

The 2011-2012 Proposed Operating and Capital Budgets for the City of San José total \$2.5 billion and represent the City Manager’s proposed financial plan for the upcoming year. The Mayor and City Council, who are responsible for approving the City’s final budget, will be holding a series of City Council Budget Study Sessions during May to thoroughly analyze the many proposals set forth in this budget. In June, the Mayor and City Council will adopt the final budget, incorporating any changes resulting from that review.

With escalating costs far outpacing the projected modest revenue growth, a General Fund shortfall of \$115 million is projected for 2011-2012. This marks the tenth consecutive year of General Fund shortfalls with the cumulative impact of \$680 million and, with the 2011-2012 proposed actions, the elimination of over 2,200 positions. The imbalance between the City’s revenue base and its cost structure, particularly retirement costs, has become more pronounced in recent years, leading to what may now be called a fiscal crisis. Fiscal reform, with a strong focus on pension reform, is needed to bring revenues and expenditures into alignment. While these efforts are expected to generate significant savings in future years, the City is still confronted with a large shortfall that must be addressed in 2011-2012.

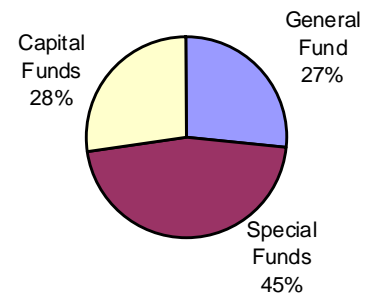
Deep service reductions are necessary to close this budget gap, including cuts to Police and Fire services, reduction in the days of operation of the City’s libraries, and a reduction in hours at the neighborhood community centers. These and other expenditure reductions are combined with additional funding sources to address the budget shortfall as shown below. With approximately 70% of the budget solved with ongoing solutions, the remaining amount solved on a one-time basis would increase the 2012-2013 projected deficit of \$43.1 million by \$35.2 million to \$78.2 million.

2011-2012 Proposed General Fund Budget Balancing Strategy		
(\$ in Millions)		
	2011-2012	Ongoing
2011-2012 Shortfall	\$ 115.1	\$ 115.1
Development Fee Program Shortfall	0.1	0.1
Total Shortfall	\$ 115.2	\$ 115.2
Budget Balancing Actions Proposed		
Additional Funding Sources	\$ 18.4	(\$ 13.7)
Net Expenditure Reductions	96.8	93.7
Total Solutions	\$ 115.2	\$ 80.0
Remaining Surplus/(Shortfall)	\$ 0.0	(\$ 35.2)

The number of City positions will drop by almost 600 positions (10%) when compared to 2010-2011 Adopted Budget. This brings the City’s staffing level to 5,252 positions, a level not seen since 1986.

The Proposed Budget assumes cost savings from employee concessions from all employee groups. If these concessions are not achieved, additional budget actions will be necessary and will be brought forward as a Tier 2 to the 2011-2012 Proposed Budget.

2011-2012 Proposed Budget



General Fund: used for regular operating expenditures (public safety, parks, libraries).

Special Purpose Funds: used for operations that receive direct funding, which can only be used for a specific purpose, such as the Airport.

Capital Funds: used for infrastructure improvements (transportation, airport, parks).

Budget Decision Milestones

May 2

2011-2012 Proposed Operating Budget Released

May 6

2011-2012 Proposed Fees and Charges Released

May 11-19

Proposed Budget City Council Study Sessions

May 17/June 13

Public Hearings on the Budget (evening meetings)

June 3

2011-2012 Mayor’s June Budget Message Released

June 14

City Council Review and Approval of the 2011-2012 Mayor’s June Budget Message

June 21

Adoption of the 2011-2012 Budget

City of San José 2011-2012 Proposed Budget Summary

2011-2012 Proposed Budget

GENERAL FUND

Police	\$ 294,930,454
Fire	151,663,759
Parks, Recreation & Neighborhood Services	45,106,782
Mayor, City Council and Council Appointees	33,089,307
Public Works	26,447,178
Planning, Building & Code Enforcement	26,124,165
Transportation	24,561,744
Libraries	19,379,762
Information Technology	13,243,626
Finance	11,704,569
Human Resources	6,008,130
Economic Development	5,260,784
Housing	585,721
Environmental Services	488,241
City-Wide Expenses	78,538,463
Transfers to Other Funds	25,093,798
Capital Improvements	6,223,000
Reserves	50,915,621
Total General Fund	\$ 819,365,104

ENTERPRISE/SPECIAL PURPOSE FUNDS

Airport	\$ 422,140,762
Waste Water Treatment Plant & Sanitary Sewer	275,063,713
Housing	146,632,502
Waste Mgmt (Garbage Collection/Recycling)	127,186,114
Municipal Water	33,878,930
Storm Sewer Operations	44,781,709
Convention and Cultural Facilities	39,106,011
Parking	19,223,673
Workforce Investment Act	16,243,911
Community Development Block Grant	16,021,427
Other	249,135,689
Total Special Purpose Funds	\$1,389,414,441

CAPITAL IMPROVEMENT FUNDS

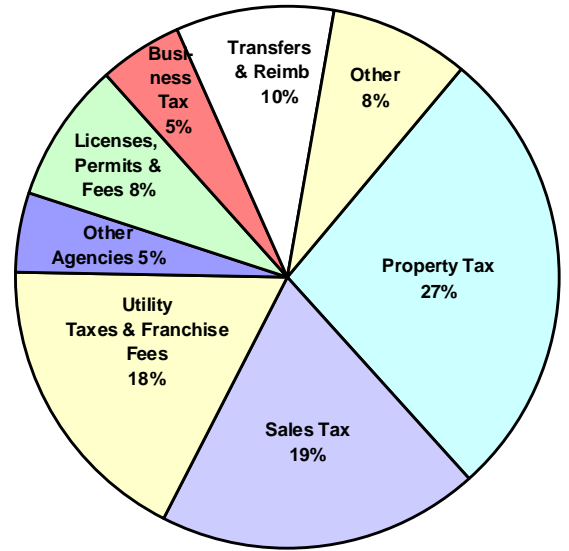
Airport	\$ 252,589,332
Parks and Community Facilities	142,891,441
Water Pollution Control	115,233,744
Convention Center	99,920,000
Sanitary Sewer	98,474,584
Traffic	51,355,582
Library	29,444,777
Public Safety	15,695,710
Water Utility System	9,913,047
Other	26,308,022
Total Capital Funds	\$ 841,826,239

TOTAL ALL FUNDS **\$ 3,050,605,784**

Less Transfers, Loans & Contributions (519,003,448)

