffic Infrastructure Assets Maintenance and Operations Reserve that was established in the 2024-2028 General Fund Forecast for projected operations and maintenance expenses of \$169,000 related to transportation projects included in the Traffic Capital Improvement Program, including new traffic signals and streetlights (including those installed by developers), landscaping, and other traffic infrastructure. These funds are allocated for operations and maintenance expenses in the Transportation Department. (Ongoing savings: \$169,000)		
15. Earmarked Reserves: Police Department Sworn Backfill Reserve		5,000,000
<i>Public Safety CSA</i>		
This action sets aside one-time funding of \$5.0 million to establish a Police Department Sworn Backfill Reserve to provide overtime funding as needed to ensure patrol services experience minimal disruption while sworn position vacancies are being filled. The funding can be accessed once vacancies drop to a level where overtime expenditures cannot be absorbed by vacancy savings. (Ongoing costs: \$0)		

General Fund Capital, Transfers, Reserves

Budget Changes by Expense Type

2023-2024 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
16. Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		(1,000,000)
<i>Public Safety CSA</i>		
This action liquidates the Police Equipment Replacement Sinking Fund Reserve that was set aside as part of the 2024-2028 General Fund Forecast to be allocated for equipment replacement and upgrade initiatives included as part of the 2023-2024 Proposed Budget. (Ongoing savings: \$0)		
17. Earmarked Reserves: Police Staffing Reserve		(2,400,000)
<i>Public Safety CSA</i>		
This action liquidates the Police Staffing Reserve that was set aside as part of the 2024-2028 General Fund Forecast to be allocated for the planned addition of police sworn and civilian personnel included as part of the 2023-2024 Proposed Budget. (Ongoing savings: \$2.4 million)		
Subtotal Earmarked Reserves:	0.00	(10,338,332)
<hr/>		
2023-2024 Proposed Budget Changes Total	0.00	15,729,668

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Capital Contributions				
Neighborhood Services CSA				
Parks & Community Facilities Dev. Capital Program				
Almaden Winery Building Fundraising Feasibility Study	0	25,000	0	0
Alum Rock Park Playground Renovation	0	207,000	0	0
Canoas Park Playground Renovation	0	207,000	0	0
Chris Hotts Park Playground Renovation	0	206,000	0	0
De Anza Park Playground Renovation	0	206,000	0	0
Guadalupe River Park Improvements	216,976	30,000	0	0
Happy Hollow Park and Zoo Exhibit Improvements	0	89,000	0	0
La Ragione Playground Renovation	0	206,000	0	0
Meadowfair Park Master Plan	0	150,000	0	0
Park Furniture Improvements	52,751	10,000	0	0
Parks Rehabilitation Strike and Capital Infrastructure Team	725,696	0	0	0
Police Athletic League Stadium Master Plan	0	400,000	0	0
Police Athletic League Stadium Turf Replacement	0	2,652,000	0	0
Ramac Park Turf Replacement	0	122,000	0	0
Re-Use Facilities Improvements	240,555	150,000	0	0
Vietnamese American Cultural Center Improvements	0	50,000	0	0
Vietnamese-American Cultural Center Playground Renovation	8,355	190,000	0	0
Thank You Monument	0	296,000	0	0
Guadalupe River Park Ranger Station Rehabilitation	79,988	117,000	0	0
Fair Swim Center Roof Replacement	50,000	0	0	0
Glenview Park Expansion	0	41,000	0	0
TJ Martin and Jeffrey Fontanan Park Turf Replacement	0	20,000	0	0
Vehicle Prevention Program	0	930,000	0	0
Alviso Community Garden Irrigation	0	32,732	0	0
Emma Prusch Electrical and Infrastructure Upgrades	0	100,000	0	0
Alviso Park Improvements	0	236,000	0	0
Agnews Property Development	0	200,000	0	0
Vietnamese-American Community Center Planning and Fundraising	0	75,000	0	0
Total Parks & Community Fac. Dev. Capital Pgm.	\$1,374,321	\$6,947,732	\$0	\$0
Total Neighborhood Services CSA	\$1,374,321	\$6,947,732	\$0	\$0
Public Safety CSA				
Public Safety Capital Program				
Fire Station 32 FF&E	0	0	0	1,800,000
911 Call Center Upgrades FF&E (PD)	0	0	0	3,665,000
Fire Training Center Relocation	1,879,209	5,500,000	0	0
Emergency Operations Center Relocation	0	500,000	0	0
Fire Apparatus Replacement	0	10,983,000	3,750,000	3,750,000
Total Public Safety Capital Program	\$1,879,209	\$16,983,000	\$3,750,000	\$9,215,000
Total Public Safety CSA	\$1,879,209	\$16,983,000	\$3,750,000	\$9,215,000

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Transportation & Aviation Services CSA				
Traffic Capital Program				
Branham Lane Vision Zero Quick Build Projects	3,294	30,000	0	0
Council District 3 Traffic Calming Enhancements	62,712	84,000	0	0
Council District 6 Traffic Calming Enhancements	62,504	60,000	0	0
Steven's Creek Corridor Vision Study	0	50,000	0	0
Kimlee and Danby Drives Bulbouts	11,149	0	0	0
Monterey Road and Valleyhaven Way Traffic Signal Design	18,773	50,000	0	0
Penitencia Creek Rd Crosswalk	22,931	0	0	0
Sierra Rd Crosswalk	49,968	0	0	0
Thornwood Drive Safety Improvements	7,666	50,000	0	0
Naglee Avenue and Dana Avenue Traffic Signal	0	100,000	0	0
Monterey Road Radar Speed Signs	100,000	0	0	0
Canoas Garden Avenue Crosswalk	17,288	110,000	0	0
Camden and Charmeran Avenue Crosswalk	20,000	0	0	0
Council District 9 Traffic Calming Projects	20,000	0	0	0
Monterey Road Transit Study	0	38,000	0	0
Vision Zero: Data-Driven Safety Improvements	76,463	0	0	0
Soundwall at the Bernal Way Terminus	0	26,000	0	0
Pedestrian Pathway at W. William and Bird	1,642	0	0	0
Branham and Monterey Sideshow Deterrents	0	50,000	0	0
Cropley Avenue Crosswalk	0	25,000	0	0
Downtown Neighborhoods Traffic Calming	0	100,000	0	0
Kooser Road Crosswalk	0	125,000	0	0
Monterey Road Wildlife Corridor Improvements	0	100,000	0	0
Sideshow Mitigation in District 10	0	100,000	0	0
Pavement Maintenance Program	961,034	0	0	0
Total Traffic Capital Program	\$1,435,422	\$1,098,000	\$0	\$0
Total Transportation & Aviation Services CSA	\$1,435,422	\$1,098,000	\$0	\$0
Strategic Support CSA				
Municipal Improvements Capital Program				
The Tech Interactive Chiller and Cooling Tower Replacement	0	0	0	1,200,000
San José Museum of Art Cooling Tower Replacement	0	0	0	2,850,000
Electric Vehicle Charging Site Assessment	0	0	0	300,000
City Hall Backup Generator Switch Replacement	0	0	0	100,000
City Hall Equipment Replacement	0	0	0	100,000
City Facilities Security Enhancements	0	0	0	1,000,000
Center for Performing Arts Chiller, Cooling Tower, and Boilers Replacement	0	0	0	7,600,000
Fleet Shop Improvements	0	0	0	500,000
Radio Service Monitors	0	0	0	175,000
280 Almaden Ave Beautification Improvement Project	0	0	0	1,850,000

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Children's Discovery Museum - Curb and Walkway Rehabilitation	0	0	0	350,000
City Hall Network Operations Center - Electrical Switch Replacement	522,842	500,000	0	0
Hammer Theatre Center HVAC Controls	40,726	17,000	0	0
Police Administration Building Boiler and Chiller Replacement	12,319	850,000	0	0
San José Museum of Art HVAC Controls Upgrades	22,131	8,000	0	0
The Tech Museum Tile Wall Evaluation and Repairs	770,637	0	0	0
Fuel Tank Monitoring	12,836	0	0	0
Closed Landfill Compliance	741,395	2,881,000	450,000	450,000
African American Community Services Agency Upgrades	0	108,000	0	0
Children's Discovery Museum Air Handler Unit Replacement	357,002	254,000	0	0
City Hall Campus Expansion	348,549	0	0	0
Fire Training Center Environmental Monitoring	54,870	117,000	0	0
Animal Care and Services Boilers and BMS	21,797	0	0	0
City Hall Antenna and Rotunda Audio	0	300,000	0	0
City Hall Fire Alarm Upgrade	0	100,000	0	0
City Hall Security Upgrades	0	913,000	0	0
Hammer Theatre Center Chiller Replacement	450,650	0	0	0
Local Sales Tax - PAB/PCC Phase I Elevator Modernization	1,073,326	2,000,000	0	0
PAB/PAC Phase I Elevator Modernization	2,019,679	0	0	0
Fire Training Center Relocation	17,737,866	0	0	0
Emergency Power Generation for City Facilities	338,600	1,000,000	0	0
Tech Interactive Fire Alarm System	172,845	1,300,000	0	0
Children's Discovery Museum Elevator System	45,171	710,000	0	0
History San José High-Priority Capital Improvements	58,389	80,000	0	0
History San José ADA Compliance	917	384,000	0	0
Mexican Heritage Plaza Patio	0	47,000	0	0
Hammer Theatre Center Improvements	199,853	120,000	0	0
Electric Vehicles Charging Stations for Police Hybrid-Electric Vehicles	5,684	209,000	0	0
South Yard Fence Replacement	0	177,000	0	0
Remote Sensing Equipment for Generators	14,700	127,000	0	0
Council District 6 Traffic Calming Enhancements	2,152	0	0	0
Monterey Road and Valleyhaven Way Traffic Signal Design	24,981	0	0	0
Penitencia Creek Rd Crosswalk	527	0	0	0
Sierra Rd Crosswalk	2,032	0	0	0
Thornwood Drive Safety Improvements	1,581	0	0	0
4th Street Garage Fire Pump Replacement	4,500	233,000	0	0
PAB Fire Protection System	0	300,000	0	0
Radio Systems Upgrade	19,460	0	0	0
Emergency Operations Center Relocation	1,275,444	0	0	0
Ice Centre Expansion Project	810,938	180,000	0	0
Animal Care and Services Water Softener Replacement	0	80,000	0	0
Children's Discovery Museum Pavement Repairs	4,967	50,000	0	0

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Capital Contributions				
Hammer Theatre Center Boiler Replacement	0	77,000	0	0
Hammer Theatre Center Fire Detection Alarm and Devices Design	0	397,000	0	0
Hammer Theatre Center Roofing	3,454	46,000	0	0
History San José Miscellaneous Repairs	0	398,000	0	0
San José Museum of Art Door and Window Improvement	19,805	233,000	0	0
San José Museum of Art Server Room Upgrade	944	49,000	0	0
Cultural Facilities Condition Assessment	0	150,000	0	0
Recovery Foundation & Drive to Digital - AV Upgrades to Chambers & Committee Rms	0	1,131,000	0	0
Hammer Theatre Center HVAC Condensing Unit Replacement	0	140,000	0	28,000
The Tech Interactive Skylight Replacement	0	100,000	0	0
Old Fire Training Center Environmental Cleanup	0	200,000	0	0
Police Administration Building Gate Improvements	0	200,000	0	0
City Hall Garage Pump Replacement	0	100,000	0	0
San Jose Municipal Stadium LED Lighting	0	800,000	0	0
City Hall Carpet Replacement	0	650,000	0	0
City Hall Exterior Restoration	0	300,000	0	0
Municipal Garage Ceiling Repair and Light Upgrades	0	150,000	0	0
City Facilities Seismic Shut-off Valves	0	100,000	0	50,000
Unanticipated/Emergency Maintenance	896,616	1,500,000	1,250,000	1,250,000
City Hall Audio/Visual Upgrade	234,780	170,000	0	0
Police Administration Building Fencing - Employee Parking Lot Perimeter	296,515	0	0	0
Arc Flash Hazard Analysis	11,400	0	0	0
City-wide Building Assessment	19,000	0	0	0
Police Fleet Management System	14,000	0	0	0
Capital Program and Public Works Department Support Service Costs	0	72,000	82,000	82,000
Arena Repairs	276,765	350,000	100,000	100,000
City Hall and Police Communications Uninterrupted Power Supply Cap. Maint.	163,671	200,000	200,000	200,000
Police Communications Emergency Uninterrupted Power Supply	1,812	350,000	0	0
City Hall Waterproofing	0	930,000	0	0
Police Communications Center Elevator Retrofit	87,432	230,000	0	0
Hammer Theatre Center Upgrades	72,110	200,000	0	0
East Side Union High School District Community Wireless Network Project	140,125	0	0	0
Animal Care and Services - Various Improvements	190,972	600,000	0	500,000
Children's Discovery Museum Skylight Replacement	0	250,000	0	0
City Hall HVAC Control System Replacement	588,542	150,000	0	0
Hammer Theatre Miscellaneous HVAC & Electrical Upgrades	0	130,000	0	0
San José Municipal Stadium Improvements	0	6,000	0	0
The Tech Museum Controls Module Improvements	339,531	2,400,000	0	0
City Hall Rotunda Lighting	114,622	0	0	0
Family-Friendly City Facilities (General Fund)	0	100,000	0	0
Capital Contributions				
Total Municipal Improvements Capital Program	\$30,641,462	\$25,904,000	\$2,082,000	\$18,685,000
Total Strategic Support CSA	\$30,641,462	\$25,904,000	\$2,082,000	\$18,685,000
TOTAL CAPITAL CONTRIBUTIONS	\$35,330,414	\$50,932,732	\$5,832,000	\$27,900,000

General Fund Capital, Transfers, Reserves

Expense Type: Transfers to Other Funds

Detail of Costs Description

	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
Transfers to Other Funds				
Community and Economic Development CSA				
Transfer to the Alum Rock Community Business Improvement District Fund	0	0	59,573	59,573
Transfer to the Building Development Fee Program Fund	96	0	0	0
Transfer to the Business Improvement District Fund	12,133	12,618	12,637	12,637
Transfer to the San José Arena Capital Reserve Fund	2,300,000	2,300,000	2,300,000	2,300,000
Total Community and Economic Development CSA	\$2,312,229	\$2,312,618	\$2,372,210	\$2,372,210
Environmental and Utility Services CSA				
Transfer to the Integrated Waste Management Fund	101,797	0	0	0
Total Environmental and Utility Services CSA	\$101,797	\$0	\$0	\$0
Transportation and Aviation Services CSA				
Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	300,000	300,000	400,000	400,000
Transfer to the Downtown Property and Business Improvement District Fund	876,571	1,044,854	1,252,305	1,252,305
Transfer to the Maint. District No. 11 (Brokaw - Junction to Old Oakland) Fund	6,354	6,354	6,354	6,354
Transfer to the Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	21,461	21,461	21,461	21,461
Transfer to the Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	8,996	8,996	8,996	8,996
Transfer to the Maint. District No. 22 (Hellyer - Silver Creek Valley) Fund	35,223	35,223	35,223	35,223
Transfer to the Maintenance District No. 15 (Silver Creek Valley) Fund	16,636	16,636	16,636	16,636
Transfer to the Maintenance District No. 19 (River Oaks Area Landscaping) Fund	6,195	6,195	6,195	6,195
Transfer to the Maintenance District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	2,408	2,408	2,408	2,408
Transfer to the Maintenance District No. 8 (Zanker - Montague) Fund	2,353	2,353	2,353	2,353
Transfer to the Maintenance District No. 9 (Santa Teresa - Great Oaks) Fund	23,480	23,480	23,480	23,480
Total Transportation and Aviation Services CSA	\$1,299,677	\$1,467,960	\$1,775,411	\$1,775,411
Strategic Support CSA				
Transfer to the City Hall Debt Service Fund	16,429,642	0	0	0
Transfer to the Vehicle Maintenance and Operations Fund	1,000,000	1,500,000	2,000,000	6,000,000
Transfer to the Communications Construction and Conveyance Tax Fund	6,950,000	4,000,000	3,000,000	3,000,000
Transfer to the City Hall Debt Service Fund	0	16,188,376	17,693,420	17,693,420
Transfer to the Public Safety and Infrastructure Bond Fund	2,300,000	0	0	0
Total Strategic Support CSA	\$26,679,642	\$21,688,376	\$22,693,420	\$26,693,420
TOTAL TRANSFERS TO OTHER FUNDS	\$30,393,345	\$25,468,954	\$26,841,041	\$30,841,041

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

Earmarked Reserves	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	Type of Reserve*
Community and Economic Development CSA					
2023-2024 East San Jose Small Business Corridor Staffing Reserve		174,447	0	0	C
2024-2025 City-wide Business Development Staffing Reserve		0	0	173,712	C
Berryessa Flea Market Vendor Business Transition Fund Reserve		2,500,000	0	0	B
Code Enforcement Permit System Reserve		2,308,000	0	0	C
Development Fee Program Technology Reserve		235,000	0	0	B
Google Parking Lots Option Payment Reserve		2,700,000	0	0	B
Measure E - 10% Homeless Prevention and Rental Assistance Reserve		16,362,640	4,750,000	9,500,000	B
Measure E - 15% Homeless Support Programs Reserve		28,586,460	7,125,000	7,125,000	B
Measure E - 30% Low-Income Households Reserve		56,612,919	14,250,000	0	B
Measure E - 40% Extremely Low-Income Households Reserve		76,230,559	19,000,000	0	B
Measure E - 5% Moderate-Income Households Reserve		9,528,820	2,375,000	0	B
Measure E - Revenue Stabilization Reserve		0	0	15,102,956	B
Total Community and Economic Development CSA	N/A	\$195,238,845	\$47,500,000	\$31,901,668	
Environmental and Utility Services CSA					
Low-Income Household Water Assistance Payment Program Reserve		300,000	0	0	C
Total Environmental and Utility Services CSA	N/A	\$300,000	\$0	\$0	
Neighborhood Services CSA					
Artificial Turf Capital Replacement Reserve		3,093,420	450,000	450,000	C
New Parks and Recreation Facilities M&O Reserve		0	58,000	0	C
Total Neighborhood Services CSA	N/A	\$3,093,420	\$508,000	\$450,000	
Public Safety CSA					
Fire Emergency Equipment Reserve		500,000	0	0	C
Police Department Sworn Backfill Reserve		0	0	5,000,000	C
Police Equipment Replacement Sinking Fund Reserve		0	1,000,000	0	C
Police Property Facility Relocation Reserve		1,000,000	0	0	C
Police Redistricting Implementation Reserve		1,000,000	0	0	C
Police Staffing Reserve		0	2,400,000	0	C
Total Public Safety CSA	N/A	\$2,500,000	\$3,400,000	\$5,000,000	
Transportation and Aviation Services CSA					
Creative Center for the Arts Parking Reserve		750,000	0	0	C
New Traffic Infrastructure Assets M&O Reserve		0	169,000	0	C
Vehicle Abatement Enhancement Program Reserve		477,000	300,000	300,000	
Total Transportation and Aviation Services CSA	N/A	\$1,227,000	\$469,000	\$300,000	
Strategic Support CSA					
Animal Care and Services Foundation Reserve		0	0	100,000	C
Budget Stabilization Reserve		53,400,000	0	0	A
City Attorney's Office Outside Litigation Reserve		800,000	0	0	C
Climate and Seismic Resilience Planning Reserve		463,000	0	0	C
Community and Economic Recovery Reserve		8,762,000	0	0	C
Cultural Facilities Capital Maintenance Reserve		0	1,250,000	0	C
Deferred Infrastructure and Maintenance Reserve		0	2,000,000	0	C
Essential Services Reserve		0	0	3,000,000	C
FEMA Non-Reimbursable Expenses Reserve		5,000,000	0	0	A
IT Sinking Fund Reserve		3,700,000	0	4,500,000	C
New Measure T Facilities Maintenance and Operations Reserve		0	463,000	0	C
Pension Obligation Bonds Consulting Services Reserve		200,000	0	0	C
Revenue Loss Reserve		60,000,000	30,000,000	30,000,000	A
Salaries and Benefits Reserve		28,712,214	24,257,590	24,257,590	A,C

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

Earmarked Reserves	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	Type of Reserve*
Sick Leave Payments Upon Retirement Reserve		2,000,000	0	0	C
Workers Compensation / General Liability Catastrophic Reserve		15,000,000	0	0	A
Total Strategic Support CSA		\$178,037,214	\$57,970,590	\$61,857,590	
TOTAL EARMARKED RESERVES	N/A	\$380,396,479	\$109,847,590	\$99,509,258	

* Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

B: Restricted Reserve (set aside for a specified purpose from a restricted funding source).

C: Programmatic Reserve (set aside to deliver a particular program/project; many are multi-year projects).

General Fund Capital, Transfers, Reserves

Expense Type: Contingency Reserve

Detail of Costs Description

Contingency Reserve	2021-2022 Actuals	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	Type of Reserve*
Strategic Support CSA					
Contingency Reserve		41,000,000	47,000,000	47,000,000	A
Total Strategic Support CSA	N/A	\$41,000,000	\$47,000,000	\$47,000,000	
TOTAL CONTINGENCY RESERVE	N/A	\$41,000,000	\$47,000,000	\$47,000,000	

* Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

B: Restricted Reserve (set aside for a specified purpose from a restricted funding source).

C: Programmatic Reserve (set aside to deliver a particular program/project; many are multi-year projects).

PAGE INTENTIONALLY LEFT BLANK

Affordable Housing Impact Fee Fund (452)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve (Source)	0	5,000,000	5,000,000	2,800,000	0
Unrestricted Beginning Fund Balance (Source)	0	5,363,489	11,637,045	11,637,045	4,778,254
Total Beginning Fund Balance	0	10,363,489	16,637,045	14,437,045	4,778,254
Revenue from the Use of Money/Property					
Interest	128,969	40,000	40,000	200,000	40,000
Total Revenue from the Use of Money/Property	128,969	40,000	40,000	200,000	40,000
Fees, Rates, and Charges					
Affordable Housing Impact Fee	8,830,505	6,000,000	6,000,000	6,000,000	1,000,000
Total Fees, Rates, and Charges	8,830,505	6,000,000	6,000,000	6,000,000	1,000,000
Transfers					
Multi-Source Housing Fund	7,855,263	0	0	0	0
Total Transfers	7,855,263	0	0	0	0
TOTAL SOURCE OF FUNDS	16,814,737	16,403,489	22,677,045	20,637,045	5,818,254
USE OF FUNDS					
Expenditures					
Housing Loans and Grants	2,200,000	0	15,623,101	15,623,101	0
Housing Personal Services	151,865	177,964	179,632	179,632	189,859
Overhead	25,827	56,058	56,058	56,058	24,317
Total Expenditures	2,377,692	234,022	15,858,791	15,858,791	214,176
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	5,290
Total Transfers	0	0	0	0	5,290
Ending Fund Balance					
Housing Project Reserve (Use)	2,800,000	15,000,000	0	0	5,000,000
Unrestricted Ending Fund Balance (Use)	11,637,045	1,169,467	6,818,254	4,778,254	598,788
Total Ending Fund Balance	14,437,045	16,169,467	6,818,254	4,778,254	5,598,788
TOTAL USE OF FUNDS	16,814,737	16,403,489	22,677,045	20,637,045	5,818,254

* Actuals may not subtotal due to rounding.

Airport Customer Facility And Transportation Fee Fund (519)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Coverage Reserve (Source)	4,854,680	1,999,890	1,991,666	1,991,666	2,249,427
Future Debt Service Reserve (Source)	947,298	6,489,286	7,769,994	7,769,994	12,445,979
Reserve for Encumbrances (Source)	586,891	586,891	697,887	697,887	697,886
Total Beginning Fund Balance	6,388,869	9,076,067	10,459,547	10,459,547	15,393,292
Revenue from the Use of Money/Property					
Interest	59,930	76,198	76,198	171,429	217,849
Total Revenue from the Use of Money/Property	59,930	76,198	76,198	171,429	217,849
Fees, Rates, and Charges					
Customer Transport Fee	13,655,694	15,228,347	15,228,347	16,147,114	17,306,765
Total Fees, Rates, and Charges	13,655,694	15,228,347	15,228,347	16,147,114	17,306,765
Other Revenue					
Miscellaneous	9,218	0	0	0	0
Total Other Revenue	9,218	0	0	0	0
TOTAL SOURCE OF FUNDS	20,113,711	24,380,612	25,764,092	26,778,090	32,917,906
USE OF FUNDS					
Expenditures					
Airport Non-Personal/Equipment	1,683,140	2,275,589	2,275,589	2,275,589	2,229,460
CFC Audit	4,358	11,500	11,500	11,500	11,500
Operations Contingency	0	100,000	100,000	100,000	100,000
Total Expenditures	1,687,498	2,387,089	2,387,089	2,387,089	2,340,960
Transfers					
Transfer to the Airport Fiscal Agent Fund	7,966,665	8,997,709	8,997,709	8,997,709	9,995,121
Total Transfers	7,966,665	8,997,709	8,997,709	8,997,709	9,995,121
Ending Fund Balance					
Debt Service Coverage Reserve (Use)	1,991,666	2,249,427	2,249,427	2,249,427	2,498,780
Future Debt Service Reserve (Use)	7,769,994	10,159,496	11,431,980	12,445,979	17,385,159
Reserve for Encumbrances (Use)	697,887	586,891	697,887	697,886	697,886
Total Ending Fund Balance	10,459,547	12,995,814	14,379,294	15,393,292	20,581,825
TOTAL USE OF FUNDS	20,113,711	24,380,612	25,764,092	26,778,090	32,917,906

* Actuals may not subtotal due to rounding.

Airport Fiscal Agent Fund (525)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve (Source)	72,932,202	73,218,375	72,157,356	72,157,356	74,322,626
Total Beginning Fund Balance	<u>72,932,202</u>	<u>73,218,375</u>	<u>72,157,356</u>	<u>72,157,356</u>	<u>74,322,626</u>
Revenue from the Use of Money/Property					
Interest	337,177	450,000	450,000	1,800,000	2,500,000
Total Revenue from the Use of Money/Property	<u>337,177</u>	<u>450,000</u>	<u>450,000</u>	<u>1,800,000</u>	<u>2,500,000</u>
Transfers					
Airport Customer Facility and Transportation Fee Fund	7,966,665	8,997,709	8,997,709	8,997,709	9,995,121
Airport Passenger Facility Charge Fund	12,419,827	13,060,000	13,641,000	13,641,000	23,072,000
Airport Revenue Fund	25,257,686	25,424,930	25,208,930	25,208,930	36,338,083
Total Transfers	<u>45,644,178</u>	<u>47,482,639</u>	<u>47,847,639</u>	<u>47,847,639</u>	<u>69,405,204</u>
TOTAL SOURCE OF FUNDS	<u>118,913,557</u>	<u>121,151,014</u>	<u>120,454,995</u>	<u>121,804,995</u>	<u>146,227,830</u>
USE OF FUNDS					
Expenditures					
Principal and Interest Payments	46,669,603	47,482,369	47,482,369	47,482,369	69,404,781
Total Expenditures	<u>46,669,603</u>	<u>47,482,369</u>	<u>47,482,369</u>	<u>47,482,369</u>	<u>69,404,781</u>
Transfers					
Transfer to the Airport Revenue Fund	86,598	241,000	241,000	0	500,000
Total Transfers	<u>86,598</u>	<u>241,000</u>	<u>241,000</u>	<u>0</u>	<u>500,000</u>
Ending Fund Balance					
Debt Service Reserve (Use)	72,157,356	73,427,645	72,731,626	74,322,626	76,323,049
Total Ending Fund Balance	<u>72,157,356</u>	<u>73,427,645</u>	<u>72,731,626</u>	<u>74,322,626</u>	<u>76,323,049</u>
TOTAL USE OF FUNDS	<u>118,913,557</u>	<u>121,151,014</u>	<u>120,454,995</u>	<u>121,804,995</u>	<u>146,227,830</u>

* Actuals may not subtotal due to rounding.

Airport Maintenance And Operation Fund (523)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Master Trust Agreement Reserve (Source)	27,144,435	24,957,995	20,825,576	20,825,576	26,011,327
Reserve for Encumbrances (Source)	7,234,054	7,234,054	13,352,540	13,352,540	13,352,540
Workers' Compensation Claims Reserve (Source)	2,474,767	2,474,767	2,288,883	2,288,883	2,288,883
Total Beginning Fund Balance	36,853,256	34,666,816	36,466,999	36,466,999	41,652,750
Other Revenue					
Miscellaneous Revenue	5,980	0	0	0	0
Total Other Revenue	5,980	0	0	0	0
Transfers					
Airport Revenue Fund	122,874,068	121,070,145	121,070,145	121,070,145	127,240,797
Total Transfers	122,874,068	121,070,145	121,070,145	121,070,145	127,240,797
TOTAL SOURCE OF FUNDS	159,733,304	155,736,961	157,537,144	157,537,144	168,893,547
USE OF FUNDS					
Expenditures					
Airline Reserve Funds Distribution	27,395,809	0	0	0	0
Airport Non-Personal/Equipment	36,035,201	51,142,505	51,142,505	51,142,505	54,811,767
Airport Personal Services	34,807,458	39,023,166	39,420,985	39,420,985	41,118,941
Annual Audit	80,737	83,033	83,033	83,033	83,033
City Attorney Non-Personal/Equipment	3,908	4,000	4,000	4,000	4,000
City Attorney Personal Services	639,164	691,284	698,093	698,093	830,772
City Manager Non-Personal/Equipment	24,686	24,500	24,500	24,500	24,500
ITD Non-Personal/Equipment	7,686	7,686	7,686	7,686	7,686
ITD Personal Services	19,849	27,477	31,775	31,775	29,593
OED Personal Services	210,066	243,453	243,453	243,453	0
Operations Contingency	0	1,480,680	910,163	910,163	1,808,129
Overhead	5,478,618	3,622,387	3,622,387	3,622,387	5,205,653
PBCE Personal Services	81,961	89,863	90,800	90,800	75,203
Police Personal Services	117,446	110,627	111,761	111,761	112,868
PRNS Personal Services	0	71,158	71,811	71,811	60,102
PW Non-Personal/Equipment	9,973	14,000	14,000	14,000	14,000
PW Personal Services	146,872	189,467	191,406	191,406	192,105
Workers' Compensation Claims	177,668	633,500	633,500	633,500	633,500
Total Expenditures	105,237,102	97,458,786	97,301,858	97,301,858	105,011,852
Transfers					
Transfer to the General Fund	0	0	156,928	156,928	0
Transfer to the General Fund - Aircraft Rescue/Fire Fighting Services	8,083,082	8,286,269	8,286,269	8,286,269	8,911,639
Transfer to the General Fund - Police Services	9,946,122	10,139,339	10,139,339	10,139,339	10,872,016
Total Transfers	18,029,204	18,425,608	18,582,536	18,582,536	19,783,655
Ending Fund Balance					
Master Trust Agreement Reserve (Use)	20,825,576	30,143,746	26,011,327	26,011,327	28,456,617
Reserve for Encumbrances (Use)	13,352,540	7,234,054	13,352,540	13,352,540	13,352,540
Workers' Compensation Claim Reserve (Use)	2,288,883	2,474,767	2,288,883	2,288,883	2,288,883
Total Ending Fund Balance	36,466,999	39,852,567	41,652,750	41,652,750	44,098,040
TOTAL USE OF FUNDS	159,733,305	155,736,961	157,537,144	157,537,144	168,893,547

* Actuals may not subtotal due to rounding.

Airport Revenue Fund (521)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve (Source)	83,123,685	79,872,709	109,365,539	109,365,539	113,382,910
Total Beginning Fund Balance	83,123,685	79,872,709	109,365,539	109,365,539	113,382,910
Revenue from Federal Government					
American Rescue Plan Act	0	28,910,633	28,910,633	28,910,633	20,000,000
Coronavirus Aid, Relief, and Economic Security (CARES) Act	32,103,420	0	0	0	0
Total Revenue from Federal Government	32,103,420	28,910,633	28,910,633	28,910,633	20,000,000
Fees, Rates, and Charges					
Unassigned Viscodes	0	0	0	0	0
Airfield Area	5,059,452	5,663,394	5,663,394	6,173,596	4,291,292
Landing Fees	24,544,813	29,727,985	29,727,985	29,114,040	32,969,705
Miscellaneous	14,337,400	12,479,172	12,479,172	15,721,887	20,946,489
Parking and Roadway	47,023,412	48,916,500	48,916,500	59,331,630	63,575,276
Petroleum Products	2,452,926	2,984,483	2,984,483	3,008,370	387,225
Terminal Building	13,149,712	16,425,243	16,425,243	21,714,608	23,259,536
Terminal Rental	68,489,936	62,497,263	62,497,263	60,581,648	72,110,218
Total Fees, Rates, and Charges	175,057,650	178,694,040	178,694,040	195,645,779	217,539,741
Transfers					
Airport Fiscal Agent Fund	86,598	241,000	241,000	0	500,000
Airport Revenue Bond Improvement Fund	931,776	0	0	0	0
General Fund	300,000	300,000	702,034	702,034	400,000
Total Transfers	1,318,374	541,000	943,034	702,034	900,000
TOTAL SOURCE OF FUNDS	291,603,129	288,018,382	317,913,246	334,623,985	351,822,651
USE OF FUNDS					
Transfers					
Transfer to the Airport Fiscal Agent Fund	25,257,686	25,424,930	25,208,930	25,208,930	36,338,083
Transfer to the Airport Maintenance and Operation Fund	122,874,068	121,070,145	121,070,145	121,070,145	127,240,797
Transfer to the Airport Surplus Revenue Fund	33,772,000	82,553,000	74,962,000	74,962,000	42,042,000
Transfer to the General Fund	333,836	0	0	0	0
Total Transfers	182,237,590	229,048,075	221,241,075	221,241,075	205,620,880
Ending Fund Balance					
Airline Agreement Reserve (Use)	109,365,539	58,970,307	96,672,171	113,382,910	146,201,771
Total Ending Fund Balance	109,365,539	58,970,307	96,672,171	113,382,910	146,201,771
TOTAL USE OF FUNDS	291,603,129	288,018,382	317,913,246	334,623,985	351,822,651

* Actuals may not subtotal due to rounding.

Airport Surplus Revenue Fund (524)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve (Source)	1,108,819	1,151,771	1,127,475	1,127,475	1,155,811
Total Beginning Fund Balance	<u>1,108,819</u>	<u>1,151,771</u>	<u>1,127,475</u>	<u>1,127,475</u>	<u>1,155,811</u>
Revenue from the Use of Money/Property					
Interest	8,476	0	0	28,336	30,385
Total Revenue from the Use of Money/Property	<u>8,476</u>	<u>0</u>	<u>0</u>	<u>28,336</u>	<u>30,385</u>
Transfers					
Airport Revenue Bond Improvement Fund	1,928	0	0	0	0
Airport Revenue Fund	33,772,000	82,553,000	74,962,000	74,962,000	42,042,000
Total Transfers	<u>33,773,928</u>	<u>82,553,000</u>	<u>74,962,000</u>	<u>74,962,000</u>	<u>42,042,000</u>
TOTAL SOURCE OF FUNDS	<u><u>34,891,223</u></u>	<u><u>83,704,771</u></u>	<u><u>76,089,475</u></u>	<u><u>76,117,811</u></u>	<u><u>43,228,196</u></u>
USE OF FUNDS					
Expenditures					
Commercial Paper Principal and Interest	17,991,748	15,000,000	20,000,000	20,000,000	1,000,000
Total Expenditures	<u>17,991,748</u>	<u>15,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>1,000,000</u>
Transfers					
Transfer to the Airport Renewal and Replacement Fund	15,772,000	67,553,000	54,962,000	54,962,000	41,042,000
Total Transfers	<u>15,772,000</u>	<u>67,553,000</u>	<u>54,962,000</u>	<u>54,962,000</u>	<u>41,042,000</u>
Ending Fund Balance					
Airline Agreement Reserve (Use)	1,127,475	1,151,771	1,127,475	1,155,811	1,186,196
Total Ending Fund Balance	<u>1,127,475</u>	<u>1,151,771</u>	<u>1,127,475</u>	<u>1,155,811</u>	<u>1,186,196</u>
TOTAL USE OF FUNDS	<u><u>34,891,223</u></u>	<u><u>83,704,771</u></u>	<u><u>76,089,475</u></u>	<u><u>76,117,811</u></u>	<u><u>43,228,196</u></u>

* Actuals may not subtotal due to rounding.

American Rescue Plan Fund (402)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	216,383	216,383	12,843,432	12,843,432	12,843,432
Unrestricted Beginning Fund Balance (Source)	(83,133)	31,502,250	(12,226,287)	(12,226,287)	684,836
Total Beginning Fund Balance	133,250	31,718,633	617,145	617,145	13,528,268
Revenue from the Use of Money/Property					
Interest	483,896	515,000	643,318	643,318	0
Total Revenue from the Use of Money/Property	483,896	515,000	643,318	643,318	0
Revenue from Federal Government					
American Rescue Plan Act	104,681,996	56,620,669	105,921,827	105,921,827	0
Total Revenue from Federal Government	104,681,996	56,620,669	105,921,827	105,921,827	0
TOTAL SOURCE OF FUNDS	105,299,141	88,854,302	107,182,290	107,182,290	13,528,268
USE OF FUNDS					
Expenditures					
BeautifySJ and Encampment Waste Pick Up - San Jose Bridge Program	0	3,000,000	7,000,000	7,000,000	0
Build Back Better and COVID-19 Recovery - Community Engagement	995	700,000	1,199,000	1,199,000	0
Build Back Better and COVID-19 Recovery - COVID-19 Recovery Taskforce	26,533	2,000,000	2,469,000	2,469,000	0
Build Back Better and COVID-19 Recovery - Emergency Public Information	714,404	665,000	646,000	646,000	0
Child and Youth Services - Child and Youth Success	143,772	355,000	355,000	355,000	0
Child and Youth Services - Childcare Tenant Improvement	0	900,000	900,000	900,000	0
Child and Youth Services - Library	0	2,409,000	2,409,000	2,409,000	0
Child and Youth Services - PRNS (Programs, Experiences, and Scholarships)	484,692	4,316,000	4,316,000	4,316,000	0
Child and Youth Services - San Jose Learns	500,000	500,000	500,000	500,000	0
Child and Youth Services - Child and Youth Services Master Plan	0	3,119,000	3,119,000	3,119,000	0
Digital Equity - Community WiFi	1,921,671	726,000	699,000	699,000	0
Digital Equity - Device Access	678,051	1,140,000	1,317,000	1,317,000	0
Digital Equity - Digital Equity Communications, Outreach, + Education	293,640	623,000	656,000	656,000	0
Emergency Housing - Downtown Homeless Health Response and Support	49,257	300,000	300,000	300,000	0
Emergency Housing - Emergency Housing Construction and Operation	726,784	20,000,000	20,000,000	19,562,295	437,705
Emergency Housing - Sheltering and Enhanced Encampment Services	161,091	2,998,000	2,839,000	2,839,000	0
Encampment Services: BeautifySJ - Encampment Waste Pick Up and BeautifySJ	5,816,950	13,090,000	14,963,000	14,719,727	243,273
Energy Saving Retrofits	13,285	490,000	480,000	480,000	0
Food and Necessities Distribution - Food Services	12,627,493	3,670,000	4,143,000	4,143,000	0
Housing Stabilization - Eviction Help Center	1,222,941	2,000,000	1,813,000	1,813,000	0
Housing Stabilization - Hotel Sheltering Operations + Services	10,466	3,497,000	3,497,000	3,497,000	0

* Actuals may not subtotal due to rounding.

