



# Memorandum

**TO:** MAYOR LICCARDO  
**SUBJECT:** BUDGET DOCUMENT

**FROM:** Councilmember Johnny Khamis  
**DATE:** 05-25-16

Approved Johnny Khamis (Signature) Date 5/25/16

**RECOMMENDATION**

That the following recommendation be enacted.

**Proposal**

Program/Project Title: **Residential Street Backlog Funding**

Amount of City Funding Required: **\$12.1 million**

Fund Type (i.e. General Fund, C&C funds, etc.): **General Fund**

This change is:

**One-time**     Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

**Allocate the \$12.1 million in State triple-flip funds, referenced on page nine of the 2016-2017 Proposed Operating Budget, to be used as one-time funding for residential street maintenance to help reduce the backlog of deferred maintenance on our neighborhood streets. We should direct one-time dollars on priority items where they will provide the biggest return on investment, and we know that investing \$1 in our streets today saves us \$5 in costs down the road. Before we undertake Service Level Enhancements, we should first invest in our City's basic infrastructure. When added to the other proposed funding for our streets, the 2016-2017 total spending on streets would total \$42.1 million which, while it would give our pavement maintenance program a major boost, would still fall short of the \$80-\$100 million that would be needed each year, over several years, to move our streets that are in poor condition into the "good" category.**

It would be prudent to postpone most Service Level Enhancements until the outcome of the ¼-cent Sales Tax ballot measure, Measure B, is known. If Measure B is approved by the voters, the City could then proceed with the Service Level Enhancements that have been identified in the 2016-2017 Proposed Operating Budget. Given our limited resources, it is important that our focus remain on the City's fundamental responsibilities as identified in the City Charter, such as police, fire, streets, and parks.

**Funding Source**

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund): **General Fund/Sales Tax/Triple Flip Funds**

Department or Organization: **Department of Transportation**

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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