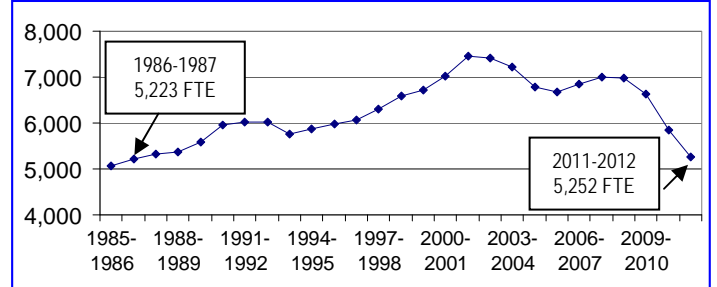
NET CITY USE OF FUNDS **\$ 2,531,602,336**

2011-2012 Major Sources of General Fund Revenues*



* Excludes Fund Balance

Total City Positions



With the reduction of almost 600 positions from the 2010-2011 Adopted Budget to the 2011-2012 Proposed Budget, the total number of City positions will now total 5,252, a level not experienced since 1986 when San José's population was approximately 740,000. Over the last ten years, the City's workforce has shrunk by more than 2,200, or 30%. With this budget, it is anticipated that approximately 370 full-time employees will be subject to layoff, and an additional 446 employees will be moved to different positions through the seniority/bumping process, including many who will move into lower-paying jobs. The Proposed Budget assumes the City will achieve employee concessions. It is estimated that additional reductions of approximately 450 positions will be necessary if those concessions are not achieved.

Approaches to Balancing the 2011-2012 General Fund Shortfall

Use of Reserves/Transfers from Other Funds

- Use of Reserves, including the Economic Uncertainty Reserve, Unemployment Insurance Reserve, Retiree Healthcare Reserve, 2011-2012 Future Deficit Reserve, Neighborhood Capital Improvements Reserve
- Expenditure savings and additional revenues received in 2010-2011 will be used in 2011-2012
- Transfers from eligible funds to the General Fund and shifts of eligible costs from the General Fund to other funds

Employee Concessions

- Per the 2011-2012 March Mayor's Message, the 2011-2012 Proposed Budget assumes employee concessions equal to 10% of total compensation and the roll back of any wage increases received in 2010-2011, which are expected to generate General Fund savings of \$58.5 million (net savings of \$39.6 million after adjustment for required retirement contributions). At the time of the release of the 2011-2012 Proposed Budget, four of the City's bargaining units had agreed to concessions. Efforts will continue to achieve concessions from the City's remaining bargaining units.

Service Delivery Model Changes/Efficiencies

- Outsourcing services (parks maintenance/custodial services, graffiti removal, Airport public safety services)
- New service delivery models/efficiencies (reduce staffing on Fire truck companies, reduce Police pre-processing staffing, Fire Hazardous Incident Team reorganization, warehouse services)
- Departmental consolidation and management consolidation
- Civilianizing Police positions

Service Delivery Reductions/Eliminations

- Reductions in police patrol and investigations staffing
- Flexible brown-outs of fire companies (keeps all fire stations open, but the seven fire stations with two fire companies will no longer always have both companies staffed and in-service; up to two of these companies could be out of service daily due to staff vacancies and absences)
- Reductions in the number of days and hours of operation of the City's libraries
- Reductions in hours of operation for "hub" community centers
- Reductions in the Park Ranger Program
- Delays in opening new facilities (Police Sub-Station, Libraries, and Community Center)
- Reductions in park maintenance/watering
- Reductions in general code enforcement activities
- Reductions in youth intervention services
- Reductions in funding for community based organizations, including those organizations providing youth and senior community programs supported by Healthy Neighborhoods Venture funding, gang prevention programs supported by the San José BEST Program, and cultural arts programs
- Reductions to operations and maintenance subsidies for City-supported facilities

City of San José 2011-2012 Proposed Budget Summary

Budget Proposal Summary by City Service Area

The City of San José organizes its operations into six City Service Areas (CSAs). Following is a brief description of many, but not all, of the budget proposals in each CSA that are included in the *2011-2012 Proposed Operating Budget*.

NEIGHBORHOOD SERVICES CSA

Libraries

<p>Branch Library Hours of Operation and Services (eliminate 40.63 positions; -\$3.6 million ongoing)</p>	<p>Reduces library services and hours of operation at all branch libraries. Currently, branches are open 39 hours per week, 4.5 days a week (Tuesday through Saturday). However, effective July 1, 2011, actions approved as part of the 2010-2011 Adopted Budget reduce hours of operation to 33-34 hours per week, or 4 days a week (Monday through Saturday). This proposal further reduces branch hours to 25 hours per week (3 days of operation per week). Branches will be paired by size and proximity, with one branch open Monday, Wednesday, Friday and the other open Tuesday, Thursday, Saturday.</p>
<p>Delay Opening of New Branch Libraries (-\$3.0 million in 2011-2012)</p>	<p>Delays the opening of the Seven Trees, Bascom, Educational Park, and Calabazas branch libraries until the fall of 2012. The scheduled opening of the Seven Trees and Bascom branch libraries already had been delayed from August and October 2010, respectively, to September 2011 as part of the 2010-2011 Adopted Budget. Educational Park and Calabazas were scheduled to open in September and October 2011, respectively.</p>
<p>Library Services (eliminate 2.0 positions; -\$159,000 ongoing)</p>	<p>Reduces staff at the Martin Luther King Jr. Library, resulting in longer wait times for checkout and reduced staffing to help with general customer support services.</p>

Parks and Community Centers

<p>Hub Community Centers Hours Reduction (eliminate 5.35 positions; -\$879,000 ongoing)</p>	<p>Reduces hours of operation at the 10 hub community centers (one per City Council district) from a 2010-2011 weekly average of 63 hours to 59 hours per week in 2011-2012.</p>
<p>Bascom Community Center (-\$594,000 in 2011-2012)</p>	<p>Defers the opening of Bascom Community Center for one additional year from September 2011 to September 2012. However, the City Administration was recently directed to explore the "maximum possible options" for opening the Bascom Community Center. The potential options for service delivery at this facility will be identified in a Manager's Budget Addendum to the Proposed Budget and will be discussed at the Budget Study Sessions.</p>

City of San José 2011-2012 Proposed Budget Summary

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Parks and Community Centers (Cont'd.)