American Rescue Plan Fund (402)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Housing Stabilization - South Hall Demobilization + Housing Assistance Center	559,201	1,944,000	1,930,000	1,930,000	0
Recovery Foundation - Effective Teams	551,690	0	298,000	298,000	0
Recovery Foundation - Safe Workplace	41,576	0	186,000	186,000	0
Recovery Foundation and Drive to Digital - Recovery Mgmt, Coord & Compliance	2,009,213	1,762,000	2,109,000	2,109,000	0
Re-Employment & Workforce Dev - Gdalupe Rvr Prk + Coyote Crk Clean-Up Res Corps	771,761	0	0	0	0
Re-Employment and Workforce Development - Environment Resilience Corps	3,533,901	200,000	200,000	200,000	0
Re-Employment and Workforce Development - Food Distribution Resilience Corps	8,900,644	1,800,000	1,800,000	1,800,000	0
Re-Employment and Workforce Development - Learning Resilience Corps	1,307,210	0	0	0	0
Re-Employment and Workforce Development - Small Business Resilience Corps	686,089	148,000	310,000	310,000	0
San José Aspires Administrative Support	514,030	250,000	250,000	250,000	0
Small Business, Non-Profits, and Arts - Council District Outdoor Activation	272,329	289,000	168,000	168,000	0
Small Business, Non-Profits, and Arts - San José Abierto	3,193,597	1,400,000	1,228,000	1,228,000	0
Small Business Recovery - Downtown Outdoor Activities Marketing Campaign	200,000	200,000	200,000	200,000	0
Small Business Recovery - Quetzal Gardens Operations	137	75,000	75,000	75,000	0
Small Business Recovery - San Jose Al Fresco	131,275	1,050,000	719,000	719,000	0
Small Business Recovery - Shop Local Hub to Support Nghbrhd Business Districts	0	100,000	100,000	100,000	0
Small Business Recovery - Small Business + Manufacturing Recovery Initiative	62,748	956,000	637,000	637,000	0
Small Business Recovery - Small Business Displacement Index Study	0	60,000	60,000	60,000	0
Small Business Recovery - Small Business District Outrch (Spanish + Vietnamese)	102,895	230,000	197,000	197,000	0
Small Business Recovery - Small Business Grants	0	2,750,000	0	0	0
Small Business Recovery - Small Business Technical Assistance Revamp	8,164	117,000	117,000	117,000	0
Small Business Recovery - Storefront Activation Grants	39,574	0	160,000	160,000	0
Small Business Recovery - Supplemental Business Development Communications	25,460	100,000	375,000	375,000	0
Small Business Recovery - Supplemental Economic Dev Association Capacity Bldg	115,855	870,000	1,711,000	1,711,000	0
Small Business Recovery - Supplemental Legal Assistance for Tenant	0	150,000	300,000	300,000	0
Small Business Recovery - Underwrite Creation of New Property BIDs	0	0	1,000,000	1,000,000	0
Small Business Recovery - Virtual Accelerator Program for New Businesses	0	175,000	175,000	175,000	0
YIGBY Land Use Policy Development	6,622	0	0	0	0
Total Expenditures	48,425,996	81,124,000	87,925,000	87,244,022	680,978

* Actuals may not subtotal due to rounding.

American Rescue Plan Fund (402)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the Convention and Cultural Affairs Fund	2,500,000	4,000,000	2,500,000	2,500,000	0
Transfer to the General Fund	53,756,000	3,510,000	3,910,000	3,910,000	0
Total Transfers	<u>56,256,000</u>	<u>7,510,000</u>	<u>6,410,000</u>	<u>6,410,000</u>	<u>0</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	12,843,432	216,383	12,843,432	12,843,432	12,843,432
Unrestricted Ending Fund Balance (Use)	<u>(12,226,287)</u>	<u>3,919</u>	<u>3,858</u>	<u>684,836</u>	<u>3,858</u>
Total Ending Fund Balance	<u>617,145</u>	<u>220,302</u>	<u>12,847,290</u>	<u>13,528,268</u>	<u>12,847,290</u>
TOTAL USE OF FUNDS	<u><u>105,299,141</u></u>	<u><u>88,854,302</u></u>	<u><u>107,182,290</u></u>	<u><u>107,182,290</u></u>	<u><u>13,528,268</u></u>

* Actuals may not subtotal due to rounding.

Benefits Funds - Benefit Fund (160)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	19,706	19,706	90,763	90,763	90,763
Unrestricted Beginning Fund Balance (Source)	1,254,244	998,505	949,762	949,762	1,101,811
Total Beginning Fund Balance	1,273,950	1,018,211	1,040,525	1,040,525	1,192,574
Revenue from the Use of Money/Property					
Interest-Demutualization Funds	0	5,000	5,000	5,000	5,000
Total Revenue from the Use of Money/Property	0	5,000	5,000	5,000	5,000
Other Revenue					
Flexible Spending Accounts Forfeitures	0	0	0	65,500	0
Miscellaneous Revenue	0	0	0	140,000	0
Contractual Performance Guarantee Penalties	127,392	0	0	212,857	0
Total Other Revenue	127,392	0	0	418,357	0
Transfers					
401(a) Defined Contribution Retirement Plan	275,307	294,000	294,000	291,126	300,000
Benefits Administration Fee	1,468,100	1,611,000	1,611,000	1,702,972	1,836,000
Employee Assistance Program	469,394	506,000	506,000	489,089	537,000
FICA - Medicare	10,760,831	11,923,000	11,958,000	12,012,466	12,735,000
General Employee Vision	343,650	360,000	360,000	356,000	380,000
General Purpose Parking Fund	2,263	0	0	2,303	2,000
Health Plans	64,311,569	70,000,000	70,000,000	65,900,000	74,191,000
MEF Legal	86,844	89,000	89,000	84,300	87,000
PTC 457	1,382,710	1,554,000	1,554,000	1,416,677	1,502,000
Total Transfers	79,100,668	86,337,000	86,372,000	82,254,933	91,570,000
TOTAL SOURCE OF FUNDS	80,502,010	87,360,211	87,417,525	83,718,815	92,767,574
USE OF FUNDS					
Expenditures					
401(a) Defined Contribution Retirement Plan	275,307	294,000	294,000	291,126	300,000
Benefits Consultant Fee	244,531	254,721	254,721	253,418	265,000
Employee Assistance Program	468,443	506,000	506,000	455,390	537,000
Employee Benefit Payout	0	77,000	77,000	30,000	47,000
FICA-Medicare	10,761,369	11,923,000	11,958,000	12,012,466	12,735,000
General Employee Vision	344,502	360,000	360,000	356,000	380,000
Health Plans	64,484,167	70,000,000	70,000,000	65,900,000	74,191,000
HR Non-Personal/Equipment	30,323	25,000	25,000	25,000	25,000
HR Personal Services	940,103	1,089,622	1,113,958	1,098,642	1,176,763
MEF Legal	79,492	89,000	89,000	84,300	87,000
Overhead	294,982	372,704	372,704	372,704	279,805
PTC 457	1,382,825	1,554,000	1,554,000	1,416,677	1,502,000
Wellness Program	99,844	530,000	530,000	187,539	342,461
Total Expenditures	79,405,888	87,075,047	87,134,383	82,483,262	91,868,029

* Actuals may not subtotal due to rounding.

Benefits Funds - Benefit Fund (160)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	55,597	59,346	38,549	38,549	49,283
Transfer to the General Fund	0	0	4,430	4,430	0
Total Transfers	<u>55,597</u>	<u>59,346</u>	<u>42,979</u>	<u>42,979</u>	<u>49,283</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	90,763	19,706	90,763	90,763	90,763
Unrestricted Ending Fund Balance (Use)	949,762	206,112	149,400	1,101,811	759,499
Total Ending Fund Balance	<u>1,040,525</u>	<u>225,818</u>	<u>240,163</u>	<u>1,192,574</u>	<u>850,262</u>
TOTAL USE OF FUNDS	<u>80,502,010</u>	<u>87,360,211</u>	<u>87,417,525</u>	<u>83,718,815</u>	<u>92,767,574</u>

* Actuals may not subtotal due to rounding.

Benefits Funds - Dental Insurance Fund (155)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Dental Claims Reserve (Source)	1,400,000	1,425,000	1,425,000	1,425,000	1,425,000
Reserve for Encumbrances (Source)	800	800	1,115	1,115	1,115
Unrestricted Beginning Fund Balance (Source)	5,359,791	4,981,017	3,711,305	3,711,305	1,700,926
Total Beginning Fund Balance	6,760,591	6,406,817	5,137,420	5,137,420	3,127,041
Revenue from the Use of Money/Property					
Interest	55,477	40,000	40,000	51,758	40,000
Total Revenue from the Use of Money/Property	55,477	40,000	40,000	51,758	40,000
Fees, Rates, and Charges					
Participant Contributions (Employees)	263,090	339,948	339,948	294,193	325,606
Total Fees, Rates, and Charges	263,090	339,948	339,948	294,193	325,606
Transfers					
COBRA Revenue	14,690	0	0	7,853	8,010
Reimbursement from City Funds	4,786,946	6,095,810	6,095,810	4,771,640	5,862,662
Reimbursement from Retirement Funds	5,265,063	6,509,472	6,509,472	5,247,080	6,507,310
Total Transfers	10,066,699	12,605,282	12,605,282	10,026,573	12,377,982
TOTAL SOURCE OF FUNDS	17,145,857	19,392,047	18,122,650	15,509,944	15,870,629
USE OF FUNDS					
Expenditures					
Dental HMO Plan	275,342	364,347	364,347	343,060	381,624
HR Non-Personal/Equipment	591,713	586,000	586,000	586,000	592,000
HR Personal Services	190,444	190,053	194,600	194,600	205,136
Overhead	59,158	66,203	66,203	66,203	48,088
Payment of Claims	10,879,679	11,628,000	11,628,000	11,184,646	11,882,000
Total Expenditures	11,996,336	12,834,603	12,839,150	12,374,509	13,108,848
Transfers					
Transfer to the City Hall Debt Service Fund	12,101	12,875	8,394	8,394	8,988
Total Transfers	12,101	12,875	8,394	8,394	8,988
Ending Fund Balance					
Dental Claims Reserve (Use)	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000
Reserve for Encumbrances (Use)	1,115	800	1,115	1,115	1,115
Unrestricted Ending Fund Balance (Use)	3,711,305	5,118,769	3,848,991	1,700,926	1,326,678
Total Ending Fund Balance	5,137,420	6,544,569	5,275,106	3,127,041	2,752,793
TOTAL USE OF FUNDS	17,145,857	19,392,047	18,122,650	15,509,944	15,870,629

* Actuals may not subtotal due to rounding.

Benefits Funds - Life Insurance Fund (156)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	195,183	233,960	245,680	245,680	355,805
Total Beginning Fund Balance	195,183	233,960	245,680	245,680	355,805
Revenue from the Use of Money/Property					
Interest	4,414	4,000	4,000	6,600	6,600
Total Revenue from the Use of Money/Property	4,414	4,000	4,000	6,600	6,600
Fees, Rates, and Charges					
Participant Contributions (Employees)	456,732	477,510	477,510	461,615	480,075
Total Fees, Rates, and Charges	456,732	477,510	477,510	461,615	480,075
Other Revenue					
Benefits Administration Fee	166,587	167,000	167,000	228,448	217,276
Participant Contributions (Retirees)	428,535	435,411	435,411	439,367	442,765
Total Other Revenue	595,122	602,411	602,411	667,815	660,041
Transfers					
Reimbursement from City Funds	754,282	769,124	794,124	825,788	838,572
Total Transfers	754,282	769,124	794,124	825,788	838,572
TOTAL SOURCE OF FUNDS	<u>2,005,733</u>	<u>2,087,005</u>	<u>2,123,725</u>	<u>2,207,498</u>	<u>2,341,093</u>
USE OF FUNDS					
HR Non-Personal/Equipment	0	2,140	2,140	2,140	2,140
HR Personal Services	84,893	82,499	97,568	88,839	87,275
Life Insurance Premiums	1,644,448	1,682,075	1,707,075	1,726,642	1,769,055
Overhead	25,821	28,888	28,888	28,888	20,664
Total Expenditures	1,755,162	1,795,602	1,835,671	1,846,509	1,879,134
Transfer to the City Hall Debt Service Fund	4,891	5,184	5,184	5,184	3,592
Total Transfers	4,891	5,184	5,184	5,184	3,592
Unrestricted Ending Fund Balance (Use)	245,680	286,219	282,870	355,805	458,367
Total Ending Fund Balance	245,680	286,219	282,870	355,805	458,367
TOTAL USE OF FUNDS	<u>2,005,733</u>	<u>2,087,005</u>	<u>2,123,725</u>	<u>2,207,498</u>	<u>2,341,093</u>

* Actuals may not subtotal due to rounding.

Benefits Funds - Self-Insured Medical Fund (158)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	800	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	444,293	0	54,389	54,389	0
Total Beginning Fund Balance	445,093	0	54,389	54,389	0
Revenue from the Use of Money/Property					
Interest	2,633	0	0	0	0
Total Revenue from the Use of Money/Property	2,633	0	0	0	0
Transfers					
Reimbursement from Stop Loss	53,505	0	0	0	0
Total Transfers	53,505	0	0	0	0
TOTAL SOURCE OF FUNDS	501,231	0	54,389	54,389	0
USE OF FUNDS					
Transfer to the General Fund	446,842	0	54,389	54,389	0
Total Transfers	446,842	0	54,389	54,389	0
Unrestricted Ending Fund Balance (Use)	54,389	0	0	0	0
Total Ending Fund Balance	54,389	0	0	0	0
TOTAL USE OF FUNDS	501,231	0	54,389	54,389	0

* Actuals may not subtotal due to rounding.

Benefits Funds - Unemployment Insurance Fund (157)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	0	5,577	5,577	5,577
Unemployment Insurance Claims Reserve (Source)	0	500,000	500,000	500,000	500,000
Unrestricted Beginning Fund Balance (Source)	1,211,672	1,676,150	1,664,611	1,664,611	1,094,892
Total Beginning Fund Balance	1,211,672	2,176,150	2,170,188	2,170,188	1,600,469
Revenue from the Use of Money/Property					
Interest	16,492	20,000	20,000	25,717	20,000
Total Revenue from the Use of Money/Property	16,492	20,000	20,000	25,717	20,000
Transfers					
Reimbursement from City Funds	1,491,278	1,500,000	1,500,000	0	0
Total Transfers	1,491,278	1,500,000	1,500,000	0	0
TOTAL SOURCE OF FUNDS	2,719,442	3,696,150	3,690,188	2,195,905	1,620,469
USE OF FUNDS					
HR Non-Personal/Equipment	28,953	13,604	13,604	13,604	13,604
HR Personal Services	47,805	80,655	112,469	102,343	98,945
Overhead	25,085	24,834	24,834	24,834	21,953
Payment of Claims	440,670	600,000	600,000	450,000	600,000
Total Expenditures	542,513	719,093	750,907	590,781	734,502
Transfer to the City Hall Debt Service Fund	6,741	7,046	4,655	4,655	4,989
Total Transfers	6,741	7,046	4,655	4,655	4,989
Reserve for Encumbrances (Use)	5,577	0	5,577	5,577	5,577
Unemployment Insurance Claims Reserve (Use)	500,000	500,000	500,000	500,000	500,000
Unrestricted Ending Fund Balance (Use)	1,664,611	2,470,011	2,429,049	1,094,892	375,401
Total Ending Fund Balance	2,170,188	2,970,011	2,934,626	1,600,469	880,978
TOTAL USE OF FUNDS	2,719,442	3,696,150	3,690,188	2,195,905	1,620,469

* Actuals may not subtotal due to rounding.

Building Development Fee Program Fund (237)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	383,559	383,559	478,557	478,557	478,557
Unrestricted Beginning Fund Balance (Source)	32,538,827	30,769,045	34,026,542	34,026,542	32,854,196
Total Beginning Fund Balance	32,922,386	31,152,604	34,505,099	34,505,099	33,332,753
Licenses and Permits					
Building Development Program Fees	36,305,981	33,626,338	33,626,338	35,914,670	38,428,697
Total Licenses and Permits	36,305,981	33,626,338	33,626,338	35,914,670	38,428,697
Revenue from the Use of Money/Property					
Interest	269,283	340,000	340,000	600,000	600,000
Total Revenue from the Use of Money/Property	269,283	340,000	340,000	600,000	600,000
Transfers					
General Fund	96	0	0	0	0
Total Transfers	96	0	0	0	0
TOTAL SOURCE OF FUNDS	69,497,746	65,118,942	68,471,437	71,019,769	72,361,450
USE OF FUNDS					
Expenditures					
Building Development Fee Program - Non-Personal/Equipment (PBCE)	1,475,383	1,811,969	2,811,969	2,785,874	1,553,669
Building Development Fee Program - Personal Services (OED)	40,957	0	0	77,785	53,167
Building Development Fee Program - Personal Services (PBCE)	25,606,032	31,129,475	30,264,246	25,530,937	31,629,502
Building Development Fee Program - Personal Services (PW)	49,883	53,620	54,179	30,815	54,722
City Attorney Personal Services	0	64,027	64,027	75,447	68,409
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	70,679	59,975	227,125	217,975	62,665
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	199,680	459,024	459,024	448,371	624,024
Development Fee Program - Shared Resources Personal Services (Finance)	72,357	82,777	83,578	68,543	68,680
Development Fee Program - Shared Resources Personal Services (HR)	30,566	29,700	30,017	32,314	31,162
Development Fee Program - Shared Resources Personal Services (ITD)	1,287,586	1,683,821	1,528,579	1,133,967	1,605,866
Development Fee Program - Shared Resources Personal Services (PBCE)	773,663	731,578	738,585	700,976	729,198
OED Personal Services	75,153	130,921	133,808	127,725	80,649
Overhead	4,253,785	5,716,606	5,716,606	5,716,606	5,193,786
Total Expenditures	33,935,724	41,953,493	42,111,743	36,947,335	41,755,500

* Actuals may not subtotal due to rounding.

Building Development Fee Program Fund (237)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	1,056,923	1,171,381	605,449	605,449	947,656
Transfer to the General Fund	0	0	134,232	134,232	0
Total Transfers	1,056,923	1,171,381	739,681	739,681	947,656
Ending Fund Balance					
Reserve for Encumbrances (Use)	478,557	383,559	478,557	478,557	478,557
Unrestricted Ending Fund Balance (Use)	34,026,542	21,610,509	25,141,456	32,854,196	29,179,737
Total Ending Fund Balance	34,505,099	21,994,068	25,620,013	33,332,753	29,658,294
TOTAL USE OF FUNDS	69,497,746	65,118,942	68,471,437	71,019,769	72,361,450

* Actuals may not subtotal due to rounding.

Building Homes and Jobs Act Fund (456)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	0	4,305,646	20,231	20,231	70,231
Total Beginning Fund Balance	0	4,305,646	20,231	20,231	70,231
Revenue from the Use of Money/Property					
Interest	20,231	10,000	10,000	50,000	30,000
Total Revenue from the Use of Money/Property	20,231	10,000	10,000	50,000	30,000
Revenue from State of California					
Grant Revenue	61,978	6,759,142	6,759,142	4,091,214	6,876,063
Total Revenue from State of California	61,978	6,759,142	6,759,142	4,091,214	6,876,063
TOTAL SOURCE OF FUNDS	82,209	11,074,788	6,789,373	4,161,445	6,976,294
USE OF FUNDS					
Expenditures					
Housing Personal Services	61,978	80,214	80,214	80,214	67,232
Housing Shelter	0	4,248,646	4,248,646	4,011,000	6,808,831
Total Expenditures	61,978	4,328,860	4,328,860	4,091,214	6,876,063
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	2,609
Total Transfers	0	0	0	0	2,609
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	20,231	6,745,928	2,460,513	70,231	97,622
Total Ending Fund Balance	20,231	6,745,928	2,460,513	70,231	97,622
TOTAL USE OF FUNDS	82,209	11,074,788	6,789,373	4,161,445	6,976,294

* Actuals may not subtotal due to rounding.

Business Improvement District Fund (351)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Downtown BID Reserve (Source)	221,651	0	245,091	245,091	0
Hotel BID Reserve (Source)	219,495	0	475,293	475,293	0
Japantown BID Reserve (Source)	9,243	0	14,306	14,306	0
Willow Glen CBID Reserve (Source)	22,095	22,095	19,673	19,673	19,673
Total Beginning Fund Balance	472,484	22,095	754,363	754,363	19,673
Revenue from the Use of Money/Property					
Interest	3,053	0	0	0	0
Total Revenue from the Use of Money/Property	3,053	0	0	0	0
Special Assessments					
Downtown BID Assessment	591,530	660,000	660,000	660,000	630,000
Hotel Benefit Assessment District	2,235,616	2,110,831	2,110,831	2,110,831	2,935,593
Japantown Benefit Assessment District	32,438	31,725	31,725	31,725	63,725
Willow Glen CBID Assessment	259,585	284,437	284,437	284,437	298,700
Total Special Assessments	3,119,170	3,086,993	3,086,993	3,086,993	3,928,018
Transfers					
General Fund	12,134	12,618	12,618	12,618	12,637
Total Transfers	12,134	12,618	12,618	12,618	12,637
TOTAL SOURCE OF FUNDS	3,606,840	3,121,706	3,853,974	3,853,974	3,960,328
USE OF FUNDS					
Administration Services	4,928	5,000	5,000	5,000	15,000
Downtown Business Improvement District	568,636	660,000	905,091	905,091	630,000
Hotel Business Improvement District	1,981,880	2,110,831	2,586,124	2,586,124	2,935,593
Japantown Business Improvement District	27,405	31,725	46,031	46,031	63,725
Willow Glen Community Benefit District	269,628	291,472	291,472	292,055	316,010
Total Expenditures	2,852,477	3,099,028	3,833,718	3,834,301	3,960,328
Downtown BID Reserve (Use)	245,091	0	0	0	0
Hotel BID Reserve (Use)	475,293	0	0	0	0
Japantown BID Reserve (Use)	14,306	0	0	0	0
Willow Glen CBID Reserve (Use)	19,673	22,678	20,256	19,673	0
Total Ending Fund Balance	754,363	22,678	20,256	19,673	0
TOTAL USE OF FUNDS	3,606,840	3,121,706	3,853,974	3,853,974	3,960,328

* Actuals may not subtotal due to rounding.

Cash Reserve Fund (002)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	6,131	6,217	6,184	6,184	6,284
Total Beginning Fund Balance	<u>6,131</u>	<u>6,217</u>	<u>6,184</u>	<u>6,184</u>	<u>6,284</u>
Revenue from the Use of Money/Property					
Interest	53	100	100	100	100
Total Revenue from the Use of Money/Property	<u>53</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
TOTAL SOURCE OF FUNDS	<u>6,184</u>	<u>6,317</u>	<u>6,284</u>	<u>6,284</u>	<u>6,384</u>
USE OF FUNDS					
Unrestricted Ending Fund Balance (Use)	6,184	6,317	6,284	6,284	6,384
Total Ending Fund Balance	<u>6,184</u>	<u>6,317</u>	<u>6,284</u>	<u>6,284</u>	<u>6,384</u>
TOTAL USE OF FUNDS	<u>6,184</u>	<u>6,317</u>	<u>6,284</u>	<u>6,284</u>	<u>6,384</u>

* Actuals may not subtotal due to rounding.

Citywide Planning Fee Program Fund (239)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	218,345	218,345	207,046	207,046	207,046
Unrestricted Beginning Fund Balance (Source)	4,044,192	4,084,608	4,782,344	4,782,344	5,242,397
Total Beginning Fund Balance	4,262,537	4,302,953	4,989,390	4,989,390	5,449,443
Revenue from the Use of Money/Property					
Interest	37,369	31,000	31,000	90,000	90,000
Total Revenue from the Use of Money/Property	37,369	31,000	31,000	90,000	90,000
Fees, Rates, and Charges					
Citywide Planning Program Fees	3,402,356	3,300,000	3,300,000	3,596,459	3,776,281
Total Fees, Rates, and Charges	3,402,356	3,300,000	3,300,000	3,596,459	3,776,281
TOTAL SOURCE OF FUNDS	7,702,262	7,633,953	8,320,390	8,675,849	9,315,724
USE OF FUNDS					
Expenditures					
Citywide Planning Fee - Non-Personal/Equipment (PBCE)	260,815	1,369,057	1,369,057	810,000	814,267
Citywide Planning Fee - Personal Services (PBCE)	1,888,319	2,713,944	2,741,407	1,790,838	2,965,522
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	3,250	11,750	11,750	4,560
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	451	12,784	12,784	12,295	22,784
Development Fee Program - Shared Resources Personal Services (ITD)	6,562	40,175	31,748	10,067	45,755
Development Fee Program - Shared Resources Personal Services (PBCE)	64,036	63,694	64,344	48,719	65,445
Overhead	338,363	466,327	466,327	466,327	745,761
PW Personal Services	55,238	58,962	59,573	8,111	59,626
Total Expenditures	2,613,784	4,728,193	4,756,990	3,158,107	4,723,720
Transfers					
Transfer to the City Hall Debt Service Fund	99,088	109,679	56,840	56,840	85,873
Transfer to the General Fund	0	0	11,459	11,459	0
Total Transfers	99,088	109,679	68,299	68,299	85,873
Ending Fund Balance					
Reserve for Encumbrances (Use)	207,046	218,345	207,046	207,046	207,046
Unrestricted Ending Fund Balance (Use)	4,782,344	2,577,736	3,288,055	5,242,397	4,299,085
Total Ending Fund Balance	4,989,390	2,796,081	3,495,101	5,449,443	4,506,131
TOTAL USE OF FUNDS	7,702,262	7,633,953	8,320,390	8,675,849	9,315,724

* Actuals may not subtotal due to rounding.

City Hall Debt Service Fund (210)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	4,000	4,000	4,000	4,000	4,000
Unrestricted Beginning Fund Balance (Source)	1,201,562	244,262	214,563	214,563	413,063
Total Beginning Fund Balance	<u>1,205,562</u>	<u>248,262</u>	<u>218,563</u>	<u>218,563</u>	<u>417,063</u>
Revenue from the Use of Money/Property					
Interest	107,482	200,000	200,000	200,000	100,000
Total Revenue from the Use of Money/Property	<u>107,482</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>100,000</u>
Transfers					
Capital Funds	2,066,000	2,171,000	1,289,697	1,289,697	1,845,000
General Fund	16,419,642	16,188,376	19,967,691	19,967,691	17,693,420
Special Funds	5,616,961	6,845,624	3,947,612	3,947,612	5,157,517
Total Transfers	<u>24,102,603</u>	<u>25,205,000</u>	<u>25,205,000</u>	<u>25,205,000</u>	<u>24,695,937</u>
TOTAL SOURCE OF FUNDS	<u>25,415,647</u>	<u>25,653,262</u>	<u>25,623,563</u>	<u>25,623,563</u>	<u>25,213,000</u>
USE OF FUNDS					
Expenditures					
City Hall Debt Service	23,202,000	23,203,000	23,204,500	23,204,500	23,201,000
City Hall Garage Debt Service	1,995,084	2,002,000	2,002,000	2,002,000	2,008,000
Total Expenditures	<u>25,197,084</u>	<u>25,205,000</u>	<u>25,206,500</u>	<u>25,206,500</u>	<u>25,209,000</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	4,000	4,000	4,000	4,000	4,000
Unrestricted Ending Fund Balance (Use)	214,563	444,262	413,063	413,063	0
Total Ending Fund Balance	<u>218,563</u>	<u>448,262</u>	<u>417,063</u>	<u>417,063</u>	<u>4,000</u>
TOTAL USE OF FUNDS	<u>25,415,647</u>	<u>25,653,262</u>	<u>25,623,563</u>	<u>25,623,563</u>	<u>25,213,000</u>

* Actuals may not subtotal due to rounding.

Community Development Block Grant Fund (441)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	4,979,410	4,979,410	4,970,310	4,970,310	4,970,310
Unrestricted Beginning Fund Balance (Source)	3,873,611	2,626,498	2,774,434	2,783,534	2,920,060
Total Beginning Fund Balance	<u>8,853,021</u>	<u>7,605,908</u>	<u>7,744,744</u>	<u>7,753,844</u>	<u>7,890,370</u>
Revenue from the Use of Money/Property					
Housing Rehab Loan Repayments	179,105	300,000	300,000	100,000	100,000
Other Loan Repayments	50,571	100,000	100,000	50,000	50,000
Total Revenue from the Use of Money/Property	<u>229,676</u>	<u>400,000</u>	<u>400,000</u>	<u>150,000</u>	<u>150,000</u>
Revenue from Federal Government					
Coronavirus Aid, Relief, and Economic Security (CARES) Act	4,548,465	7,074,813	11,149,491	11,149,491	0
CDBG Grant Entitlement	8,890,526	8,761,415	8,761,415	8,454,606	8,350,201
Total Revenue from Federal Government	<u>13,438,991</u>	<u>15,836,228</u>	<u>19,910,906</u>	<u>19,604,097</u>	<u>8,350,201</u>
Transfers					
Low and Moderate Income Housing Asset Fund	0	0	584,220	584,220	0
Total Transfers	<u>0</u>	<u>0</u>	<u>584,220</u>	<u>584,220</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>22,521,688</u>	<u>23,842,136</u>	<u>28,639,870</u>	<u>28,092,161</u>	<u>16,390,571</u>
USE OF FUNDS					
Expenditures					
CARES Act	3,433,784	4,202,519	4,378,875	4,378,875	0
Childcare Services	628,334	100,000	0	0	0
Code Enforcement Operations	581,887	1,265,048	965,048	965,048	1,260,174
Community Development Block Grant CV3	1,888,102	2,872,294	6,770,616	6,770,616	0
Community Wireless Network Infrastructure	2,484,920	2,784,920	2,784,920	2,784,920	2,784,920
Contractual Community Services	1,339,548	2,175,191	940,708	940,708	1,252,530
Haven Rehabilitation	0	0	1,400,000	0	0
Housing Emergency and Minor Repair Program	1,648,329	1,650,000	1,650,000	1,300,000	1,650,000
Housing Program Development and Monitoring	1,205,243	1,437,599	1,774,238	1,774,238	1,468,478
Job Readiness Training Project	418,032	0	0	0	0
Legal Aid Fair Housing Program	107,884	100,000	475,115	475,115	200,000
Legal Services	19,900	21,597	21,597	21,597	21,451
Microenterprise Loans	21,055	0	0	0	0
Neighborhood Infrastructure Improvements	0	0	2,172,718	500,000	666,000
Planning Studies	32,055	91,930	91,930	91,930	89,085
Plaza Hotel Rehabilitation	0	1,000,000	0	0	0
Public Works Neighborhood Infrastructure Improvements	1,293,327	0	0	0	0
Rental Support Case Management	(136,287)	211,224	0	0	0
Soft Story Seismic	0	481,014	0	0	0
Transportation Neighborhood Infrastructure Improvements	0	198,744	198,744	198,744	185,993
Total Expenditures	<u>14,966,113</u>	<u>18,592,080</u>	<u>23,624,509</u>	<u>20,201,791</u>	<u>9,578,632</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	4,970,310	4,979,410	4,970,310	4,970,310	4,970,310
Unrestricted Ending Fund Balance (Use)	2,585,265	270,646	45,051	2,920,060	1,841,629
Total Ending Fund Balance	<u>7,555,575</u>	<u>5,250,056</u>	<u>5,015,361</u>	<u>7,890,370</u>	<u>6,811,939</u>
TOTAL USE OF FUNDS	<u>22,521,688</u>	<u>23,842,136</u>	<u>28,639,870</u>	<u>28,092,161</u>	<u>16,390,571</u>

* Actuals may not subtotal due to rounding.

** A detailed listing of projects funded by the Community Development Block Grant (CDBG) Fund in 2022-2023 can be found in the Appendices section of this document

Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	1,460	1,460	27,596	27,596	27,596
Unrestricted Beginning Fund Balance (Source)	539,458	456,609	523,871	523,871	566,588
Total Beginning Fund Balance	540,918	458,069	551,467	551,467	594,184
Revenue from the Use of Money/Property					
Interest	4,518	4,200	4,200	9,600	10,000
Total Revenue from the Use of Money/Property	4,518	4,200	4,200	9,600	10,000
Special Assessments					
Special Assessments Revenue	182,825	195,300	195,300	195,300	212,800
Total Special Assessments	182,825	195,300	195,300	195,300	212,800
TOTAL SOURCE OF FUNDS	728,261	657,569	750,967	756,367	816,984
USE OF FUNDS					
DOT Non-Personal/Equipment	114,549	139,250	192,750	142,587	139,250
DOT Personal Services	47,155	54,739	55,141	4,346	67,716
Overhead	15,090	15,250	15,250	15,250	15,741
Total Expenditures	176,794	209,239	263,141	162,183	222,707
Reserve for Encumbrances (Use)	27,596	1,460	27,596	27,596	27,596
Unrestricted Ending Fund Balance (Use)	523,871	446,870	460,230	566,588	566,681
Total Ending Fund Balance	551,467	448,330	487,826	594,184	594,277
TOTAL USE OF FUNDS	728,261	657,569	750,967	756,367	816,984

* Actuals may not subtotal due to rounding.

Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	1,510,737	1,148,038	1,324,059	1,324,059	1,297,108
Total Beginning Fund Balance	<u>1,510,737</u>	<u>1,148,038</u>	<u>1,324,059</u>	<u>1,324,059</u>	<u>1,297,108</u>
Revenue from the Use of Money/Property					
Interest	8,664	4,000	4,000	17,000	9,000
Total Revenue from the Use of Money/Property	<u>8,664</u>	<u>4,000</u>	<u>4,000</u>	<u>17,000</u>	<u>9,000</u>
Special Assessments					
Special Assessments Revenue	1,765,538	1,811,600	1,811,600	1,811,600	1,913,000
Total Special Assessments	<u>1,765,538</u>	<u>1,811,600</u>	<u>1,811,600</u>	<u>1,811,600</u>	<u>1,913,000</u>
TOTAL SOURCE OF FUNDS	<u>3,284,939</u>	<u>2,963,638</u>	<u>3,139,659</u>	<u>3,152,659</u>	<u>3,219,108</u>
USE OF FUNDS					
DOT Non-Personal/Equipment	1,501,446	1,770,800	1,913,800	1,468,922	1,798,800
DOT Personal Services	317,381	387,949	392,208	241,569	448,250
Overhead	140,437	142,006	142,006	142,006	135,219
Total Expenditures	<u>1,959,264</u>	<u>2,300,755</u>	<u>2,448,014</u>	<u>1,852,497</u>	<u>2,382,269</u>
Transfer to the City Hall Debt Service Fund	1,616	3,693	1,519	1,519	1,602
Transfer to the General Fund	0	0	1,535	1,535	0
Total Transfers	<u>1,616</u>	<u>3,693</u>	<u>3,054</u>	<u>3,054</u>	<u>1,602</u>
Unrestricted Ending Fund Balance (Use)	1,324,059	659,190	688,591	1,297,108	835,237
Total Ending Fund Balance	<u>1,324,059</u>	<u>659,190</u>	<u>688,591</u>	<u>1,297,108</u>	<u>835,237</u>
TOTAL USE OF FUNDS	<u>3,284,939</u>	<u>2,963,638</u>	<u>3,139,659</u>	<u>3,152,659</u>	<u>3,219,108</u>

* Actuals may not subtotal due to rounding.

Community Facilities District No. 8 (Communications Hill) Fund (373)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	73,794	73,794	21,788	21,788	21,788
Unrestricted Beginning Fund Balance (Source)	308,529	290,031	460,911	460,911	492,447
Total Beginning Fund Balance	382,323	363,825	482,699	482,699	514,235
Revenue from the Use of Money/Property					
Interest	1,760	500	500	6,700	7,000
Total Revenue from the Use of Money/Property	1,760	500	500	6,700	7,000
Special Assessments					
Special Assessments Revenue	959,799	1,053,500	1,053,500	1,053,500	1,260,000
Total Special Assessments	959,799	1,053,500	1,053,500	1,053,500	1,260,000
TOTAL SOURCE OF FUNDS	1,343,882	1,417,825	1,536,699	1,542,899	1,781,235
USE OF FUNDS					
DOT Non-Personal/Equipment	502,977	844,880	844,880	661,405	844,880
DOT Personal Services	226,922	234,652	236,963	179,976	288,351
Overhead	76,316	85,985	85,985	85,985	86,487
Security Services	52,007	100,000	100,000	100,000	100,000
Total Expenditures	858,222	1,265,517	1,267,828	1,027,366	1,319,718
Transfer to the City Hall Debt Service Fund	2,961	2,704	1,298	1,298	1,544
Total Transfers	2,961	2,704	1,298	1,298	1,544
Reserve for Encumbrances (Use)	21,788	73,794	21,788	21,788	21,788
Unrestricted Ending Fund Balance (Use)	460,911	75,810	245,785	492,447	438,185
Total Ending Fund Balance	482,699	149,604	267,573	514,235	459,973
TOTAL USE OF FUNDS	1,343,882	1,417,825	1,536,699	1,542,899	1,781,235

* Actuals may not subtotal due to rounding.

Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	89,914	92,814	37,797	37,797	30,961
Total Beginning Fund Balance	<u>89,914</u>	<u>92,814</u>	<u>37,797</u>	<u>37,797</u>	<u>30,961</u>
Revenue from the Use of Money/Property					
Interest	897	500	500	900	100
Total Revenue from the Use of Money/Property	<u>897</u>	<u>500</u>	<u>500</u>	<u>900</u>	<u>100</u>
Special Assessments					
Special Assessments Revenue	51,969	51,900	51,900	51,900	53,300
Total Special Assessments	<u>51,969</u>	<u>51,900</u>	<u>51,900</u>	<u>51,900</u>	<u>53,300</u>
TOTAL SOURCE OF FUNDS	<u>142,780</u>	<u>145,214</u>	<u>90,197</u>	<u>90,597</u>	<u>84,361</u>
USE OF FUNDS					
DOT Non-Personal/Equipment	104,983	119,400	78,000	59,636	40,400
DOT Personal Services	0	0	0	0	16,829
Overhead	0	0	0	0	4,693
Total Expenditures	<u>104,983</u>	<u>119,400</u>	<u>78,000</u>	<u>59,636</u>	<u>61,922</u>
Unrestricted Ending Fund Balance (Use)	37,797	25,814	12,197	30,961	22,439
Total Ending Fund Balance	<u>37,797</u>	<u>25,814</u>	<u>12,197</u>	<u>30,961</u>	<u>22,439</u>
TOTAL USE OF FUNDS	<u>142,780</u>	<u>145,214</u>	<u>90,197</u>	<u>90,597</u>	<u>84,361</u>

* Actuals may not subtotal due to rounding.

Community Facilities District No. 12 (Basking Ridge) Fund (376)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	21,656	21,656	6,102	6,102	6,102
Unrestricted Beginning Fund Balance (Source)	357,124	229,076	210,720	210,720	112,214
Total Beginning Fund Balance	378,780	250,732	216,822	216,822	118,316
Revenue from the Use of Money/Property					
Interest	1,177	500	500	1,200	700
Total Revenue from the Use of Money/Property	1,177	500	500	1,200	700
Special Assessments					
Special Assessments Revenue	233,008	257,000	257,000	257,000	257,200
Total Special Assessments	233,008	257,000	257,000	257,000	257,200
TOTAL SOURCE OF FUNDS	612,965	508,232	474,322	475,022	376,216
USE OF FUNDS					
DOT Non-Personal/Equipment	86,954	78,400	61,400	69,369	74,400
DOT Personal Services	192,220	289,847	293,101	177,046	168,037
Overhead	114,820	107,686	107,686	107,686	47,624
Total Expenditures	393,994	475,933	462,187	354,101	290,061
Transfer to the City Hall Debt Service Fund	2,149	3,373	1,494	1,494	1,485
Transfer to the General Fund	0	0	1,111	1,111	0
Total Transfers	2,149	3,373	2,605	2,605	1,485
Reserve for Encumbrances (Use)	6,102	21,656	6,102	6,102	6,102
Unrestricted Ending Fund Balance (Use)	210,720	7,270	3,428	112,214	78,568
Total Ending Fund Balance	216,822	28,926	9,530	118,316	84,670
TOTAL USE OF FUNDS	612,965	508,232	474,322	475,022	376,216

* Actuals may not subtotal due to rounding.

Community Facilities District No. 13 (Guadalupe Mines) Fund (310)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	358,913	359,362	359,864	359,864	355,466
Total Beginning Fund Balance	358,913	359,362	359,864	359,864	355,466
Revenue from the Use of Money/Property					
Interest	3,035	3,000	3,000	6,700	7,000
Total Revenue from the Use of Money/Property	3,035	3,000	3,000	6,700	7,000
Special Assessments					
Special Assessments Revenue	60,599	60,800	60,800	60,800	60,800
Total Special Assessments	60,599	60,800	60,800	60,800	60,800
Transfers					
Storm Sewer Operating Fund	10,121	10,121	10,121	10,121	10,121
Total Transfers	10,121	10,121	10,121	10,121	10,121
TOTAL SOURCE OF FUNDS	432,668	433,283	433,785	437,485	433,387
USE OF FUNDS					
DOT Non-Personal/Equipment	11,404	35,160	35,160	23,032	35,160
DOT Personal Services	44,957	47,746	48,240	40,685	17,251
Overhead	16,443	18,302	18,302	18,302	5,386
Total Expenditures	72,804	101,208	101,702	82,019	57,797
Unrestricted Ending Fund Balance (Use)	359,864	332,075	332,083	355,466	375,590
Total Ending Fund Balance	359,864	332,075	332,083	355,466	375,590
TOTAL USE OF FUNDS	432,668	433,283	433,785	437,485	433,387

* Actuals may not subtotal due to rounding.

Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	1,405	1,405	0	0	0
Unrestricted Beginning Fund Balance (Source)	909,550	921,151	1,114,699	1,114,699	1,204,432
Total Beginning Fund Balance	<u>910,955</u>	<u>922,556</u>	<u>1,114,699</u>	<u>1,114,699</u>	<u>1,204,432</u>
Revenue from the Use of Money/Property					
Interest	7,808	8,000	8,000	19,600	14,000
Total Revenue from the Use of Money/Property	<u>7,808</u>	<u>8,000</u>	<u>8,000</u>	<u>19,600</u>	<u>14,000</u>
Special Assessments					
Special Assessments Revenue	614,449	625,000	625,000	625,000	657,000
Total Special Assessments	<u>614,449</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>657,000</u>
TOTAL SOURCE OF FUNDS	<u><u>1,533,212</u></u>	<u><u>1,555,556</u></u>	<u><u>1,747,699</u></u>	<u><u>1,759,299</u></u>	<u><u>1,875,432</u></u>
USE OF FUNDS					
DOT Non-Personal/Equipment	55,182	87,700	87,700	117,041	103,700
DOT Personal Services	59,880	66,214	66,896	49,183	65,951
Overhead	33,144	36,387	36,387	36,387	28,495
PRNS Non-Personal/Equipment	239,631	392,214	392,214	320,000	411,214
PRNS Personal Services	30,676	31,096	31,418	31,418	32,326
Total Expenditures	<u>418,513</u>	<u>613,611</u>	<u>614,615</u>	<u>554,029</u>	<u>641,686</u>
Transfer to the City Hall Debt Service Fund	0	838	838	838	0
Total Transfers	<u>0</u>	<u>838</u>	<u>838</u>	<u>838</u>	<u>0</u>
Reserve for Encumbrances (Use)	0	1,405	0	0	0
Unrestricted Ending Fund Balance (Use)	1,114,699	939,702	1,132,246	1,204,432	1,233,746
Total Ending Fund Balance	<u>1,114,699</u>	<u>941,107</u>	<u>1,132,246</u>	<u>1,204,432</u>	<u>1,233,746</u>
TOTAL USE OF FUNDS	<u><u>1,533,212</u></u>	<u><u>1,555,556</u></u>	<u><u>1,747,699</u></u>	<u><u>1,759,299</u></u>	<u><u>1,875,432</u></u>

* Actuals may not subtotal due to rounding.

Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	618,998	581,503	644,675	644,675	710,480
Total Beginning Fund Balance	618,998	581,503	644,675	644,675	710,480
Revenue from the Use of Money/Property					
Interest	5,703	5,500	5,500	13,000	13,000
Total Revenue from the Use of Money/Property	5,703	5,500	5,500	13,000	13,000
Special Assessments					
Special Assessments Revenue	99,847	99,600	99,600	99,600	99,600
Total Special Assessments	99,847	99,600	99,600	99,600	99,600
Transfers					
Storm Sewer Operating Fund	26,920	26,920	26,920	26,920	26,920
Total Transfers	26,920	26,920	26,920	26,920	26,920
TOTAL SOURCE OF FUNDS	751,468	713,523	776,695	784,195	850,000
USE OF FUNDS					
DOT Non-Personal/Equipment	92,182	157,000	157,000	57,418	166,000
DOT Personal Services	9,906	13,657	13,797	11,018	25,990
Overhead	4,705	5,279	5,279	5,279	7,346
Total Expenditures	106,793	175,936	176,076	73,715	199,336
Unrestricted Ending Fund Balance (Use)	644,675	537,587	600,619	710,480	650,664
Total Ending Fund Balance	644,675	537,587	600,619	710,480	650,664
TOTAL USE OF FUNDS	751,468	713,523	776,695	784,195	850,000

* Actuals may not subtotal due to rounding.

Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	0	3,053	3,053	3,053
Unrestricted Beginning Fund Balance (Source)	888,388	739,904	988,347	988,347	1,232,775
Total Beginning Fund Balance	888,388	739,904	991,400	991,400	1,235,828
Revenue from the Use of Money/Property					
Interest	8,050	10,000	10,000	19,900	21,000
Total Revenue from the Use of Money/Property	8,050	10,000	10,000	19,900	21,000
Special Assessments					
Special Assessments Revenue	415,908	399,800	399,800	399,800	419,800
Total Special Assessments	415,908	399,800	399,800	399,800	419,800
Transfers					
Storm Sewer Operating Fund	28,000	28,000	28,000	28,000	28,000
Total Transfers	28,000	28,000	28,000	28,000	28,000
TOTAL SOURCE OF FUNDS	1,340,346	1,177,704	1,429,200	1,439,100	1,704,628
USE OF FUNDS					
DOT Non-Personal/Equipment	285,767	172,000	172,000	124,462	182,000
DOT Personal Services	50,930	50,483	50,988	49,714	72,924
Overhead	12,249	19,096	19,096	19,096	22,046
PRNS Non-Personal/Equipment	0	59,901	59,901	10,000	59,901
Total Expenditures	348,946	301,480	301,985	203,272	336,871
Reserve for Encumbrances (Use)	3,053	0	3,053	3,053	3,053
Unrestricted Ending Fund Balance (Use)	988,347	876,224	1,124,162	1,232,775	1,364,704
Total Ending Fund Balance	991,400	876,224	1,127,215	1,235,828	1,367,757
TOTAL USE OF FUNDS	1,340,346	1,177,704	1,429,200	1,439,100	1,704,628

* Actuals may not subtotal due to rounding.

Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	114,311	153,811	196,822	196,822	293,322
Total Beginning Fund Balance	114,311	153,811	196,822	196,822	293,322
Revenue from the Use of Money/Property					
Unassigned Viscodes	531	0	0	0	0
Interest	0	1,600	1,600	4,100	4,500
Total Revenue from the Use of Money/Property	531	1,600	1,600	4,100	4,500
Special Assessments					
Special Assessments Revenue	88,444	92,400	92,400	92,400	96,800
Total Special Assessments	88,444	92,400	92,400	92,400	96,800
TOTAL SOURCE OF FUNDS	203,286	247,811	290,822	293,322	394,622
USE OF FUNDS					
Expenditures					
Community Facilities District No. 17 Feasibility Project	0	145,693	145,693	0	0
DOT Non-Personal/Equipment	6,464	0	0	0	110,500
DOT Personal Services	0	0	0	0	15,834
Total Expenditures	6,464	145,693	145,693	0	126,334
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	196,822	102,118	145,129	293,322	268,288
Total Ending Fund Balance	196,822	102,118	145,129	293,322	268,288
TOTAL USE OF FUNDS	203,286	247,811	290,822	293,322	394,622

* Actuals may not subtotal due to rounding.

Community Facilities Revenue Fund (422)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Hayes Close Out Costs Reserve (Source)	35,000	0	35,000	35,000	0
Reserve for Encumbrances (Source)	59	0	59	59	0
Unrestricted Beginning Fund Balance (Source)	293,114	0	295,998	295,998	0
Total Beginning Fund Balance	328,173	0	331,057	331,057	0
Revenue from the Use of Money/Property					
Interest	2,884	0	0	0	0
Total Revenue from the Use of Money/Property	2,884	0	0	0	0
TOTAL SOURCE OF FUNDS	331,057	0	331,057	331,057	0
USE OF FUNDS					
Transfer to the General Fund	0	0	330,998	331,057	0
Total Transfers	0	0	330,998	331,057	0
Hayes Close Out Costs Reserve (Use)	35,000	0	0	0	0
Reserve for Encumbrances (Use)	59	0	59	0	0
Unrestricted Ending Fund Balance (Use)	295,998	0	0	0	0
Total Ending Fund Balance	331,057	0	59	0	0
TOTAL USE OF FUNDS	331,057	0	331,057	331,057	0

* Actuals may not subtotal due to rounding.

Convention and Cultural Affairs Fund (536)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	166,419	166,419	117,151	117,151	117,151
Unrestricted Beginning Fund Balance (Source)	1,567,422	1,073,994	2,416,326	2,416,326	4,958,012
Total Beginning Fund Balance	<u>1,733,841</u>	<u>1,240,413</u>	<u>2,533,477</u>	<u>2,533,477</u>	<u>5,075,163</u>
Revenue from the Use of Money/Property					
Interest	24,871	75,000	75,000	75,000	50,000
Total Revenue from the Use of Money/Property	<u>24,871</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>
Other Revenue					
Miscellaneous	50,000	0	0	0	0
Total Other Revenue	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfers					
American Rescue Plan Fund	2,500,000	4,000,000	2,500,000	2,500,000	0
Transient Occupancy Tax Fund	6,390,130	8,007,364	9,132,013	12,882,013	11,757,365
Total Transfers	<u>8,890,130</u>	<u>12,007,364</u>	<u>11,632,013</u>	<u>15,382,013</u>	<u>11,757,365</u>
TOTAL SOURCE OF FUNDS	<u>10,698,842</u>	<u>13,322,777</u>	<u>14,240,490</u>	<u>17,990,490</u>	<u>16,882,528</u>
USE OF FUNDS					
Expenditures					
City Facilities Safety Assessment	45,902	0	0	0	0
Convention Center City Free Use	18,295	25,000	75,000	75,000	75,000
Convention Facilities Industry Advisor	10,000	25,000	25,000	25,000	50,000
Convention Facilities Operations	5,486,008	9,175,000	9,175,000	10,108,000	12,630,000
CVB Marketing Services	0	1,300,000	1,300,000	0	0
Insurance Expenses	436,849	450,000	450,000	450,000	450,000
PW Non-Personal/Equipment	1,253	9,000	9,000	9,000	9,000
Team San José Incentive Fee	0	250,000	250,000	250,000	250,000
Team San José Management Fee	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Workers' Compensation Claims	0	50,000	50,000	50,000	50,000
Total Expenditures	<u>6,998,307</u>	<u>12,284,000</u>	<u>12,334,000</u>	<u>11,967,000</u>	<u>14,514,000</u>
Transfers					
Transfer to the Convention and Cultural Affairs Capital Fund	292,128	0	100,000	100,000	100,000
Transfer to the General Fund - Contract Oversight	269,505	286,578	286,578	286,578	186,596
Transfer to the General Fund - Overhead	535,925	492,249	492,249	492,249	538,613
Transfer to the General Fund- Cultural Facilities Cap. Maint. Cost Sharing	69,500	69,500	69,500	69,500	69,500
Total Transfers	<u>1,167,058</u>	<u>848,327</u>	<u>948,327</u>	<u>948,327</u>	<u>894,709</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	117,151	166,419	117,151	117,151	117,151
Unrestricted Ending Fund Balance (Use)	2,416,326	24,031	841,012	4,958,012	1,356,668
Total Ending Fund Balance	<u>2,533,477</u>	<u>190,450</u>	<u>958,163</u>	<u>5,075,163</u>	<u>1,473,819</u>
TOTAL USE OF FUNDS	<u>10,698,842</u>	<u>13,322,777</u>	<u>14,240,490</u>	<u>17,990,490</u>	<u>16,882,528</u>

* Actuals may not subtotal due to rounding.

Convention Center Facilities District Revenue Fund (791)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve (Source)	8,237,023	0	0	0	0
Revenue Stabilization Reserve (Source)	10,258,950	12,297,552	12,297,552	12,297,552	12,297,552
Unrestricted Beginning Fund Balance (Source)	6,576,218	9,061,373	9,083,326	9,083,326	15,680,826
Total Beginning Fund Balance	25,072,191	21,358,925	21,380,878	21,380,878	27,978,378
Revenue from the Use of Money/Property					
Interest	161,108	100,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	161,108	100,000	100,000	100,000	100,000
Financing Proceeds					
Lease Revenue Refunding Bonds	87,966,109	0	0	0	0
Total Financing Proceeds	87,966,109	0	0	0	0
Convention Center Facilities District Special Tax					
Convention Center Facilities District Special Tax Revenue	8,511,087	10,500,000	10,500,000	15,500,000	15,500,000
Total Convention Center Facilities District Special Tax	8,511,087	10,500,000	10,500,000	15,500,000	15,500,000
TOTAL SOURCE OF FUNDS	121,710,495	31,958,925	31,980,878	36,980,878	43,578,378
USE OF FUNDS					
Expenditures					
Debt Service: Lease Revenue Bonds (Series 2022A)	0	7,673,000	7,673,000	7,673,000	10,162,000
Debt Service: Exhibit Hall Commercial Paper	55,546	0	0	0	0
Debt Service: Lease Revenue Bonds	740,569	0	0	0	0
Debt Service: Special Tax Bonds	99,134,219	0	0	0	0
South Hall Acquisition Debt Service	279,282	0	0	0	0
Total Expenditures	100,209,617	7,673,000	7,673,000	7,673,000	10,162,000
Transfers					
Transfer to the Convention Center Facilities District Capital Fund	0	1,109,500	1,209,500	1,209,500	150,000
Transfer to the General Fund	120,000	120,000	120,000	120,000	120,000
Total Transfers	120,000	1,229,500	1,329,500	1,329,500	270,000
Ending Fund Balance					
Revenue Stabilization Reserve (Use)	12,297,552	12,297,552	12,297,552	12,297,552	12,297,552
Unrestricted Ending Fund Balance (Use)	9,083,326	10,758,873	10,680,826	15,680,826	20,848,826
Total Ending Fund Balance	21,380,878	23,056,425	22,978,378	27,978,378	33,146,378
TOTAL USE OF FUNDS	121,710,495	31,958,925	31,980,878	36,980,878	43,578,378

* Actuals may not subtotal due to rounding.

Coronavirus Relief Fund (401)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	722,820	0	0	56,599	0
Unrestricted Beginning Fund Balance (Source)	865,659	0	29,032	(27,567)	0
Total Beginning Fund Balance	1,588,479	0	29,032	29,032	0
Revenue from the Use of Money/Property					
Interest	50,093	0	0	0	0
Total Revenue from the Use of Money/Property	50,093	0	0	0	0
Revenue from Federal Government					
CARES Act - Coronavirus Relief Funding	2,960,958	0	0	0	0
Total Revenue from Federal Government	2,960,958	0	0	0	0
TOTAL SOURCE OF FUNDS	4,599,530	0	29,032	29,032	0
USE OF FUNDS					
Communications and Translation Services	218,477	0	0	0	0
Consulting and Planning Support	(765,663)	0	0	0	0
COVID-19 Personal Services	9,699,632	0	0	29,032	0
Facilities Improvements	40,883	0	0	0	0
Food and Necessities	(1,304,150)	0	0	0	0
Food and Necessities Distribution - Food Services	4,343,517	0	0	0	0
Homeless Sheltering and Support	(1,486,199)	0	0	0	0
PPE & Janitorial Services	(676,000)	0	0	0	0
Testing, Tracing and Isolation	(5,500,000)	0	0	0	0
Total Expenditures	4,570,498	0	0	29,032	0
Reserve for Encumbrances (Use)	56,599	0	0	0	0
Unrestricted Ending Fund Balance (Use)	(27,567)	0	29,032	0	0
Total Ending Fund Balance	29,032	0	29,032	0	0
TOTAL USE OF FUNDS	4,599,530	0	29,032	29,032	0

* Actuals may not subtotal due to rounding.

Downtown Property And Business Improvement District Fund (302)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	126,470	126,470	76,699	76,699	76,699
Unrestricted Beginning Fund Balance (Source)	1,615,462	1,609,667	1,726,015	1,726,015	2,370,949
Total Beginning Fund Balance	1,741,932	1,736,137	1,802,714	1,802,714	2,447,648
Revenue from the Use of Money/Property					
Interest	6,861	7,000	7,000	17,000	18,000
Total Revenue from the Use of Money/Property	6,861	7,000	7,000	17,000	18,000
Special Assessments					
Special Assessments Revenue	2,699,379	3,936,916	3,936,916	3,936,916	4,072,524
Total Special Assessments	2,699,379	3,936,916	3,936,916	3,936,916	4,072,524
Transfers					
General Fund	876,571	1,044,854	1,044,854	1,044,854	1,252,305
General Purpose Parking Fund	77,447	77,447	77,447	77,447	77,447
Total Transfers	954,018	1,122,301	1,122,301	1,122,301	1,329,752
TOTAL SOURCE OF FUNDS	5,402,189	6,802,354	6,868,931	6,878,931	7,867,924
USE OF FUNDS					
Expenditures					
Additional Services	0	0	0	0	69,695
Downtown Property and Business Improvement District	3,194,476	3,939,683	3,939,683	3,939,683	4,653,168
Downtown Transit Mall	395,000	471,600	471,600	471,600	460,105
General Benefit Contribution	0	0	0	0	49,103
PW Personal Services	9,999	10,000	10,000	20,000	10,000
Total Expenditures	3,599,475	4,421,283	4,421,283	4,431,283	5,242,071
Ending Fund Balance					
Reserve for Encumbrances (Use)	76,699	126,470	76,699	76,699	76,699
Unrestricted Ending Fund Balance (Use)	1,726,015	2,254,601	2,370,949	2,370,949	2,549,154
Total Ending Fund Balance	1,802,714	2,381,071	2,447,648	2,447,648	2,625,853
TOTAL USE OF FUNDS	5,402,189	6,802,354	6,868,931	6,878,931	7,867,924

* Actuals may not subtotal due to rounding.

Economic Development Administration Loan Fund (444)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	7,170	7,270	7,233	7,233	7,358
Total Beginning Fund Balance	<u>7,170</u>	<u>7,270</u>	<u>7,233</u>	<u>7,233</u>	<u>7,358</u>
Revenue from the Use of Money/Property					
Interest	63	125	125	125	125
Total Revenue from the Use of Money/Property	<u>63</u>	<u>125</u>	<u>125</u>	<u>125</u>	<u>125</u>
TOTAL SOURCE OF FUNDS	<u><u>7,233</u></u>	<u><u>7,395</u></u>	<u><u>7,358</u></u>	<u><u>7,358</u></u>	<u><u>7,483</u></u>
USE OF FUNDS					
Unrestricted Ending Fund Balance (Use)	7,233	7,395	7,358	7,358	7,483
Total Ending Fund Balance	<u>7,233</u>	<u>7,395</u>	<u>7,358</u>	<u>7,358</u>	<u>7,483</u>
TOTAL USE OF FUNDS	<u><u>7,233</u></u>	<u><u>7,395</u></u>	<u><u>7,358</u></u>	<u><u>7,358</u></u>	<u><u>7,483</u></u>

* Actuals may not subtotal due to rounding.

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	30,750	30,750	229,733	229,733	229,733
Unrestricted Beginning Fund Balance (Source)	69,818	(108,589)	(129,023)	(129,023)	101,917
Total Beginning Fund Balance	100,568	(77,839)	100,710	100,710	331,650
Revenue from the Use of Money/Property					
Interest	142	0	0	0	0
Total Revenue from the Use of Money/Property	142	0	0	0	0
Revenue from Federal Government					
Federal Government Revenue	167,136	1,202,173	1,551,342	1,551,342	0
Total Revenue from Federal Government	167,136	1,202,173	1,551,342	1,551,342	0
TOTAL SOURCE OF FUNDS	267,846	1,124,334	1,652,052	1,652,052	331,650
USE OF FUNDS					
2017 Justice Assistance Grant	165,159	36,768	9,221	9,221	0
2018 Justice Assistance Grant	628	257,901	257,273	257,273	0
2019 Justice Assistance Grant	1,349	151,390	38,858	38,858	0
2020 Justice Assistance Grant	0	290,569	290,569	290,569	0
2021 Justice Assistance Grant	0	356,956	356,965	356,965	0
2022 Justice Assistance Grant	0	0	367,516	367,516	0
Total Expenditures	167,136	1,093,584	1,320,402	1,320,402	0
Reserve for Encumbrances (Use)	229,733	30,750	229,733	229,733	229,733
Unrestricted Ending Fund Balance (Use)	(129,023)	0	101,917	101,917	101,917
Total Ending Fund Balance	100,710	30,750	331,650	331,650	331,650
TOTAL USE OF FUNDS	267,846	1,124,334	1,652,052	1,652,052	331,650

* Actuals may not subtotal due to rounding.

Emergency Reserve Fund (406)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	12,441,045	12,441,045	3,896,820	3,896,820	3,896,820
Unrestricted Beginning Fund Balance (Source)	(34,653,616)	(40,220,674)	(31,711,616)	(31,711,616)	613,049
Total Beginning Fund Balance	(22,212,571)	(27,779,629)	(27,814,796)	(27,814,796)	4,509,869
Revenue from the Use of Money/Property					
Interest	76,418	100,000	100,000	0	20,000
Total Revenue from the Use of Money/Property	76,418	100,000	100,000	0	20,000
Revenue from Local Agencies					
Reimbursements	(3,773)	0	0	0	0
Total Revenue from Local Agencies	(3,773)	0	0	0	0
Revenue from State of California					
Emergency Rental Assistance	435,335	0	0	0	0
Total Revenue from State of California	435,335	0	0	0	0
Revenue from Federal Government					
Emergency Rental Assistance	26,158,947	435,335	0	0	0
Federal Emergency Management Agency (FEMA)	0	40,700,000	30,210,000	30,210,000	0
Total Revenue from Federal Government	26,158,947	41,135,335	30,210,000	30,210,000	0
Transfers					
General Fund	0	0	8,000,000	8,000,000	0
Total Transfers	0	0	8,000,000	8,000,000	0
TOTAL SOURCE OF FUNDS	4,454,355	13,455,706	10,495,204	10,395,204	4,529,869
USE OF FUNDS					
Expenditures					
2022-2023 Storm Response and Recovery	0	0	5,000,000	5,000,000	0
COVID-19 Emergency Response	3,260,347	450,000	450,000	450,000	0
Emergency Rental Assistance	26,158,947	0	0	0	0
Food and Necessities Distribution - Food Services	4,848,867	0	0	0	0
PPE & Janitorial Services	676,000	0	0	0	0
Resident Relief - Re-Employment and Workforce Development	1,957,363	0	0	0	0
Resident Relief - Rent Relief Program	0	435,335	435,335	435,335	0
Testing, Tracing and Isolation	(4,500,000)	0	0	0	0
Vaccination Outreach and Support	(208,791)	0	0	0	0
Total Expenditures	32,192,733	885,335	5,885,335	5,885,335	0
Transfers					
Transfer to the General Fund - Interest Income	76,418	100,000	100,000	0	20,000
Total Transfers	76,418	100,000	100,000	0	20,000
Ending Fund Balance					
Reserve for Encumbrances (Use)	3,896,820	12,441,045	3,896,820	3,896,820	3,896,820
Unrestricted Ending Fund Balance (Use)	(31,711,616)	29,326	613,049	613,049	613,049
Total Ending Fund Balance	(27,814,796)	12,470,371	4,509,869	4,509,869	4,509,869
TOTAL USE OF FUNDS	4,454,355	13,455,706	10,495,204	10,395,204	4,529,869

* Actuals may not subtotal due to rounding.

Federal Drug Forfeiture Fund (419)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	9,416	9,416	7,966	7,966	7,966
Total Beginning Fund Balance	<u>9,416</u>	<u>9,416</u>	<u>7,966</u>	<u>7,966</u>	<u>7,966</u>
Revenue from Federal Government					
Federal Revenue	(1,814)	0	0	0	0
Interest	364	0	0	0	0
Total Revenue from Federal Government	<u>(1,450)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfers					
Federal Drug Forfeiture Fund (Memo)	215,000	0	0	0	0
Total Transfers	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>222,966</u>	<u>9,416</u>	<u>7,966</u>	<u>7,966</u>	<u>7,966</u>
USE OF FUNDS					
Transfer to Federal Drug Forfeiture Fund	215,000	0	0	0	0
Total Transfers	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unrestricted Ending Fund Balance (Use)	7,966	9,416	7,966	7,966	7,966
Total Ending Fund Balance	<u>7,966</u>	<u>9,416</u>	<u>7,966</u>	<u>7,966</u>	<u>7,966</u>
TOTAL USE OF FUNDS	<u>222,966</u>	<u>9,416</u>	<u>7,966</u>	<u>7,966</u>	<u>7,966</u>

* Actuals may not subtotal due to rounding.

Federated Retiree Healthcare Trust Fund (124)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actual	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	384,608,000	402,214,000	349,121,000	349,121,000	360,791,000
Total Beginning Fund Balance	384,608,000	402,214,000	349,121,000	349,121,000	360,791,000
Revenue from the Use of Money/Property					
Participant Income	9,865,000	8,805,000	8,805,000	8,805,000	8,578,000
Investment Income	(38,286,000)	19,586,000	19,586,000	16,403,000	16,873,000
Total Revenue from the Use of Money/Property	(28,421,000)	28,391,000	28,391,000	25,208,000	25,451,000
Transfers					
City Contributions	24,787,000	18,300,000	18,300,000	18,300,000	18,500,000
Total Transfers	24,787,000	18,300,000	18,300,000	18,300,000	18,500,000
TOTAL SOURCE OF FUNDS	380,974,000	448,905,000	395,812,000	392,629,000	404,742,000
USE OF FUNDS					
Expenditures					
Health Insurance	31,088,000	31,679,000	31,679,000	31,679,000	32,401,000
VEBA Transfers	0	10,000	0	0	0
Professional Fees	765,000	159,000	159,000	159,000	200,000
Total Expenditures	31,853,000	31,848,000	31,838,000	31,838,000	32,601,000
Ending Fund Balance					
Reserve for Claims (Use)	349,121,000	417,057,000	363,974,000	360,791,000	372,141,000
Total Ending Fund Balance	349,121,000	417,057,000	363,974,000	360,791,000	372,141,000
TOTAL USE OF FUNDS	380,974,000	448,905,000	395,812,000	392,629,000	404,742,000

This Statement of Source and Use is for display purposes only. The Federated City Employees Retirement Plan Board of Administration approved the annual administrative budget on 4/20/23.

Federated Retirement Fund (134)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actual	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	2,884,345,000	3,004,624,900	2,707,262,000	2,707,262,000	2,807,237,000
Total Beginning Fund Balance	2,884,345,000	3,004,624,900	2,707,262,000	2,707,262,000	2,807,237,000
Revenue from the Use of Money/Property					
Participant Income	27,464,000	29,110,000	29,110,000	29,110,000	30,832,000
Investment Income	(169,129,000)	155,865,000	155,865,000	135,072,000	140,920,000
Total Revenue from the Use of Money/Property	(141,665,000)	184,975,000	184,975,000	164,182,000	171,752,000
Transfers					
City Contributions	207,598,000	206,015,000	206,015,000	184,423,000	216,118,000
1980 COLA	500	500	500	500	500
1990 COLA	16,100	16,000	16,000	7,000	7,000
Total Transfers	207,614,600	206,031,500	206,031,500	184,430,500	216,125,500
TOTAL SOURCE OF FUNDS	2,950,294,600	3,395,631,400	3,098,268,500	3,055,874,500	3,195,114,500
USE OF FUNDS					
Expenditures					
Retirement Personal Services	3,582,000	3,986,000	3,986,000	3,921,000	4,306,000
Retirement Non-Personal/Equipment	1,161,000	798,000	798,000	758,000	872,000
Benefits	237,273,000	244,321,000	244,321,000	243,125,000	255,466,000
Professional Fees	1,000,000	836,000	936,000	826,000	876,000
1980 COLA	500	500	500	500	500
1990 COLA	16,100	16,000	16,000	7,000	7,000
Total Expenditures	243,032,600	249,957,500	250,057,500	248,637,500	261,527,500
Ending Fund Balance					
Reserve for Claims (Use)	2,707,262,000	3,145,673,900	2,848,211,000	2,807,237,000	2,933,587,000
Total Ending Fund Balance	2,707,262,000	3,145,673,900	2,848,211,000	2,807,237,000	2,933,587,000
TOTAL USE OF FUNDS	2,950,294,600	3,395,631,400	3,098,268,500	3,055,874,500	3,195,114,500

This Statement of Source and Use is for display purposes only. The Federated City Employees' Retirement Plan Board of Administration approved the annual administrative budget on 4/20/23. It should be noted that the personal services costs reflected in this statement can vary from the amount presented to the Board due to revised salary, retirement, and benefit costs when compared to those that were projected in March.

Fire Development Fee Program Fund (240)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	406,399	406,399	403,685	403,685	403,685
Unrestricted Beginning Fund Balance (Source)	5,434,499	2,747,905	2,886,777	2,886,777	2,164,962
Total Beginning Fund Balance	5,840,898	3,154,304	3,290,462	3,290,462	2,568,647
Licenses and Permits					
Fire Development Program Fees	6,943,168	7,817,700	7,817,700	7,827,000	8,940,600
Total Licenses and Permits	6,943,168	7,817,700	7,817,700	7,827,000	8,940,600
Revenue from the Use of Money/Property					
Interest	31,426	75,000	75,000	29,000	35,000
Total Revenue from the Use of Money/Property	31,426	75,000	75,000	29,000	35,000
TOTAL SOURCE OF FUNDS	12,815,493	11,047,004	11,183,162	11,146,462	11,544,247
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	3,824	8,970	19,170	3,000	5,070
Development Fee Program - Shared Resources Personal Services (Finance)	6,178	7,176	7,246	6,000	6,008
Development Fee Program - Shared Resources Personal Services (ITD)	196,388	216,548	208,168	164,000	222,548
Fire Development Fee Program - Non-Personal/Equipment (Fire)	109,228	152,016	168,392	81,000	139,357
Fire Development Fee Program - Non-Personal/Equipment (PBCE)	49,635	79,917	79,917	43,000	107,917
Fire Development Fee Program - Personal Services (Fire)	7,687,314	7,821,023	7,886,781	6,812,000	8,012,108
Fire Development Fee Program - Personal Services (PBCE)	152,759	149,793	151,257	129,000	150,097
Fire Development Fee Program - Personal Services (PW)	9,716	12,070	12,198	15,000	12,454
Fire Inspection Improvements	0	174,818	174,818	28,000	146,818
Fire Non-Personal/Equipment	0	0	0	0	28,800
ITD Non-Personal/Equipment	0	0	0	0	51,000
OED Personal Services	22,536	23,249	23,492	26,000	23,043
Overhead	1,262,034	1,272,684	1,272,684	1,105,000	1,359,410
Total Expenditures	9,499,613	9,918,264	10,004,123	8,412,000	10,264,630
Transfers					
Transfer to the City Hall Debt Service Fund	25,418	256,690	130,398	130,398	206,892
Transfer to the General Fund	0	0	35,417	35,417	0
Total Transfers	25,418	256,690	165,815	165,815	206,892
Ending Fund Balance					
Reserve for Encumbrances (Use)	403,685	406,399	403,685	403,685	403,685
Unrestricted Ending Fund Balance (Use)	2,886,777	465,651	609,539	2,164,962	669,039
Total Ending Fund Balance	3,290,462	872,050	1,013,224	2,568,647	1,072,724
TOTAL USE OF FUNDS	12,815,493	11,047,004	11,183,162	11,146,462	11,544,247

* Actuals may not subtotal due to rounding.

Fire Retiree Healthcare Trust Fund (126)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actual	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	95,113,000	113,317,000	92,783,000	92,783,000	106,254,000
Total Beginning Fund Balance	<u>95,113,000</u>	<u>113,317,000</u>	<u>92,783,000</u>	<u>92,783,000</u>	<u>106,254,000</u>
Revenue from the Use of Money/Property					
Investment Income	(9,663,000)	7,134,000	7,134,000	5,894,000	6,702,000
Total Revenue from the Use of Money/Property	<u>(9,663,000)</u>	<u>7,134,000</u>	<u>7,134,000</u>	<u>5,894,000</u>	<u>6,702,000</u>
Transfers					
City Contributions	10,767,000	11,200,000	11,200,000	10,972,000	10,926,000
Total Transfers	<u>10,767,000</u>	<u>11,200,000</u>	<u>11,200,000</u>	<u>10,972,000</u>	<u>10,926,000</u>
TOTAL SOURCE OF FUNDS	<u><u>96,217,000</u></u>	<u><u>131,651,000</u></u>	<u><u>111,117,000</u></u>	<u><u>109,649,000</u></u>	<u><u>123,882,000</u></u>
USE OF FUNDS					
Expenditures					
Health Insurance	3,392,000	0	3,284,000	3,336,000	3,297,000
Professional Fees	42,000	27,000	27,000	59,000	50,000
Total Expenditures	<u>3,434,000</u>	<u>27,000</u>	<u>3,311,000</u>	<u>3,395,000</u>	<u>3,347,000</u>
Ending Fund Balance					
Reserve for Claims (Use)	92,783,000	131,624,000	107,806,000	106,254,000	120,535,000
Total Ending Fund Balance	<u>92,783,000</u>	<u>131,624,000</u>	<u>107,806,000</u>	<u>106,254,000</u>	<u>120,535,000</u>
TOTAL USE OF FUNDS	<u><u>96,217,000</u></u>	<u><u>131,651,000</u></u>	<u><u>111,117,000</u></u>	<u><u>109,649,000</u></u>	<u><u>123,882,000</u></u>

This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the administrative budget on 4/6/23.

Gas Tax Maintenance And Construction Fund - 1943 (409)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	6,799,610	6,300,000	6,300,000	8,200,000	7,900,000
Total Gas Tax	<u>6,799,610</u>	<u>6,300,000</u>	<u>6,300,000</u>	<u>8,200,000</u>	<u>7,900,000</u>
TOTAL SOURCE OF FUNDS	<u>6,799,610</u>	<u>6,300,000</u>	<u>6,300,000</u>	<u>8,200,000</u>	<u>7,900,000</u>
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	6,799,610	6,300,000	6,300,000	8,200,000	7,900,000
Total Transfers	<u>6,799,610</u>	<u>6,300,000</u>	<u>6,300,000</u>	<u>8,200,000</u>	<u>7,900,000</u>
TOTAL USE OF FUNDS	<u>6,799,610</u>	<u>6,300,000</u>	<u>6,300,000</u>	<u>8,200,000</u>	<u>7,900,000</u>

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance And Construction Fund - 1964 (410)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	3,326,036	3,400,000	3,400,000	3,400,000	3,300,000
Total Gas Tax	<u>3,326,036</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,300,000</u>
TOTAL SOURCE OF FUNDS	<u>3,326,036</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,300,000</u>
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	3,326,036	3,400,000	3,400,000	3,400,000	3,300,000
Total Transfers	<u>3,326,036</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,300,000</u>
TOTAL USE OF FUNDS	<u>3,326,036</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,300,000</u>

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance And Construction Fund - 1990 (411)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	5,677,207	5,800,000	5,800,000	5,800,000	5,800,000
Total Gas Tax	<u>5,677,207</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>
TOTAL SOURCE OF FUNDS	<u>5,677,207</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	5,677,207	5,800,000	5,800,000	5,800,000	5,800,000
Total Transfers	<u>5,677,207</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>
TOTAL USE OF FUNDS	<u>5,677,207</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>5,800,000</u>

* Actuals may not subtotal due to rounding.

General Purpose Parking Fund (533)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Emergency Repairs Reserve (Source)	700,000	700,000	700,000	700,000	700,000
Reserve for Encumbrances (Source)	2,598,648	2,598,648	1,473,081	1,473,081	1,473,081
Unrestricted Beginning Fund Balance (Source)	1,629,020	1,991,614	5,049,090	5,049,090	6,183,987
Total Beginning Fund Balance	4,927,668	5,290,262	7,222,171	7,222,171	8,357,068
Revenue from the Use of Money/Property					
Interest	60,142	50,000	50,000	90,000	50,000
Total Revenue from the Use of Money/Property	60,142	50,000	50,000	90,000	50,000
Fees, Rates, and Charges					
Parking Lots and Garages	10,018,851	10,888,200	10,888,200	12,000,000	11,866,700
Parking Meters	2,868,592	2,875,000	2,875,000	2,875,000	3,133,300
Total Fees, Rates, and Charges	12,887,443	13,763,200	13,763,200	14,875,000	15,000,000
Other Revenue					
Miscellaneous	106,315	100,000	100,000	100,000	100,000
Total Other Revenue	106,315	100,000	100,000	100,000	100,000
TOTAL SOURCE OF FUNDS	17,981,568	19,203,462	21,135,371	22,287,171	23,507,068
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	5,679,833	7,793,897	7,793,897	6,793,897	7,555,053
DOT Personal Services	2,144,002	2,683,124	2,710,319	2,483,124	2,698,686
Downtown Public Restrooms	28,288	0	0	0	0
ITD Non-Personal/Equipment	7,189	9,401	9,401	7,500	9,401
ITD Personal Services	7,382	7,859	8,942	8,859	7,952
Overhead	1,583,570	1,448,613	1,448,613	1,448,613	1,738,008
Police Garage Security Services	286,849	320,000	320,000	320,000	350,000
PW Non-Personal/Equipment	7,508	29,488	29,488	10,000	29,488
PW Personal Services	0	50,000	50,000	5,000	50,000
Workers' Compensation Claims	29,992	5,000	5,000	6,773	5,000
Total Expenditures	9,774,612	12,347,382	12,375,660	11,083,766	12,443,588
Transfers					
Transfer to the City Hall Debt Service Fund	87,549	99,204	61,652	61,652	75,065
Transfer to the Downtown Property and Business Improvement District Fund	77,447	77,447	77,447	77,447	77,447
Transfer to the General Fund	497,000	497,000	507,765	507,765	365,000
Transfer to the General Fund - San Jose Downtown Association	322,789	429,473	429,473	429,473	236,357
Transfer to the General Purpose Parking Capital Fund	0	1,770,000	1,770,000	1,770,000	4,000,000
Total Transfers	984,785	2,873,124	2,846,337	2,846,337	4,753,869
Ending Fund Balance					
Emergency Repairs Reserve (Use)	700,000	700,000	700,000	700,000	700,000
Parking Meter District Area Reserve (Use)	0	0	0	0	300,000
Reserve for Encumbrances (Use)	1,473,081	2,598,648	1,473,081	1,473,081	1,473,081
Unrestricted Ending Fund Balance (Use)	5,049,090	684,308	3,740,293	6,183,987	3,836,530
Total Ending Fund Balance	7,222,171	3,982,956	5,913,374	8,357,068	6,309,611
TOTAL USE OF FUNDS	17,981,568	19,203,462	21,135,371	22,287,171	23,507,068

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	102,584	102,584	662,954	662,954	662,954
Unrestricted Beginning Fund Balance (Source)	4,496,283	1,578,000	4,530,085	4,530,085	1,060,781
Total Beginning Fund Balance	4,598,867	1,680,584	5,193,039	5,193,039	1,723,735
Revenue from the Use of Money/Property					
Public Safety Purposes	45	0	0	0	0
Total Revenue from the Use of Money/Property	45	0	0	0	0
Other Revenue					
Clerk Purposes	149	0	0	0	0
DOT Purposes	214	0	0	0	0
Library Purposes	214,825	0	16,835	16,835	0
OED Purposes	1,227	0	0	0	0
Other Purposes	7,431	0	0	0	0
PRNS Purposes	371,343	0	0	0	0
Public Safety Purposes	2,437	0	0	0	0
PW Purposes	467,580	0	0	0	0
Total Other Revenue	1,065,206	0	16,835	16,835	0
TOTAL SOURCE OF FUNDS	5,664,118	1,680,584	5,209,874	5,209,874	1,723,735
USE OF FUNDS					
Expenditures					
Airport Military Lounge	0	0	604	604	0
Albino, Erminia and Alba Joyce Martini Memorial Fund	0	139,000	110,240	82,240	28,000
Almaden Lake Park	0	162,000	169,322	169,322	0
Almaden Lake Park Rangers	0	0	734	734	0
Almaden Winery Improvements	3,269	30,000	30,424	30,424	0
Alum Rock Park	0	0	28,845	28,845	0
Alviso Community Center	0	0	23,647	23,647	0
Alviso Recreation and Teen Program	0	0	1,968	1,968	0
Animal Adoption	0	0	4,652	4,652	0
Animal Services Donations	208,562	348,000	1,107,604	808,604	299,000
Annual District I Festival in the Park	0	0	1,725	1,725	0
Anti-Theft Car Campaign	0	0	4	4	0
Art + Technology Program	5,100	76,000	44,958	44,958	0
Art Work	0	0	9,642	9,642	0
Arts and Education Week	0	0	6,410	6,410	0
Berryessa Center Art Project	0	0	2,653	2,653	0
Books for Little Hands	0	0	6,281	6,281	0
CADPE - Drug Education	0	0	107	107	0
Calabazas BMX Park	0	0	3,183	3,183	0
Calabazas Branch Library	0	0	2,089	2,089	0
Camden Community Center Miscellaneous Gifts	527	4,000	4,422	4,422	0
Canine Unit	0	0	2,518	2,518	0
Castro School Landscaping	0	0	7,646	7,646	0
Child Safety Seats	0	0	277	277	0
Children's Interview Center	0	0	31,128	31,128	0
Coleman / Guadalupe Traffic Study and Mitigation	0	0	16,365	16,365	0
Combined Gifts	0	0	7,299	7,299	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Commodore Park Maintenance	(4,604)	0	16,262	16,262	0
Communications Facility Fitness Center	0	0	180	180	0
Community Cultural Council	0	0	4,098	4,098	0
CommUnity Resource Fair	0	0	23,923	23,923	0
Community Services Program	0	0	3,195	3,195	0
Crime Prevention Committee	0	0	925	925	0
Cultural Performance	0	0	142	142	0
Cybercadet Program	0	0	393	393	0
Dando Artwork Maintenance	0	63,000	25,570	25,570	0
Emma Prusch Farm Park	0	0	11,072	11,072	0
Enhanced Crosswalk at Hedding and Elm Streets	0	0	10,135	10,135	0
Facebook	0	100,000	390,525	183,161	207,364
Family Camp Camperships	0	0	6,112	6,112	0
Friends of Paul Moore Park	0	0	4,412	4,412	0
G.E.A.R. Program	0	0	20	20	0
Garbage Stickers	0	0	26,528	26,528	0
Go Girl Go BAWSI	0	0	1,026	1,026	0
Grace Community Center	0	0	43,180	43,180	0
Gullo Park Turf Irrigation	0	0	19,989	19,989	0
Heliport System Plan Study	0	0	31,166	31,166	0
Incubation Office Project	0	0	7,297	7,297	0
Internet Crimes Against Children	0	0	224	224	0
Investigative Enhancement	0	0	853	853	0
IPA's Teen Leadership Council	0	0	2,301	2,301	0
J. Ward Memorial Scholarship	0	0	1,289	1,289	0
Japanese Friendship Garden	0	0	17,064	17,064	0
Kinjo Gardens	0	0	5,990	5,990	0
Lake Cunningham Skate Park	0	0	7,366	7,366	0
Leland High School Tennis	0	0	2,669	2,669	0
Library Literacy Project	764	11,000	45,238	45,238	0
Library-General Gifts	232,560	144,000	538,090	427,090	111,000
Major Awards Banquet	0	0	94	94	0
Mayor's College Motivation Program	0	0	22,177	22,177	0
Mayor's Gang Prevention Task Force Clean Slate Program	1,065	5,000	4,266	4,266	0
Mayor's Safe Families	0	0	122	122	0
Miscellaneous Gifts under \$5,000	0	0	28,646	28,646	0
Miscellaneous Gifts Under \$1,000	0	0	19,977	19,977	0
Mise and Starbird Gift	0	13,000	51,424	38,424	13,000
N. San Pedro Area Park Maintenance	0	31,000	124,558	93,558	31,000
Newhall Park Maintenance	17,633	120,000	255,439	116,022	139,418
Nicolas Prusch Swimming	0	97,000	(983)	(983)	0
O'Donnell's Gardens Park	0	0	5,839	5,839	0
OED Miscellaneous Gifts	0	0	28	28	0
Our City Forest	0	0	10	10	0
Overfelt Gardens	0	0	1,768	1,768	0
Pedestrian Enhancements - International Circle and Hospital Parkway	0	0	2,376	2,376	0
Police & School Partnership Program	0	0	764	764	0
Police Educational Robot	0	0	180	180	0
Police Mounted Unit	0	0	18,655	18,655	0
Police Reserves Unit	6,617	2,000	6,547	6,547	0
Public Education Program	0	0	22,828	22,828	0
River Oaks Park Maintenance	(2,911)	0	93,290	70,290	23,000
Robbery Secret Witness	0	0	1,310	1,310	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Roosevelt Roller Hockey Rink Legacy Project 2018-2019	0	27,000	107,367	80,367	27,000
Rotary Playgarden Improvements	0	0	66,025	49,025	17,000
RP & CS General Gifts over \$1,000	0	15,000	58,235	43,235	15,000
S.A.V.E. Program	0	0	38,313	38,313	0
Safe Summer Initiative	0	0	25,248	25,248	0
San José Vietnam War Memorial	0	0	13,101	13,101	0
Scholastic Crime Stoppers	0	0	404	404	0
School Safety Gifts	0	0	78	78	0
Seven Trees Music Wish Book	0	0	35,807	35,807	0
Spay / Neuter Program	0	25,000	92,441	71,441	21,000
Sponsorship Gifts	0	0	190	190	0
St. James Park Landscaping	0	0	9,011	9,011	0
Trauma Kits	0	0	153	153	0
Vista Montana Park Maintenance	2,497	166,000	538,712	409,712	129,000
Volunteer Program	0	0	55	55	0
Willow Glen Founders Day	0	0	764	764	0
Willow Glen Senior Programming	0	0	10,136	10,136	0
Youth Commission	0	0	19,584	19,584	0
Total Expenditures	471,079	1,578,000	4,546,920	3,486,139	1,060,781
Ending Fund Balance					
Reserve for Encumbrances (Use)	662,954	102,584	662,954	662,954	662,954
Unrestricted Ending Fund Balance (Use)	4,530,085	0	0	1,060,781	0
Total Ending Fund Balance	5,193,039	102,584	662,954	1,723,735	662,954
TOTAL USE OF FUNDS	5,664,118	1,680,584	5,209,874	5,209,874	1,723,735

* Actuals may not subtotal due to rounding.