<p>Re-Use Community Centers (eliminate 3.0 positions; -\$291,000 ongoing)</p>	<p><i>Edenvale Community Center</i> - Places Edenvale Community Center in the Re-Use program. Minimal impacts anticipated as several outside agencies are currently providing programming at this facility.</p> <p><i>Maintenance and Utilities at Re-Use Sites</i> – Reduces budget for maintenance and utility costs at Re-Use sites (excluding those determined as “high need”). Leases will be renegotiated and operators will be responsible for contributing towards these costs, which are currently provided by the City.</p>
<p>Senior Nutrition Program (add 1.5 positions; \$550,000 ongoing)</p>	<p>Provides resources for the continuation of senior nutrition services in 2011-2012. This program was approved for elimination in the 2010-2011 Adopted Budget (July 2011 implementation). With these additional resources, along with support from Santa Clara County and community based organizations, senior nutrition services will continue at up to 13 community center sites.</p>
<p>Parks Restroom Custodial/ Landscape Maintenance – Service Delivery Model Change (eliminate 38.0 positions; -\$2.5 million ongoing)</p>	<p>Contracts out park restroom custodial services and landscape maintenance services in small parks and civic grounds at the current service level.</p>
<p>Parks Maintenance Resources Realignment (eliminate 7.5 positions; -\$1.9 million ongoing)</p>	<p>Eliminates vacant positions, re-aligns existing staff, and reduces non-personal/equipment funding (\$1.1 million). This would reduce the budget for water in the parks by \$564,000, which may result in some browning in periods of extreme temperature, and eliminate funding for waste bags in the dog parks (\$111,000).</p>
<p>Lake Cunningham Skatepark (eliminate 2.85 positions; -\$105,000 ongoing)</p>	<p>Eliminates staffing at Lake Cunningham Skatepark (including operation of concessions) as this facility is transitioned from a fee based to a free admission model. The skatepark would remain open for use and a private contractor will be sought to provide concessions. As a result of this action, admission fees will no longer be charged.</p>
<p>Children’s Carousel at Arena Green (-\$125,000 ongoing)</p>	<p>Eliminates the contract to operate the Children's Carousel at Arena Green. The Children’s Carousel is open throughout the year, with all proceeds from the \$1 rides benefiting the Sharks Foundation. Limited funds would remain to maintain the parkland around the carousel.</p>
<p>Park Ranger Program (eliminate 6.65 positions; -\$654,000 ongoing)</p>	<p>Eliminates fixed-post Park Ranger staffing from all regional parks, while retaining a core team of Park Ranger staff who would be deployed throughout the parks and trail system based upon need. Alum Rock Park and Kelley Park will serve as the home base for retained staff.</p>

City of San José 2011-2012 Proposed Budget Summary

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Parks and Community Centers

<p>Almaden Lake Park Swim Program (adds 2.17 positions one-time at no net cost in 2011-2012)</p>	<p>Reinstates the Almaden Lake Park Swim Program for summer 2011 through the usage of unused funds from 2010-2011 and associated revenue. Due to an algae bloom in summer 2010, the lake was not available for the entire summer and resources allocated for summer 2010 can be carried over to summer 2011.</p>
<p>Volunteer Management Unit (adds 1.2 positions; \$126,000 ongoing – capital funded)</p>	<p>Makes permanent the Volunteer Management Unit, which was funded on a one-time basis in 2010-2011. This unit recruits, trains, and places volunteers into appropriate assignments, increasing community engagement and assisting City staff in certain work assignments.</p>

Other Community Services and Programs

<p>Healthy Neighborhoods Venture Fund (HNVF)/San José BEST Programming (eliminate 12.5 positions; -\$4.84 million ongoing)</p> <p>Safe Schools Campus Initiative Programming (Non-San José BEST Funded) (eliminate 3.0 positions; -\$125,000 ongoing)</p>	<p>Reduces and reallocates HNVF and San José BEST funding as follows:</p> <ul style="list-style-type: none"> • Maintain funding of \$2.1 million for the Children's Health Initiative • Reduce funding for community-based organizations (CBOs) providing youth and senior community programs (from \$3.1 million to \$400,000) • Reduce funding for CBOs supporting the BEST Program (from \$2.0 million to \$1.4 million) • Allocate \$550,000 for the Senior Nutrition Program • Maintain funding of \$174,000 for the Clean Slate Program • Reduce Safe School Campus Initiative funding (from \$1.3 million to \$616,000); which when combined with a proposed General Fund reduction (\$125,000), would eliminate a proactive presence at middle schools (services at high schools would remain unchanged) • Reduce funding for Program Administration (from \$899,000 to \$225,000) • Maintain funding of \$100,000 for the BEST Reserve • Reduce funding for the BEST Independent Evaluator (from \$159,000 to \$45,000)
<p>Striving Toward Achievement with New Direction (STAND) (eliminate 4.0 positions; -\$354,000 ongoing)</p>	<p>Eliminates the STAND program, which encourages youth to stay away from gangs through a number of different avenues.</p>
<p>Graffiti Abatement- Service Delivery Model Change: (eliminate 13.38 positions; -\$363,000 ongoing)</p>	<p>Contracts out graffiti abatement services at the current service level. City staff would be retained for contract management, quality control, and business/community partnerships.</p>

City of San José 2011-2012 Proposed Budget Summary

NEIGHBORHOOD SERVICES CSA (CONT'D.)

Other Community Services and Programs (Cont'd.)

<p>Parks, Recreation, and Neighborhood Services (PRNS) Administrative Staffing Reconfiguration</p> <p>(eliminate 3.0 positions; -\$517,000 ongoing)</p>	<p>Eliminates three positions in the Administration Division, including a Division Manager, and reduces non-personal/equipment funding by \$90,000. The elimination of the Division Manager will require a pilot reorganization of the division, specifically oversight of the department's capital program.</p>
<p>Christmas in the Park/Happy Hollow Park and Zoo Exhibits</p> <p>(adds 1.0 position in 2011-2012; one-time, no ongoing cost)</p>	<p>Adds an Exhibit Designer/Builder position through June 30, 2012. This position will support exhibits at Christmas in the Park and Happy Hollow Park and Zoo. The portion of time this position supports Christmas in the Park will be reimbursed by the Christmas in the Park Foundation. This action will help ensure that Christmas in the Park is offered in 2011 as this event transitions to a new operator.</p>
<p>Code Enforcement Staffing</p> <p>(eliminate 6.0 positions; -\$703,000 ongoing)</p>	<p>Eliminates 4.0 Code Enforcement positions that provide blight abatement and inspections in the Strong Neighborhoods Initiative (SNI) areas, as well as the proactive SNI Driveway Team that were previously supported by the San Jose Redevelopment Agency. Also eliminates 2.0 general Code Enforcement Inspectors, and reallocates 1.0 Inspector to a Building Code Compliance program to research, inspect, and follow-up on unsafe and unpermitted work done on buildings. Health and safety complaints would continue to receive field inspections within 24-72 hours, while a new model would be implemented for routine (non-health and safety) complaints. Proactive enforcement and weekend services would no longer be provided.</p>
<p>Animal Licensing Program</p> <p>(adds 2.5 part time positions; \$140,000 ongoing)</p>	<p>Makes permanent 2.5 part-time Office Specialist position at the Animal Care Center. This action, approved on a pilot basis as part of the 2010-2011 Adopted Budget, will continue to allow the Center to gather rabies vaccination information from San José veterinarians and contact pet owners to ensure that all dogs and cats are licensed. In addition, a limited license amnesty is proposed to increase compliance rates and revenues. It is expected that the Center will be able to collect an additional \$320,000 in ongoing revenue by making this program permanent.</p>
<p>Animal Care Services Reorganization</p> <p>(eliminate 1.0 position; -\$90,000 ongoing)</p>	<p>Eliminates 1.0 Animal Care Attendant, 1.0 Animal Behaviorist and adds 1.0 Animal Shelter Coordinator. The proposal, while a service reduction to the shelter, is partially mitigated by the creation of the Animal Shelter Coordinator position, which will allow for more flexibility in the areas of ongoing care for animals and customer service for potential adoptions and reclaims.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA

Fire Services

<p>Flexible Brown-Out Plan/ Minimum Staffing Overtime (-\$3.6 million ongoing)</p>	<p>Implements a Flexible Brown-Out Plan that generates savings of \$3.6 million by reducing the overtime budget for minimum staffing assignments by 75%. Currently, when absences or vacancies occur, relief personnel and/or off-duty personnel on overtime fill vacant slots to meet the daily minimum staffing assignments. Under the Flexible Brown-Out Plan, up to two fire companies will remain unstaffed if there are not enough relief personnel to fill in for absence or vacancies. The City has 33 fire stations, of which seven are staffed with two companies. Only those fire stations with two companies will be subject to the brown-outs. <u>All fire stations will remain open under this plan.</u> However, this Plan will reduce the City's daily emergency response force, leaving fewer fire companies to respond to the same number of emergency requests for service.</p>
<p>Fire Truck Apparatus Minimum Staffing (eliminate 28.0 positions; -\$4.2 million ongoing)</p>	<p>Reduces the number of sworn personnel on Fire Trucks from the current level of five to four Fire personnel by eliminating one Fire Fighter (EMT) from each Fire Truck apparatus. Truck 30 and Truck 35 would retain five personnel to staff both the Truck and Emergency Response Unit at those stations. This staffing level is consistent with National Fire Protection Association (NFPA) standards for Truck companies.</p>
<p>Fire Operations Management (eliminate 3.0 positions; -\$771,000 ongoing)</p>	<p>Reduces the Fire Department's operations management from 24 Battalion Chiefs to 21 Battalion Chiefs. This proposal eliminates the two vacation relief positions and requires the consolidation of administrative functions. Only as necessary and for safety reasons, absences at the Battalion Chief rank may be filled by more seasoned Fire personnel in lower ranks that would receive higher class pay to fulfill critical duties. The functions of the Department's Safety Officer and the functions of the Battalion Chief overseeing the Infrastructure Division will be combined, thereby allowing for the elimination of one administrative Battalion Chief position. The Department is developing a comprehensive plan for implementation on July 1, 2011.</p>
<p>Hazardous Incident Team (HIT) Reorganization (eliminate 6.0 positions; -\$1.3 million ongoing)</p>	<p>Eliminates dedicated HIT team personnel, including two duty personnel (3.0 Fire Captain and 3.0 Fire Engineer positions) that provide technical expertise and respond with HIT trained personnel at Fire Station 29. As of July 1, 2011, Engine 29 will no longer be in service and displaced HIT-trained personnel at Station 29 will be relocated to Station 25. As part of the 2010-2011 Adopted Operating Budget, a fifth engine company previously proposed for elimination was temporarily funded through June 30, 2011, and Engine 29 has been designated as the fifth engine company to be eliminated. The remaining HIT trained staff will be reorganized into a two-company task force for hazardous materials release, with city-wide HIT functions split between Truck 29 and Engine 25.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Fire Services (Cont'd.)

<p>Fire Fighter Recruit Academies Elimination (-\$2.4 million in 2011-2012)</p>	<p>Eliminates, on a one-time basis, funding for both of the Fire Fighter Recruit Academies budgeted in 2011-2012 as a result of the cumulative reductions recommended in this budget for duty positions (\$2.2 million). In addition, savings of \$200,000 will be generated from moving two administrative positions (a Fire Captain and a Fire Fighter) that assist with the recruit academy back to line duty while the recruit academies are not in session.</p>
<p>Airport Crash and Fire Rescue Unit – Service Delivery Model Change (eliminate 13.0 positions effective February 2012; General Fund cost of \$472,000 in 2011-2012 and \$698,000 ongoing)</p>	<p>In May 2010, the City Council approved the Airport's Competitiveness Strategic Plan, which included direction to evaluate alternative methods of delivering services that could reduce the Airport's cost per enplaned passenger, including consideration of more cost-effective methods for aircraft rescue and firefighting services at the Airport. Because of the need to reduce costs even further, the Airport has been pursuing alternative service delivery models pursuant to the Airport Competitiveness Strategic Plan. To allow time to evaluate a contracting out model, fulfill meet and confer requirements and allow for transition time, this proposal recommends no more than seven months (July through January) of City-delivered fire services. As of January 31, 2012, staffing at the Airport/Fire Station 20 is scheduled to be eliminated. At that time, aircraft rescue and fire fighting services may be provided by contracted security services, with a final recommendation for the best service delivery model brought to the City Council before that time. It should be noted that the reduced expenditures experienced in the General Fund as a result of this action will be entirely offset by the loss of reimbursement revenue from the Airport Department.</p>
<p>Fire Department Discretionary Overtime and State Training (-\$670,000 in 2011-2012; -\$455,000 ongoing)</p>	<p>Reduces developmental overtime (\$936,000) through prioritization of activities and changes in delivering products/results. A portion of the developmental overtime savings (\$265,000) is recommended to fund the delivery of the Office of the State Fire Marshal-Certified classes. Overtime funding for training staff providing mandatory trainings will be reduced as a result of this training being available for staff to use and maintain certifications. Funding this training would reduce legal and financial liability for the Fire Department and the City of San José through the delivery of standardized training with State approved industry standards.</p>
<p>Fire Management Staffing (eliminate 1.0 position; -\$226,000 ongoing)</p>	<p>Eliminates one of three Deputy Director positions. The position has been vacant since November 2008, and the functions of the Deputy Director for Support Services are fulfilled, to some degree, by existing personnel under the direction of the Assistant Fire Chief. Minimal service impacts are anticipated as a result of this action.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Fire Services (Cont'd.)

<p>Fire Non-Development Fee Program (net elimination of 2.65 positions; -\$453,000 ongoing)</p>	<p>Negotiations are currently in place to transfer responsibility for administering specified State hazardous materials programs from the City to the County. The programs under the County's Hazardous Materials Certified Unified Program (CUPA) include underground storage tanks, aboveground petroleum storage tanks, and hazardous materials business plan/inventory programs. In addition, the responsibility for issuing invoices and permits related to the CUPA Program will become the responsibility of the County. These changes, expected to occur July 1, 2011, will result in a loss of revenue and in the elimination of resources supporting the CUPA Program. To align costs and resources to the appropriate fee-related activities in the Fire Department's Fee Programs, a Senior Analyst position (50% development and 50% non-development) is proposed for elimination along with a 5% non-development fee reduction. A part-time Senior Analyst position is proposed to continue to oversee ongoing programs in the Department's Non-Development Fee Program.</p>
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Police Services

<p>Police Patrol Services (eliminate 23.0 positions; -\$5.0 million ongoing)</p>	<p>Eliminates 9 lieutenants, 14 sergeants, and related marked vehicles in Patrol. In addition, 62 patrol officers will be eliminated effective June 30, 2011 based on approved actions in the 2010-2011 Adopted Operating Budget. Patrol will be reduced by approximately 10% of current patrol officers; patrol sergeant staffing will be reduced by approximately 13%; and patrol lieutenant staffing reduced by 40%. Officer positions will be cut throughout the 96 patrol teams based on crime trends, types and frequency of calls for service, geographical coverage, and other related issues. Patrol will function with one watch commander (lieutenant) at most times and the span of control for supervisors in Patrol could increase to an average of 11:1 on the first and third watch from the current level of 7:1. The focus for response to calls will be on Priority 1 and Priority 2 calls for service. Policy changes will be recommended that limit or eliminate patrol response to lower priority calls and offer the community an alternative for reporting.</p>
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City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Police Services

<p>Bureau of Investigation Staffing Reorganization (eliminate 20.0 positions; -\$3.7 million ongoing)</p>	<p>Eliminates 19 of 238 sworn authorized staffing in the Bureau of Investigations (1 lieutenant, 9 sergeant, and 9 officer positions), an 8% sworn staffing reduction, and 1 Alarm Technician. (ongoing) The following units will be impacted:</p> <ul style="list-style-type: none"> • <i>Financial Crimes (-8 positions):</i> Eliminates three sergeant and five officer positions (of 22 positions). The Financial Crimes Unit and Court Liaison Unit will maintain one lieutenant to oversee the units; one sergeant and six officers in Financial Crimes/Burglary; one officer in Fraud/Burglary Investigations; one sergeant and six officers in Financial Crimes/Fraud; one sergeant on the Rapid Enforcement Allied Computer Team Task Force (REACT); one sergeant working with the FBI - Silicon Valley Regional Computer Forensic Laboratory (RCFL); and one sergeant and four officers in the Court Liaison Unit. • <i>Vehicular Crimes (-6 positions):</i> Eliminates the Vehicular Crimes Unit and cuts one lieutenant, one sergeant and three officers from the Auto Theft Detail and an officer from the Traffic Investigations detail. Functions of this Unit will be merged within other units at a reduced level. • <i>Homicide and Traffic Investigations Consolidation (-5 positions):</i> Consolidates the Traffic Investigations Unit with the Homicide Unit, restructures the Homicide Unit, and eliminates five sergeant positions. The Homicide Unit will retain six homicide teams with one sergeant and one officer. The Night Detective Detail will be reduced by two officers, maintaining two sergeants in the unit (the detail needs to be comprised of supervisors because they are in the field directing patrol supervisors and command personnel as representatives of the Bureau of Investigations). The Day Detective Detail will be eliminated, eliminating two sergeants. The Traffic Investigations Unit will be eliminated and reduced staffing and functions would move to the Crime Scene Unit as the Crime Scene – Accident Reconstruction Detail. • <i>Robbery (-1 position):</i> Eliminates the non-sworn Alarm Technician position in the Robbery Unit that services alarm systems that are located in various City facilities. Department staff will now be tasked with verifying that the alarms are operational.
<p>Police Special Investigations Unit (eliminate 5.0 positions; -\$862,000 ongoing)</p>	<p>Restructures and reduces the Special Investigations Unit, which includes the Vice and Criminal Intelligence Units. Vice covert enforcement would be moved to the new Covert Response Unit, and the Human Trafficking Task Force staffing would be moved to the Sexual Assaults Investigations Unit. This proposal reduces Vice covert enforcement by one sergeant and two officers, and reduces the Criminal Intelligence Unit by two officers.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

<p>Police School Safety Unit (eliminate 9.28 positions; -\$354,000 ongoing)</p>	<p>Reduces the School Crossing Guard Program by approximately 25% to align with the direction from the Mayor's March Budget Message for Fiscal Year 2011-2012 and the current safety index score of 120, which has been established as the appropriate level to warrant a crossing guard at an intersection. This proposal would reduce the program by 46 part-time crossing guard positions (9.28 FTE) leaving one Senior Analyst, two Supervising School Crossing Guards and 140 Crossing Guard positions (28.16 FTE) to staff the remaining 90 intersections.</p>
<p>Pre-Processing Center (PPC) Staffing (eliminate 11.0 positions; -\$1.8 million ongoing)</p>	<p>Eliminates 11 officer positions in the PPC, which reduces staffing to the minimum required level of one sergeant on duty on a 24-hour, 7-day basis. The State requires that a supervisor be present whenever an arrestee is present in a holding facility. The proposed staffing model will allow the department to reduce staffing levels and still meet the State mandates for a holding facility. Increased cycle time for Officers handling arrestees that are going to jail will delay their return to patrol duty. If a female or juvenile arrestee is brought in, then other sworn staff may need to be called to the PPC in order to meet State mandates thus reducing service levels elsewhere. Additional training for all patrol officers will be needed in the use of the systems in place at PPC.</p>
<p>Police Helicopter Unit Suspension (eliminate 5.0 positions; -\$1.2 million in 2011-2012)</p>	<p>Suspends the Helicopter Program (effective March 2011) and eliminates staff (4 police officers and 1 sergeant). The primary purpose of the Helicopter Program is to support police ground patrol units. The Department will work to identify service delivery alternatives, including collateral assignment and contract pilots.</p>
<p>Police School Liaison Unit (eliminate 9.0 positions; -\$1.6 million ongoing)</p>	<p>Eliminates the 8 officers and 1 sergeant in the School Liaison Program that provided the following: Emergency Response Protocol Training, Safe School Campus Initiative, and school site safety meetings. School Liaison Officers will not be available to participate in police investigations involving school related crimes and incidents. Schools may continue to utilize the secondary employment process to hire officers on campus.</p>
<p>South San José Police Substation Opening Deferral (-\$2,235,000 in 2011-2012)</p>	<p>Construction of the Police Substation was completed in October 2010. Opening of this facility has been deferred due to budget constraints. Consistent with the City Council's approval of the Mayor's March Budget Message, the opening and staffing of the building is recommended to be deferred further to September 2012 to coincide with the fall 2012 shift change to generate one-time operations and maintenance savings in 2011-2012 (\$2,490,000). One-time funding for utilities costs (\$191,000) and for security and fencing (\$64,000) to secure the Substation while the facility remains closed has been added.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