Home Investment Partnership Program Trust Fund (445)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	3,484,842	3,484,842	3,811,390	3,811,390	3,811,390
Unrestricted Beginning Fund Balance (Source)	(826,497)	735,030	736,126	736,126	1,961,748
Total Beginning Fund Balance	<u>2,658,345</u>	<u>4,219,872</u>	<u>4,547,516</u>	<u>4,547,516</u>	<u>5,773,138</u>
Revenue from the Use of Money/Property					
Interest	36,600	510,000	510,000	510,000	510,000
Loan Repayments	1,816,619	1,001,000	1,001,000	501,000	501,000
Total Revenue from the Use of Money/Property	<u>1,853,219</u>	<u>1,511,000</u>	<u>1,511,000</u>	<u>1,011,000</u>	<u>1,011,000</u>
Revenue from Federal Government					
American Rescue Plan Act	0	11,676,334	11,676,334	0	11,676,334
HOME Entitlement Grants	2,444,028	3,221,675	3,221,675	3,221,675	3,380,549
Total Revenue from Federal Government	<u>2,444,028</u>	<u>14,898,009</u>	<u>14,898,009</u>	<u>3,221,675</u>	<u>15,056,883</u>
TOTAL SOURCE OF FUNDS	<u>6,955,592</u>	<u>20,628,881</u>	<u>20,956,525</u>	<u>8,780,191</u>	<u>21,841,021</u>
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	6,823	15,672	15,672	15,672	10,157
Fair Housing	126,619	200,000	200,000	200,000	200,000
Housing Loans and Grants	583,954	2,252,235	2,252,235	2,252,235	0
Housing Non-Personal/Equipment	6,984	46,714	46,714	46,714	46,714
Housing Personal Services	14,839	177,491	179,272	179,272	177,450
Housing Shelter	0	11,676,334	11,676,334	0	11,676,334
Overhead	24,451	65,231	65,231	65,231	114,194
Tenant Based Rental Assistance	1,635,154	0	243,934	243,934	0
Total Expenditures	<u>2,398,824</u>	<u>14,433,677</u>	<u>14,679,392</u>	<u>3,003,058</u>	<u>12,224,849</u>
Transfers					
Transfer to the City Hall Debt Service Fund	9,252	6,419	3,995	3,995	5,195
Total Transfers	<u>9,252</u>	<u>6,419</u>	<u>3,995</u>	<u>3,995</u>	<u>5,195</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	3,811,390	3,484,842	3,811,390	3,811,390	3,811,390
Unrestricted Ending Fund Balance (Use)	736,126	2,703,943	2,461,748	1,961,748	5,799,587
Total Ending Fund Balance	<u>4,547,516</u>	<u>6,188,785</u>	<u>6,273,138</u>	<u>5,773,138</u>	<u>9,610,977</u>
TOTAL USE OF FUNDS	<u>6,955,592</u>	<u>20,628,881</u>	<u>20,956,525</u>	<u>8,780,191</u>	<u>21,841,021</u>

* Actuals may not subtotal due to rounding.

Homeless Housing, Assistance, and Prevention Fund (454)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	0	6,769,346	6,769,346	6,769,346
Unrestricted Beginning Fund Balance (Source)	0	12,285,546	(866,120)	(866,120)	866,008
Total Beginning Fund Balance	0	12,285,546	5,903,226	5,903,226	7,635,354
Revenue from the Use of Money/Property					
Interest	157,572	100,000	100,000	400,000	250,000
Total Revenue from the Use of Money/Property	157,572	100,000	100,000	400,000	250,000
Revenue from State of California					
Homeless Housing Assistance and Prevention Grant	2,252,649	23,295,196	36,795,196	30,000,000	26,922,855
Total Revenue from State of California	2,252,649	23,295,196	36,795,196	30,000,000	26,922,855
Transfers					
Multi-Source Housing Fund	7,639,913	0	0	0	0
Total Transfers	7,639,913	0	0	0	0
TOTAL SOURCE OF FUNDS	10,050,134	35,680,742	42,798,422	36,303,226	34,808,209
USE OF FUNDS					
Expenditures					
Destination: Home COVID-19	0	200,000	200,000	200,000	0
Emergency Shelters	3,276,872	20,000,000	20,000,000	14,336,613	20,663,387
Grant Administration	40,207	560,183	560,183	560,183	1,027,135
Homeless Youth	778,586	3,000,000	3,000,000	1,879,139	1,790,748
Homelessness Prevention System	0	7,000,000	9,000,000	9,000,000	3,349,433
Housing Loans and Grants	0	0	2,200,000	2,200,000	0
Loan Administration	22,424	241,699	241,699	241,699	81,399
Overhead	28,819	250,238	250,238	250,238	10,753
Total Expenditures	4,146,908	31,252,120	35,452,120	28,667,872	26,922,855
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	27,224
Total Transfers	0	0	0	0	27,224
Ending Fund Balance					
Reserve for Encumbrances (Use)	6,769,346	0	6,769,346	6,769,346	6,769,346
Unrestricted Ending Fund Balance (Use)	(866,120)	4,428,622	576,956	866,008	1,088,784
Total Ending Fund Balance	5,903,226	4,428,622	7,346,302	7,635,354	7,858,130
TOTAL USE OF FUNDS	10,050,134	35,680,742	42,798,422	36,303,226	34,808,209

* Actuals may not subtotal due to rounding.

Housing Trust Fund (440)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	207,522	207,522	619,310	619,310	619,310
Unrestricted Beginning Fund Balance (Source)	5,889,699	7,031,580	5,893,991	5,893,991	3,006,366
Total Beginning Fund Balance	6,097,221	7,239,102	6,513,301	6,513,301	3,625,676
Revenue from the Use of Money/Property					
Interest	56,184	55,000	55,000	120,000	55,000
Total Revenue from the Use of Money/Property	56,184	55,000	55,000	120,000	55,000
Other Revenue					
Bond Administration Fees	2,399,819	1,200,000	1,200,000	1,200,000	1,200,000
Disaster Assistance	(63,000)	0	0	0	0
Land and Building Lease Revenue	189,000	63,000	63,000	63,000	63,000
Miscellaneous	114,591	100,000	100,000	100,000	100,000
Total Other Revenue	2,640,410	1,363,000	1,363,000	1,363,000	1,363,000
TOTAL SOURCE OF FUNDS	8,793,815	8,657,102	7,931,301	7,996,301	5,043,676
USE OF FUNDS					
City Attorney Personal Services	32,249	40,395	40,655	40,655	36,193
Disaster Assistance	4,140	248,000	248,000	0	311,000
Emergency Assistance	2,144	150,000	150,000	150,000	150,000
Employment Initiative Program	125,000	125,000	125,000	125,000	125,000
Homeless Response Team	0	35,000	35,000	0	0
Housing and Homeless Projects	1,587,910	4,027,000	4,465,000	2,755,755	1,200,000
Housing Non-Personal/Equipment	51,374	103,220	128,220	128,220	53,220
Housing Personal Services	389,613	870,413	879,044	879,044	888,639
Overhead	64,017	267,157	267,157	267,157	104,765
Total Expenditures	2,256,447	5,866,185	6,338,076	4,345,831	2,868,817
Transfer to the City Hall Debt Service Fund	24,067	33,864	21,215	21,215	24,240
Transfer to the General Fund	0	0	3,579	3,579	0
Total Transfers	24,067	33,864	24,794	24,794	24,240
Reserve for Encumbrances (Use)	619,310	207,522	619,310	619,310	619,310
Unrestricted Ending Fund Balance (Use)	5,893,991	2,549,531	949,121	3,006,366	1,531,309
Total Ending Fund Balance	6,513,301	2,757,053	1,568,431	3,625,676	2,150,619
TOTAL USE OF FUNDS	8,793,815	8,657,102	7,931,301	7,996,301	5,043,676

* Actuals may not subtotal due to rounding.

Ice Centre Revenue Fund (432)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Rehabilitation Reserve (Source)	487,500	487,500	487,500	487,500	487,500
Reserve for Encumbrances (Source)	100,001	100,001	100,001	100,001	100,001
Unrestricted Beginning Fund Balance (Source)	(736,298)	57,211	965,674	965,674	993,174
Total Beginning Fund Balance	(148,797)	644,712	1,553,175	1,553,175	1,580,675
Revenue from the Use of Money/Property					
Interest	973	45,450	45,450	28,000	0
Ice Centre - Additional Rent	212,190	114,958	118,286	189,749	225,610
Ice Centre - Base Rent	1,605,509	5,437,500	5,437,500	5,437,500	7,375,000
Total Revenue from the Use of Money/Property	1,818,671	5,597,908	5,601,236	5,655,249	7,600,610
TOTAL SOURCE OF FUNDS	1,669,874	6,242,620	7,154,411	7,208,424	9,181,285
USE OF FUNDS					
Expenditures					
Ice Centre Debt Service Payment	1,800	5,438,000	5,438,000	5,438,000	7,375,000
Ice Centre Oversight Expenses	103,000	106,090	106,090	108,346	114,088
Total Expenditures	104,800	5,544,090	5,544,090	5,546,346	7,489,088
Transfers					
Transfer to the General Fund - Ice Centre Insurance Expenses	11,899	12,196	12,196	81,403	111,522
Total Transfers	11,899	12,196	12,196	81,403	111,522
Ending Fund Balance					
Capital Rehabilitation Reserve (Use)	487,500	487,500	487,500	487,500	1,187,500
Reserve for Encumbrances (Use)	100,001	100,001	100,001	100,001	100,001
Unrestricted Ending Fund Balance (Use)	965,674	98,833	1,010,624	993,174	293,174
Total Ending Fund Balance	1,553,175	686,334	1,598,125	1,580,675	1,580,675
TOTAL USE OF FUNDS	1,669,874	6,242,620	7,154,411	7,208,424	9,181,285

* Actuals may not subtotal due to rounding.

Inclusionary Fee Fund (451)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve (Source)	9,900,000	25,000,000	25,000,000	25,000,000	30,000,000
Missing Middle Affordable Housing Reserve (Source)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Reserve for Encumbrances (Source)	62,795	62,795	626,039	626,039	626,039
Unrestricted Beginning Fund Balance (Source)	15,063,909	2,879,896	32,181,633	32,181,633	33,763,950
Total Beginning Fund Balance	35,026,704	37,942,691	67,807,672	67,807,672	74,389,989
Revenue from the Use of Money/Property					
Inclusionary Policy Loan Repayments	2,350,576	1,200,000	1,200,000	1,200,000	1,000,000
Interest	342,995	900,000	900,000	900,000	900,000
Loan Repayments	358,009	0	0	0	0
Total Revenue from the Use of Money/Property	3,051,580	2,100,000	2,100,000	2,100,000	1,900,000
Fees, Rates, and Charges					
Inclusionary In-Lieu Policy Fee	30,048,475	5,500,000	5,500,000	5,500,000	7,000,000
Inclusionary In-Lieu Ordinance Fee	82,761	70,000	70,000	70,000	70,000
Total Fees, Rates, and Charges	30,131,236	5,570,000	5,570,000	5,570,000	7,070,000
TOTAL SOURCE OF FUNDS	68,209,520	45,612,691	75,477,672	75,477,672	83,359,989
USE OF FUNDS					
Expenditures					
Housing Loans and Grants	0	0	0	500,000	0
Housing Non-Personal/Equipment	112,068	25,000	25,000	25,000	0
Housing Personal Services	223,072	392,164	395,990	395,990	379,418
Overhead	59,096	134,922	134,922	134,922	51,894
PBCE Personal Services	0	18,579	18,754	18,754	19,920
Total Expenditures	394,236	570,665	574,666	1,074,666	451,231
Transfers					
Transfer to the City Hall Debt Service Fund	7,612	18,191	11,488	11,488	12,612
Transfer to the General Fund	0	0	1,529	1,529	0
Total Transfers	7,612	18,191	13,017	13,017	12,612
Ending Fund Balance					
Housing Project Reserve (Use)	25,000,000	30,000,000	30,000,000	30,000,000	50,000,000
Missing Middle Affordable Housing Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Reserve for Encumbrances (Use)	626,039	62,795	626,039	626,039	626,039
Unrestricted Ending Fund Balance (Use)	32,181,633	4,961,040	34,263,950	33,763,950	22,270,107
Total Ending Fund Balance	67,807,672	45,023,835	74,889,989	74,389,989	82,896,146
TOTAL USE OF FUNDS	68,209,520	45,612,691	75,477,672	75,477,672	83,359,989

* Actuals may not subtotal due to rounding.

Integrated Waste Management Fund (423)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Environmental Innovation Center Reserve (Source)	74,000	74,000	74,000	74,000	74,000
Operations and Maintenance Reserve (Source)	14,036,417	13,280,063	13,280,063	13,280,063	16,462,128
Reserve for Encumbrances (Source)	2,885,297	2,885,297	7,155,108	7,155,108	7,155,108
Unrestricted Beginning Fund Balance (Source)	6,219,485	10,864,587	10,737,073	10,838,870	8,349,148
Total Beginning Fund Balance	23,215,199	27,103,947	31,246,244	31,348,041	32,040,384
Licenses and Permits					
Franchise Applications	920	858	858	27,456	27,456
Total Licenses and Permits	920	858	858	27,456	27,456
Fines, Forfeitures, and Penalties					
CDDD Ineligible Refunds	838,997	800,000	800,000	857,848	857,168
Lien-Related	1,011,595	593,170	593,170	1,253,915	1,253,809
Total Fines, Forfeitures, and Penalties	1,850,593	1,393,170	1,393,170	2,111,763	2,110,977
Revenue from the Use of Money/Property					
Interest	193,164	293,470	293,470	350,000	343,470
Las Plumas Tenant	459,401	511,733	511,733	548,267	551,796
Total Revenue from the Use of Money/Property	652,566	805,203	805,203	898,267	895,266
Revenue from Local Agencies					
Household Hazardous Waste Revenue from County	489,158	400,000	400,000	400,000	400,000
Total Revenue from Local Agencies	489,158	400,000	400,000	400,000	400,000
Revenue from State of California					
SB 1383 Revenue	1,452,288	0	0	0	0
SB 332 Revenue	256,604	253,851	253,851	253,851	250,000
Total Revenue from State of California	1,708,892	253,851	253,851	253,851	250,000
Fees, Rates, and Charges					
AB 939 Fees	3,826,771	4,744,649	4,744,649	4,831,846	4,831,548
Miscellaneous Solid Waste	10,500	1,000	1,000	27,544	27,544
Recycle Plus Collection Charges	174,606,188	186,587,896	186,587,896	187,214,177	193,995,370
Total Fees, Rates, and Charges	178,443,459	191,333,545	191,333,545	192,073,567	198,854,462
Other Revenue					
Miscellaneous Revenue	1,200	1,650	1,650	79,644	1,950
Miscellaneous Solid Waste	607,693	212,499	212,499	359,348	359,348
Surplus Property Sales	3,817,000	0	0	0	0
Total Other Revenue	4,425,893	214,149	214,149	438,992	361,298
Transfers					
General Fund	101,797	0	0	0	0
Total Transfers	101,797	0	0	0	0
TOTAL SOURCE OF FUNDS	210,888,476	221,504,723	225,647,020	227,551,937	234,939,843

* Actuals may not subtotal due to rounding.

Integrated Waste Management Fund (423)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
USE OF FUNDS					
Expenditures					
Banking Services	151,808	95,000	150,000	95,000	95,000
CalRecycle SB1383 Grant	0	0	1,452,288	600,000	0
City Attorney Personal Services	64,805	64,047	64,708	48,267	59,504
City Manager Personal Services	(4,068)	0	0	0	0
County Revenue Collection Fee	1,342,535	1,453,962	1,453,962	1,865,879	1,989,073
Delinquent Lien Releases	2,060	60,000	60,000	60,000	60,000
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	0	1,700	0	0
ESD Non-Personal/Equipment	2,547,957	3,926,270	3,926,270	2,871,531	4,752,239
ESD Personal Services	8,368,742	9,272,600	9,364,080	9,171,119	9,751,086
Finance Non-Personal/Equipment	101,112	215,500	215,500	105,896	112,500
Finance Personal Services	514,971	642,070	648,214	611,583	640,396
HR Personal Services	28,293	29,672	29,974	27,446	30,503
IDC Disposal Agreement	4,723,853	4,736,232	4,736,232	5,146,520	5,340,575
ITD Non-Personal/Equipment	13,355	65,527	65,527	15,852	107,877
ITD Personal Services	631,166	662,732	667,426	687,965	671,088
Multi-Family Recycle Plus	26,621,679	29,295,506	29,295,506	29,886,837	29,970,769
Overhead	2,755,910	2,247,645	2,247,645	2,247,645	2,482,432
PBCE Non-Personal/Equipment	15,813	14,585	14,585	14,585	18,585
PBCE Personal Services	258,393	233,647	235,147	213,325	214,746
PW Non-Personal/Equipment	41,388	124,703	124,703	124,703	124,703
PW Personal Services	417,956	437,611	454,918	515,943	475,894
Single Family Dwelling Processing	19,247,679	20,496,497	20,496,497	19,140,436	21,632,279
Single-Family Recycle Plus	81,457,794	91,511,798	91,511,798	91,511,798	92,881,566
Workers' Compensation Claims	137,045	125,000	175,000	173,768	125,000
Yard Trimming Collection/Processing	29,652,995	32,004,594	32,004,594	29,923,969	33,573,107
Total Expenditures	179,093,242	197,715,198	199,396,274	195,060,067	205,108,922
Transfers					
Transfer to the City Hall Debt Service Fund	447,193	631,385	406,788	406,788	504,861
Transfer to the General Fund	0	0	44,698	44,698	0
Total Transfers	447,193	631,385	451,486	451,486	504,861
Ending Fund Balance					
Environmental Innovation Center Reserve (Use)	74,000	74,000	74,000	74,000	74,000
Operations and Maintenance Reserve (Use)	13,280,063	16,462,128	16,462,128	16,462,128	17,134,481
Reserve for Encumbrances (Use)	7,155,108	2,885,297	7,155,108	7,155,108	7,155,108
Unrestricted Ending Fund Balance (Use)	10,838,870	3,736,715	2,108,024	8,349,148	4,962,471
Total Ending Fund Balance	31,348,041	23,158,140	25,799,260	32,040,384	29,326,060
TOTAL USE OF FUNDS	210,888,476	221,504,723	225,647,020	227,551,937	234,939,843

* Actuals may not subtotal due to rounding.

Library Parcel Tax Fund (418)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	353,806	353,806	201,186	201,186	201,186
Six Day Expansion Model Reserve (Source)	2,000,000	2,000,000	2,000,000	2,000,000	1,500,000
Unrestricted Beginning Fund Balance (Source)	3,449,484	2,010,125	2,536,456	2,536,456	1,109,444
Total Beginning Fund Balance	5,803,290	4,363,931	4,737,642	4,737,642	2,810,630
Revenue from the Use of Money/Property					
Interest	22,057	20,000	20,000	20,000	20,000
Total Revenue from the Use of Money/Property	22,057	20,000	20,000	20,000	20,000
Library Parcel Tax					
Library Parcel Tax Revenue	10,075,288	10,335,999	10,335,999	10,402,235	10,646,079
Total Library Parcel Tax	10,075,288	10,335,999	10,335,999	10,402,235	10,646,079
TOTAL SOURCE OF FUNDS	15,900,635	14,719,930	15,093,641	15,159,877	13,476,709
USE OF FUNDS					
Expenditures					
Annual Audit	14,315	17,000	17,000	17,000	17,000
HR Non-Personal/Equipment	12,640	12,000	12,000	12,000	12,000
HR Personal Services	80,492	83,596	84,425	84,425	79,772
Library Non-Personal/Equipment	1,806,799	2,116,348	2,249,348	2,249,348	2,151,348
Library Personal Services	7,746,868	8,837,880	8,936,185	8,936,185	8,838,907
Total Expenditures	9,661,114	11,066,824	11,298,958	11,298,958	11,099,027
Transfers					
Transfer to the City Hall Debt Service Fund	46,341	5,777	32,274	32,274	40,540
Transfer to the General Fund	0	5,000	32,176	32,176	0
Transfer to the Library Parcel Tax Capital Fund	1,455,538	1,000,000	985,839	985,839	0
Total Transfers	1,501,879	1,010,777	1,050,289	1,050,289	40,540
Ending Fund Balance					
Reserve for Encumbrances (Use)	201,186	353,806	201,186	201,186	201,186
Six Day Expansion Model Reserve (Use)	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Unrestricted Ending Fund Balance (Use)	2,536,456	788,523	1,043,208	1,109,444	635,956
Total Ending Fund Balance	4,737,642	2,642,329	2,744,394	2,810,630	2,337,142
TOTAL USE OF FUNDS	15,900,635	14,719,930	15,093,641	15,159,877	13,476,709

* Actuals may not subtotal due to rounding.

Low And Moderate Income Housing Asset Fund (346)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Affordable Housing Web Portal Reserve (Source)	0	386,352	386,352	386,352	0
Committed Projects Reserve (Source)	14,400,000	14,400,000	14,400,000	4,985,000	316,413
Housing Project Reserve (Source)	14,916,653	73,115,775	73,115,775	69,235,775	0
Reserve for Encumbrances (Source)	22,490,877	22,490,877	53,627,123	53,627,123	53,627,123
Revenue Stabilization Reserve (Source)	5,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Unrestricted Beginning Fund Balance (Source)	120,864,874	12,542,331	24,765,967	38,065,402	45,755,771
Total Beginning Fund Balance	<u>177,672,404</u>	<u>128,935,335</u>	<u>172,295,217</u>	<u>172,299,652</u>	<u>105,699,307</u>
Revenue from the Use of Money/Property					
Interest	1,475,046	3,000,000	3,000,000	4,500,000	4,500,000
Loan Repayments	43,136,688	14,000,000	14,000,000	10,000,000	10,000,000
Total Revenue from the Use of Money/Property	<u>44,611,734</u>	<u>17,000,000</u>	<u>17,000,000</u>	<u>14,500,000</u>	<u>14,500,000</u>
Revenue from Local Agencies					
Affordable Housing Web Portal	383,303	0	0	0	0
Total Revenue from Local Agencies	<u>383,303</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Revenue					
Miscellaneous	75	0	0	0	0
Total Other Revenue	<u>75</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>222,667,516</u>	<u>145,935,335</u>	<u>189,295,217</u>	<u>186,799,652</u>	<u>120,199,307</u>
USE OF FUNDS					
Expenditures					
Affordable Housing Web Portal	1,453,902	406,352	556,352	556,352	264,930
Asset Management Services	601,193	1,750,000	1,750,000	1,750,000	1,750,000
City Attorney Non-Personal/Equipment	48,796	21,702	21,702	21,702	21,702
City Attorney Personal Services	953,072	1,239,894	1,249,380	1,249,380	1,201,501
City Manager Non-Personal/Equipment	18,516	18,375	18,375	18,375	18,375
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	0	0	3,400	3,400	0
Finance Personal Services	99,060	75,155	76,031	76,031	76,855
Homeless Services	250,000	250,000	250,000	250,000	250,000
Housing Loans and Grants	35,814,933	20,688,057	105,823,031	62,023,505	35,799,526
Housing Non-Personal/Equipment	869,870	2,500,248	2,500,248	2,500,248	1,699,058
Housing Personal Services	7,352,677	7,296,312	7,463,395	7,463,395	7,851,859
Housing Predevelopment Activity	386,382	2,000,000	2,000,000	2,000,000	1,000,000
HR Personal Services	40,893	42,547	42,943	42,943	33,496
ITD Non-Personal/Equipment	2,046	3,102	3,102	3,102	26,802
ITD Personal Services	136,243	140,830	138,170	138,170	146,882
OED Personal Services	166,956	360,824	363,171	363,171	408,443
Overhead	1,394,270	1,460,263	1,460,263	1,460,263	1,124,939
PBCE Non-Personal/Equipment	8,717	13,433	13,433	13,433	19,433
PBCE Personal Services	251,659	417,660	419,494	419,494	420,426
PW Non-Personal/Equipment	70,682	27,650	27,650	27,650	27,650
PW Personal Services	79,170	156,251	157,685	157,685	148,295
Successor Agency to the Redevelopment Agency	0	273,000	273,000	273,000	343,000
Workers' Compensation Claims	179	75,000	75,000	0	75,000
Total Expenditures	<u>49,999,216</u>	<u>39,216,655</u>	<u>124,685,825</u>	<u>80,811,299</u>	<u>52,708,172</u>

* Actuals may not subtotal due to rounding.

Low And Moderate Income Housing Asset Fund (346)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	368,648	395,875	250,098	250,098	322,398
Transfer to the General Fund	0	0	38,948	38,948	0
Total Transfers	<u>368,648</u>	<u>395,875</u>	<u>289,046</u>	<u>289,046</u>	<u>322,398</u>
Ending Fund Balance					
Affordable Housing Web Portal Reserve (Use)	386,352	0	0	0	0
Committed Projects Reserve (Use)	4,985,000	9,875,000	316,413	316,413	316,413
Housing Project Reserve (Use)	69,235,775	55,000,000	0	0	0
Reserve for Encumbrances (Use)	53,627,123	22,490,877	53,627,123	53,627,123	53,627,123
Revenue Stabilization Reserve (Use)	6,000,000	6,000,000	6,000,000	6,000,000	8,000,000
Unrestricted Ending Fund Balance (Use)	<u>38,065,402</u>	<u>12,956,928</u>	<u>4,376,810</u>	<u>45,755,771</u>	<u>5,225,201</u>
Total Ending Fund Balance	<u>172,299,652</u>	<u>106,322,805</u>	<u>64,320,346</u>	<u>105,699,307</u>	<u>67,168,737</u>
TOTAL USE OF FUNDS	<u><u>222,667,516</u></u>	<u><u>145,935,335</u></u>	<u><u>189,295,217</u></u>	<u><u>186,799,652</u></u>	<u><u>120,199,307</u></u>

* Actuals may not subtotal due to rounding.

Maintenance District No. 1 (Los Paseos) Fund (352)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	398,637	385,427	435,173	435,173	525,320
Total Beginning Fund Balance	398,637	385,427	435,173	435,173	525,320
Revenue from the Use of Money/Property					
Interest	3,287	2,700	2,700	7,700	8,000
Total Revenue from the Use of Money/Property	3,287	2,700	2,700	7,700	8,000
Special Assessments					
Special Assessments Revenue	399,345	368,300	368,300	368,300	373,500
Total Special Assessments	399,345	368,300	368,300	368,300	373,500
TOTAL SOURCE OF FUNDS	801,269	756,427	806,173	811,173	906,820
USE OF FUNDS					
DOT Non-Personal/Equipment	210,235	310,500	317,300	169,468	210,500
DOT Personal Services	116,840	119,034	120,209	72,562	107,225
Overhead	39,021	42,799	42,799	42,799	31,419
Total Expenditures	366,096	472,333	480,308	284,829	349,144
Transfer to the City Hall Debt Service Fund	0	1,024	1,024	1,024	0
Total Transfers	0	1,024	1,024	1,024	0
Unrestricted Ending Fund Balance (Use)	435,173	283,070	324,841	525,320	557,676
Total Ending Fund Balance	435,173	283,070	324,841	525,320	557,676
TOTAL USE OF FUNDS	801,269	756,427	806,173	811,173	906,820

* Actuals may not subtotal due to rounding.

Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	197,234	233,714	205,572	205,572	192,150
Total Beginning Fund Balance	<u>197,234</u>	<u>233,714</u>	<u>205,572</u>	<u>205,572</u>	<u>192,150</u>
Revenue from the Use of Money/Property					
Interest	1,715	1,700	1,700	3,700	4,000
Total Revenue from the Use of Money/Property	<u>1,715</u>	<u>1,700</u>	<u>1,700</u>	<u>3,700</u>	<u>4,000</u>
Revenue from Local Agencies					
Other Assessment Revenue	0	0	0	0	0
Total Revenue from Local Agencies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Assessments					
Special Assessments Revenue	88,941	91,700	91,700	91,700	96,900
Total Special Assessments	<u>88,941</u>	<u>91,700</u>	<u>91,700</u>	<u>91,700</u>	<u>96,900</u>
Transfers					
General Fund	2,408	2,408	2,408	2,408	2,408
Total Transfers	<u>2,408</u>	<u>2,408</u>	<u>2,408</u>	<u>2,408</u>	<u>2,408</u>
TOTAL SOURCE OF FUNDS	<u>290,298</u>	<u>329,522</u>	<u>301,380</u>	<u>303,380</u>	<u>295,458</u>
USE OF FUNDS					
DOT Non-Personal/Equipment	67,044	84,500	84,500	88,424	62,500
DOT Personal Services	12,286	16,307	16,475	16,475	53,316
Overhead	5,396	6,331	6,331	6,331	15,726
Total Expenditures	<u>84,726</u>	<u>107,138</u>	<u>107,306</u>	<u>111,230</u>	<u>131,542</u>
Unrestricted Ending Fund Balance (Use)	205,572	222,384	194,074	192,150	163,916
Total Ending Fund Balance	<u>205,572</u>	<u>222,384</u>	<u>194,074</u>	<u>192,150</u>	<u>163,916</u>
TOTAL USE OF FUNDS	<u>290,298</u>	<u>329,522</u>	<u>301,380</u>	<u>303,380</u>	<u>295,458</u>

* Actuals may not subtotal due to rounding.

Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	141,531	154,551	148,209	148,209	166,659
Total Beginning Fund Balance	<u>141,531</u>	<u>154,551</u>	<u>148,209</u>	<u>148,209</u>	<u>166,659</u>
Revenue from the Use of Money/Property					
Interest	1,064	1,000	1,000	2,600	2,000
Total Revenue from the Use of Money/Property	<u>1,064</u>	<u>1,000</u>	<u>1,000</u>	<u>2,600</u>	<u>2,000</u>
Special Assessments					
Special Assessments Revenue	93,627	95,100	95,100	95,100	102,000
Total Special Assessments	<u>93,627</u>	<u>95,100</u>	<u>95,100</u>	<u>95,100</u>	<u>102,000</u>
TOTAL SOURCE OF FUNDS	<u>236,222</u>	<u>250,651</u>	<u>244,309</u>	<u>245,909</u>	<u>270,659</u>
USE OF FUNDS					
DOT Non-Personal/Equipment	52,761	54,100	54,100	51,656	65,100
DOT Personal Services	26,077	25,837	26,084	18,332	66,731
Overhead	9,174	9,262	9,262	9,262	19,897
Total Expenditures	<u>88,013</u>	<u>89,199</u>	<u>89,446</u>	<u>79,250</u>	<u>151,728</u>
Unrestricted Ending Fund Balance (Use)	148,209	161,452	154,863	166,659	118,931
Total Ending Fund Balance	<u>148,209</u>	<u>161,452</u>	<u>154,863</u>	<u>166,659</u>	<u>118,931</u>
TOTAL USE OF FUNDS	<u>236,222</u>	<u>250,651</u>	<u>244,309</u>	<u>245,909</u>	<u>270,659</u>

* Actuals may not subtotal due to rounding.

Maintenance District No. 8 (Zanker-Montague) Fund (361)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	2,789	2,789	5,217	5,217	5,217
Unrestricted Beginning Fund Balance (Source)	113,951	71,484	145,263	73,779	28,480
Total Beginning Fund Balance	<u>116,740</u>	<u>74,273</u>	<u>150,480</u>	<u>78,996</u>	<u>33,697</u>
Revenue from the Use of Money/Property					
Interest	540	500	500	400	1,000
Total Revenue from the Use of Money/Property	<u>540</u>	<u>500</u>	<u>500</u>	<u>400</u>	<u>1,000</u>
Special Assessments					
Special Assessments Revenue	113,907	118,500	118,500	118,500	125,100
Total Special Assessments	<u>113,907</u>	<u>118,500</u>	<u>118,500</u>	<u>118,500</u>	<u>125,100</u>
Transfers					
General Fund	2,353	2,353	2,353	2,353	2,353
Total Transfers	<u>2,353</u>	<u>2,353</u>	<u>2,353</u>	<u>2,353</u>	<u>2,353</u>
TOTAL SOURCE OF FUNDS	<u>233,540</u>	<u>195,626</u>	<u>271,833</u>	<u>200,249</u>	<u>162,150</u>
USE OF FUNDS					
DOT Non-Personal/Equipment	53,493	67,600	67,600	64,512	72,200
DOT Personal Services	74,106	75,662	76,409	72,141	36,419
Overhead	25,477	28,182	28,182	28,182	10,855
Total Expenditures	<u>153,076</u>	<u>171,444</u>	<u>172,191</u>	<u>164,835</u>	<u>119,474</u>
Transfer to the City Hall Debt Service Fund	1,468	1,717	1,717	1,717	1,175
Total Transfers	<u>1,468</u>	<u>1,717</u>	<u>1,717</u>	<u>1,717</u>	<u>1,175</u>
Reserve for Encumbrances (Use)	5,217	2,789	5,217	5,217	5,217
Unrestricted Ending Fund Balance (Use)	73,779	19,676	92,708	28,480	36,284
Total Ending Fund Balance	<u>78,996</u>	<u>22,465</u>	<u>97,925</u>	<u>33,697</u>	<u>41,501</u>
TOTAL USE OF FUNDS	<u>233,540</u>	<u>195,626</u>	<u>271,833</u>	<u>200,249</u>	<u>162,150</u>

* Actuals may not subtotal due to rounding.

Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	256,395	283,656	254,487	254,487	230,293
Total Beginning Fund Balance	256,395	283,656	254,487	254,487	230,293
Revenue from the Use of Money/Property					
Interest	1,961	2,000	2,000	4,100	4,000
Total Revenue from the Use of Money/Property	1,961	2,000	2,000	4,100	4,000
Special Assessments					
Special Assessments Revenue	175,527	187,100	187,100	187,100	197,500
Total Special Assessments	175,527	187,100	187,100	187,100	197,500
Transfers					
General Fund	23,480	23,480	23,480	23,480	23,480
Total Transfers	23,480	23,480	23,480	23,480	23,480
TOTAL SOURCE OF FUNDS	457,363	496,236	467,067	469,167	455,273
USE OF FUNDS					
DOT Non-Personal/Equipment	134,170	147,800	147,800	166,552	168,800
DOT Personal Services	51,022	51,815	52,343	52,343	62,732
Overhead	17,684	19,979	19,979	19,979	18,444
Total Expenditures	202,876	219,594	220,122	238,874	249,976
Unrestricted Ending Fund Balance (Use)	254,487	276,642	246,945	230,293	205,297
Total Ending Fund Balance	254,487	276,642	246,945	230,293	205,297
TOTAL USE OF FUNDS	457,363	496,236	467,067	469,167	455,273

* Actuals may not subtotal due to rounding.

Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	181,937	151,312	174,793	174,793	180,003
Total Beginning Fund Balance	181,937	151,312	174,793	174,793	180,003
Revenue from the Use of Money/Property					
Interest	1,512	1,500	1,500	3,100	3,000
Total Revenue from the Use of Money/Property	1,512	1,500	1,500	3,100	3,000
Special Assessments					
Special Assessments Revenue	79,168	81,600	81,600	81,600	86,200
Total Special Assessments	79,168	81,600	81,600	81,600	86,200
Transfers					
General Fund	6,354	6,354	6,354	6,354	6,354
Total Transfers	6,354	6,354	6,354	6,354	6,354
TOTAL SOURCE OF FUNDS	268,971	240,766	264,247	265,847	275,557
USE OF FUNDS					
DOT Non-Personal/Equipment	68,235	97,850	97,850	60,907	100,850
DOT Personal Services	18,622	19,722	19,915	17,681	27,650
Overhead	7,321	7,256	7,256	7,256	7,993
Total Expenditures	94,178	124,828	125,021	85,844	136,493
Unrestricted Ending Fund Balance (Use)	174,793	115,938	139,226	180,003	139,064
Total Ending Fund Balance	174,793	115,938	139,226	180,003	139,064
TOTAL USE OF FUNDS	268,971	240,766	264,247	265,847	275,557

* Actuals may not subtotal due to rounding.