<p>Police Reserves Unit (eliminate 2.0 positions; -\$331,000 ongoing)</p>	<p>Eliminates two Officer positions (leaving 1 Sergeant and 1 non-sworn position) in the Reserve Unit, which will impact donated hours. Additionally, the youth and adult Ride-Along Programs and tours of the Police Department will be greatly reduced. No additional volunteers will be added to the Volunteer Opportunities and Leadership Training (VOLT) program and a phasing out of existing volunteers will occur.</p>
<p>Police Administrative Building Main Lobby Staffing (eliminate 2.0 positions; -\$294,000 ongoing)</p>	<p>Eliminates 2.0 Police Officer positions that provide Main Lobby coverage on the midnight shift. The Main Lobby is closed from 7:00 pm until 7:00 am. These officers provide security for the Police records staff as well as emergency response to the lobby if necessary. Emergency response can be absorbed by Patrol staff.</p>
<p>Family Violence Unit Lease Savings (-\$77,000 ongoing)</p>	<p>Relocates the Family Violence Unit (FVU), which includes 21 Police Department personnel and staff from collaborative partners that work in conjunction with the FVU, from a leased site on Gish Road to a leased space on The Alameda. The site on The Alameda already houses the Crime Prevention Unit, the School Liaison Unit (proposed for elimination in a separate proposal above, the School Safety Unit, the Reserves Unit, and the VOLT program. Additionally, this new location provides better community access and proximity to other agencies.</p>
<p>Police Airport Division – Service Delivery Model Change (eliminate 42.0 positions effective February 2012; General Fund net cost of \$1.9 million in 2011-2012 and \$2.3 million ongoing)</p>	<p>In May 2010, the City Council approved the Airport's Competitiveness Strategic Plan, which included direction to evaluate alternative methods of delivering services that could reduce the Airport's cost per enplaned passenger, including consideration of more cost-effective methods for providing law enforcement services at the Airport. Transportation Security Regulation 1542 allows commercial airports to use private law enforcement personnel, or contract security services, to meet TSA-mandated security requirements. After careful analysis regarding the minimum level of Police staffing needed at the Airport, as well as assuming employee concessions and a reduction in the overhead rate, the Proposed Budget eliminates 19 of 42 Airport-related Police positions as of July 1, 2011. In addition, six officers will be reassigned to Field Patrol on the overlap day. Because of the need to reduce costs even further, the Airport has been pursuing alternative service delivery models pursuant to the Airport Competitiveness Strategic Plan. To allow time to evaluate a contracting out model, fulfill meet and confer requirements and allow for transition time, this proposal recommends no more than seven months (July through January) of City-delivered law enforcement services. As of January 31, 2012, the remaining staffing in the Airport Police Division is scheduled to be eliminated. At that time, law enforcement services may be provided by contracted security services, with a final recommendation for the best service delivery model brought to the City Council before that time. It should be noted that the expenditure reductions experienced in the General Fund as a result of these actions will be entirely offset by the loss of reimbursement revenue from the Airport Department.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

<p>Sworn Police Position Civilianization (net addition of 2.0 positions; -\$995,000 ongoing)</p>	<p>Eliminates 15 sworn positions and adds 17 civilian positions to better align work with the appropriate classification in the following areas: Court Liaison - Case Management and Witness Coordination; School Crossing Guard Program; Crisis Intervention; Permits Processing; Bureau of Technical Services; Building Maintenance; Fleet Management; and Research and Development.</p>
<p>Police Artist – Service Delivery Model Change (eliminate 1.0 position; -\$168,000 ongoing)</p>	<p>Eliminates the sworn Police Artist position and adds contractual services to support this activity. The main function of the Forensic/Police Artist is to interview victims and witnesses in order to create freehand drawings or computerized renderings to assist the Police and public in identifying an unknown suspect or yet-to-be-identified victim during a criminal investigation. While occasionally this position requires a law enforcement background, the main function of sketching suspects or missing persons does not.</p>
<p>Police Training Unit (eliminate 1.0 position; -\$183,000 ongoing)</p>	<p>Eliminates one Officer position in the Video Unit of the Training Division. This proposal reduces the Department's ability to provide training materials to staff and reduce training materials used for community outreach.</p>
<p>Police Officer Recruit Academies Suspension (eliminate 11.0 positions; -\$2.0 million in 2011-2012)</p>	<p>With proposed staff reductions, a Police Officer Recruit Academy will not be needed for 18-24 months. This proposal suspends the Recruit Academy staffing as well as backgrounding and recruiting staffing (1 lieutenant, 2 sergeants, and 8 officers) for 2011-2012.</p>
<p>Police Administrative Staffing (eliminate 2.0 positions; -\$171,000 ongoing)</p>	<p>Eliminates one Office Specialist in the Bureau of Field Operations that supports the Officer on Duty function and eliminates one Principal Account Clerk in the Fiscal Unit of the Bureau of Administration that supports accounts payable and procurement.</p>
<p>Police Non-Personal/ Equipment Funding (-\$591,000 in 2011-2012; -\$364,000 ongoing)</p>	<p>Reduces the non-personal/equipment budget based on reduced staffing levels and increased fiscal controls (\$364,000 ongoing and \$227,000 one-time associated with hiring/recruiting). This includes reduced funding for supplies, materials, training, travel, psychological services, and background investigations of potential staff.</p>
<p>Police Horse Mounted Unit (Retain 0.25 of position through September 2011; no net General Fund cost)</p>	<p>Restores funding for the Horse Mounted Unit, offset by revenue (\$70,000) from Friends of the San José Mounted Unit (Friends), for the first quarter of 2011-2012. This includes extending the Maintenance Worker through September 30, 2011 and provides for overtime, a horse trainer, feed/equestrian supplies, veterinary services, farrier services, office supplies, and training. Additional donations are being raised by the Friends to fund the program through 2011-2012.</p>

City of San José 2011-2012 Proposed Budget Summary

PUBLIC SAFETY CSA (CONT'D.)

Police Services (Cont'd.)

<p>Creek Encampment Clean-Ups (\$136,000 in 2011-2012 – special funds)</p>	<p>Provides overtime funding to the Police Department from the Integrated Waste Management Fund for assistance with creek encampment clean-ups. As homeless encampments are a major source of trash in San José's creeks, clearing these encampments is necessary to meet the aggressive trash reduction targets set forth in the Stormwater National Pollutant Discharge Elimination System (NPDES) Permit.</p>
<p>Independent Police Auditor's (IPA) Office Administrative Support Staffing (add 1.0 position; \$71,000 ongoing)</p>	<p>Restores an Office Specialist II position that was eliminated as part of the approved budget actions in 2008-2009. Although eliminated, the functions have been performed since that time through temporary pool resources funded by IPA Office vacancy savings. Due to the fact that this position is the only clerical support position and serves as the receptionist for the IPA Office, which allows the other IPA Office staff to continue to perform mandated IPA functions, the position is recommended to be funded permanently.</p>

TRANSPORTATION AND AVIATION SERVICES CSA

Transportation Services

<p>General Purpose Parking Fund Rebalancing (eliminate 1.5 positions; -\$1.8 million ongoing in General Purpose Parking Fund)</p>	<p>Rebalances the General Purpose Parking Fund to assume the full debt service payments on the 4th and San Fernando Parking Garage by:</p> <ul style="list-style-type: none"> • Reducing non-personal/equipment funding by \$835,000 through eliminating the Eco-Pass, commuter check, and DASH shuttle subsidies and reducing contractual services for the parking operator and San José Downtown Association dedicated for marketing downtown parking. • Establishing the following parking garage rates (generating approximately \$534,000 in revenues): <ul style="list-style-type: none"> ○ Effective July 1, 2011: <ul style="list-style-type: none"> ▪ \$1.00/20 minutes (currently \$0.75/20 minutes) ▪ \$4 rate on weekends and major holidays (currently free except for special events at Market Street Garage) ▪ \$20 maximum weekday rate (currently \$15) ▪ eliminates 1 hour free parking at the 4th and San Fernando Parking Garage ○ Effective January 1, 2012: <ul style="list-style-type: none"> ▪ \$5 flat rate after 6 pm (currently \$4) • Eliminating the Transfer to the Convention and Cultural Affairs Fund from the General Purpose Parking Fund. • Eliminating two positions in 2011-2012 and an additional management position effective July 1, 2012.
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City of San José 2011-2012 Proposed Budget Summary

TRANSPORTATION AND AVIATION SERVICES CSA (CONT'D.)

Transportation Services (Cont'd.)

<p>Right-Sizing Pavement Maintenance Program Staffing (eliminate 5.0 positions; -\$378,000 ongoing)</p>	<p>Eliminates five maintenance positions in the Pavement Maintenance Program which prepare the pavement for residential sealing. The reduced staffing level will align in-house resources with the 46-mile residential program budgeted in street sealing, which is below the average need of 150 miles per year, due to a lack of local and grant funding.</p>
<p>Traffic Safety Education Program Staffing (eliminates net 1.0 position; -\$107,000 ongoing)</p>	<p>Eliminates one marketing management position and one recreation leader position in the Traffic Safety Education Program. In addition, this proposal will add one associate transportation specialist position to better align job classification with duties including grant writing. This action will eliminate traffic safety education provided to adults and maintains limited training for schools upon specific request or in support of approved grants.</p>
<p>Street Landscape Maintenance Staffing (eliminate 2.0 positions; -\$204,000 ongoing)</p>	<p>Eliminates one management position and one clerical position, and shifts funding for a portion of a Maintenance Supervisor from the General Fund to the Storm Sewer Operating Fund in the Street Landscape Maintenance Program to accurately realign funding sources and workload activity within the program. This proposal will eliminate proactive expansion of the Adopt-A-Street Volunteer Program which provides businesses, organizations, neighborhood associations, and individuals the opportunity to select an area along a street right-of-way to beautify and maintain.</p>
<p>City Hall and Employee Parking Garages Operations (-\$110,000 ongoing)</p>	<p>Reduces the operating hours of the City Hall Parking Garage from Monday through Friday 6 a.m. - 8 p.m. to Monday through Thursday 7 a.m. to 8 p.m. and Friday 7 a.m. - 6 p.m. Contractual services for on-site staff at the Employee Parking Garage will also be reduced.</p>
<p>New Infrastructure Assets (-\$60,000 ongoing)</p>	<p>Eliminates the Reserve set aside for projected operations and maintenance costs related to new street infrastructure assets (traffic signals, landscaping, and street lighting) scheduled to become operational in 2011-2012.</p>
<p>Maintenance Assessment Districts Services (\$390,000 in 2011-2012; \$220,000 ongoing funded by Districts)</p>	<p>Provides funding for the design and renovation of old landscape, the replacement of turf in poor condition, and the replacement of dying trees in Maintenance Districts #5, #19, #8, #9, and #15 and Community Facilities Districts #2 and #3.</p>

City of San José 2011-2012 Proposed Budget Summary

TRANSPORTATION AND AVIATION SERVICES CSA (CONT'D.)

Airport Services

<p>Law Enforcement and Aircraft Rescue and Fire Fighting Services</p> <p>(additional contractual costs estimated at \$2.8 million in 2011-2012 and \$6 million ongoing; these costs are offset by reduced reimbursements to the General Fund for Police and Fire services, generating savings for the Airport)</p>	<p>As discussed above under the Public Safety CSA, a service delivery model change is under review for the delivery of law enforcement and aircraft rescue and firefighting services provided by the Police and Fire Departments. This proposal reduces the cost of security services through reductions in the Police Department and contracts out law enforcement and firefighting services at the Airport effective February 2012. A final recommendation for the best service delivery model will be brought to the City Council before that time. The Police and Fire position eliminations are reflected in the Public Safety CSA. Significant savings to the Airport are expected to be realized from this proposal. The reductions in the Police Department staff and changes in the cost calculation for the Police and Fire services are expected to generate \$6.5 million in savings, reducing total costs from \$15.5 million to \$9.0 million. Additional potential savings from contracting out of \$3.0 million may also be realized on an ongoing basis (\$900,000 in 2011-2012), bringing the cost of these services to \$6.0 million. Total potential annual savings are expected to reach \$9.5 million.</p>
<p>Airport Custodial Services Supervisor Staffing</p> <p>(eliminates net 2.0 positions; -\$255,000 ongoing)</p>	<p>Eliminates three Custodian Supervisors and adds one Maintenance Contract Supervisor position for contract administration of the custodian services contract.</p>
<p>Airport Department Overtime Funding</p> <p>(-\$86,000 ongoing)</p>	<p>Reduces the department's overtime allocation by 20% to reflect the Airport's reduced staffing levels.</p>

COMMUNITY AND ECONOMIC DEVELOPMENT CSA

Development Services and Long-Range Planning

<p>Development Services Public Information Staffing</p> <p>(eliminate 2.0 positions; -\$238,000 ongoing)</p>	<p>Eliminates 2.0 non-fee supported Planner II positions that staff general inquiries in the Permit Center and Planning telephone line, resulting in longer wait times for general questions or requests, such as providing access to Public Records. Customers will be redirected to the website to self-access information to the extent possible. For those customers requesting direct staff help, 15 minutes of free staff assistance will be provided, after which customers will be offered additional time for a fee.</p>
<p>Building - STI/ITI Continuation</p> <p>(continue 5.0 positions; \$662,000 ongoing - funded by building fee revenue)</p>	<p>Continues on an ongoing basis the second Industrial Tool Installation/Special Tenant Improvements line added in 2010-2011, offset by Building fees. The STI/ITI program provides expedited plan review services for businesses and industries that desire to expand their facilities, upgrade their manufacturing capabilities, or relocate to San José.</p>

City of San José 2011-2012 Proposed Budget Summary

COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Development Services and Long-Range Planning (Cont'd.)