Maintenance District No. 13 (Karina-O'Nel) Fund (366)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	156,278	174,145	171,170	171,170	186,546
Total Beginning Fund Balance	<u>156,278</u>	<u>174,145</u>	<u>171,170</u>	<u>171,170</u>	<u>186,546</u>
Revenue from the Use of Money/Property					
Interest	1,349	1,500	1,500	3,300	4,000
Total Revenue from the Use of Money/Property	<u>1,349</u>	<u>1,500</u>	<u>1,500</u>	<u>3,300</u>	<u>4,000</u>
Special Assessments					
Special Assessments Revenue	56,962	58,700	58,700	58,700	62,000
Total Special Assessments	<u>56,962</u>	<u>58,700</u>	<u>58,700</u>	<u>58,700</u>	<u>62,000</u>
TOTAL SOURCE OF FUNDS	<u>214,589</u>	<u>234,345</u>	<u>231,370</u>	<u>233,170</u>	<u>252,546</u>
USE OF FUNDS					
DOT Non-Personal/Equipment	33,347	31,250	31,250	36,877	32,250
DOT Personal Services	7,415	7,107	7,176	7,176	7,099
Overhead	2,657	2,571	2,571	2,571	2,186
Total Expenditures	<u>43,419</u>	<u>40,928</u>	<u>40,997</u>	<u>46,624</u>	<u>41,535</u>
Unrestricted Ending Fund Balance (Use)	171,170	193,417	190,373	186,546	211,011
Total Ending Fund Balance	<u>171,170</u>	<u>193,417</u>	<u>190,373</u>	<u>186,546</u>	<u>211,011</u>
TOTAL USE OF FUNDS	<u>214,589</u>	<u>234,345</u>	<u>231,370</u>	<u>233,170</u>	<u>252,546</u>

* Actuals may not subtotal due to rounding.

Maintenance District No. 15 (Silver Creek Valley) Fund (368)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	311,655	188,423	204,196	204,196	259,508
Total Beginning Fund Balance	<u>311,655</u>	<u>188,423</u>	<u>204,196</u>	<u>204,196</u>	<u>259,508</u>
Revenue from the Use of Money/Property					
Interest	911	700	700	900	2,000
Total Revenue from the Use of Money/Property	<u>911</u>	<u>700</u>	<u>700</u>	<u>900</u>	<u>2,000</u>
Special Assessments					
Special Assessments Revenue	1,371,567	1,497,100	1,497,100	1,497,100	1,683,800
Total Special Assessments	<u>1,371,567</u>	<u>1,497,100</u>	<u>1,497,100</u>	<u>1,497,100</u>	<u>1,683,800</u>
Transfers					
General Fund	16,636	16,636	16,636	16,636	16,636
Storm Sewer Operating Fund	22,118	22,118	22,118	22,118	22,118
Total Transfers	<u>38,754</u>	<u>38,754</u>	<u>38,754</u>	<u>38,754</u>	<u>38,754</u>
TOTAL SOURCE OF FUNDS	<u><u>1,722,887</u></u>	<u><u>1,724,977</u></u>	<u><u>1,740,750</u></u>	<u><u>1,740,950</u></u>	<u><u>1,984,062</u></u>
USE OF FUNDS					
DOT Non-Personal/Equipment	888,732	996,200	996,200	960,626	1,016,200
DOT Personal Services	434,747	504,919	510,643	334,643	367,809
Overhead	190,753	181,128	181,128	181,128	107,956
Total Expenditures	<u>1,514,232</u>	<u>1,682,247</u>	<u>1,687,971</u>	<u>1,476,397</u>	<u>1,491,965</u>
Transfer to the City Hall Debt Service Fund	4,459	6,485	3,066	3,066	3,236
Transfer to the General Fund	0	0	1,979	1,979	0
Total Transfers	<u>4,459</u>	<u>6,485</u>	<u>5,045</u>	<u>5,045</u>	<u>3,236</u>
Unrestricted Ending Fund Balance (Use)	204,196	36,245	47,734	259,508	488,861
Total Ending Fund Balance	<u>204,196</u>	<u>36,245</u>	<u>47,734</u>	<u>259,508</u>	<u>488,861</u>
TOTAL USE OF FUNDS	<u><u>1,722,887</u></u>	<u><u>1,724,977</u></u>	<u><u>1,740,750</u></u>	<u><u>1,740,950</u></u>	<u><u>1,984,062</u></u>

* Actuals may not subtotal due to rounding.

Maintenance District No. 18 (The Meadowlands) Fund (372)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	170,038	157,560	179,011	179,011	199,496
Total Beginning Fund Balance	170,038	157,560	179,011	179,011	199,496
Revenue from the Use of Money/Property					
Interest	1,440	1,600	1,600	3,300	4,000
Total Revenue from the Use of Money/Property	1,440	1,600	1,600	3,300	4,000
Special Assessments					
Special Assessments Revenue	91,086	94,000	94,000	94,000	101,900
Total Special Assessments	91,086	94,000	94,000	94,000	101,900
TOTAL SOURCE OF FUNDS	262,563	253,160	274,611	276,311	305,396
USE OF FUNDS					
DOT Non-Personal/Equipment	52,728	40,850	65,250	51,552	40,850
DOT Personal Services	22,006	25,347	25,609	15,649	13,452
Overhead	8,818	9,614	9,614	9,614	3,621
Total Expenditures	83,552	75,811	100,473	76,815	57,923
Unrestricted Ending Fund Balance (Use)	179,011	177,349	174,138	199,496	247,473
Total Ending Fund Balance	179,011	177,349	174,138	199,496	247,473
TOTAL USE OF FUNDS	262,563	253,160	274,611	276,311	305,396

* Actuals may not subtotal due to rounding.

Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	258,096	163,733	178,390	178,390	199,777
Total Beginning Fund Balance	258,096	163,733	178,390	178,390	199,777
Revenue from the Use of Money/Property					
Interest	1,998	1,900	1,900	2,800	3,000
Total Revenue from the Use of Money/Property	1,998	1,900	1,900	2,800	3,000
Special Assessments					
Special Assessments Revenue	174,299	181,500	181,500	181,500	191,700
Total Special Assessments	174,299	181,500	181,500	181,500	191,700
Transfers					
General Fund	6,195	6,195	6,195	6,195	6,195
Total Transfers	6,195	6,195	6,195	6,195	6,195
TOTAL SOURCE OF FUNDS	440,588	353,328	367,985	368,885	400,672
USE OF FUNDS					
DOT Non-Personal/Equipment	189,802	118,950	141,250	115,004	123,950
DOT Personal Services	52,689	58,060	58,635	33,153	36,423
Overhead	19,707	20,951	20,951	20,951	10,442
Total Expenditures	262,198	197,961	220,836	169,108	170,815
Unrestricted Ending Fund Balance (Use)	178,390	155,367	147,149	199,777	229,857
Total Ending Fund Balance	178,390	155,367	147,149	199,777	229,857
TOTAL USE OF FUNDS	440,588	353,328	367,985	368,885	400,672

* Actuals may not subtotal due to rounding.

Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	121,374	92,281	90,013	90,013	51,903
Total Beginning Fund Balance	121,374	92,281	90,013	90,013	51,903
Revenue from the Use of Money/Property					
Interest	964	500	500	1,400	1,000
Total Revenue from the Use of Money/Property	964	500	500	1,400	1,000
Special Assessments					
Special Assessments Revenue	65,141	68,000	68,000	68,000	71,800
Total Special Assessments	65,141	68,000	68,000	68,000	71,800
Transfers					
General Fund	21,461	21,461	21,461	21,461	21,461
Total Transfers	21,461	21,461	21,461	21,461	21,461
TOTAL SOURCE OF FUNDS	208,940	182,242	179,974	180,874	146,164
USE OF FUNDS					
DOT Non-Personal/Equipment	103,056	113,550	113,550	113,833	98,350
DOT Personal Services	11,207	12,612	12,737	10,453	28,395
Overhead	4,664	4,685	4,685	4,685	8,743
Total Expenditures	118,927	130,847	130,972	128,971	135,488
Unrestricted Ending Fund Balance (Use)	90,013	51,395	49,002	51,903	10,676
Total Ending Fund Balance	90,013	51,395	49,002	51,903	10,676
TOTAL USE OF FUNDS	208,940	182,242	179,974	180,874	146,164

* Actuals may not subtotal due to rounding.

Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	157,523	184,600	181,082	181,082	214,748
Total Beginning Fund Balance	157,523	184,600	181,082	181,082	214,748
Revenue from the Use of Money/Property					
Interest	1,346	1,700	1,700	3,400	9,000
Total Revenue from the Use of Money/Property	1,346	1,700	1,700	3,400	9,000
Special Assessments					
Special Assessments Revenue	105,757	109,100	109,100	109,100	115,200
Total Special Assessments	105,757	109,100	109,100	109,100	115,200
Transfers					
General Fund	8,996	8,996	8,996	8,996	8,996
Total Transfers	8,996	8,996	8,996	8,996	8,996
TOTAL SOURCE OF FUNDS	273,622	304,396	300,878	302,578	347,944
USE OF FUNDS					
DOT Non-Personal/Equipment	49,121	54,900	54,900	45,718	56,900
DOT Personal Services	32,568	30,487	30,784	30,784	36,423
Overhead	10,851	11,328	11,328	11,328	10,442
Total Expenditures	92,540	96,715	97,012	87,830	103,765
Unrestricted Ending Fund Balance (Use)	181,082	207,681	203,866	214,748	244,179
Total Ending Fund Balance	181,082	207,681	203,866	214,748	244,179
TOTAL USE OF FUNDS	273,622	304,396	300,878	302,578	347,944

* Actuals may not subtotal due to rounding.

Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	155,814	76,990	52,912	52,912	44,414
Total Beginning Fund Balance	155,814	76,990	52,912	52,912	44,414
Revenue from the Use of Money/Property					
Interest	1,118	1,300	1,300	1,100	1,000
Total Revenue from the Use of Money/Property	1,118	1,300	1,300	1,100	1,000
Special Assessments					
Special Assessments Revenue	75,183	77,500	77,500	77,500	81,800
Total Special Assessments	75,183	77,500	77,500	77,500	81,800
Transfers					
General Fund	35,223	35,223	35,223	35,223	35,223
Total Transfers	35,223	35,223	35,223	35,223	35,223
TOTAL SOURCE OF FUNDS	267,338	191,013	166,935	166,735	162,437
USE OF FUNDS					
DOT Non-Personal/Equipment	195,099	89,500	89,500	101,682	94,400
DOT Personal Services	14,130	14,940	15,094	14,877	28,401
Overhead	5,197	5,762	5,762	5,762	8,201
Total Expenditures	214,426	110,202	110,356	122,321	131,002
Unrestricted Ending Fund Balance (Use)	52,912	80,811	56,579	44,414	31,435
Total Ending Fund Balance	52,912	80,811	56,579	44,414	31,435
TOTAL USE OF FUNDS	267,338	191,013	166,935	166,735	162,437

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
City Housing Authority Reserve (Source)	5,878,502	2,478,502	2,478,502	2,478,502	2,478,502
Housing Project Reserve (Source)	8,000,000	0	0	0	0
Reserve for Encumbrances (Source)	13,906,653	13,906,653	13,019,826	13,019,826	13,019,826
Reserve for Encumbrances (Source)	176,310	0	0	0	0
Unrestricted Beginning Fund Balance (Source)	8,608,297	31,701,719	27,200,378	27,200,378	26,744,146
Total Beginning Fund Balance	36,569,762	48,086,874	42,698,706	42,698,706	42,242,474
Revenue from the Use of Money/Property					
Interest	774,609	504,000	504,000	378,000	269,000
Loan Repayments	1,860,879	1,010,000	1,010,000	1,005,000	1,005,000
Recovery Act - Neighborhood Stabilization Program 2	97,883	150,000	250,000	100,000	75,000
Total Revenue from the Use of Money/Property	2,733,371	1,664,000	1,764,000	1,483,000	1,349,000
Revenue from State of California					
Encampment Resolution Fund	0	0	2,085,216	2,085,216	0
Project HomeKey Grant	592,292	0	36,091,036	36,091,036	0
Total Revenue from State of California	592,292	0	38,176,252	38,176,252	0
Revenue from Federal Government					
Emergency Shelter Grants	23,920,457	566,165	566,165	566,165	0
HOPWA Grants	2,168,873	2,782,443	3,103,840	3,103,840	2,782,443
Total Revenue from Federal Government	26,089,330	3,348,608	3,670,005	3,670,005	2,782,443
Fees, Rates, and Charges					
Commercial Linkage Fee	679,853	0	0	0	0
Miscellaneous	757	75,000	75,000	75,000	75,000
Multi-Family Housing Fees and Charges	287,365	680,000	680,000	680,000	680,000
Total Fees, Rates, and Charges	967,975	755,000	755,000	755,000	755,000
Other Revenue					
All Home Grant	0	0	500,000	500,000	0
Miscellaneous Revenue	3,225,000	0	0	0	0
Total Other Revenue	3,225,000	0	500,000	500,000	0
Transfers					
Emergency Reserve Fund	20,273,692	0	0	0	0
Homless Emergency Aid Program Fund	0	54,341	54,341	0	0
Multi-Source Housing Fund	558,157	0	0	0	0
Total Transfers	20,831,849	54,341	54,341	0	0
TOTAL SOURCE OF FUNDS	91,009,578	53,908,823	87,618,304	87,282,963	47,128,917
USE OF FUNDS					
Expenditures					
2017 Coyote Creek Flood Recovery Efforts	(14,817)	388,827	388,827	0	388,827
All Home Grant	0	0	500,000	500,000	0
Bridge Housing Communities	1,700,000	0	0	0	0
CalHome (BEGIN) Program	0	0	350,000	350,000	0
CalHome (Homebuyer) Program	0	0	20,000	20,000	0
CalHome (Rehabilitation) Program	240,222	0	395,358	395,358	0

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
CARES Emergency Shelter Grants	440,172	850,431	850,431	0	850,431
CARES HOPWA Grants	43,281	0	0	0	0
City Attorney Personal Services	0	93,606	94,587	94,587	104,080
Crisis Response Interventions	83,144	0	0	0	0
Emergency Shelter Grants	870,629	887,636	887,636	0	889,203
Emergency Shelters	0	3,000,000	3,000,000	0	3,000,000
Encampment Resolution Funding Grant	0	0	2,085,216	2,085,216	0
ESG CARES II Grant	681,707	795,517	795,517	181,048	614,469
Homeless Rapid Rehousing	2,863,869	4,660,355	4,660,355	0	4,660,355
Homeless Outreach Services	63,861	0	269,847	0	0
HOPWA GRANTS	1,384,844	29,863	63,171	63,171	29,863
HOPWA PSH	334,463	1,318,389	1,606,478	10,087	1,318,389
HOPWA VAWA	(8,655)	538,044	538,044	0	538,044
Housing Loans and Grants	0	2,158,002	2,158,002	0	2,158,002
Housing Non-Personal/Equipment	(4,019)	34,547	34,547	34,547	34,547
Housing Personal Services	53,030	1,213,015	1,223,283	1,223,283	1,003,597
Housing Shelter	16,811,841	3,852,621	3,852,621	3,852,621	3,852,621
Hygiene/Infection Control	1,254,576	2,200,000	2,200,000	2,200,000	2,200,000
Job Readiness Training Project	0	0	900,000	450,000	0
Loan Administration	205,616	311,000	311,000	311,000	300,868
Overhead	303,415	592,088	592,088	592,088	206,068
PBCE Personal Services	0	24,226	24,473	24,473	24,603
Plaza Hotel Operations	291,485	0	0	0	0
Project HomeKey	1,182,442	0	0	0	0
Project HomeKey 2.0	0	0	36,091,036	30,292,202	0
Recovery Act - Neighborhood Stabilization Program 2	368,702	150,000	250,000	100,000	100,000
Rock Springs Landlord Incentive	0	0	97,050	97,050	0
SB89 COVID-19 Emergency	2,708,260	0	0	0	0
Street Outreach and Support Services	0	3,403,982	3,403,982	0	3,403,982
Survivors of Violence Housing Assistance	41,363	0	0	0	0
VA Rental Subsidy Program	280,105	1,500,000	1,500,000	1,500,000	0
Total Expenditures	32,179,538	28,002,149	69,143,549	44,376,731	25,677,949
Transfers					
Transfer to the Affordable Housing Impact Fee Fund	7,855,263	0	0	0	0
Transfer to the City Hall Debt Service Fund	78,001	108,098	72,373	72,373	64,336
Transfer to the Community Development Block Grant Fund	0	0	584,220	584,220	0
Transfer to the General Fund	0	0	7,165	7,165	0
Transfer to the Homeless Emergency Aid Program Fund	558,157	0	0	0	0
Transfer to the Homeless Housing Assistance and Prevention Fund	7,639,913	0	0	0	0
Transfer to the Multi-Source Housing Fund	0	54,341	54,341	0	0
Total Transfers	16,131,334	162,439	718,099	663,758	64,336
Ending Fund Balance					
City Housing Authority Reserve (Use)	2,478,502	2,478,502	2,478,502	2,478,502	0
Reserve for Encumbrances (Use)	13,019,826	13,906,653	13,019,826	13,019,826	13,019,826
Unrestricted Ending Fund Balance (Use)	27,200,378	9,359,080	2,258,328	26,744,146	8,366,806
Total Ending Fund Balance	42,698,706	25,744,235	17,756,656	42,242,474	21,386,632
TOTAL USE OF FUNDS	91,009,578	53,908,823	87,618,304	87,282,963	47,128,917

* Actuals may not subtotal due to rounding.

Municipal Golf Course Fund (518)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
San Jose Financing Authority Loan Write Off Reserve (Source)	0	0	0	0	2,500,000
Unrestricted Beginning Fund Balance (Source)	1,969,976	2,354,976	2,749,493	2,749,493	146,493
Total Beginning Fund Balance	1,969,976	2,354,976	2,749,493	2,749,493	2,646,493
Revenue from the Use of Money/Property					
Interest	19,697	20,000	20,000	38,000	20,000
San Jose Golf Courses	1,021,592	700,000	700,000	309,000	800,000
Total Revenue from the Use of Money/Property	1,041,289	720,000	720,000	347,000	820,000
TOTAL SOURCE OF FUNDS	3,011,265	3,074,976	3,469,493	3,096,493	3,466,493
USE OF FUNDS					
Expenditures					
Los Lagos Golf Course	14,033	100,000	100,000	100,000	0
Rancho del Pueblo Golf Course	247,739	350,000	350,000	350,000	0
Total Expenditures	261,772	450,000	450,000	450,000	0
Ending Fund Balance					
San Jose Financing Authority Loan Write Off Reserve (Use)	0	0	2,500,000	2,500,000	3,300,000
Unrestricted Ending Fund Balance (Use)	2,749,493	2,624,976	519,493	146,493	166,493
Total Ending Fund Balance	2,749,493	2,624,976	3,019,493	2,646,493	3,466,493
TOTAL USE OF FUNDS	3,011,265	3,074,976	3,469,493	3,096,493	3,466,493

* Actuals may not subtotal due to rounding.

Planning Development Fee Program Fund (238)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	23,926	23,926	7,790	7,790	7,790
Unrestricted Beginning Fund Balance (Source)	3,372,115	4,014,477	4,335,249	4,335,249	4,023,386
Total Beginning Fund Balance	<u>3,396,041</u>	<u>4,038,403</u>	<u>4,343,039</u>	<u>4,343,039</u>	<u>4,031,176</u>
Revenue from the Use of Money/Property					
Interest	32,593	31,000	31,000	100,000	50,000
Total Revenue from the Use of Money/Property	<u>32,593</u>	<u>31,000</u>	<u>31,000</u>	<u>100,000</u>	<u>50,000</u>
Fees, Rates, and Charges					
Planning Development Program Fees	8,197,644	8,310,858	8,310,858	7,352,526	7,720,152
Total Fees, Rates, and Charges	<u>8,197,644</u>	<u>8,310,858</u>	<u>8,310,858</u>	<u>7,352,526</u>	<u>7,720,152</u>
Other Revenue					
Miscellaneous	17,706	0	0	0	0
Total Other Revenue	<u>17,706</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>11,643,984</u>	<u>12,380,261</u>	<u>12,684,897</u>	<u>11,795,565</u>	<u>11,801,328</u>
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	0	332,716	332,716	387,220	362,730
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	2,107	10,072	18,572	18,000	15,182
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	65,340	110,171	110,171	95,000	150,171
Development Fee Program - Shared Resources Personal Services (Finance)	26,110	30,084	30,375	24,963	25,107
Development Fee Program - Shared Resources Personal Services (HR)	20,377	19,800	20,012	21,542	20,775
Development Fee Program - Shared Resources Personal Services (ITD)	348,343	328,012	326,223	280,192	331,657
Development Fee Program - Shared Resources Personal Services (PBCE)	218,688	227,260	229,541	185,560	230,432
OED Personal Services	75,970	81,368	83,762	60,352	80,649
Overhead	921,699	1,023,638	1,023,638	1,023,638	1,073,459
Planning Development Fee Program - Non-Personal/Equipment (PBCE)	288,917	166,723	166,723	240,000	302,123
Planning Development Fee Program - Personal Services (PBCE)	5,066,655	5,622,323	5,673,582	5,255,125	5,958,582
Planning Development Fee Program - Personal Services (PW)	39,993	41,549	41,982	17,144	42,267
Total Expenditures	<u>7,074,198</u>	<u>7,993,716</u>	<u>8,057,297</u>	<u>7,608,736</u>	<u>8,593,134</u>

* Actuals may not subtotal due to rounding.

Planning Development Fee Program Fund (238)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	226,747	246,696	129,568	129,568	222,247
Transfer to the General Fund	0	0	26,085	26,085	0
Total Transfers	<u>226,747</u>	<u>246,696</u>	<u>155,653</u>	<u>155,653</u>	<u>222,247</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	7,790	23,926	7,790	7,790	7,790
Unrestricted Ending Fund Balance (Use)	4,335,249	4,115,923	4,464,157	4,023,386	2,978,157
Total Ending Fund Balance	<u>4,343,039</u>	<u>4,139,849</u>	<u>4,471,947</u>	<u>4,031,176</u>	<u>2,985,947</u>
TOTAL USE OF FUNDS	<u><u>11,643,984</u></u>	<u><u>12,380,261</u></u>	<u><u>12,684,897</u></u>	<u><u>11,795,565</u></u>	<u><u>11,801,328</u></u>

* Actuals may not subtotal due to rounding.

Police Retiree Healthcare Trust Fund (125)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actual	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	154,276,000	181,129,000	155,037,000	155,037,000	182,321,000
Total Beginning Fund Balance	<u>154,276,000</u>	<u>181,129,000</u>	<u>155,037,000</u>	<u>155,037,000</u>	<u>182,321,000</u>
Revenue from the Use of Money/Property					
Investment Income	(15,906,000)	11,406,000	11,406,000	9,826,000	11,460,000
Total Revenue from the Use of Money/Property	<u>(15,906,000)</u>	<u>11,406,000</u>	<u>11,406,000</u>	<u>9,826,000</u>	<u>11,460,000</u>
Transfers					
City Contributions	16,735,000	18,000,000	18,000,000	17,503,000	17,428,000
Total Transfers	<u>16,735,000</u>	<u>18,000,000</u>	<u>18,000,000</u>	<u>17,503,000</u>	<u>17,428,000</u>
TOTAL SOURCE OF FUNDS	<u>155,105,000</u>	<u>210,535,000</u>	<u>184,443,000</u>	<u>182,366,000</u>	<u>211,209,000</u>
USE OF FUNDS					
Expenditures					
Professional Fees	68,000	45,000	45,000	45,000	81,000
Total Expenditures	<u>68,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>81,000</u>
Ending Fund Balance					
Reserve for Claims (Use)	155,037,000	210,490,000	184,398,000	182,321,000	211,128,000
Total Ending Fund Balance	<u>155,037,000</u>	<u>210,490,000</u>	<u>184,398,000</u>	<u>182,321,000</u>	<u>211,128,000</u>
TOTAL USE OF FUNDS	<u>155,105,000</u>	<u>210,535,000</u>	<u>184,443,000</u>	<u>182,366,000</u>	<u>211,209,000</u>

This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration a administrative budget on 4/6/23.

Police and Fire Retirement Fund (135)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actual	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	4,753,564,000	4,990,044,000	4,427,322,000	4,427,322,000	4,624,117,000
Total Beginning Fund Balance	4,753,564,000	4,990,044,000	4,427,322,000	4,427,322,000	4,624,117,000
Revenue from the Use of Money/Property					
Participant Income	43,769,000	45,141,000	45,141,000	45,151,000	45,644,000
Investment Income	(296,281,000)	279,249,000	279,249,000	242,110,000	251,364,000
Total Revenue from the Use of Money/Property	(252,512,000)	324,390,000	324,390,000	287,261,000	297,008,000
Transfers					
City Contributions	215,307,000	205,908,000	205,908,000	206,746,000	201,766,000
1970 COLA	500	1,000	1,000	500	1,000
1980 COLA	6,000	7,000	7,000	5,000	7,000
1990 COLA	4,000	4,000	4,000	4,000	4,000
Total Transfers	215,317,500	205,920,000	205,920,000	206,755,500	201,778,000
TOTAL SOURCE OF FUNDS	4,716,369,500	5,520,354,000	4,957,632,000	4,921,338,500	5,122,903,000
USE OF FUNDS					
Expenditures					
Retirement Personal Services	3,937,000	4,463,000	4,463,000	4,435,000	4,792,000
Retirement Non-Personal/Equipment	1,121,000	795,000	795,000	718,000	859,000
Benefits	259,876,000	265,735,000	265,735,000	268,263,000	282,656,000
Health Insurance	23,066,000	25,618,000	22,334,000	22,687,000	22,422,000
Professional Fees	1,037,000	996,000	996,000	1,109,000	1,042,000
1970 COLA	500	1,000	1,000	500	1,000
1980 COLA	6,000	7,000	7,000	5,000	7,000
1990 COLA	4,000	4,000	4,000	4,000	4,000
Total Expenditures	289,047,500	297,619,000	294,335,000	297,221,500	311,783,000
Ending Fund Balance					
Reserve for Claims (Use)	4,427,322,000	5,222,735,000	4,663,297,000	4,624,117,000	4,811,120,000
Total Ending Fund Balance	4,427,322,000	5,222,735,000	4,663,297,000	4,624,117,000	4,811,120,000
TOTAL USE OF FUNDS	4,716,369,500	5,520,354,000	4,957,632,000	4,921,338,500	5,122,903,000

This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/6/23. It should be noted that the personal services costs reflected in this statement can vary from the budget presented to the Board due to salary, retirement, and benefit costs when compared to those that were projected in March.

Public Works Development Fee Program Fund (241)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	65,719	65,719	59,855	59,855	59,855
Unrestricted Beginning Fund Balance (Source)	7,093,527	5,942,318	6,723,983	6,723,983	5,408,438
Total Beginning Fund Balance	7,159,246	6,008,037	6,783,838	6,783,838	5,468,293
Revenue from the Use of Money/Property					
Interest	46,706	125,000	125,000	125,000	125,000
Total Revenue from the Use of Money/Property	46,706	125,000	125,000	125,000	125,000
Fees, Rates, and Charges					
Public Works Development Program Fees	7,890,759	8,349,000	8,349,000	7,224,454	8,600,000
Public Works Utility Program Fees	6,544,953	5,401,000	5,401,000	7,366,568	6,700,000
Total Fees, Rates, and Charges	14,435,712	13,750,000	13,750,000	14,591,022	15,300,000
TOTAL SOURCE OF FUNDS	21,641,663	19,883,037	20,658,838	21,499,860	20,893,293
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	1,295	12,711	33,111	33,111	4,911
Development Fee Program - Shared Resources Personal Services (Finance)	14,990	17,108	17,272	17,272	14,166
Development Fee Program - Shared Resources Personal Services (ITD)	257,459	297,271	279,114	279,114	307,741
ITD Non-Personal/Equipment	0	0	0	0	18,000
Overhead	2,021,400	2,341,278	2,341,278	2,341,278	2,889,564
Public Works Development Fee Program - Non-Personal/Equipment (PBCE)	47,632	70,320	70,320	70,320	128,320
Public Works Development Fee Program - Non-Personal/Equipment (PW)	208,771	291,907	291,907	291,907	291,907
Public Works Development Fee Program - Personal Services (OED)	102,885	110,127	113,415	113,415	114,334
Public Works Development Fee Program - Personal Services (PBCE)	142,125	144,442	145,912	145,912	145,567
Public Works Development Fee Program - Personal Services (PW)	11,866,343	11,453,504	11,849,637	12,500,000	12,697,974
Total Expenditures	14,662,901	14,738,668	15,141,966	15,792,329	16,612,484
Transfers					
Transfer to the City Hall Debt Service Fund	194,925	377,434	191,829	191,829	224,174
Transfer to the General Fund	0	0	47,409	47,409	0
Total Transfers	194,925	377,434	239,238	239,238	224,174
Ending Fund Balance					
Reserve for Encumbrances (Use)	59,855	65,719	59,855	59,855	59,855
Unrestricted Ending Fund Balance (Use)	6,723,983	4,701,216	5,217,779	5,408,438	3,996,780
Total Ending Fund Balance	6,783,838	4,766,935	5,277,634	5,468,293	4,056,635
TOTAL USE OF FUNDS	21,641,664	19,883,037	20,658,838	21,499,860	20,893,293

* Actuals may not subtotal due to rounding.

Public Works Program Support Fund (150)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	32,067	32,067	74,620	74,620	74,620
Unrestricted Beginning Fund Balance (Source)	2,562,004	1,064,597	1,493,732	1,493,732	1,464,314
Total Beginning Fund Balance	<u>2,594,072</u>	<u>1,096,664</u>	<u>1,568,352</u>	<u>1,568,352</u>	<u>1,538,934</u>
Revenue from the Use of Money/Property					
Interest	19,772	25,000	25,000	25,000	25,000
Total Revenue from the Use of Money/Property	<u>19,772</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Other Revenue					
Miscellaneous	409	0	0	0	0
Total Other Revenue	<u>409</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfers					
Capital Program Support	2,430,701	2,500,000	2,500,000	2,500,000	2,655,000
Compensated Absence	10,706,664	11,630,000	11,630,000	11,630,000	11,630,000
Public Works Program Support	6,680,568	8,339,000	8,339,000	8,339,000	9,100,000
Total Transfers	<u>19,817,934</u>	<u>22,469,000</u>	<u>22,469,000</u>	<u>22,469,000</u>	<u>23,385,000</u>
TOTAL SOURCE OF FUNDS	<u>22,432,186</u>	<u>23,590,664</u>	<u>24,062,352</u>	<u>24,062,352</u>	<u>24,948,934</u>
USE OF FUNDS					
Expenditures					
Capital Program Staff Training	17,834	50,000	50,000	50,000	50,000
Capital Support Vehicle Program	119,480	250,000	250,000	250,000	250,000
Compensated Time Off	11,187,971	11,630,000	11,630,000	11,630,000	11,630,000
Finance Non-Personal/Equipment	15,845	20,000	20,000	20,000	20,000
HR Personal Services	159,827	191,589	193,601	193,601	193,546
ITD Non-Personal/Equipment	2,980	3,654	3,654	3,654	51,654
ITD Personal Services	83,612	77,429	78,192	78,192	65,897
Overhead	1,236,203	1,479,095	1,479,095	1,479,095	1,689,186
PW Non-Personal/Equipment	831,245	704,767	969,767	1,089,767	720,596
PW Personal Services	6,979,662	7,586,973	7,757,212	7,697,212	7,889,119
Total Expenditures	<u>20,634,658</u>	<u>21,993,507</u>	<u>22,431,521</u>	<u>22,491,521</u>	<u>22,559,998</u>
Transfers					
Transfer to the City Hall Debt Service Fund	229,175	0	0	0	0
Transfer to the General Fund	0	0	31,897	31,897	0
Total Transfers	<u>229,175</u>	<u>0</u>	<u>31,897</u>	<u>31,897</u>	<u>0</u>
Ending Fund Balance					
Reserve for Encumbrances (Use)	74,620	32,067	74,620	74,620	74,620
Unrestricted Ending Fund Balance (Use)	1,493,732	1,565,090	1,524,314	1,464,314	2,314,316
Total Ending Fund Balance	<u>1,568,353</u>	<u>1,597,157</u>	<u>1,598,934</u>	<u>1,538,934</u>	<u>2,388,936</u>
TOTAL USE OF FUNDS	<u>22,432,186</u>	<u>23,590,664</u>	<u>24,062,352</u>	<u>24,062,352</u>	<u>24,948,934</u>

* Actuals may not subtotal due to rounding.

Public Works Small Cell Permitting Fee Program Fund (242)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	1,476,370	347,683	259,388	259,388	89,519
Total Beginning Fund Balance	1,476,370	347,683	259,388	259,388	89,519
Revenue from the Use of Money/Property					
Interest	1,218	5,000	5,000	5,000	5,000
Total Revenue from the Use of Money/Property	1,218	5,000	5,000	5,000	5,000
Fees, Rates, and Charges					
Public Works Small Cell Permitting Program Fees	2,886,645	2,775,000	2,775,000	2,705,000	766,000
Total Fees, Rates, and Charges	2,886,645	2,775,000	2,775,000	2,705,000	766,000
TOTAL SOURCE OF FUNDS	4,364,233	3,127,683	3,039,388	2,969,388	860,519
USE OF FUNDS					
Expenditures					
Overhead	481,457	490,507	490,507	460,606	122,782
Public Works Small Cell Permitting - Non-Personal/Equipment (PW)	31,449	41,000	41,000	30,000	10,000
Public Works Small Cell Permitting - Personal Services (PW)	3,533,501	2,452,004	2,367,143	2,311,413	548,689
Total Expenditures	4,046,408	2,983,511	2,898,650	2,802,019	681,471
Transfers					
Transfer to the City Hall Debt Service Fund	58,437	132,601	67,906	67,906	34,719
Transfer to the General Fund	0	0	9,944	9,944	0
Total Transfers	58,437	132,601	77,850	77,850	34,719
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	259,388	11,571	62,888	89,519	144,329
Total Ending Fund Balance	259,388	11,571	62,888	89,519	144,329
TOTAL USE OF FUNDS	4,364,233	3,127,683	3,039,388	2,969,388	860,519

* Actuals may not subtotal due to rounding.

Rental Stabilization Program Fee Fund (450)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	462,279	462,279	322,708	322,708	322,708
Unrestricted Beginning Fund Balance (Source)	2,000,028	1,450,827	1,303,532	1,303,532	271,734
Total Beginning Fund Balance	<u>2,462,307</u>	<u>1,913,106</u>	<u>1,626,240</u>	<u>1,626,240</u>	<u>594,442</u>
Revenue from the Use of Money/Property					
Interest	3,895	10,000	10,000	8,000	10,000
Total Revenue from the Use of Money/Property	<u>3,895</u>	<u>10,000</u>	<u>10,000</u>	<u>8,000</u>	<u>10,000</u>
Fees, Rates, and Charges					
Apartment Rent Ordinance Fee	2,222,716	2,497,365	2,497,365	2,591,895	2,766,312
Ellis Act Fee	2,464	0	0	27,539	0
Mobilehome Ordinance Fee	212,140	322,050	322,050	319,260	354,255
Tenant Protection Ordinance Fee	251,000	983,400	983,400	713,519	1,617,448
Total Fees, Rates, and Charges	<u>2,688,320</u>	<u>3,802,815</u>	<u>3,802,815</u>	<u>3,652,213</u>	<u>4,738,015</u>
TOTAL SOURCE OF FUNDS	<u>5,154,522</u>	<u>5,725,921</u>	<u>5,439,055</u>	<u>5,286,453</u>	<u>5,342,457</u>
USE OF FUNDS					
City Attorney Personal Services	575,009	441,707	447,728	384,000	466,458
Housing Non-Personal/Equipment	275,207	353,515	503,515	503,515	353,515
Housing Personal Services	1,997,283	2,861,339	2,739,742	2,539,742	3,096,821
Overhead	494,479	1,097,275	1,097,275	1,097,275	457,895
PBCE Personal Services	28,069	30,936	31,219	31,219	31,211
Total Expenditures	<u>3,370,047</u>	<u>4,784,772</u>	<u>4,819,479</u>	<u>4,555,751</u>	<u>4,405,900</u>
Transfer to the City Hall Debt Service Fund	158,235	191,581	123,502	123,502	125,987
Transfer to the General Fund	0	0	12,758	12,758	0
Total Transfers	<u>158,235</u>	<u>191,581</u>	<u>136,260</u>	<u>136,260</u>	<u>125,987</u>
Reserve for Encumbrances (Use)	322,708	462,279	322,708	322,708	322,708
Unrestricted Ending Fund Balance (Use)	1,303,532	287,289	160,608	271,734	487,862
Total Ending Fund Balance	<u>1,626,240</u>	<u>749,568</u>	<u>483,316</u>	<u>594,442</u>	<u>810,570</u>
TOTAL USE OF FUNDS	<u>5,154,522</u>	<u>5,725,921</u>	<u>5,439,055</u>	<u>5,286,453</u>	<u>5,342,457</u>

* Actuals may not subtotal due to rounding.

San José Arena Capital Reserve Fund (459)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Previously Approved Repairs Reserve (Source)	1,804,547	3,969,942	3,969,942	3,969,942	2,107,807
Unrestricted Beginning Fund Balance (Source)	4,911,712	833,712	2,824,387	2,824,387	920,522
Total Beginning Fund Balance	<u>6,716,259</u>	<u>4,803,654</u>	<u>6,794,329</u>	<u>6,794,329</u>	<u>3,028,329</u>
Revenue from the Use of Money/Property					
Interest	66,810	85,000	85,000	105,000	85,000
San Jose Arena Management	1,420,000	1,420,000	1,420,000	1,420,000	1,420,000
Total Revenue from the Use of Money/Property	<u>1,486,810</u>	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,525,000</u>	<u>1,505,000</u>
Transfers					
General Fund (Arena Revenue)	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Total Transfers	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>
TOTAL SOURCE OF FUNDS	<u>10,503,069</u>	<u>8,608,654</u>	<u>10,599,329</u>	<u>10,619,329</u>	<u>6,833,329</u>
USE OF FUNDS					
Expenditures					
Electrical Repairs	787,846	1,010,000	1,010,000	1,865,000	255,000
Mechanical Repairs	2,711,831	2,030,000	2,030,000	4,685,000	1,024,000
Miscellaneous Repairs	25,000	30,000	30,000	30,000	121,000
Structures Repairs	31,561	450,000	450,000	784,000	2,120,000
Unanticipated / Emergency Repairs	152,504	200,000	200,000	227,000	200,000
Total Expenditures	<u>3,708,740</u>	<u>3,720,000</u>	<u>3,720,000</u>	<u>7,591,000</u>	<u>3,720,000</u>
Ending Fund Balance					
Previously Approved Repairs Reserve (Use)	3,969,942	3,969,942	5,978,807	2,107,807	2,107,807
Unrestricted Ending Fund Balance (Use)	2,824,387	918,712	900,522	920,522	1,005,522
Total Ending Fund Balance	<u>6,794,329</u>	<u>4,888,654</u>	<u>6,879,329</u>	<u>3,028,329</u>	<u>3,113,329</u>
TOTAL USE OF FUNDS	<u>10,503,069</u>	<u>8,608,654</u>	<u>10,599,329</u>	<u>10,619,329</u>	<u>6,833,329</u>

* Actuals may not subtotal due to rounding.

San José Clean Energy Operating Fund (501)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	20,000,000	20,000,000	20,000,000	20,000,000	0
Reserve for Encumbrances (Source)	11,075,059	11,075,059	4,792,712	4,792,712	4,792,712
Unrestricted Beginning Fund Balance (Source)	8,123,714	65,706,335	80,614,102	80,614,102	177,030,449
Total Beginning Fund Balance	39,198,773	96,781,394	105,406,814	105,406,814	181,823,161
Revenue from the Use of Money/Property					
Interest	98,362	700,000	700,000	2,000,000	2,000,000
Total Revenue from the Use of Money/Property	98,362	700,000	700,000	2,000,000	2,000,000
Revenue from State of California					
State Energy Grants	220,508	4,208,000	4,971,039	1,924,821	1,666,776
Total Revenue from State of California	220,508	4,208,000	4,971,039	1,924,821	1,666,776
Fees, Rates, and Charges					
Energy Sales	355,472,888	411,900,000	505,900,000	516,500,000	517,500,000
Total Fees, Rates, and Charges	355,472,888	411,900,000	505,900,000	516,500,000	517,500,000
Financing Proceeds					
Commercial Paper Proceeds	45,000,000	0	0	0	0
Total Financing Proceeds	45,000,000	0	0	0	0
TOTAL SOURCE OF FUNDS	439,990,531	513,589,394	616,977,853	625,831,635	702,989,937
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	833,952	1,063,332	1,074,648	700,000	1,040,674
City Manager Personal Services	75,758	154,711	154,711	154,000	190,436
Community Energy Non-Personal/Equipment	7,455,438	9,146,801	12,146,801	8,500,000	9,416,487
Community Energy Personal Services	6,036,390	8,198,635	8,278,640	6,900,000	11,033,169
Cost of Energy	313,292,162	293,300,000	365,000,000	376,500,000	421,500,000
Debt Service - Interest - CP	642,748	2,526,000	3,380,000	2,900,000	1,000,000
Debt Service - Interest - Revolver	61,667	200,000	200,000	0	200,000
Debt Service - Principal - CP	0	0	20,000,000	40,000,000	20,000,000
Disadvantaged Communities - Green Tariff	260,548	918,000	1,713,312	1,012,548	0
Energy Efficient Programs	142,273	3,290,000	3,257,727	912,273	1,666,776
Finance Non-Personal/Equipment	23,974	24,000	24,000	24,000	26,500
Finance Personal Services	139,892	296,391	298,026	250,000	378,812
ITD Non-Personal/Equipment	0	0	0	0	12,000
ITD Personal Services	0	0	0	0	159,427
Letter of Credit Fees	923,505	1,200,000	3,700,000	1,000,000	2,500,000
Overhead	3,001,190	3,117,222	3,117,222	3,117,222	2,508,965
Pacific Gas & Electric Security Fees	1,413,733	1,512,000	1,512,000	1,500,000	1,516,000
PW Personal Services	0	123,242	123,242	120,000	175,800
San Jose Clean Energy Audits	60,038	130,650	130,650	130,650	130,650
Total Expenditures	334,363,267	325,200,984	424,110,979	443,720,693	473,455,696

* Actuals may not subtotal due to rounding.

San José Clean Energy Operating Fund (501)
STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	220,450	450,203	287,781	287,781	363,160
Transfer to the General Fund	0	0	37,891	0	0
Total Transfers	<u>220,450</u>	<u>450,203</u>	<u>325,672</u>	<u>287,781</u>	<u>363,160</u>
Ending Fund Balance					
Operations and Maintenance Reserve (Use)	20,000,000	20,000,000	20,000,000	0	136,000,000
Reserve for Encumbrances (Use)	4,792,712	11,075,059	4,792,712	4,792,712	4,792,712
Unrestricted Ending Fund Balance (Use)	80,614,102	156,863,148	167,748,490	177,030,449	88,378,369
Total Ending Fund Balance	<u>105,406,814</u>	<u>187,938,207</u>	<u>192,541,202</u>	<u>181,823,161</u>	<u>229,171,081</u>
TOTAL USE OF FUNDS	<u><u>439,990,531</u></u>	<u><u>513,589,394</u></u>	<u><u>616,977,853</u></u>	<u><u>625,831,635</u></u>	<u><u>702,989,937</u></u>

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Income Fund (514)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	641,162	749,572	893,705	893,705	1,004,705
Total Beginning Fund Balance	<u>641,162</u>	<u>749,572</u>	<u>893,705</u>	<u>893,705</u>	<u>1,004,705</u>
Revenue from the Use of Money/Property					
Interest	5,579	8,410	8,410	11,000	12,000
Rental	246,965	100,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	<u>252,543</u>	<u>108,410</u>	<u>108,410</u>	<u>111,000</u>	<u>112,000</u>
TOTAL SOURCE OF FUNDS	<u>893,705</u>	<u>857,982</u>	<u>1,002,115</u>	<u>1,004,705</u>	<u>1,116,705</u>
USE OF FUNDS					
Unrestricted Ending Fund Balance (Use)	893,705	857,982	1,002,115	1,004,705	1,116,705
Total Ending Fund Balance	<u>893,705</u>	<u>857,982</u>	<u>1,002,115</u>	<u>1,004,705</u>	<u>1,116,705</u>
TOTAL USE OF FUNDS	<u>893,705</u>	<u>857,982</u>	<u>1,002,115</u>	<u>1,004,705</u>	<u>1,116,705</u>

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Operating Fund (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	16,705,000	18,683,919	18,683,919	18,683,919	18,638,137
Reserve for Encumbrances (Source)	7,710,754	7,710,754	11,771,558	11,771,558	11,771,558
Unrestricted Beginning Fund Balance (Source)	19,920,830	23,364,830	22,332,052	22,484,636	34,478,786
Workers' Compensation Claims Reserve (Source)	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Beginning Fund Balance	46,688,584	52,111,503	55,139,529	55,292,113	67,240,481
Revenue from the Use of Money/Property					
Interest	559,573	349,627	349,627	1,400,000	340,236
Total Revenue from the Use of Money/Property	559,573	349,627	349,627	1,400,000	340,236
Revenue from Local Agencies					
Contributions - Other Agencies	22,586,131	20,447,988	27,676,884	27,676,886	29,711,780
Contributions - Santa Clara	17,343,579	14,460,990	19,567,920	19,567,920	21,506,620
Total Revenue from Local Agencies	39,929,710	34,908,978	47,244,804	47,244,806	51,218,400
Other Revenue					
Miscellaneous	272,412	340,000	340,000	340,000	340,000
South Bay Dischargers Authority	70,408	0	0	0	0
Total Other Revenue	342,820	340,000	340,000	340,000	340,000
Transfers					
Sewer Service and Use Charge Fund	64,000,000	86,821,998	86,821,998	86,821,998	94,912,601
Total Transfers	64,000,000	86,821,998	86,821,998	86,821,998	94,912,601
TOTAL SOURCE OF FUNDS	151,520,687	174,532,106	189,895,958	191,098,917	214,051,718
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	69,428	73,371	74,146	40,000	61,273
City Manager Non-Personal/Equipment	18,516	18,375	18,375	18,375	18,375
ESD Non-Personal/Equipment	27,445,764	37,280,941	38,660,941	38,660,941	37,784,545
ESD Personal Services	54,006,036	61,594,245	62,043,886	57,010,000	65,162,608
Finance Non-Personal/Equipment	75	2,958	2,958	2,958	2,958
Finance Personal Services	119,193	113,662	116,785	130,000	130,478
HR Non-Personal/Equipment	0	1,500	1,500	1,500	1,500
HR Personal Services	322,267	347,998	351,453	270,000	355,097
Inventory	539,494	600,000	600,000	600,000	600,000
ITD Non-Personal/Equipment	8,158	14,604	14,604	14,604	155,604
ITD Personal Services	83,232	105,703	106,779	106,779	112,403
Legacy Lagoons Remediation	0	27,736,040	27,736,040	2,500,000	2,500,000
Overhead	12,280,237	13,185,608	13,185,608	13,185,608	13,056,388
PBCE Personal Services	0	124,398	124,398	84,300	131,170
Prior Fiscal Year Agency Payment	0	0	12,335,826	9,827,689	9,063,704
PW Non-Personal/Equipment	2,978	7,000	7,000	7,000	7,000
PW Personal Services	43,857	114,958	116,140	141,000	118,618
Workers' Compensation Claims	257,063	700,000	700,000	444,750	600,000
Total Expenditures	95,196,297	142,021,361	156,196,439	123,045,504	129,861,719

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Operating Fund (513)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	1,032,277	1,033,844	563,819	563,819	738,351
Transfer to the General Fund	0	0	249,113	249,113	0
Transfer to the South Bay Water Recycling Operating Fund - Other Agencies	0	0	0	0	4,153,859
Transfer to the South Bay Water Recycling Operating Fund - San Jose	0	0	0	0	12,150,829
Transfer to the South Bay Water Recycling Operating Fund - Santa Clara	0	0	0	0	2,936,833
Total Transfers	<u>1,032,277</u>	<u>1,033,844</u>	<u>812,932</u>	<u>812,932</u>	<u>19,979,872</u>
Ending Fund Balance					
City of San Jose Legacy Lagoons Remediation Project II Reserve (Use)	0	0	0	0	25,236,040
Operations and Maintenance Reserve (Use)	18,683,919	18,638,137	18,638,137	18,638,137	17,090,521
Reserve for Encumbrances (Use)	11,771,558	7,710,754	11,771,558	11,771,558	11,771,558
Unrestricted Ending Fund Balance (Use)	22,484,636	2,776,010	124,892	34,478,786	7,760,008
Workers' Compensation Claim Reserve (Use)	<u>2,352,000</u>	<u>2,352,000</u>	<u>2,352,000</u>	<u>2,352,000</u>	<u>2,352,000</u>
Total Ending Fund Balance	<u>55,292,113</u>	<u>31,476,901</u>	<u>32,886,587</u>	<u>67,240,481</u>	<u>64,210,127</u>
TOTAL USE OF FUNDS	<u><u>151,520,687</u></u>	<u><u>174,532,106</u></u>	<u><u>189,895,958</u></u>	<u><u>191,098,917</u></u>	<u><u>214,051,718</u></u>

* Actuals may not subtotal due to rounding.

Sewage Treatment Plant Connection Fee Fund (539)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Treatment Plant Expansion Reserve (Source)	19,632,730	21,550,235	20,519,049	20,519,049	22,426,914
Total Beginning Fund Balance	<u>19,632,730</u>	<u>21,550,235</u>	<u>20,519,049</u>	<u>20,519,049</u>	<u>22,426,914</u>
Revenue from the Use of Money/Property					
Interest	175,287	151,000	151,000	40,000	151,000
Total Revenue from the Use of Money/Property	<u>175,287</u>	<u>151,000</u>	<u>151,000</u>	<u>40,000</u>	<u>151,000</u>
Fees, Rates, and Charges					
Connection Fees	1,341,778	2,513,000	2,513,000	2,513,000	2,513,000
Total Fees, Rates, and Charges	<u>1,341,778</u>	<u>2,513,000</u>	<u>2,513,000</u>	<u>2,513,000</u>	<u>2,513,000</u>
TOTAL SOURCE OF FUNDS	<u>21,149,795</u>	<u>24,214,235</u>	<u>23,183,049</u>	<u>23,072,049</u>	<u>25,090,914</u>
USE OF FUNDS					
Expenditures					
Collection Costs	622,960	640,351	640,351	640,351	640,351
Total Expenditures	<u>622,960</u>	<u>640,351</u>	<u>640,351</u>	<u>640,351</u>	<u>640,351</u>
Transfers					
Transfer to the City Hall Debt Service Fund	7,786	7,490	4,784	4,784	6,633
Total Transfers	<u>7,786</u>	<u>7,490</u>	<u>4,784</u>	<u>4,784</u>	<u>6,633</u>
Ending Fund Balance					
Treatment Plant Expansion Reserve (Use)	20,519,049	23,566,394	22,537,914	22,426,914	24,443,930
Total Ending Fund Balance	<u>20,519,049</u>	<u>23,566,394</u>	<u>22,537,914</u>	<u>22,426,914</u>	<u>24,443,930</u>
TOTAL USE OF FUNDS	<u>21,149,795</u>	<u>24,214,235</u>	<u>23,183,049</u>	<u>23,072,049</u>	<u>25,090,914</u>

* Actuals may not subtotal due to rounding.

Sewer Service And Use Charge Fund (541)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Program-Financing Reserve (Source)	42,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Debt Service Reserve (Source)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Operations and Maintenance Reserve (Source)	6,002,000	6,050,000	6,050,000	6,050,000	6,170,000
Rate Stabilization Reserve (Source)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances (Source)	1,740,951	1,740,951	3,732,010	3,732,010	3,732,010
Unrestricted Beginning Fund Balance (Source)	30,775,226	26,984,319	25,394,619	25,395,795	8,507,127
Workers' Compensation Claims Reserve (Source)	760,000	760,000	760,000	760,000	760,000
Total Beginning Fund Balance	89,278,177	93,535,270	93,936,629	93,937,805	77,169,137
Revenue from the Use of Money/Property					
Interest	337,605	754,000	754,000	250,000	754,000
Total Revenue from the Use of Money/Property	337,605	754,000	754,000	250,000	754,000
Revenue from Local Agencies					
Unassigned Viscodes	0	0	0	0	0
Total Revenue from Local Agencies	0	0	0	0	0
Fees, Rates, and Charges					
Commercial	21,320,595	27,371,256	27,371,256	26,823,832	27,371,257
Industrial	4,756,308	5,781,360	5,781,360	4,914,156	5,781,360
Residential	143,210,757	153,036,000	153,036,000	156,096,720	153,036,000
Sewer Installation	252,926	60,000	60,000	60,000	60,000
Total Fees, Rates, and Charges	169,540,585	186,248,616	186,248,616	187,894,708	186,248,617
Other Revenue					
Miscellaneous	128,930	0	0	0	0
Total Other Revenue	128,930	0	0	0	0
Transfers					
South Bay Water Recycling Operating Fund (Source)	464,265	1,000,000	1,000,000	1,000,000	19,241,521
Total Transfers	464,265	1,000,000	1,000,000	1,000,000	19,241,521
TOTAL SOURCE OF FUNDS	<u>259,749,563</u>	<u>281,537,886</u>	<u>281,939,245</u>	<u>283,082,513</u>	<u>283,413,275</u>

* Actuals may not subtotal due to rounding.

Sewer Service And Use Charge Fund (541)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
USE OF FUNDS					
Expenditures					
City Attorney Non-Personal/Equipment	0	200,000	200,000	200,000	0
City Attorney Personal Services	830,471	1,245,162	1,258,225	1,132,403	1,294,816
City Manager Non-Personal/Equipment	6,173	6,125	6,125	6,125	6,125
Clean Water Financing Authority Audit	26,408	32,272	32,272	32,272	32,272
Collection Costs	478,954	517,000	517,000	517,000	517,000
DOT Non-Personal/Equipment	5,353,217	7,195,931	7,705,895	7,205,895	9,651,346
DOT Personal Services	15,572,485	16,057,977	16,911,235	16,170,000	18,255,259
ESD Non-Personal/Equipment	400,721	525,992	525,992	447,100	797,797
ESD Personal Services	1,847,478	1,909,693	1,928,764	1,857,000	2,149,542
Facilities Capital Repairs and Maintenance	15,016	40,000	40,000	40,000	40,000
Finance Non-Personal/Equipment	29	16,750	16,750	16,750	16,750
Finance Personal Services	273,948	299,265	302,259	248,000	296,928
HR Personal Services	40,865	41,955	42,355	37,000	35,107
IDC Disposal Contract	127,353	150,000	150,000	150,000	150,000
ITD Non-Personal/Equipment	4,748	17,683	17,683	17,683	20,683
ITD Personal Services	123,194	134,488	138,061	120,000	135,885
Major Litigation Costs	231,919	1,500,000	1,500,000	1,275,000	1,500,000
Overhead	5,348,438	6,283,478	6,283,478	6,283,478	6,090,278
PBCE Personal Services	85,093	118,317	119,504	113,529	104,936
PW Non-Personal/Equipment	209,270	307,460	307,460	307,460	304,460
PW Personal Services	1,826,460	2,326,952	2,354,217	1,874,000	2,488,149
Sanitary Sewer Claims	8,857	175,000	175,000	175,000	175,000
Workers' Compensation Claims	178,756	204,000	204,000	148,440	204,000
Total Expenditures	32,989,854	39,305,500	40,736,275	38,374,135	44,266,333
Transfers					
Transfer to the City Hall Debt Service Fund	399,904	505,348	295,158	295,158	349,583
Transfer to the General Fund	0	0	84,085	84,085	0
Transfer to the San Jose-Santa Clara Treatment Plant Capital Fund	33,422,000	45,338,000	45,338,000	45,338,000	47,577,000
Transfer to the San Jose-Santa Clara Treatment Plant Operating Fund	64,000,000	86,821,998	86,821,998	86,821,998	94,912,601
Transfer to the Sewer Service and Use Charge Capital Improvement Fund	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Total Transfers	132,821,904	167,665,346	167,539,241	167,539,241	177,839,184
Ending Fund Balance					
Capital Program/Financing Reserve (Use)	50,000,000	50,000,000	50,000,000	50,000,000	37,000,000
Debt Service Reserve (Use)	6,000,000	6,000,000	6,000,000	6,000,000	0
Operations and Maintenance Reserve (Use)	6,050,000	6,170,000	6,170,000	6,170,000	7,290,000
Rate Stabilization Reserve (Use)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserve for Encumbrances (Use)	3,732,010	1,740,951	3,732,010	3,732,010	3,732,010
Unrestricted Ending Fund Balance (Use)	25,395,795	7,896,089	5,001,719	8,507,127	10,525,748
Workers' Compensation Claim Reserve (Use)	760,000	760,000	760,000	760,000	760,000
Total Ending Fund Balance	93,937,805	74,567,040	73,663,729	77,169,137	61,307,758
TOTAL USE OF FUNDS	<u>259,749,563</u>	<u>281,537,886</u>	<u>281,939,245</u>	<u>283,082,513</u>	<u>283,413,275</u>

* Actuals may not subtotal due to rounding.

South Bay Water Recycling Operating Fund (570)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	1,467,432	1,054,552	1,054,552	1,054,552	1,559,259
Reserve for Encumbrances (Source)	614,854	614,854	264,912	264,912	264,912
Unrestricted Beginning Fund Balance (Source)	676,388	3,706,021	3,986,284	3,986,284	3,909,884
Total Beginning Fund Balance	2,758,674	5,375,427	5,305,748	5,305,748	5,734,055
Revenue from the Use of Money/Property					
Interest	47,318	51,818	51,818	180,000	55,622
Total Revenue from the Use of Money/Property	47,318	51,818	51,818	180,000	55,622
Fees, Rates, and Charges					
Recycled Water Sales - Santa Clara	4,850,888	5,105,339	5,105,339	4,950,094	5,863,386
Recycled Water Sales - San Jose Water Company	3,811,860	4,050,622	4,050,622	3,685,736	4,365,754
Recycled Water Sales - Milpitas	1,451,969	1,758,145	1,758,145	1,285,268	1,522,400
Recycled Water Sales - San Jose Municipal Water System	5,660,386	6,751,740	6,751,740	5,368,294	6,358,744
Total Fees, Rates, and Charges	15,775,103	17,665,846	17,665,846	15,289,392	18,110,284
Transfers					
San Jose-Santa Clara Treatment Plant Operating Fund - Local Agency Contributions	0	0	0	0	4,153,859
San Jose-Santa Clara Treatment Plant Operating Fund - Santa Clara	0	0	0	0	2,936,833
San Jose-Santa Clara Treatment Plant Operating Fund - San Jose	0	0	0	0	12,150,829
Total Transfers	0	0	0	0	19,241,521
TOTAL SOURCE OF FUNDS	18,581,095	23,093,091	23,023,412	20,775,140	43,141,482
USE OF FUNDS					
Expenditures					
ESD Non-Personal/Equipment	3,009,194	6,431,263	9,231,263	4,231,263	8,221,940
ESD Personal Services	4,327,883	5,957,393	6,026,966	4,970,000	6,449,100
ITD Non-Personal/Equipment	725	521	521	521	7,521
Overhead	765,107	785,816	785,816	785,816	683,310
Prior Fiscal Year Agency Payment	0	0	0	0	739,750
SCVWD - Advanced Water Treatment	4,634,532	4,000,000	4,000,000	4,000,000	4,000,000
Total Expenditures	12,737,441	17,174,993	20,044,566	13,987,600	20,101,621
Transfers					
Transfer to the City Hall Debt Service Fund	73,641	63,163	29,264	29,264	36,736
Transfer to the General Fund	0	0	24,221	24,221	0
Transfer to the Sewer Service and Use Charge Fund	464,265	1,000,000	1,000,000	1,000,000	19,241,521
Total Transfers	537,906	1,063,163	1,053,485	1,053,485	19,278,257
Ending Fund Balance					
Operations and Maintenance Reserve (Use)	1,054,552	1,559,259	1,559,259	1,559,259	1,824,958
Reserve for Encumbrances (Use)	264,912	614,854	264,912	264,912	264,912
Unrestricted Ending Fund Balance (Use)	3,986,284	2,680,822	101,190	3,909,884	1,671,734
Total Ending Fund Balance	5,305,748	4,854,935	1,925,361	5,734,055	3,761,604
TOTAL USE OF FUNDS	18,581,095	23,093,091	23,023,412	20,775,140	43,141,482

* Actuals may not subtotal due to rounding.

St. James Park Management District Fund (345)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	50,000	50,000	53,830	53,830	53,830
Unrestricted Beginning Fund Balance (Source)	5,463,692	4,932,684	4,990,428	4,990,428	4,444,024
Total Beginning Fund Balance	5,513,692	4,982,684	5,044,258	5,044,258	4,497,854
Revenue from the Use of Money/Property					
Interest	45,285	36,000	36,000	70,000	36,000
Total Revenue from the Use of Money/Property	45,285	36,000	36,000	70,000	36,000
TOTAL SOURCE OF FUNDS	5,558,977	5,018,684	5,080,258	5,114,258	4,533,854
USE OF FUNDS					
Overhead	117,966	127,717	127,717	127,717	106,977
PRNS Non-Personal/Equipment	146,730	255,000	255,000	255,000	249,000
PRNS Personal Services	242,981	344,188	347,596	228,000	365,011
Total Expenditures	507,677	726,905	730,313	610,717	720,988
Transfer to the City Hall Debt Service Fund	7,042	7,551	4,369	4,369	5,721
Transfer to the General Fund	0	0	1,318	1,318	0
Total Transfers	7,042	7,551	5,687	5,687	5,721
Reserve for Encumbrances (Use)	53,830	50,000	53,830	53,830	53,830
Unrestricted Ending Fund Balance (Use)	4,990,428	4,234,228	4,290,428	4,444,024	3,753,315
Total Ending Fund Balance	5,044,258	4,284,228	4,344,258	4,497,854	3,807,145
TOTAL USE OF FUNDS	5,558,977	5,018,684	5,080,258	5,114,258	4,533,854

* Actuals may not subtotal due to rounding.

State Drug Forfeiture Fund (417)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	556,223	435,523	1,049,207	1,049,207	1,048,907
Total Beginning Fund Balance	<u>556,223</u>	<u>435,523</u>	<u>1,049,207</u>	<u>1,049,207</u>	<u>1,048,907</u>
Revenue from the Use of Money/Property					
Interest	1,784	0	0	0	0
Total Revenue from the Use of Money/Property	<u>1,784</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenue from State of California					
State Revenue	641,123	0	0	0	0
Total Revenue from State of California	<u>641,123</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS	<u>1,199,129</u>	<u>435,523</u>	<u>1,049,207</u>	<u>1,049,207</u>	<u>1,048,907</u>
USE OF FUNDS					
Police Non-Personal/Equipment	149,922	29,300	300	300	0
Total Expenditures	<u>149,922</u>	<u>29,300</u>	<u>300</u>	<u>300</u>	<u>0</u>
Unrestricted Ending Fund Balance (Use)	1,049,207	406,223	1,048,907	1,048,907	1,048,907
Total Ending Fund Balance	<u>1,049,207</u>	<u>406,223</u>	<u>1,048,907</u>	<u>1,048,907</u>	<u>1,048,907</u>
TOTAL USE OF FUNDS	<u>1,199,129</u>	<u>435,523</u>	<u>1,049,207</u>	<u>1,049,207</u>	<u>1,048,907</u>

* Actuals may not subtotal due to rounding.

Storm Sewer Operating Fund (446)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Program Reserve (Source)	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Grant Match Reserve (Source)	500,000	500,000	500,000	500,000	500,000
Operations and Maintenance Reserve (Source)	4,458,885	4,654,209	4,654,209	4,654,209	5,108,751
Permit Implementation Reserve (Source)	500,000	500,000	500,000	500,000	500,000
Reserve for Encumbrances (Source)	500,601	500,601	1,107,680	1,107,680	1,107,680
Unrestricted Beginning Fund Balance (Source)	8,862,046	3,731,562	4,737,115	4,737,115	6,099,137
Total Beginning Fund Balance	<u>21,821,532</u>	<u>16,886,372</u>	<u>18,499,004</u>	<u>18,499,004</u>	<u>20,315,568</u>
Fines, Forfeitures, and Penalties					
Penalties	0	9,000	9,000	9,000	9,000
Total Fines, Forfeitures, and Penalties	<u>0</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
Revenue from the Use of Money/Property					
Interest	59,120	183,000	183,000	147,000	250,000
Total Revenue from the Use of Money/Property	<u>59,120</u>	<u>183,000</u>	<u>183,000</u>	<u>147,000</u>	<u>250,000</u>
Other Revenue					
Caltrans LTC Reimbursement	100,100	0	0	0	0
Total Other Revenue	<u>100,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Assessments					
Assessments	33,853,448	34,138,845	34,138,845	34,138,846	33,969,000
Total Special Assessments	<u>33,853,448</u>	<u>34,138,845</u>	<u>34,138,845</u>	<u>34,138,846</u>	<u>33,969,000</u>
TOTAL SOURCE OF FUNDS	<u>55,834,199</u>	<u>51,217,217</u>	<u>52,829,849</u>	<u>52,793,850</u>	<u>54,543,568</u>
USE OF FUNDS					
Expenditures					
Collection Fees	97,446	100,000	100,000	161,638	100,000
DOT Non-Personal/Equipment	1,884,143	3,303,461	3,303,461	3,365,099	2,330,961
DOT Personal Services	6,191,661	6,434,803	6,733,240	6,733,240	7,298,549
ESD Non-Personal/Equipment	1,927,451	3,180,562	3,180,562	3,242,200	2,825,179
ESD Personal Services	7,659,925	8,117,061	8,199,194	8,199,194	8,349,120
Finance Personal Services	70,808	81,709	82,530	82,530	95,052
Fire Non-Personal/Equipment	77,206	175,000	175,000	175,000	175,000
HR Personal Services	56,926	61,104	61,703	61,703	60,379
IDC Contract	101,573	153,979	153,979	153,979	153,979
ITD Non-Personal/Equipment	3,895	17,113	17,113	17,113	32,113
ITD Personal Services	118,141	127,704	129,010	129,010	129,852
Overhead	3,558,270	4,273,507	4,273,507	4,273,507	4,177,480
PBCE Personal Services	108,248	120,214	121,461	121,461	95,444
PW Non-Personal/Equipment	17,749	48,000	48,000	48,000	48,000
PW Personal Services	751,238	802,279	811,613	811,613	718,621
Workers' Compensation Claims	91,300	100,000	100,000	99,696	100,000
Yard Trimming Collection/Processing	2,724,240	2,800,021	2,900,021	2,800,021	3,064,021
Total Expenditures	<u>25,440,218</u>	<u>29,896,517</u>	<u>30,390,394</u>	<u>30,475,004</u>	<u>29,753,750</u>

* Actuals may not subtotal due to rounding.

Storm Sewer Operating Fund (446)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	307,818	569,689	354,378	354,378	442,965
Transfer to the Community Facilities Dist No. 13 (Guadalupe Mines) Fund	10,121	10,121	10,121	10,121	10,121
Transfer to the Community Facilities Dist No. 15 (Berryessa - Sierra) Fund	26,920	26,920	26,920	26,920	26,920
Transfer to the Community Facilities District No. 16 (Raleigh - Coronado) Fund	28,000	28,000	28,000	28,000	28,000
Transfer to the General Fund	0	0	61,741	61,741	0
Transfer to the Maintenance District No. 15 Fund	22,118	22,118	22,118	22,118	22,118
Transfer to the Storm Sewer Capital Fund	11,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Total Transfers	11,894,977	2,156,848	2,003,278	2,003,278	6,530,124
Ending Fund Balance					
Capital Program Reserve (Use)	7,000,000	7,000,000	7,000,000	7,000,000	0
Grant Match Reserve (Use)	500,000	500,000	500,000	500,000	0
Operations and Maintenance Reserve (Use)	4,654,209	5,108,751	5,108,751	5,108,751	5,108,751
Permit Implementation Reserve (Use)	500,000	500,000	500,000	500,000	0
Reserve for Encumbrances (Use)	1,107,680	500,601	1,107,680	1,107,680	1,107,680
Unrestricted Ending Fund Balance (Use)	4,737,115	5,554,500	6,219,746	6,099,137	12,043,263
Total Ending Fund Balance	18,499,004	19,163,852	20,436,177	20,315,568	18,259,694
TOTAL USE OF FUNDS	55,834,199	51,217,217	52,829,849	52,793,850	54,543,568

* Actuals may not subtotal due to rounding.

Supplemental Law Enforcement Services Fund (414)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	201,744	201,744	872,339	872,339	872,339
Unrestricted Beginning Fund Balance (Source)	2,747,858	2,250,372	2,110,452	2,110,452	2,818,695
Total Beginning Fund Balance	2,949,602	2,452,116	2,982,791	2,982,791	3,691,034
Revenue from the Use of Money/Property					
Interest	30,093	0	0	0	0
Total Revenue from the Use of Money/Property	30,093	0	0	0	0
Revenue from State of California					
State Revenue	2,037,714	3,381,051	5,052,731	5,052,731	0
Total Revenue from State of California	2,037,714	3,381,051	5,052,731	5,052,731	0
TOTAL SOURCE OF FUNDS	5,017,408	5,833,167	8,035,522	8,035,522	3,691,034
USE OF FUNDS					
SLES Grant 2016-2018	4,188	53,941	53,941	53,941	0
SLES Grant 2017-2019	8,398	32,073	53,074	53,074	0
SLES Grant 2018-2020	97,732	168,129	195,217	195,217	0
SLES Grant 2019-2021	346,404	316,534	287,869	287,869	0
SLES Grant 2020-2022	1,531,906	804,578	674,190	674,190	0
SLES Grant 2021-2023	45,990	1,324,736	2,330,197	2,330,197	0
SLES Grant 2022-2024	0	0	750,000	750,000	0
Total Expenditures	2,034,617	2,699,991	4,344,488	4,344,488	0
Reserve for Encumbrances (Use)	872,339	201,744	872,339	872,339	872,339
Unrestricted Ending Fund Balance (Use)	2,110,452	2,931,432	2,818,695	2,818,695	2,818,695
Total Ending Fund Balance	2,982,791	3,133,176	3,691,034	3,691,034	3,691,034
TOTAL USE OF FUNDS	5,017,408	5,833,167	8,035,522	8,035,522	3,691,034

* Actuals may not subtotal due to rounding.

Transient Occupancy Tax Fund (461)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Cultural Grants Reserve (Source)	0	1,476,431	1,476,431	1,476,431	4,125,000
Reserve for Encumbrances (Source)	949,389	949,389	674,984	674,984	674,984
Unrestricted Beginning Fund Balance (Source)	2,068,607	1,593,028	3,898,624	3,898,624	393,028
Total Beginning Fund Balance	3,017,996	4,018,848	6,050,039	6,050,039	5,193,012
Transient Occupancy Tax					
Transient Occupancy Tax Revenue	15,768,509	16,500,000	16,500,000	24,000,000	24,000,000
Total Transient Occupancy Tax	15,768,509	16,500,000	16,500,000	24,000,000	24,000,000
Licenses and Permits					
OCA Special Event Permits	18,064	30,000	30,000	30,000	30,000
Total Licenses and Permits	18,064	30,000	30,000	30,000	30,000
Revenue from the Use of Money/Property					
Interest	5,788	25,000	25,000	25,000	25,000
Total Revenue from the Use of Money/Property	5,788	25,000	25,000	25,000	25,000
TOTAL SOURCE OF FUNDS	18,810,357	20,573,848	22,605,039	30,105,039	29,248,012
USE OF FUNDS					
Expenditures					
Cultural Grants	2,253,801	4,701,820	5,320,443	3,070,443	5,439,105
Cultural Grants Administration	1,728,005	2,325,247	2,325,247	2,325,247	2,411,531
San José Convention and Visitors Bureau	2,388,382	4,197,000	4,759,324	6,634,324	6,072,000
Total Expenditures	6,370,188	11,224,067	12,405,014	12,030,014	13,922,636
Transfers					
Transfer to the Convention and Cultural Affairs Fund	6,390,130	8,007,364	9,132,013	12,882,013	11,757,365
Total Transfers	6,390,130	8,007,364	9,132,013	12,882,013	11,757,365
Ending Fund Balance					
Cultural Grants Reserve (Use)	1,476,431	0	0	4,125,000	2,500,000
Reserve for Encumbrances (Use)	674,984	949,389	674,984	674,984	674,984
Unrestricted Ending Fund Balance (Use)	3,898,624	393,028	393,028	393,028	393,027
Total Ending Fund Balance	6,050,039	1,342,417	1,068,012	5,193,012	3,568,011
TOTAL USE OF FUNDS	18,810,357	20,573,848	22,605,039	30,105,039	29,248,012

* Actuals may not subtotal due to rounding.

Vehicle Maintenance And Operations Fund (552)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Fuel Usage Reserve (Source)	300,000	0	0	0	0
Reserve for Encumbrances (Source)	1,250,386	1,250,386	1,191,784	1,191,784	1,191,784
Unrestricted Beginning Fund Balance (Source)	1,730,321	1,351,685	2,966,649	2,966,649	608,883
Total Beginning Fund Balance	3,280,707	2,602,071	4,158,433	4,158,433	1,800,667
Revenue from the Use of Money/Property					
Interest	24,568	12,000	40,000	12,000	72,000
Total Revenue from the Use of Money/Property	24,568	12,000	40,000	12,000	72,000
Other Revenue					
Miscellaneous	48,686	40,000	40,000	40,000	40,000
Total Other Revenue	48,686	40,000	40,000	40,000	40,000
Transfers					
Departmental Charges (M&O)	21,595,532	22,501,000	22,501,000	22,501,000	23,946,980
Replacement Charges	4,565,721	8,015,250	11,125,250	11,125,250	12,497,486
Total Transfers	26,161,253	30,516,250	33,626,250	33,626,250	36,444,466
TOTAL SOURCE OF FUNDS	29,515,214	33,170,321	37,864,683	37,836,683	38,357,133
USE OF FUNDS					
Expenditures					
HR Personal Services (Vehicle M&O)	96,703	91,333	93,403	93,403	103,938
Inventory Purchases	9,133,142	8,913,000	10,163,000	10,163,000	8,913,000
ITD Non-Personal/Equipment	877	630	630	630	66,630
Overhead	796,927	956,397	956,397	956,397	1,094,657
Police Vehicle Replacements	0	6,515,250	9,465,250	9,465,250	6,515,250
PW Non-Personal/Equipment	2,267,038	2,720,166	2,780,166	2,780,166	3,041,166
PW Personal Services	8,735,949	9,623,727	9,714,259	9,714,259	10,295,404
Vehicle Replacements	4,021,749	1,982,236	2,668,850	2,668,850	5,982,236
Workers' Compensation Claims	202,829	100,000	100,000	100,000	100,000
Total Expenditures	25,255,213	30,902,739	35,941,955	35,941,955	36,112,281
Transfers					
Transfer to the City Hall Debt Service Fund	77,062	96,737	43,939	43,939	55,149
Transfer to the General Fund	0	0	38,122	38,122	0
Transfer to the General Fund - Interest Income	24,505	12,000	40,000	12,000	72,000
Total Transfers	101,567	108,737	122,061	94,061	127,149
Ending Fund Balance					
Fuel Usage Reserve (Use)	0	350,000	0	0	500,000
Reserve for Encumbrances (Use)	1,191,784	1,250,386	1,191,784	1,191,784	1,191,784
Unrestricted Ending Fund Balance (Use)	2,966,649	558,459	608,883	608,883	425,919
Total Ending Fund Balance	4,158,434	2,158,845	1,800,667	1,800,667	2,117,703
TOTAL USE OF FUNDS	29,515,214	33,170,321	37,864,683	37,836,683	38,357,133

* Actuals may not subtotal due to rounding.

Water Utility Fund (515)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Rate Stabilization Reserve (Source)	1,558,394	1,400,000	1,400,000	1,400,000	1,400,000
Muni Water Recycled Water Expansion Reserve (Source)	1,000,000	1,300,000	1,300,000	1,300,000	1,300,000
Operations and Maintenance Reserve (Source)	8,395,492	8,389,213	8,389,213	8,389,213	8,389,213
Reserve for Encumbrances (Source)	1,593,978	1,593,978	1,266,032	1,266,032	1,266,032
Unrestricted Beginning Fund Balance (Source)	5,020,175	3,513,970	2,783,764	2,783,764	2,180,318
Workers' Compensation Claims Reserve (Source)	50,000	50,000	50,000	50,000	50,000
Total Beginning Fund Balance	17,618,039	16,247,161	15,189,009	15,189,009	14,585,563
Revenue from the Use of Money/Property					
Interest	56,784	133,254	133,254	55,000	133,254
Total Revenue from the Use of Money/Property	56,784	133,254	133,254	55,000	133,254
Fees, Rates, and Charges					
Operating - Water Sales	54,380,652	63,510,383	63,510,383	64,111,433	73,230,440
Total Fees, Rates, and Charges	54,380,652	63,510,383	63,510,383	64,111,433	73,230,440
Other Revenue					
Late Fees	957,198	300,000	300,000	951,000	300,000
Operating - Miscellaneous	711,789	100,000	100,000	100,000	100,000
Total Other Revenue	1,668,987	400,000	400,000	1,051,000	400,000
TOTAL SOURCE OF FUNDS	73,724,463	80,290,798	79,232,646	80,406,442	88,349,257
USE OF FUNDS					
Expenditures					
Banking Services	247,688	170,000	240,000	247,688	247,688
City Attorney Personal Services	113,492	132,172	133,603	113,491	139,083
Customer Information System Transition	4,883	150,000	150,000	4,883	150,000
ESD Non-Personal/Equipment	37,955,535	43,799,019	43,799,019	43,799,019	45,566,632
ESD Personal Services	8,580,436	8,319,627	8,485,036	10,088,054	8,642,741
Finance Personal Services	405,725	503,058	508,132	405,725	514,987
HR Personal Services	5,237	16,617	16,785	15,753	17,056
ITD Non-Personal/Equipment	23,763	141,051	141,051	141,051	160,051
ITD Personal Services	550,663	584,693	619,406	619,406	595,418
Overhead	1,745,871	2,067,875	2,067,875	2,067,875	1,914,958
PW Non-Personal/Equipment	39,274	39,547	39,547	39,274	39,547
Workers' Compensation Claims	16,500	15,000	15,000	8,982	15,000
Total Expenditures	49,689,067	55,938,659	56,215,454	57,551,201	58,003,161
Transfers					
Transfer to the City Hall Debt Service Fund	246,387	222,439	131,007	131,007	151,408
Transfer to the General Fund	0	0	38,671	38,671	0
Transfer to the General Fund - Late Fees	800,000	300,000	300,000	300,000	0
Transfer to the Water Utility Capital Fund	7,800,000	7,800,000	7,800,000	7,800,000	8,800,000
Total Transfers	8,846,387	8,322,439	8,269,678	8,269,678	8,951,408

* Actuals may not subtotal due to rounding.

Water Utility Fund (515)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Ending Fund Balance					
Muni Water Recycled Water Expansion Reserve (Use)	1,300,000	1,300,000	1,300,000	1,300,000	1,600,000
Operations and Maintenance Reserve (Use)	8,389,213	8,389,213	8,389,213	8,389,213	9,304,731
Rate Stabilization Reserve (Use)	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Reserve for Encumbrances (Use)	1,266,032	1,593,978	1,266,032	1,266,032	1,266,032
Unrestricted Ending Fund Balance (Use)	2,783,764	3,296,509	2,342,269	2,180,318	7,773,925
Workers' Compensation Claim Reserve (Use)	50,000	50,000	50,000	50,000	50,000
Total Ending Fund Balance	<u>15,189,009</u>	<u>16,029,700</u>	<u>14,747,514</u>	<u>14,585,563</u>	<u>21,394,688</u>
TOTAL USE OF FUNDS	<u>73,724,463</u>	<u>80,290,798</u>	<u>79,232,646</u>	<u>80,406,442</u>	<u>88,349,257</u>

* Actuals may not subtotal due to rounding.

Workforce Development Fund (290)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	213,191	213,191	46,002	46,002	46,002
Unrestricted Beginning Fund Balance (Source)	317,469	337,314	509,448	509,448	501,610
work2future Board Mandated Reserve (Source)	754,801	754,801	754,801	754,801	754,801
Total Beginning Fund Balance	1,285,461	1,305,306	1,310,251	1,310,251	1,302,413
Revenue from Local Agencies					
Grants	418,634	21,160	0	0	0
Total Revenue from Local Agencies	418,634	21,160	0	0	0
Revenue from Federal Government					
Grants	6,735,594	10,661,985	12,024,764	8,882,744	10,368,581
Total Revenue from Federal Government	6,735,594	10,661,985	12,024,764	8,882,744	10,368,581
Other Revenue					
Grants	200,250	176,666	314,066	451,183	57,175
Total Other Revenue	200,250	176,666	314,066	451,183	57,175
TOTAL SOURCE OF FUNDS	8,639,938	12,165,117	13,649,081	10,644,178	11,728,169
USE OF FUNDS					
Expenditures					
Administration	445,704	526,214	692,238	445,340	492,412
Adult Workers	2,208,241	2,279,968	2,989,577	2,234,076	2,718,593
BusinessOwnerSpace.com Network	1,062	7,912	7,838	7,838	0
CA Workforce Association	0	4,042	4,042	4,042	0
Career National Dislocated Workers Grant (NDWG)	25,816	410,856	410,856	291,253	119,603
Cities for Financial Empowerment	25,000	30,000	37,500	30,325	57,175
City Attorney Administrative Costs	87,883	117,970	117,970	93,177	129,199
Dislocated Workers	1,368,564	2,952,648	3,372,862	2,444,845	3,258,729
Dislocated Workers - COVID-19	334,734	220,981	158,691	158,691	0
Emerging Needs - Local Assistance Funds to work2future	0	5,000	5,000	5,000	0
HVAC Technician & Green Technology Program	0	0	100,000	100,000	0
Prison to Employment Implementation Grant	412,961	0	0	0	0
Rapid Response Grant	398,189	880,239	873,959	873,959	512,371
SJ Works (Amazon)	0	100,000	100,000	100,000	0
SJ Works (Bank of America)	55,250	55,000	84,900	84,900	0
SJ Works (EDP Renewable)	91,667	91,666	91,666	91,666	0
SJ Works (Flagship)	0	5,000	5,000	5,000	0
SJ Works (Shipt)	0	0	0	22,750	0
SJ Works (Wells Fargo)	7,500	7,500	7,500	7,500	0
Sling Shot 2.0 Regional Plan Implementation	653	21,160	24,232	24,232	0
Veterans' Employment - Related Assistance Program	509	55,164	56,691	56,691	0
Workforce Accelerator Fund	36,999	217,428	213,001	213,001	0
Youth Workers	1,828,954	3,000,517	3,114,687	2,047,479	3,137,673
Total Expenditures	7,329,687	10,989,265	12,468,210	9,341,765	10,425,756

* Actuals may not subtotal due to rounding.

Workforce Development Fund (290)

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-2022 Actuals *	2022-2023 Adopted	2022-2023 Modified	2022-2023 Estimate	2023-2024 Proposed
Ending Fund Balance					
Reserve for Encumbrances (Use)	46,002	213,191	46,002	46,002	46,002
Unrestricted Ending Fund Balance (Use)	509,448	207,860	380,068	501,610	402,890
work2future Board Mandated Reserve (Use)	754,801	754,801	754,801	754,801	853,521
Total Ending Fund Balance	1,310,251	1,175,852	1,180,871	1,302,413	1,302,413
TOTAL USE OF FUNDS	8,639,938	12,165,117	13,649,081	10,644,178	11,728,169

* Actuals may not subtotal due to rounding.

**MAYOR'S MARCH
BUDGET MESSAGE**

respond that they feel unsafe downtown.¹ 89% rank homelessness as a very or extremely serious issue.² Concerningly, 53% say they are likely to move out of the Bay Area in the next few years.³ Our residents are frustrated that their basic expectations for quality of life are not being met. As we emerge from a pandemic that understandably shifted our attention to other unexpected and urgent needs, we need to refocus on the challenges our residents face every day.

Due to our constrained tax base, San José, more than most cities, must aggressively prioritize where we strive to have a transformative impact. While a large city, we have a modest budget on a per capita basis. Most cities in California generate a large portion of their tax revenue from business-related activity, but because of our historical land use pattern San José's relative size and population do not match our public sector resource capacity.

In the 1950s and 1960s, San José was built out (largely through annexation) as a bedroom community to complement the job growth occurring in small neighboring cities. Even today, San José has relatively little land dedicated to jobs. According to staff in our Office of Economic Development and Cultural Affairs, most cities devote 20–30% of land to employment. In San José, the figure is closer to 15%. Thus, San José is the only major city in the country whose daytime population is smaller than our nighttime population as residents travel out of the city to work in nearby job centers. While Palo Alto, for example, has nearly 3 jobs for each employed resident, San José has fewer than 1.

In addition to our relatively small per capita tax base, San José is also grappling with the legacy of unfunded pension and health care obligations to our retirees. Thanks in large part to past reform efforts led by Mayor Reed and Mayor Liccardo, and above all support from our voters on critical ballot measures, we've begun to increase our retirement funds' funding ratios and bend the curve on our unfunded liabilities. However, we will be paying off these debts for nearly two more decades – debts that currently consume nearly 15% of our General Fund each year.

Between our small tax base and the burden of unfunded liabilities, we continue to have one of the most thinly staffed City Halls in the nation. San José employs fewer than 7 city employees per 1,000 residents. Despite progress in recent years, we still have not even achieved our staffing levels in the early 2000s and we continue to trail far behind other big California cities – both

¹“2022 Bay Area Council Poll Registers Big Jump in Concerns about Crime and Safety.” Bay Area Council, 31 Mar. 2022, <https://www.bayareacouncil.org/press-releases/2022-bay-area-council-poll-registers-big-jump-in-concerns-about-crime-and-safety/>

² “Silicon Valley Poll 2022.” Joint Venture Silicon Valley, 2022, <https://jointventure.org/images/stories/pdf/sv-poll-2022-report.pdf>

³2022 Survey, Bay Area News Group and Joint Venture Silicon Valley, Oct. 2022, <https://www.mercurynews.com/2022/10/02/bay-area-exodus-residents-still-want-out-new-poll-finds/#:~:text=Most%20people%20who%20live%20here,in%20the%20next%20few%20years>

overall, and staffing of public safety personnel in particular. For comparison, the cities of Los Angeles, Oakland, and Sacramento each employ over 10 people per 1,000 residents.

This context is important as we look ahead to the city’s future budgetary position. With at least a modest recession likely looming, the City Manager’s 2024-2028 Five-Year General Fund Forecast estimates a small ongoing surplus in 2023-2024 followed by a small shortfall in 2024-2025. Any budget actions for 2023-2024 must take into account the projected shortfall in 2024-2025 and position the city to weather economic conditions that could potentially worsen.

2024-2028 General Fund Forecast Incremental Surplus						
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Five-Year Surplus
Incremental Surplus/ (Shortfall)	\$29.9M	(\$18.8M)	(\$0.1M)	\$9.4M	\$0.1M	\$20.5M
% of Budget (Based on Expenditures)	2.1%	1.3%	–	0.6%	–	

Note: Does not include 1) costs associated with services that were funded on a one-time basis in 2022-2023; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

We must also recognize that the figures above do not include any programs or services previously funded on a one-time basis in the General Fund, nor do they include the continuation of the dwindling resources from the federal American Rescue Plan (ARP). Last year’s budget process allocated the remaining \$59.3M dollars in one-time federal funding for a range of programs. When combined with prior allocations still in the process of being spent down, nearly \$95 million of ARP resources are currently budgeted in 2022-2023. Maintaining funding for just 50% of the services provided by ARP funds in FY 2022-2023 would automatically generate a \$32.2 million budget shortfall in FY 2023-2024. While we will stretch any remaining ARP funds as far as possible to continue supporting a few critical needs, such as youth programming and scholarship opportunities, we clearly will not be able to continue supporting all the programs that were once within reach. Even if the Council were to allocate zero ongoing funding to programs

currently funded by ARP, the City would still have \$15 million in current programming in the General Fund that has been funded on a one-time basis.

Estimated Service Level/Structural Shortfall in 2023-2024 for Planning Purposes (\$ in Millions)	
	2023-2024
February 2023 Incremental Surplus/(Shortfall)	\$29.9 M
Community and Economic Recovery Workstreams in the American Rescue Plan Fund Continued at 50% of 2022-2023 Modified Budget Level	(\$47.2 M)
2022-2023 Programs Funded on a One-Time Basis in the General Fund	(\$15.0 M)
Estimated Service Level/Structural Shortfall for Planning Purposes	(\$32.3 M)

Fortunately, many of the services provided by ARP funds were specific needs that only the government could step in and provide during the pandemic. As we seek to return focus to our core issues, we have tried to slowly scale back pandemic relief operations so as to reduce the burden on the communities most reliant on these services.

The bottom line is that the road ahead requires tough decisions. Unless we are disciplined in focusing our resources on fewer priorities, we will not move the needle on any of the big challenges our residents have asked us to make significant progress in solving.

Fortunately, our pandemic response demonstrated City Hall’s extraordinary ability to solve problems when we focus. We quickly pivoted from an array of city services to tackle life-saving work that had never before fallen under our jurisdiction. It was one of our finest moments. We supported our residents through a moment of deep uncertainty, risk, and loss. We took on food distribution, vaccinations, and rent relief. Together, we distributed 2.5 million meals each week to families in need, provided financial and rental relief to over 14,000 households, and placed 4,100 people in temporary housing. We were a lifeline for our residents as unemployment spiked, food insecurity doubled, and neighbors lost their livelihoods and lives to a novel virus. We showed what our city is collectively capable of when we direct our focus and act with urgency.

As we pivot to focus on what are now the most pressing challenges facing our community, we have an immense opportunity to make San José a better city for all of our residents. Focus enables momentum – placing greater Council and city staff attention on a few foundational issues gives us the chance to experiment, accelerate our learning and ultimately design and

implement better solutions. Focus gives us our best shot at solving our biggest challenges, which will in turn unlock new possibilities for our community.

With this in mind, and with an acknowledgement of the many challenges facing our city, the 2023-2024 fiscal year marks a moment of opportunity for San José. A moment to choose the problems we will take on and drive forward the solutions our residents urgently need.

II. Staff: Our Most Precious Resource

Today, City Hall lacks the staffing capacity needed to address our greatest priorities. Before diving into department-specific budget recommendations, I want to highlight the importance of addressing our high turnover and vacancy rates. While we are not alone in struggling to attract and retain talent – especially in our extremely expensive region – we must do everything in our power to reduce vacancies and make the City of San José a preferred employer for workers. Recently, our Human Resources Department launched new initiatives to modernize our hiring processes. In addition, the City Manager has approved the centralization of recruitment for Parks, Recreation, and Neighborhood Services Department (PRNS), Housing Department, and Code Enforcement division of Planning, Building, and Code Enforcement (PBCE) in an effort to better streamline and prioritize recruitment of talented people who reflect the diversity of our community. The City Manager also has begun a larger recruitment initiative, which is outlined below in this Budget Message (Section V). The City Manager is directed to continue this prioritization, including the allocation of one-time and ongoing resources, throughout the organization and especially in our community-facing departments as this is the greatest need we have across the entire organization. Furthermore, I know from my conversations with the City Manager how much she values employee feedback and her commitment to continuing to incorporate feedback from frontline workers and those closest to service delivery into ongoing improvements in how we work.

Given the severity of the staffing crisis that the City is experiencing, emerging solutions implemented in other governmental agencies should also be evaluated. The City Manager should not limit herself to the ideas provided above. The states of Utah and Pennsylvania have eliminated 4-year degree requirements, shifting to skills-based hiring and allowing consideration of alternative qualifications, like direct experience. This idea may have merit, as it would open up opportunities for many of our own residents to access City jobs otherwise inaccessible to them.

III. Focus Areas

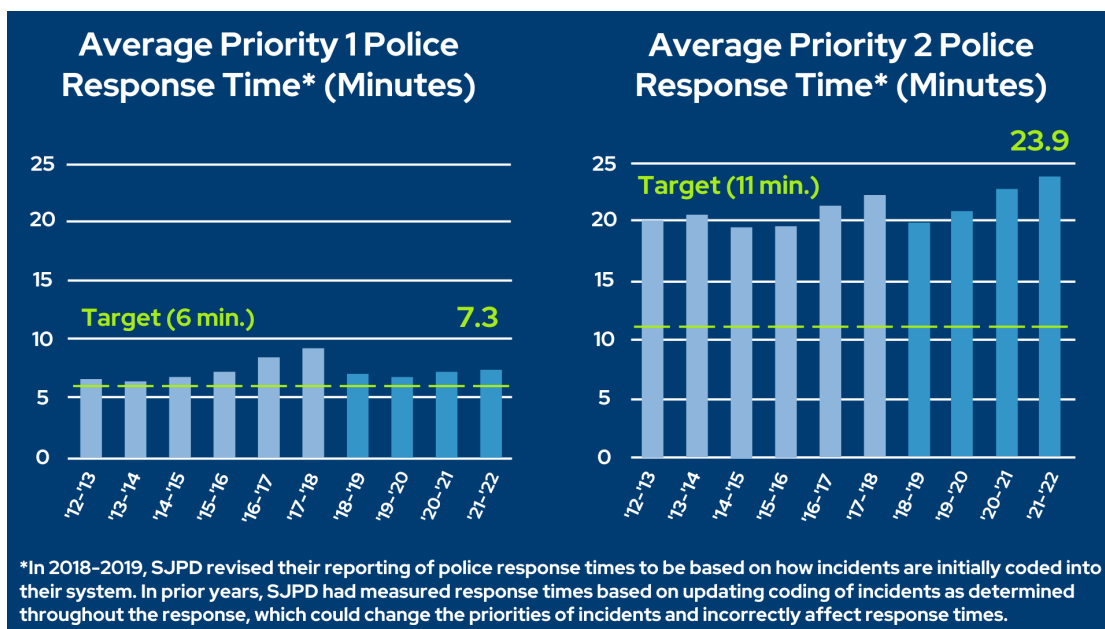
We begin the March Budget Message with a straightforward recommendation: that the City Manager bring greater organizational focus, staff resources, and regular governance-level reporting to bear on a small number of foundational goals:

- *Increasing Community Safety*
- *Reducing Unsheltered Homelessness*
- *Cleaning Up Our Neighborhoods*
- *Attracting Investment in Jobs and Housing*

A. Increasing Community Safety

Our government’s most fundamental responsibility is ensuring safety for all of our residents. While we’ve made significant progress in rebuilding our Police and Fire Departments since the Great Recession, residents continue to rank public safety, and especially slow emergency response times, as a top area of concern.

San José has hundreds of committed, community-centered first responders. We just do not have enough of them. Over the past decade, SJPD response times for both Priority 1 and Priority 2 calls have remained slower than the Department’s performance targets, with wait times for Priority 2 calls growing in recent years to more than double our target as increased call volume has outstripped the Department’s capacity.



SJPD response times from city auditor report.

Since 2020, incidents of violent crime in San José have risen by over 15%. When one of our neighbors is threatened with violence, the extra minute it takes for help to come can mean the difference between life and death, which is why it is all the more important that we achieve appropriate staffing levels within our Police Department.

While increased crime affects our entire city, it is important to note that lower income neighborhoods in San José bear a disproportionate impact. We owe a special obligation to residents who are already struggling economically to not add the burden of unsafe streets, parks and neighborhoods. Public safety through increased patrols, improved response times and community policing by officers who are from and reflect the diversity of our community, is central to creating an equitable and opportunity-filled city.

Public Safety Staffing Levels

To begin, the City Manager is directed to allocate ongoing funding sufficient for a headcount increase of 15 additional personnel in SJPD beginning in 2023-2024 – doubling the rate at which the Department is adding roles. The City Manager should determine whether a proportion of the additional budgeted positions should be reserved for Community Service Officers (CSOs).

While current Academy class sizes are not large enough to make full use of these resources, it is important that we dedicate ongoing funding for continued headcount growth that puts us on the path to full staffing even as economic conditions fluctuate. As the Department invests in expanded recruitment strategies (next section) to fill our Police Academy classes and catch up with these aggressive hiring targets, the City Manager is further directed to reallocate, on a one-time basis, the 2023-2024 cost of new officers that will not start until 2024-2025 toward high-impact, one-time investments in technology, recruitment, and other capacity-building opportunities within the Department, as well as crime prevention strategies outlined below. Moreover, the City Manager is directed to work with the Department to explore methods of reducing our reliance on mandatory overtime, which reduces officer morale and increases costs.

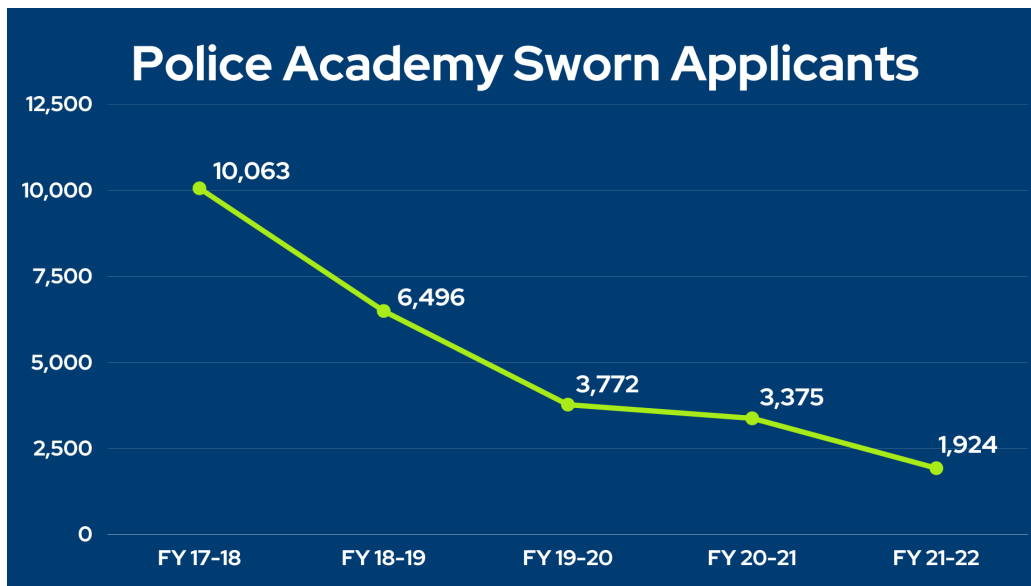
To expedite the hiring process and reduce the dropoff of qualified candidates, the City Manager is directed to evaluate the potential impact and ongoing funding requirements associated with additional capacity for human resources software solutions that can accelerate the hiring process by multiple weeks.

Our excellent Fire Department also needs additional staffing capacity, especially firefighters who are certified paramedics. Last year, the Council took action to increase filled paramedic staffing levels by initiating a lateral paramedic hiring incentive pilot program, in addition to modest pay raises. As part of the 2021-2022 Annual Report, the City Manager recommended and the City

Council approved a lateral firefighter/paramedic academy to quickly bring on experienced paramedic personnel. Even so, our paramedics are routinely asked to work extra shifts to ensure we have appropriate call response coverage, risking staff burnout and attrition. To address this staffing challenge, the City Manager is directed to explore additional solutions and funding needs related to paramedic recruitment and retention, including the potential for additional Fire Academy classes each year. The City Manager is further directed to bring forward budget requests to ensure new fire stations funded through Measure T coming online are equipped and supported through commensurate and necessary staffing levels.

Recruitment

Increasing budgeted headcount and improving our hiring processes won't translate into greater capacity unless we also improve our ability to attract applicants. In recent years, like other departments across the country, we've seen a worrying decline in the number of applicants to our Police Academy.



To counter this nationwide trend, we must redouble our efforts to attract qualified, diverse candidates, ideally from our community. We will do this by affirming our commitment to being the most community-engaged big city Police Department in the nation and investing greater resources in recruitment strategies. The City Manager is directed to explore a range of potential investments to enhance our recruitment efforts, including potential increases to officer referral and signing bonuses, a one-time officer relocation stipend, and programs designed to engage youth interested in law enforcement careers. The City Manager is further directed to allocate additional funding to the Department's budget for marketing and campus outreach.

We must also deliver on the promise to complete the new Police Training and Academy Facility. Completion is essential both to help with recruitment and also to open the Chaplain Dave Bridgen Southern Police Substation in South San José, which will be occupied by a Southern Patrol Unit.

Retention

Rebuilding public safety staffing also requires focusing on staff retention. Mid-career turnover is extremely costly for the City, as dedicated employees with deep institutional knowledge walk out the door, necessitating new spending on recruitment and training. The City's and POA's recent successful contract negotiations will keep SJPD officer pay competitive with other Bay Area departments over the next three years. Beyond pay, we can improve morale by empowering officers to focus on the work they were hired and trained to do, namely addressing serious crime.

The City Manager is directed to identify types of 911 calls that might be assigned to capable public safety or health personnel, including in partnership with the County or other service providers, evaluate potential staffing and cost implications, and initiate preliminary conversations with the Police Officers' Association (POA). Recently, the City of Los Angeles kicked off a collaborative process between city leaders and the police union to identify types of 911 calls for service that are promising candidates for diversion to alternative response resources, such as non-sworn officers and social workers. Locally, we've seen success with the Psychiatric Emergency Response Team (PERT) that pairs an SJPD officer with a licensed mental health clinician provided by the County. We should build on this innovative model by exploring other types of calls that may be suitable for an alternative response model, especially calls involving mental health crises, homelessness and youth.

The City Manager is directed to explore additional strategies to supplement Police Department staffing levels, such as the use of rehired retirees as previously negotiated with the POA, and also to identify any legal and/or charter prohibitions to such rehires working more than 960 hours a year, and return through the City Manager's Proposed Budget with related recommendations.

Utilizing Technology

While we work to rebuild staffing levels through improved recruitment and retention, we should continue to invest in technology to give our Department more tools to keep our community safe. Automated License Plate Reader (ALPRs) have shown great success recently, however, the 76 ALPRs currently in use are funded on a one-time basis from an Urban Areas Security Initiative (UASI) grant. As this funding expires at the end of December 2023, the City Manager is directed to allocate sufficient funding to continue the use of these cameras on an ongoing basis.

The City Manager's Budget Request establishes the initial Police Equipment Replacement Sinking Fund at \$1 million on an ongoing basis to anticipate and save for future equipment needs, including the Department's mobile data computers (MDCs) and eventual replacement of AIR-3. While this a good start, we should look to increase this funding in future years given the high cost of equipment replacement. We also need to ensure capacity to engage in experimentation with new technologies to improve the efficiency and effectiveness of our lean staff. These pilots should be deeply informed by the frontline users to ensure that they are increasing our officers' capacity, not adding a new, unnecessary burden to an already difficult job. The City Manager should use one-time funding not to exceed \$250,000 to test, plan and implement technology applications in various units. Initial efforts could include transcription software to automate interview transcriptions. As new technology becomes available, this fund will provide the opportunity to test software performance before going through a full implementation. Of course, new technology adoption should comply with the City's technology use policies that protect privacy and ensure cybersecurity.

Crime Prevention

While responding to crime is a core responsibility of local government, we should also strive to prevent crime by investing in our youth and funding programs proven to reduce recidivism. To this end, the City Manager is directed to bring forward recommendations for using remaining previously allocated American Rescue Plan (ARP) funds to invest in programs proven to support at-risk youth, via City-sponsored programs such as the Clean Slate Program, the Safe Schools Initiative, intra-agency partnerships like Trauma to Triumph, and the Bringing Everyone's Strengths Together (B.E.S.T.) grant program, which provides funding to qualified organizations that enhance and broaden the City's ability to prevent youth violence. Participation in B.E.S.T. has been associated with reductions in juvenile recidivism. After enrolling in a B.E.S.T. program, youth were 82% less likely to be referred to Santa Clara County Probation Department (SCCPD) for an alleged delinquent offense and 87% less likely to be charged with a delinquent offense after enrolling in a B.E.S.T. program.

Additionally, as noted by the Reimagining Public Safety (RIPS) Task Force, we should proactively explore ways of engaging the community in crime prevention and violence reduction solutions. The Racial Equity Action Leadership (REAL) Coalition has proposed a community-based pilot program in conjunction with Next Door Solutions to address these issues. The proposed strategy aims to centralize resources and volunteers that can provide meaningful interventions that support survivors of domestic violence and traumatic events. To further this endeavor, the City Manager is directed to allocate one-time funding toward the exploration of additional community-based violence solutions.

The City Manager is further directed to explore, in collaboration with the County, programmatic opportunities for recidivism intervention for high-risk populations such as those exiting jails, prisons, and hospitals who all too often end up as repeat offenders and members of our unhoused community. The goal of any related program should be to help people successfully and productively reintegrate into society.

Traffic Safety

In 2022, 65 people died in traffic collisions – surpassing our homicide rate. The previous high mark was 60 traffic deaths in 1997. Based on the disproportionate representation of pedestrians within this figure, the City Manager is directed to explore accelerating the development of the Pedestrian Safety Program, Safe Routes to School and the deployment of quick-build solutions aligned with our Vision Zero plan.

Accountability reporting is an essential piece of the work the Department of Transportation does to understand which tactics are having the greatest impact on the preservation of human life. The City Manager is directed to evaluate the impact of hiring or designating a staff member responsible for assessing programmatic success of Vision Zero programs to determine future investments and better inform grant proposals and community engagement initiatives. This role would accelerate our grant acquisition process, which has proven successful – bringing in over \$60 million just last year.

Councilmembers are also encouraged to consider using their budget document requests for the allocation of the Essential Services Reserve to recommend the interventions that will best improve traffic safety in the neighborhoods they represent. No one knows their district better than the people elected to represent it and in the past we have seen a number of successful neighborhood street-scaled traffic safety projects prioritized and funded through Councilmembers' advocacy in this process.

Ghost Guns

Between 2015 and 2021, the number of ghost guns recovered at crime scenes increased by over 70% in our county. Last year, the Council took an important step by unanimously approving a ban on these privately manufactured, unserialized and untraceable weapons. The Police Department recently instituted a Gun Offender Suppression Team (GOST) unit to address the increase in ghost guns and gun related crimes. This unit should increase the capacity of the firearms unit working on managing the large volume of firearms cases and ghost guns handled by the Department. The City Manager is directed to report on the effectiveness of this unit at a future meeting of the Public Safety, Finance and Strategic Support Committee (PSFSS) as part of the Bi-Monthly Police Department Operations and Performance Status Report.

B. Reducing Unsheltered Homelessness

Each night, nearly 5,000 neighbors sleep on our streets, along our creeks, and in vehicles. Last year, 246 of these individuals died outdoors. Many of these deaths were likely preventable with access to basic housing and supportive services. We face a vast humanitarian – as well as ecological and fiscal – crisis that requires even greater focus, investment and experimentation.

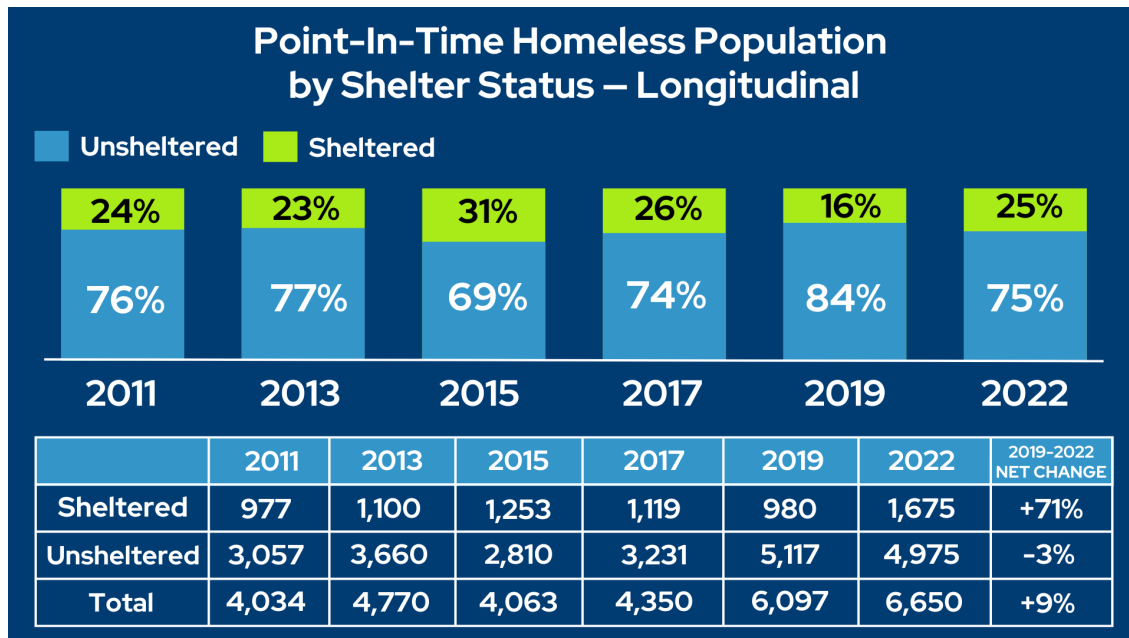
Fundamentally, everyone should have access to safe, secure housing and everyone should be expected to live indoors. To date, despite tremendous effort at the local level, we've struggled to achieve this basic goal. A combination of low housing production across the state, inadequate funding for affordable housing, a dearth of federal Section 8 vouchers, and historical disinvestment in our mental health care system have all contributed to the crisis we see on our streets every day.

San José remains committed to funding and supporting the construction of affordable housing, including permanent supportive housing. As such, the City Manager is directed to follow through on the City's funding commitments related to all Council-approved affordable housing projects currently in the pipeline and to continue seeking opportunities to support new affordable housing projects with land, financing, or both.

However, we cannot ignore the crisis in front of us and need to take advantage of all available funding resources to allow the sufficient focus and execution of strategies that can rapidly reduce the number of people living in unsheltered and unmanaged conditions in San José. This component of our homelessness crisis entails the greatest human suffering and highest public costs, and demands urgent action. Accordingly, the City Manager is directed to explore the use of uncommitted Measure E resources for reallocation to homeless prevention, support and management investments as part of the overall strategy to fund the priorities described in this message.

Scaling Interim Solutions

We know that unsheltered homelessness can be resolved even in a city with a high cost of living, limited housing supply and high levels of homelessness. Numerous cities around the world, from New York to Dublin, have low single-digit unsheltered homelessness rates despite having similar or higher overall rates of homelessness. San José's unsheltered homelessness rate, in comparison, currently stands at 75%, slightly down from 84% in 2019. While multiple factors may have contributed to this modest reduction, it coincides with the City's significant investment in nearly 500 new bridge housing units, emergency interim housing units, and other types of transitional placements from 2020-2022.



We can most quickly continue to bring down the number of people living in encampments and other unsheltered conditions by expanding our emergency interim housing (EIH) sites that take less than one year to build at approximately one-fifth the cost of traditional affordable housing.

Thanks to Mayor Sam Liccardo’s leadership, the FY 2022-2023 budget included significant resources for construction and operations to help us scale EIH development. The talented, cross-departmental team charged with delivering multiple EIH communities is currently only budgeted on a time-limited basis and needs additional resources to facilitate faster processing of EIH siting and construction. The City Manager is directed to identify expanded staffing and other resources needed, including staffing resources in the Public Works Department, to deliver at least 500 new EIH units by the end of this calendar year to meet our collective goal of operating 1,000 interim units citywide.

In parallel with delivering the 1,000 units already sited, we should begin identifying sites for the next 1,000 units. Considering the challenges and delays associated with securing and developing publicly-owned sites outside of the City’s control, the City Manager is directed to allocate a sufficient amount of one-time funding to enhance staffing efforts to identify and lease or acquire privately-owned properties that can convert quickly to EIH. The City Manager should also explore strategies that would expand her authority to approve and advance sites expeditiously in coordination with Council offices – including appropriate community engagement.

Beyond interim housing, we should test other low-barrier, low-cost solutions that will enable us to move people out of unmanaged encampments and into safe, managed spaces with basic sanitation and security. The City Manager is directed to identify strategies and recommend associated funding for securing and experimenting with such sites – including leasing

underutilized private land and revisiting publicly-owned land assessed for EIH communities – that can serve multiple purposes, from safe parking to safe sleeping spaces and shelter. We should learn from and iterate on our success establishing temporary evacuation facilities, when city staff came together in January to evacuate unhoused residents living along rising creeks and transitioned them into safe spaces at our existing EIH communities. As we expand emergency bed capacity, we should also coordinate with the County to develop a live, public-facing inventory of emergency beds, looking to Washoe County’s [shelter census dashboard](#) for inspiration.

Having dedicated executive leadership to manage and execute on these programs is imperative. The City Manager is directed to make permanent the Deputy City Manager role overseeing homelessness and quality of life issues to ensure sustained multi-year progress, with a focus on delivering EIH communities and rapidly deploying other alternatives to unmanaged encampments. As a prime example, the City should continue collaborating with the County to explore and secure external resources for a shared shelter and services delivery model, akin to the Haven for Hope community in San Antonio, which offers the full continuum of care onsite, from low-barrier shelter with basic services to interim and permanent housing with wrap-around services.

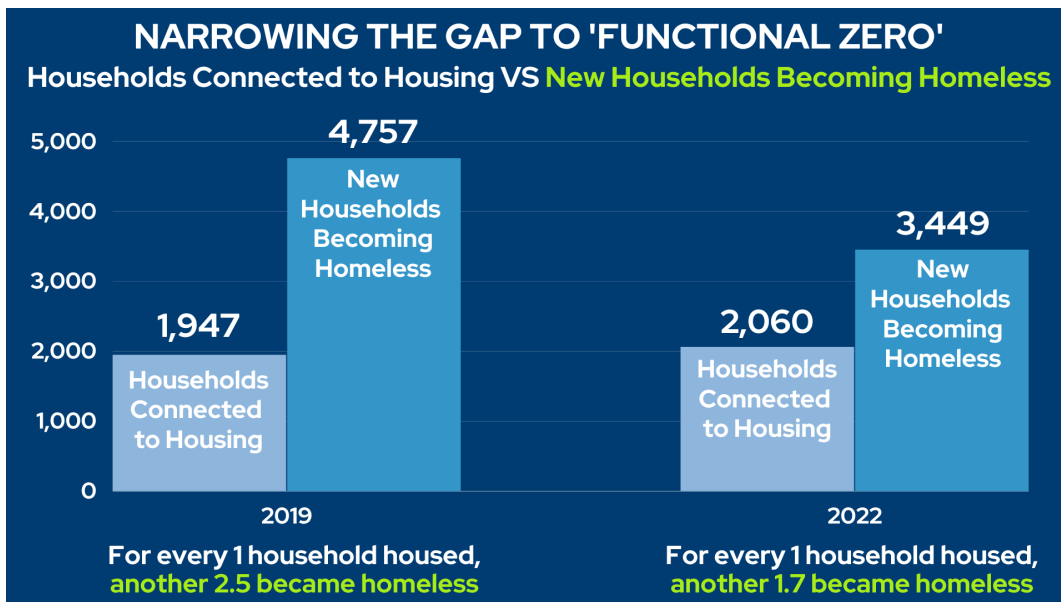
Across all of these strategies – from EIH to other low-barrier solutions, including safe parking sites – the City Manager should allocate sufficient resources and funding to create new capacity to move at least 1,000 people who are currently living in the most environmentally-destructive and unsafe encampments into safer alternatives by the end of the calendar year.

Preserving Our Progress

While we expand interim housing and other safe spaces, we should expect unhoused residents to accept alternatives to unmanaged encampments when offered, and keep public spaces clean and clear as encampments are decommissioned. The City Manager should develop a framework that identifies areas in the city where the impacts of encampments are most costly and create unsafe conditions for all residents and the environment. The City Manager is further directed to explore piloting a small team of trauma-informed specialists working in close concert with BeautifySJ and SJPD who can keep identified areas free of encampments while adhering to the City Attorney’s guidance relative to the standards set by the 9th Circuit Court’s *Martin v. Boise* decision. Depending upon the success of this pilot, the City Council may explore the creation of explicit no encampment zones, including in Downtown and key commercial districts, for public safety, environmental and/or economic reasons, along with the designation of other areas where unsheltered residents could be better accommodated.

Homelessness Prevention, Intervention, and Eviction Diversion

We also must not lose sight of the importance of prevention as the most cost-effective, successful and humane tool at our disposal. Thanks to tremendous partners like Destination:Home and Sacred Heart Community Service, since 2017 we've helped 12,367 individuals from 4,455 households countywide avoid homelessness and the associated trauma. Happily, 96% of these individuals remain stably housed. We've also started to make progress reducing the inflow of individuals into homelessness.



For years we have found that for every one person we housed, two to three more fell into homelessness, but we've finally started to turn a corner and the ratio has dipped below 1:2. On average, each household receives less than \$10,000 in rental assistance and services – a far cry from the more than \$65,000 per person per year estimated cost of managing unsheltered homelessness. The City Manager is directed to double the 2023-2024 Measure E set aside for Homelessness Prevention on a one-time basis.

Rental assistance and eviction diversion are core tenets of homelessness prevention. Residents continue to face eviction risk with the end of California's COVID-19 Rent Relief program. In 2022, the City implemented an Eviction Diversion and Settlement Program in response to growing eviction rates, connecting tenants to rent relief funds, education, and legal resources. The program has served over 300 individuals at risk of displacement since June 2022, financed up to this point by a mix of State Emergency Rental Assistance funds, grants, and Measure E dollars. The City Manager is directed to explore the use of one-time funding to continue rent stabilization and eviction diversion efforts in 2023-2024.

As referenced in the Community Safety section, we should also identify opportunities to expand intervention resources for unhoused residents who cycle through public systems such as jails, foster care and hospitals, only to end up back on the street. The City Manager is directed to work with the County's Office of Reentry Services, Office of Supportive Housing, Department of Family and Children's Services, and local health plans to explore partnerships and associated funding needs for a jail "in reach" intervention program that would focus on helping incarcerated unhoused residents navigate from custody straight to a home, increase housing support for unhoused residents recovering from hospital stays, and opportunities to support self-sufficiency and housing for former foster youth.

Mental Health Care

Today, 42% of our homeless neighbors self-report experiencing a psychiatric issue, 36% report experiencing PTSD, and 32% report substance abuse challenges. While primarily a State and County responsibility, we must ensure that our government is adequately addressing mental health needs if we are to significantly reduce the rate of unsheltered homelessness and broader community impacts.

In the 1960s, the United States had 337 psychiatric treatment beds available per 100,000 residents. Today, that number has plummeted to 12. Thankfully, we are beginning to see a reversal of this trend as the State of California and local jurisdictions focus greater attention and resources on the devastating lack of treatment options and the impact of untreated mental illness on our entire community.

Just last month, Santa Clara County broke ground on an Adolescent Psychiatric Facility and Behavioral Health Services Center with 35 beds for young people and 42 for adults. At the state level, following the passage of CARE Court last year, Senator Susan Eggman has authored new legislation modifying conservatorship laws to enable the judicial system to mandate in-patient care for gravely disabled individuals and requiring counties to publish an online dashboard displaying the real-time availability of beds in a range of psychiatric and substance abuse facilities.

We should do what we can on the local level to help propel this effort forward. The City Manager is directed to (a) initiate exploratory conversations with Santa Clara County related to opportunities to create and help facilitate a secure mental health facility in San José with support from the city, (b) explore the potential to reserve Measure E funding and identify potential philanthropic resources for the construction of such a facility and, (c) expedite permitting for in-patient treatment options.

Measuring Impact

As we accelerate the solutions outlined above, we must also accelerate measuring our impact to ensure they are working. Because of our limited resources, we need to be agile in our efforts, and move dollars around if we find what we are doing is not having the anticipated impact.

Currently, we rely on data gathered through a biannual Point in Time (PIT) count that measures the number of sheltered and unsheltered homeless residents in San José every other year. The City Manager is directed to identify and allocate the funding required to gather data on unsheltered homelessness more frequently without relying on a model that is as onerous and resource-intensive as the PIT count, and potentially embedding staffing resources in the County Homeless Management Information System (HMIS) with direct reporting to her office as an alternative to manual field counts.

As we increase the regularity of data capture, these metrics should be shared with the larger community. Increasing transparency not only displays the scope of the problem, but promotes accountability as we understand the impact of our programs. The City launched a Homelessness Program Dashboard in early March which includes information regarding funding, programs and outcomes related to homelessness in San José. The City Manager is directed to explore further improvements to this data collection and reporting tool to increase its usefulness.

C. Cleaning Up Our Neighborhoods

We all want to live in a beautiful city. Beyond aesthetics, the trash, graffiti, abandoned vehicles and blight littering our streets – particularly centered in low-income neighborhoods – reduces traffic safety and economic investment, while increasing crime and polluting our trails, parks, and waterways. It also weakens civic pride – which plays a significant role in boosting social capital, participation and trust in government.

The presence of existing litter is strongly predictive of littering behavior. Blight creates blight. If we don't do more to proactively clean up our streets, they will fall further into disarray.

BeautifySJ

Many of the programs outlined below will fall under the purview of BeautifySJ. To ensure our investments into BeautifySJ are sustained, the City Manager is directed to transition the one-time non-personal/equipment and contractual costs in the BeautifySJ program to ongoing expenditures to the extent feasible and explore associated vehicle procurement needs.

Clean Gateways

As we face a fiscally strained time ahead, we need to focus on a more deliberate allocation of our limited resources within the BeautifySJ program. The City Manager is directed to design and recommend a "Clean Gateways" approach that identifies the top blighted gateways (i.e. heavily trafficked intersections and corridors) citywide, and evaluates strategies for keeping them clean, along with required staffing and funding levels. In addition, the City Manager is directed to explore cost-sharing with Caltrans on physical deterrents along key city gateways that are consistently encamped and freeway signs that are repeatedly tagged.

Interagency Coordination

Like many of our city gateways, our BeautifySJ teams often field complaints from residents regarding blighted public properties that are outside our control. We're excited about the BeautifySJ interagency team's progress working with the County, Valley Water, Caltrans, and Union Pacific to establish maintenance agreements and reimbursement commitments to help clean up their blighted properties. The City Manager should accelerate these interagency partnerships and explore whether additional gap funding is needed to meet the need.

Encampment-related Blight

Our BeautifySJ team removed more than 3.2 million pounds of trash at encampments in 2021. While we work to reduce human suffering by moving people out of unmanaged encampments, we need to confront the blight, safety, and health concerns associated with the crisis and mitigate environmental impacts. Considering our waterways and creek trails bear significant damage from fires, inoperable vehicles, and waste, the City Manager is directed to pilot funding for two waterways teams to provide focused, weekly trash pickup at encampments along creeks. Additionally, the City Manager is directed to analyze and bring back cost estimates for enforcing the prohibition of private vehicles on city trails and in parks.

We also need to involve homeless residents in solutions and provide pathways to self-sufficiency. Successful programs like SJ Bridge provide job training and transitional employment for homeless neighbors working to beautify our city. The City Manager is directed to continue the SJ Bridge program in the next year and explore opportunities to increase the impact of the program, represented by the amount of trash removed and number of participants connected to living wage jobs. Cash for Trash has also proven effective in mitigating blight, reducing encampment footprints, and building rapport between unhoused residents and outreach teams. The City Manager is directed to return with cost estimates to increase Cash for Trash by

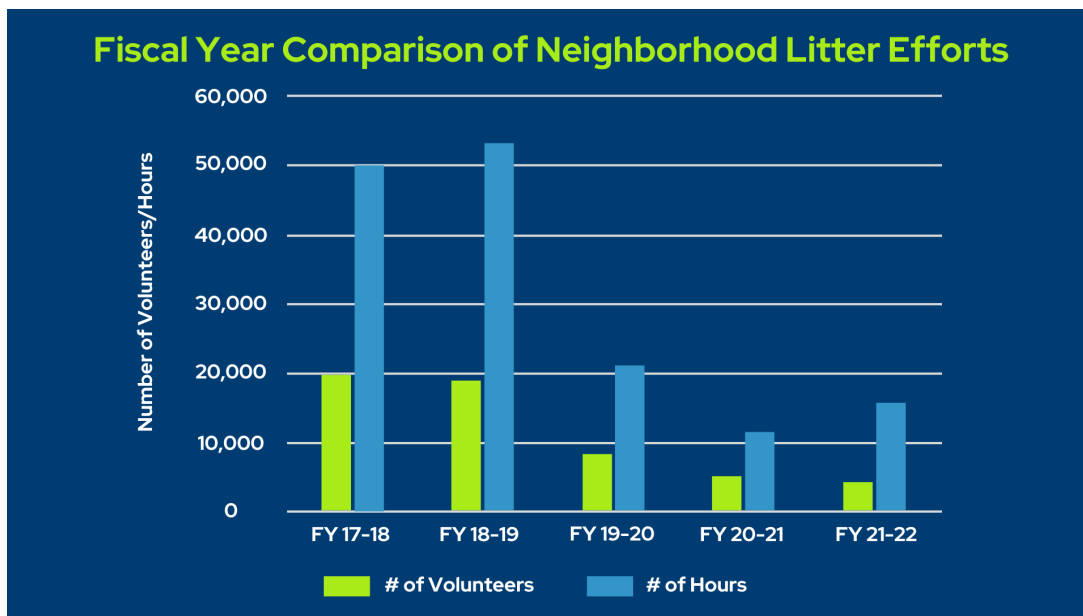
at least 200 participants while doubling the weekly limit of bags that participants can be compensated for.

Finally, our BeautifySJ teams provide weekly trash service to approximately 185-200 active encampments. To streamline garbage pickup, the City Manager should evaluate and return with a recommendation to expand the use of garbage cans or dumpsters at encampments and integrate these locations into the city’s garbage hauler’s routes.

Beautify SJ staff are often tasked with cleaning up hazardous waste. As we look to expand and support this program we must also be proactive about ensuring safe work conditions and protocols as well as providing sufficient health and mental health benefits.

Community Engagement

BeautifySJ cannot clean up the city alone – collective action is needed to solve a problem of this magnitude. In just four Inaugur-Action cleanups, hundreds of residents from across the city came together and removed over 6,000 pounds of trash. We need to build out this community engagement to pre-pandemic levels. Before 2020, nearly 20,000 residents volunteered on an annual basis – of which 5,000 volunteered monthly – to eradicate and report blight in their neighborhoods through the “Adopt a Block” program born out of the Strong Neighborhoods Initiative.



To inspire residents to once again become part of the solution to blight, the City Manager is directed to pilot on a one-time basis “Beautify Your Block” – a program modeled after “Adopt a

Block" – to train and support residents and local businesses in keeping their neighborhoods clean by regularly covering up graffiti, picking up litter, and reporting blight. The “Beautify Your Block” pilot program should be augmented with at least \$150,000 in BeautifySJ grants for neighborhood associations and businesses for tree planting, landscaping, murals, and other small scale beautification projects.

Several existing community groups and nonprofits (e.g. Keep Coyote Creek Beautiful, South Bay Clean Creeks Coalition, and TrashPunx) have long been leaders in engaging residents in beautification efforts. Previously we’ve been able to accelerate their progress by providing grants to perform targeted clean up of specific areas. The City Manager is directed to explore funding avenues to expand our community partnerships in high-need areas.

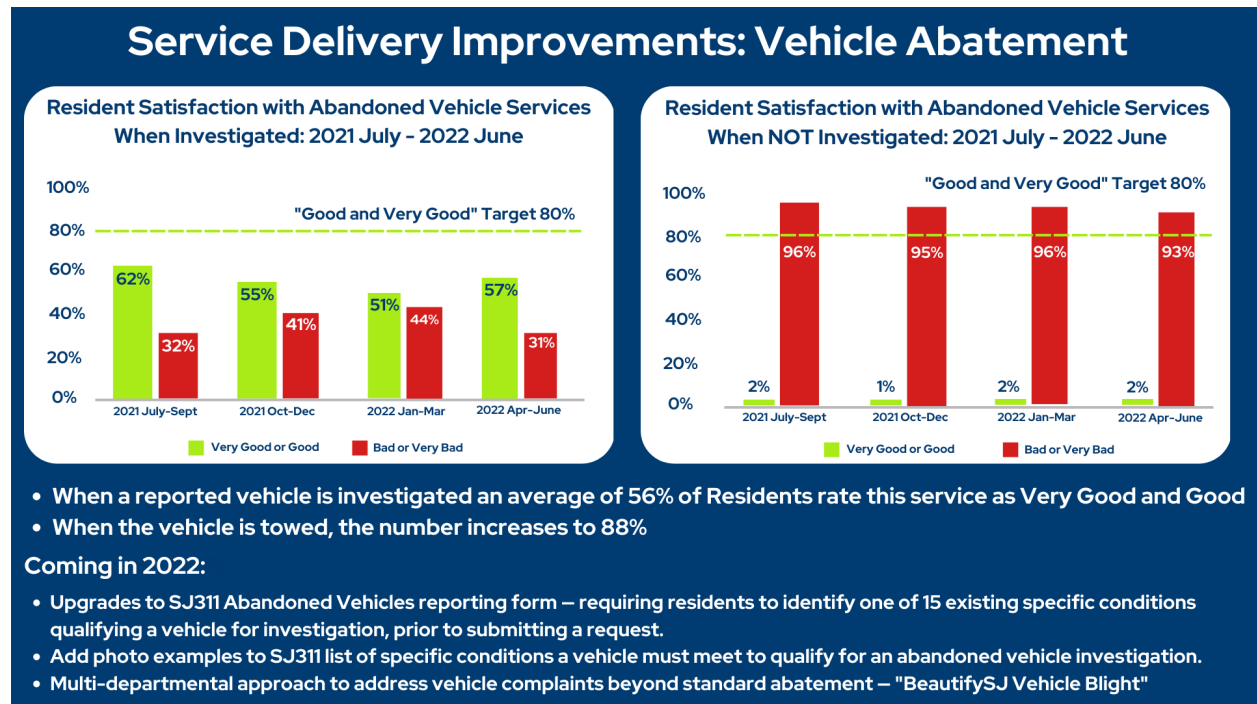
To help organize residents and fully leverage their capacity, we should invest in expanding San José’s 311 system. The 311 app experience, specifically, has steadily improved in recent years, and with additional investment, could become our greatest tool for activating and engaging with San José’s one million residents and tens of thousands of businesses. The City Manager is directed to recommend investments that increase the ease of use and effectiveness of our overall 311 system as a two-way communication platform for requesting and fulfilling basic city services, including improved language accessibility, warm handoffs to other departments and agencies, enhanced loop-closing (e.g. residents who request a service are sent a photo of completed work), and eventually, the ability to participate in volunteer opportunities.

Expanding Our Tree Canopy

Trees beautify our neighborhoods, improve our climate resiliency, clean our air, and reduce heat island effects. Last year, we allocated sufficient one-time and ongoing resources to plant 1,000 trees annually, but a recent audit revealed that we’re leaving dollars on the table collected through tree removal permit-in-lieu fees. To better leverage this nearly \$1.5 million, the City Manager is directed to explore whether additional staff or contracts with community partners will result in more trees in the ground by the end of this year, and – as previously directed by Council – focus tree planting efforts in districts with the lowest tree canopy.

Vehicle Abatement

Residents routinely express their frustration regarding abandoned or inoperable vehicles that litter their neighborhood streets and the City’s incomplete response.



The City Manager is directed to propose budget and program changes that will measurably improve the effectiveness of and resident satisfaction with vehicle blight complaints. Based on extensive “Reimagining Vehicle Abatement” human-centered design sessions last year, the City Manager should return to City Council by mid-May 2023 to review staff’s proposed direction and receive feedback. A Manager’s Budget Addendum (MBA) and/or future City Council Action shall address changes that enhance the City’s vehicle blight outcomes, including shifting funding and staffing to processes that produce desired performance and customer service standards, optimizing City processes and department coordination, and improving communication with service requestors. The City Manager is further directed to track the progress of this reinvigorated program and regularly report back to Council until performance significantly improves.

Furthermore, increased demand for parking calls into question the City’s ordinances and policies for the storage of boats, unhitched trailers, and other devices impacting mobility on local streets and bicycle lanes. These are not conventional vehicles like passenger cars, trucks, and RVs, which at least have the capability of being brought into compliance with existing parking regulations. The City Manager should explore new solutions for administering street parking capacity and allowing accelerated removal of boats, trailers, and similar vehicles or accessories impacting public rights-of-way, including the cost and staffing implications of this level of enforcement.

Blighted Properties

While the city has made great strides in addressing graffiti on property it controls, graffiti persists for far too long on many privately-owned properties and those of other public agencies. The City Manager is directed to work with Code Enforcement, BeautifySJ and the City Attorney's office to explore and propose strategies to ensure the rapid resolution of blighted private properties, including piloting a fee-for-service program in which private property owners can pay an annual fee and consent to allowing BeautifySJ to access their property and address graffiti in a timely fashion. For public lands not owned by the City, the City Manager is directed to accelerate efforts to establish memoranda of understanding with other public agencies such as VTA and Caltrans that would allow the City – in exchange for a fee or other cost-sharing agreement – to proactively address graffiti and other blight.

D. Attracting Investment in Jobs and Housing

To thrive in the years ahead, San José must continue to attract investment and economic activity. Whether we are concerned with our childrens' ability to afford the cost of housing, workers' access to good jobs and our regional economic competitiveness, or the City's ability to properly staff and deliver core services, our long-term health as a city depends upon a dynamic economy that creates jobs, builds housing and supports commerce. And we are certainly well-positioned to do just that. Between our wealth of diverse talent, culture of innovation, exceptional weather, and strategic location in the heart of Silicon Valley, San José's best years are surely still to come.

However, to maintain our competitive edge, grow our tax base, and create greater opportunity for all of our residents, we will need to make San José an easier place to do business, upgrade our infrastructure, and turn our Downtown into the true urban center of Silicon Valley.

Planning, Permitting and Development Services

Investment fuels our economic competitiveness and grows the tax base that funds all city services, yet chronic vacancies in PBCE and in other departments that support development services result in slow permit processing time, fragmented communication, and – worst of all for prospective investors – uncertainty. Currently, PBCE is grappling with a five-month backlog of approximately 500 building permits that are waiting for review. In order to reduce this backlog and improve outcomes for those trying to build housing and enable job growth in our city, we must overcome chronic staffing shortages in PBCE, improve customer service, and be a predictable partner in the development process.

Severe staffing shortages unfortunately place additional burdens on existing staff. This is certainly true in PBCE, where planners also often take on administrative tasks like grant

management and other compliance work. This constrains the ability of the Department and reduces the time planners have to do the work we hired them to do: plan for and enable the City's growth. The City Manager is directed to prepare an MBA evaluating the need for administrative support for PBCE, including grant managers, potentially with General Fund support. The MBA should, at a high level, attempt to quantify the time planners spend doing administrative work that could otherwise be spent on key policy objectives, including completing the Housing Element or other General Plan and land use planning. Further, the MBA should discuss the costs necessary to implement the highest priority policies and programs in the Housing Element.

Managers within PBCE drive progress on our most pressing and demanding planning and permitting objectives, however we've seen high turnover in these classifications due to competition from neighboring cities who can offer higher pay for lighter workloads. To address staffing shortages that result in unnecessarily slow approval processes, the City Manager is directed to explore creative ideas for new methods that enable the City to better recruit and retain mid-level planners and supervisors.

We must also tap opportunities to attract entry-level planners and leverage our educational institutions as bridges between graduates and careers. As such, the City Manager is directed to explore and evaluate the cost to establish a paid fellowship program with local post-secondary institutions such as San José State University (SJSU) to create a pipeline of part-time student employees who would be eligible for employment upon graduation.

As we work to improve recruitment and retention, we should also attempt to reduce workload per team member. Many of our planners spend significant hours supporting development projects through processes required by the California Environmental Quality Act (CEQA). The City Manager should prioritize the existing resources allocated for CEQA preclearance for "market ready" urban villages and explore ongoing funding opportunities for this work. A March 2022 Audit of the City's environmental review process also identified 12 recommendations that, when implemented, can help reduce the burden of CEQA compliance. The City Manager is directed to explore one-time funding to implement the recommendations that will have the biggest impact on streamlining CEQA work, especially for housing, and explore ways of recovering some of the cost of the CEQA work conducted by the city.

Providing excellent customer service should be a pillar of our PBCE Department, but without a single point of contact, clients often get stuck in what is a long and complicated permitting process. Currently, there are 16 active affordable housing projects moving slowly through the process – were these projects to receive approvals, we would have over 2,500 additional units ready to receive financing and commence construction for those in need. Every day that passes only increases the ultimate cost of building these units.

To provide better customer service, key project types need success managers to ensure that projects are facilitated through multiple city departments involved in development services. The City Manager is directed to explore launching a pilot program to dedicate project managers within PBCE with the responsibility of shepherding high-priority project types, such as affordable housing and tenant improvements, through the application process and serving as a single point of contact for applicants. The City Manager is further directed to explore upgrading our Planning and Building web portal with additional functionality that provides greater transparency into the approval process, average time of completion for various tasks, and application status. This consideration should include assessment of PBCE's technology needs and the staff resources required to deliver high-quality customer service.

Many of the recommendations outlined above will help facilitate faster construction of much needed affordable housing. Beyond making it easier to build affordable housing, we need to preserve our greatest existing stock of naturally-affordable housing: Mobile Home Parks. Residents of mobile homes are more likely to be lower income and older communities that have few other housing options. To protect these neighbors, the City Manager is directed to change the General Plan's land use designation for the remaining mobile home parks not yet redesignated from multifamily residential to "mobile home" park, and begin allocating the funding needed.

Downtown Vibrancy

We have an immense opportunity to make our city's center a destination for residents and visitors from around the world. Between Caltrain electrification, the expansion of BART to Silicon Valley, future plans for High-Speed Rail and an expansion of Diridon Station, San José will one day host the largest transit hub on the West Coast. More generally, San José is well-positioned to serve as the premier entertainment and cultural destination for Silicon Valley. We are also home to nearly half of Silicon Valley's workforce, which creates new opportunities as employees spend more time working from home and resist long commutes. A vibrant downtown can become a greater source of tax revenue that can fund higher staffing levels and quality service delivery across our entire city.

Currently, responsibility for a vibrant downtown is decentralized and spread amongst too many staff members and a wide variety of organizations. While the City is currently recruiting for two positions in the Office of Economic Development and Cultural Affairs (OEDCA) focused on downtown, one of these positions is temporary. The City Manager is directed to explore allocating ongoing funding to make this position permanent. This position should have the appropriate authority to manage and coordinate across all city departments, liaise with businesses, the community, other government agencies, and lead on downtown economic

development activities and policy development. This position would ideally be made permanent and be empowered to ensure consistent 365-day programming, expand Downtown marketing efforts, help coordinate responses to safety concerns, and otherwise facilitate a greater collective impact from the various downtown stakeholders. The position should be filled by someone with the experience and vision to take Downtown San José to the next level.

We should also make it easier to bring events to San José and uplift our arts and culture community. Today, hosting an event in Downtown entails permit fees and security requirements that are cost prohibitive for most nonprofit organizations. The City Manager is directed to explore and recommend methods of reducing these barriers, including experimenting with a permit-free pilot zone and relaxing the security requirements associated with smaller scale events. In order to encourage art-related events and programming, the City Manager is also directed to explore allocated limited gap bridge funding for the arts community as we bring visitors back to our urban core.

High-quality lighting is an integral component of successful events, activation, and public safety, yet high-traffic areas in Downtown often lack consistent lighting. The San José Downtown Association (SJDA) recently completed a comprehensive study of Downtown lighting needs, identifying over \$5 million worth of potential lighting investments that would make our urban center more welcoming and safe. The City Manager is directed to evaluate the SJDA report and issue a MBA identifying the cost of an initial phase of high-impact lighting investments for future budgetary consideration.

Like lighting, more eyes on the street help us create a sense of safety within our city. A major request of downtown stakeholders is to add more sworn police officers, SJDA ambassadors, and other private security employees to a downtown beat. To enhance Downtown safety, the City Manager is further directed to explore adding CSOs as a supplement to the downtown foot patrols.

We can also revitalize Downtown by reducing the number of vacant storefronts. Today, new businesses face numerous barriers to entry, including understanding the availability of space and any incentives for which they may qualify. The City Manager is directed to explore allocating staffing for citywide Business Recruitment to engage in active recruitment efforts with prospective businesses, reducing or eliminating fees for new entrants, and simplifying permit requirements for pop-ups to easily open in vacant spaces. The City Manager is further directed to explore establishing a partnership with San José State University and the SJDA whereby the City may subsidize the rent of storefronts for authorized uses by SJSU students, departments and organizations and for entrepreneurs interested in exploring the downtown market before committing to a long term lease. In a similar vein, the City Manager should also approach large anchor institutions in Downtown, including SJSU, Adobe and Sharks Sports & Entertainment to

explore the potential for creative partnerships around pop-ups, programming and public art that will contribute to vibrancy.

IV. Important Ongoing Work

While focusing on a few foundational issues will enable City Hall to make faster progress where we need it most, staff and the Council will continue to ensure that we deliver the wide range of city services upon which our residents depend. As outlined in the City Council Priority Setting process in February, the City’s service delivery is complex and vast, spanning six CSAs that comprise of 98 core services and 264 programs. Beyond day-to-day functions such as road paving and sewer operations there are several important initiatives we have committed to completing, from enhancing youth services and preventing wage theft to reducing carbon emissions and expanding broadband access.

CSA Urgent, Important, and Continuing Work			
Neighborhood Services	Public Safety	Community & Economic Development	Environment & Utility Services
<ul style="list-style-type: none"> • Animal Care & Services • Children & Youth Services Master Plan • Education, Digital Literacy, Digital Equity, & Broadband • Park Maintenance & Capital Improvements Maintenance • Senior & Therapeutic Services 	<ul style="list-style-type: none"> • Continuity of Operations Plan • Disaster Resiliency: Training Community & Employees • Police Redistricting • Police Reforms • Wildfire Protection Plan & Evacuation Planning 	<ul style="list-style-type: none"> • Berryessa Flea Market • COVID-19 Recovery • Google's Downtown West Development Project • Housing Catylist Workplan • Wage Theft Prevention + Responsible Contractor Ordinance 	<ul style="list-style-type: none"> • Clean Energy Scaling • Muni Regional Permit (Stormwater) • Sanitary & Storm Sewer Collection/ Green Stormwater Infrastructure • Staffing Transitions (ESD + PW) • Water Supply Negotiations

Over the years the City has taken on these initiatives for many reasons, including shifting community needs and societal changes, new state and federal mandates, and gaps in policy making at higher levels of government. The City Manager is directed to continue the workstreams included in the FY 2022-2023 Roadmap until completed or otherwise directed by Council. In addition, I highlight below and offer additional direction on a few critical workstreams that were discussed by staff, community members and my colleagues during the February 28th Priority Setting Session.

Equitable COVID-19 Pandemic Recovery

Since the City Council’s acceptance of the COVID-19 Recovery Task Force Report which includes 88 recommendations, staff has been establishing a framework for implementation,

including developing work plans for the 10 recommendations for which the Task Force allocated \$2 million in one-time ARP funding. While nearly half of the remaining 78 recommendations are already underway and are part of department work plans, the remaining recommendations require additional staff evaluation-to advance to the implementation phase. These recommendations would be considered during future annual budget cycles. Additionally, staff are actively seeking grant funding opportunities where applicable.

As recommended by the Task Force, staff is incorporating relevant recommendations into the City's Children and Youth Services Master Plan process currently underway. The Promotores Pilot program is also continuing through June 2023 to connect residents in the neighborhoods most impacted by the pandemic with existing programs and services and the City Manager should explore extending the program further using remaining ARP funding. A recovery resource outreach activity is being planned in conjunction with an upcoming Viva CalleSJ event. Lastly, staff is refining the impact metrics that each Task Force committee drafted to serve as high-level indicators for long-term recovery. The City Manager is directed to continue one-time resources for the staffing of the Task Force recommendations and impact reporting.

Children and Youth

While the City must focus its limited resources, we also need to strategically continue investments that have the greatest impact on our community's future: our youth. As part of last year's budget development process, the City Council allocated \$10.5 million of American Rescue Plan funding, to span a two-year period, for programing and policy work aimed at supporting positive outcomes for children and youth from underserved communities. The Administration estimates that approximately \$4 million remains from the originally programmed amount that is anticipated to be expended in 2023-2024. As part of the City's work in completing the Children and Youth Services Master Plan, the City Manager is directed to ensure strategic investment of this remaining funding, and bring forward limited supplemental investments or extensions that leverage the City's existing program-delivery, including allocating funding towards scholarships for PRNS-funded programs like recreation programming, preschool, and summer and family camps. The City Manager is further directed to report regularly to the Neighborhood Services and Education Committee on status updates to the Master Plan.

Infrastructure, Climate Mitigation, and Climate Adaptation

A great City has great infrastructure – the often-invisible networks of pipes, conduits, wires, roads, vehicles, and facilities that connect us and enable the daily utilities that make modern life possible. Every day this infrastructure quietly brings us water, electricity, broadband, and takes away our sewage, storm water, garbage, and recycling.

San José’s infrastructure faces four simultaneous challenges: we must rehabilitate our existing aging infrastructure, grow our infrastructure for a growing population, mitigate and adapt to climate change and become more sustainable and resilient.

Ensuring we address and prepare for our future is critical; therefore, I am directing the City Manager to develop a Brilliant at the Basics Infrastructure Strategy to meet these four challenges head on. The City Manager is further directed to report to the Transportation and Environment Committee on the plan and return as part of the budget process with recommendations for a Brilliant at the Basics Infrastructure Strategy that addresses meeting our 2030 carbon mitigation goals, municipal regional permit requirements, water supply needs, and strategies to pursue federal and state funding for aligned programs.

Additionally, the burden of maintenance of sidewalks and street trees currently falls on adjacent private property owners. This places a tremendous hardship on low-income and fixed-income families already struggling to remain in our community. While shifting the responsibility of maintenance to the City is not immediately feasible, the City Manager is directed to prepare an MBA outlining the cost to the City of assuming the responsibility for maintenance of sidewalks and street trees, as well as potential ways to mitigate that financial impact to the City. This should include an exploration of whether it would be possible to shift the costs over time (for instance, instituting a “cost-share” mechanism that gradually increases, with the goal of the City taking on 100% of the cost in the long run).

V. Operational Values

When it comes to delivering results for our residents, *how* we execute can be as important as *what* we choose to execute. As outlined in her presentation for the February 28th Priority Setting Session, our City Manager has identified a set of five foundational operating principles to guide City Hall’s execution. Adhering to these core principles helps us attract and retain talented employees who are aligned in delivering impact for all of our residents, embracing experimentation and continuous learning, and ensuring the City’s long-term fiscal health. I will briefly highlight a few recommended investments aligned with the City Manager’s five core operating principles.

Making San José a Great Place to Work - Recruitment, Hiring, and Retention

As noted above and comprehensively described in the *Strategies for Recruitment, Hiring, and Retention* memorandum approved by the Public Safety, Finance, and Strategic Support Committee at their meeting on February 23, 2023, the City has engaged in a wide range of strategies and approaches to address the increasingly tight labor market and to meet the demand for services provided by City employees. These actions include the implementation of an agile

hiring strategy and quarterly goal-setting, removal of barriers that slow the hiring process, and hiring referral bonuses. Budget actions approved by City Councils in 2021-2022 and 2022-2023 have supplemented these process improvements by adding nearly a dozen positions (temporary and permanent) focused on recruitment, pipeline development, classification evaluation (including degree requirements), and compensation studies. We need to continue this momentum to improve the City's hiring ability. The City Manager is directed to bring forward budgetary recommendations to continue the acceleration of recruitment and retention work – with the goal of driving down the City's vacancy rate – including the further development of relationships with educational institutions and evaluation of recruitment capacity within departments.

Delivering Excellent Customer Service

Our City Manager has made customer service one of her top priorities, and in the recent past recommended key investments and initiatives for our employees to better serve our community – initiatives that have laid the groundwork for further investments to take hold. I couldn't agree more: in order to improve delivery on core services, we must fundamentally reevaluate how we view and practice customer service. Too often residents are frustrated by a complex bureaucracy that can send them to unattended voicemail systems or leave them without a response to their email. A Customer Service Vision and Standards report was approved by the City Council on Tuesday, March 7, 2023 with recommendations for a multi-year customer service transformation – guided by a performance management framework – to make positive cultural change, re-engineer our processes, and implement new customer relationship management (CRM) technologies to improve customer satisfaction. The City Manager is directed to continue her efforts and include funding for the first year of this transformation in her City Manager's Proposed Budget.

Driving Organizational Performance

You can't change what you can't measure. In order to move the needle on our biggest challenges, from homelessness to crime, we need to be able to quickly see which strategies and investments are having the greatest impact. Any resident should be able to visit the City's website and view our top areas of focus, how we measure success within each focus area, and which programs and policies the Council has funded to achieve progress. Moreover, core service-level performance tracking should provide regular feedback and opportunities for adjustment throughout the year, not just during the budget process. The City Manager is directed to use the four Focus Areas to experiment with a more robust performance management system that enables both the public and the Council to understand on a regular basis how current outcomes compare with our stated goals and evaluate the performance of major services and programs funded to achieve our goals. Further, as part of the Management Pay for Performance evaluation process, all Council Appointees and their Senior Staff performance appraisals should

ensure that performance pay is aligned specifically to the achievement of the outcomes and performance measures for the four Focus Areas, among the success of other priority core service areas. As a starting point, the City Manager is directed to issue an Informational Memorandum in fall 2023 with a status update of the framework she intends to use to implement this direction so that Council Appointees as well the Mayor and Council can consider following a similar framework.

Closing Racial Inequities

Two years ago our city took a major step forward in addressing the historical inequalities that have impacted our City by establishing the Office of Racial Equity charged with creating a San José where (a) race can no longer be used to predict life outcomes, and everyone can prosper and thrive, and (b) people from all racial groups and identities feel that they matter and belong.

Since then, we've made significant progress in developing a shared language and framework for discussing racial equity, mandated the inclusion of budgeting for equity worksheets with departmental budget submissions, and formalized training for city employees on vital equity topics like implicit bias. We still have a long way to go to ensure we are a city where race is not predictive of wealth, health, education, and quality of life outcomes. We know that not all communities have equitable access to the resources and services established to create opportunity. To ensure we continue to make progress toward a more just and equitable future, the City Auditor is directed to prepare and publish an Information Memo that explores the scope and costs associated with conducting an audit of access to and use of our most critical city services in traditionally marginalized communities, including recommendations for improving the value the City is delivering to residents who most need these services.

It is also worth noting that each of our districts and the diverse racial and ethnic communities that call them home have unique needs and goals that are difficult to properly reflect in the March Budget Message, which aims to set out high-level goals and principles. I look forward to listening to each Council Office through the Budget Document process leading up to the June Budget Message to identify and invest in the greatest opportunities in specific districts, including unique and important cultural facilities, such as the Vietnamese Heritage Garden and the Mexican Heritage Plaza.

Structurally Balancing the Budget

San José has a long-established reputation for fiscal responsibility, a practice we must continue given the uncertain economic times in front of us. As stated in the beginning of this message, focus is needed to align our limited resources with the community's most critical needs. While relying on one-time resources to stand up new or enhance existing services during the pandemic was necessary, we do not have the resources to continue all of these one-time funded programs

on an ongoing basis. Further, there are other, pre-existing service demands that are currently going unfilled.

Our job, as difficult as it might be, is to ensure long-term alignment of ongoing revenues and expenditures in the General Fund. The City Manager is directed, as she incorporates the direction within this message into her 2023-2024 Proposed Budget, to bring forward a balanced budget that brings the General Fund into closer long-term structural alignment, which may include reducing and reprioritizing funding for lower priority programs, that also positions the city to weather the anticipated shortfall in future years, including the establishment of a 2024-2025 Future Deficit Reserve to address the projected shortfall in that year.

Prior One-Time Funded Items: The City Manager is directed to evaluate programs funded on a one-time basis in Fiscal Year 2022-2023 for continuation in Fiscal Year 2023-2024.

Essential Services Reserve: For the FY 2023-2024 budget cycle the City Manager is directed to set aside \$3,000,000 in the Essential Services Reserve. This reserve allows Councilmembers to request one-time funds for critical projects through Budget Documents.

Budget Balancing Strategy Guidelines: In addition to the principles described in this memorandum, the City Manager is directed to deploy the familiar Budget Balancing Strategy Guidelines, as described in Appendix A, to guide her approach to crafting a balanced budget in the year ahead.

Cost Estimate Request and City Council Budget Document Guidelines: This March Budget Message includes definitions and guidelines for the Cost Estimate Request and Budget Document process to better ensure the delivery of meaningful budgetary information for City Council decision-making. These guidelines can be found in Appendix B.

CONCLUSION

We showed during the pandemic that San José is a city of limitless potential. The talent, diversity, and innovation within our city is unmatched. Now, it's time we focused this potential – and our modest resources – on our core responsibilities so all our residents can thrive.

I have coordinated this March Budget Message with the City Manager and City Attorney and their respective offices.

I respectfully request my colleagues' support of this message.

Any questions may be directed to Stephen Caines, the Mayor's Budget Director, at Stephen.Caines@sanjoseca.gov.

APPENDIX A

2023-2024 Budget Balancing Strategy Guidelines

1. As directed by the priorities identified in the City Council-approved Mayor's March Budget Message, develop a budget that balances the City's delivery of the most essential services to the community with the resources available. Consider current needs in the context of long-term service delivery priorities.
2. Pose explicit questions of equity – including who benefits and who is burdened – when considering changes to City services to achieve a balanced budget.
3. Balance ongoing expenditures with ongoing revenues to maximize service delivery within existing resources, to ensure no negative impact on future budgets, and to maintain the City's high standards of fiscal integrity and financial management. As appropriate, establish a Future Deficit Reserve in the General Fund to cover any projected budgetary shortfall in the following year as a stopgap measure; and, maintain or increase the Budget Stabilization Reserve as a buffer against a further weakening of future economic conditions or unanticipated cost increases.
4. Evaluate program-level budgets and identify opportunities to shift resources or reconfigure operations from the least influential contributors to the strongest contributors of achieving City-wide and departmental priority service and/or risk mitigation objectives.
5. Prioritize limited resources to address truly significant community or organizational risks, critical services funded on a one-time basis in 2022-2023 in the General Fund or American Rescue Plan Fund, and/or respond to specific City Council direction. Review existing vacancies for opportunities to reorganize work groups to realize cost savings or to achieve current service level demands through alternative means. Factor in performance measure data in proposal development.
6. Focus on business process redesign to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, reorganizing functions, and reallocating resources).
7. Explore alternative service delivery models (e.g., partnerships with non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use City resources more efficiently and effectively.
8. Identify City policy changes that would enable/facilitate service delivery improvements or other budget balancing strategies to ensure equity and inclusion for how services are delivered.
9. Analyze non-personal/equipment/other costs, including contractual services, for cost savings opportunities. Contracts should be evaluated for their necessity to support City operations and to identify negotiation options to lower costs.
10. Explore expanding existing revenue sources and/or adding new revenue sources.
11. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and ratepayers whereby a cost recovery structure may be lower in certain circumstances, and explore opportunities to establish new fees and charges for services, where appropriate.
12. Focus any available one-time resources on investments that 1) continue a very small number of high-priority programs funded on a one-time basis in 2022-2023 for which ongoing funding is not available; 2) address the City's unmet or deferred infrastructure needs; 3) leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions; 4) accelerate the pay down of existing debt obligations where applicable and appropriate; 5) increase budget stabilization reserves to address future budget uncertainty; and/or 6) provide for funding needs for non-bond eligible furniture, fixtures, and equipment associated with the continued implementation of Measure T.
13. Engage employees in department and/or city-wide budget proposal idea development.
14. Continue a community-based budget process where the City's residents and businesses are educated and engaged, as well as have the opportunity to provide feedback regarding the City's annual budget.
15. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

APPENDIX B

Cost Estimate Request and City Council Budget Document Guideline

Cost Estimate Request: A request by a Councilmember seeking the cost of a new project or program to be performed by the City. The request from the Councilmember should include a clear description of the work to be performed and the anticipated outcomes that identifies how the change would affect services for San José residents, businesses, community groups, etc. *Each Councilmember should submit no more than five Cost Estimate Requests.*

The request must have a modest scope so that a reliable cost estimate response can be quickly and accurately completed. The anticipated scope should be a small-scale project that the City has delivered in the past, or an extension of a service that already exists that would only require modest staffing additions on a one-time basis. Recent examples include the installation of targeted neighborhood traffic calming improvements, a radar speed display sign along a neighborhood street, play equipment replacement in a neighborhood park, and additional street tree plantings within a Council District. Requests that involve complex service delivery and/or large ongoing staffing resources for new programs (e.g., at-home STEM educational programs for children in Title I schools supplemented with free Wi-Fi hotspots), or large capital construction projects that require extensive design (e.g. new streetlight infrastructure, highway overpasses, etc.) are not appropriate for this process.

The request should identify the anticipated funding source to pay for the program (though City staff may suggest alternative funding sources in its response) and indicate if the project/program is a one-time or ongoing effort.

Cost Estimate Response: A response by City staff to the Councilmember's request that clearly identifies the one-time and ongoing costs, as appropriate, and any additional full-time equivalent positions that would be needed. Explanatory notes are provided only if necessary to clarify what is included in the cost estimate response.

Budget Documents: Memoranda issued by a Councilmember to the Mayor recommending adjustments to the City Manager's Proposed Budget. Typically, Budget Documents are based on the information received in a Cost Estimate Request and Response, but they may also recommend targeted funding for community groups whose programs or actions serve the public interest, but would not be performed by City staff. *All Budget Documents that recommend a City-provided service or project must be based on a Cost Estimate Response.*

As the Proposed Budget is fully balanced, Budget Documents must also identify the offsetting actions to pay for the recommended adjustment, such as the Essential Services Reserve. For example, if a Budget Document seeks to fund a \$50,000 project, then a typical offset would be a \$50,000 reduction to the Essential Services Reserve. It is important to note that the Essential Services Reserve is not an ongoing funding source. To pay for any ongoing costs, and to align within City of San José Budget Principles, the Budget Document would also need to identify an ongoing service in the Proposed Budget to defund.

Submittal Dates:

- Monday, April 24 - Councilmembers may begin to submit Cost Estimate Requests to the City Manager's Budget Office
- Wednesday, May 10 - Deadline for Councilmembers to submit Cost Estimate Requests to the City Manager's Budget Office
- Friday, May 19 - Cost Estimate Responses returned to Councilmembers
- Thursday, May 25 - Budget Documents due to Mayor's Office

**COMMUNITY
DEVELOPMENT BLOCK
GRANT (CDBG) FUND**

**2023-2024 FUNDING
ALLOCATION**

Community Development Block Grant Fund

2023-2024 Funding Allocation

The Community Development Block Grant (CDBG) Fund accounts for federal grant monies received from the U.S. Department of Housing and Urban Development (HUD). The national objectives of the program are to provide assistance to persons of low- and moderate- incomes, prevent or eliminate slums and blight, or meet an urgent community development need. The chart below summarizes the funding priorities in the following categories: Public Services (PS – up to 15% of funding); Community Development Improvements (CDI), and Administration, Fair Housing and Planning (Admin – up to 20% of funding). A final public hearing to adopt the “Fiscal Year 2023-2024 Annual Action Plan” was held by the City Council on April 25, 2023. Details of each category contained in the “Fiscal Year 2023-2024 Annual Action Plan” can be found at:

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=6164978&GUID=58329E6E-452B-4CD8-BDD2-6BC07627B36D>

Funding Category	CDBG Activities	Sub-Grantee	Funding
Public Service	Senior Nutrition	The Health Trust; Portuguese Organization for Social Services Opportunities (POSSO)	\$452,530
Public Service	Neighborhood Engagement	SOMOS Mayfair; VIVO	\$200,000
Public Service	Homeless Outreach	TBD	\$400,000
Public Service	Legal Services	Law Foundation of Silicon Valley	\$200,000
Community Development Investment	Enhanced Code Enforcement	Planning, Building, and Code Enforcement Department	\$1,100,000
Community Development Investment	Home Repair	Rebuilding Together; Habitat for Humanity	\$1,650,000
Community Development Investment	Fair Swim Center/Tot Lot Rehab	Public Works Department	\$516,000
Community Development Investment	Guadalupe Alley Lighting & Signage	Public Works Department	\$150,000
Community Development Investment	Affordable Housing Sites and Public Facilities Rehabilitation and Infrastructure	TBD	\$2,913,235
Community Development Investment	1157 Taylor Street Renovation	YWCA	\$350,000
Community Development Investment	Multiservice Family Center at the Blossom Valley Senior Apartments	Catholic Charities/Charities Housing	\$3,088,808

Community Development Block Grant Fund

2023-2024 Funding Allocation

Administrative Services	CDBG Administration	Housing Department	\$1,605,248
Administrative Services	Legal Staffing	City Attorney's Office	\$19,493
Administrative Services	Environmental Review	Planning, Building, and Code Enforcement Department	\$49,097
Administrative Services	Fair Housing	Law Foundation of Silicon Valley	\$200,000
Total CDBG Expenditures			\$12,894,411