<p>Building - Enhanced Expedited Plan Review Line Continuation</p> <p>(continues 4.5 positions; \$536,000 ongoing - funded by building fee revenue)</p>	<p>Continues the third Express Review line added in the 2010-2011 Budget (Enhanced Expedited Plan Review line) on an ongoing basis, offset by Building fees. The first and second lines are allocated to residential and commercial projects, while this third line allows Building to process more complicated, large projects more expeditiously and allows all businesses to avail of an expedited plan review service.</p>
<p>Development Services Project Manager/Expediter</p> <p>(continues 1.0 position, \$139,000 ongoing)</p>	<p>Makes permanent the Development Services Project Manager/Expediter (added on a one-time basis in 2010-2011), as directed in the City Council approved Mayor's March Budget Message for 2011-2012. This position serves as a single point of contact for key economic development projects going through the development process, and works with the Development Services partners to accelerate permit processing schedules.</p>
<p>Building - Permit Center Program Manager</p> <p>(1.0 position; \$128,000 ongoing)</p>	<p>Restores a Program Manager to the Permit Center that was eliminated in November 2009 to better manage the current demand for services in the Expedited Lines, the STI/ITI Lines, and the daily volume of Permit Center customers, offset by Building fee revenue.</p>
<p>Building - Wireless Inspections</p> <p>(\$150,000 in 2011-2012, \$10,000 ongoing)</p>	<p>Allocates funding for consultant services and the purchase of hardware and software to provide wireless technology for processing Building inspection results from the field. Wireless inspections will reduce processing time and provide real time public access to inspection results, allowing the Department to operate at the speed of business.</p>
<p>Envision 2040 General Plan Update Staffing</p> <p>(extend 4.5 positions; funded by existing 2010-2011 General Plan Update funds)</p>	<p>Extends 4.5 planning positions through October 2011 to complete the General Plan Update. Staff is concluding the public engagement and Task Force process, incorporating input from the public into the final documents. The Council is expected to consider the Envision 2040 General Plan and its draft Environmental Impact Report (EIR) in October 2011. A part-time position would be retained to support mitigation monitoring after October.</p>
<p>Expedited Coordinated Review</p> <p>(add funding equivalent to 1.0 Planner II through January 2012: \$69,000 in 2011-2012; \$0 ongoing - funded by planning fee revenue)</p>	<p>A continuation of a new Planning Expedited Coordinated Review process, piloted in spring 2011, will provide customers a faster processing option for certain Planning applications at 1.5 times the hourly fee rate. The program may be continued or expanded depending on customer demand and ability to collect offsetting revenue.</p>
<p>Mitigation Monitoring Staffing</p> <p>(add 0.5 position; \$59,000 in 2011-2012; \$82,000 ongoing - funded by planning fee revenue)</p>	<p>Effective November 2011, enhances the Planning Fee program staffing by 0.50 Senior Planner to expand Planning's capacity to review and track permits that require mitigation monitoring. This monitoring will improve the City's compliance with environmental measures required by the California Environmental Quality Act.</p>

City of San José 2011-2012 Proposed Budget Summary

COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Development Services and Long-Range Planning (Cont'd.)

<p>Fire Development Fee Program (net addition of 1.15 positions; \$163,000 ongoing - funded by fire fee revenue)</p>	<p>Provides funding for a Hazardous Materials Inspector and an Associate Engineer to maintain the second Special Tenant Improvement/Industrial Tool Installation (STI/ITI) line (initiated in 2010-2011). In addition, this proposal includes the Development Program-portion of the Hazardous Materials Inspector eliminated under the CUPA Program. To align costs and resources to the appropriate fee-related activities in the Fire Department's Fee Programs, a Senior Analyst position (50% development and 50% non-development) is proposed for elimination. The use of a portion of the Fire Fee Reserves (\$143,500) is also recommended to balance this fee program.</p>
<p>Public Inquiry Counter Support (-\$42,000 - General Fund)</p>	<p>Eliminates services provided by Public Work Department's staff at the one-stop counter. These services include providing property related geo-hazard zone information, researching sewer lateral connections, and providing sidewalk/driveway permits to single-family homeowners free of charge. Customers requesting these services at the 1st Floor Customer Service counter will be redirected to the Department's website resources to answer their inquiries or will incur longer wait times for assistance.</p>

Economic Development, Cultural, Arts and Other Programs

<p>Office of Economic Development Leadership Reorganization (net elimination of 1.0 position; -\$222,000 ongoing)</p>	<p>Eliminates 1.0 Assistant Director and 1.0 Division Manager and adds 1.0 Deputy Director in the Office of Economic Development. This action allows the Office to maintain adequate oversight over key operational services, which now includes Real Estate and Asset Management services, while generating General Fund savings. The elimination of the Assistant Director reduces dedicated staffing resources for strategic economic projects and initiatives, economic strategy leadership, and the development of key external relationships.</p>
<p>Convention and Visitors Bureau Marketing Program (-\$440,000 ongoing)</p>	<p>Reduces the General Fund subsidy to the Convention and Visitors Bureau (CVB) from \$1.094 million to \$654,000 for marketing activities at the Convention Center. This represents a 40% reduction to the total General Fund Base Budget allocation. A portion of this reduction, however, is offset by an increase in the CVB Transient Occupancy Tax (TOT) allocation for an overall net reduction of 30%; leaving the base TOT funding intact. In total, the CVB will receive \$654,000 from the General Fund, \$2.76 million from the TOT Fund, and \$37,000 from Airport funds, totaling \$3.45 million in all funds.</p>

City of San José 2011-2012 Proposed Budget Summary

COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Economic Development, Cultural, Arts and Other Programs (Cont'd.)

<p>Convention Facilities Staffing (eliminate 5.0 positions; -\$173,000 ongoing)</p>	<p>Eliminates in-house security staffing and contracts out this service. This allows greater flexibility in scheduling security services and addresses episodic activity levels. This proposal also eliminates a Sr. HVAC Mechanic and adds an HVAC mechanic based on the duties associated with this position.</p>
<p>Office of Cultural Affairs Staffing Funding Reallocation/Cultural Grants Funding (General Fund savings of \$415,000 ongoing)</p>	<p>Reallocates funding for three positions (1.0 Senior Events Coordinator, 1.0 Events Coordinator II, 1.0 Section Manager) in the Office of Cultural Affairs responsible for coordinating outdoor special events from the General Fund to the Transient Occupancy Tax Fund (TOT). As a result, funding available for arts and cultural grants is projected to decline by approximately 30%.</p>
<p>Sports Opportunity Fund (eliminates \$100,000 ongoing)</p>	<p>Eliminates funding allocated for supporting major sporting events in the City, such as the Amgen Tour of California and the Rock and Roll Marathon. The Office of Economic Development will continue to pursue private donor funding to help offset this reduction.</p>
<p>Holiday Event Staffing (eliminate 1.0 position; -\$42,000 in 2011-2012; -\$132,000 ongoing)</p>	<p>Eliminates 1.0 Marketing/Public Outreach Coordinator responsible for the transition of the San José Holiday Parade and Christmas in the Park to a new operator, effective February 2012. This action allows for continued staff support for the 2011 Christmas in the Park event, while the City continues its efforts to transition these events to a new operator. Should the Office of Economic Development be unable to secure a new operator in the coming months for the San José Holiday Parade, this event would not occur.</p>
<p>Housing Department Reorganization and Consolidation (eliminate 13.0 positions; -\$1.7 million ongoing)</p>	<p>Eliminates 13 management, inspection, administrative, analytical, marketing, and development positions in the Housing Department as a result of a decline in funding available in the Low and Moderate Income Housing Fund and the Community Development Block Grant Fund. This action will reorganize inspection services, marketing efforts, analytical support, administrative support, and oversight of the Rental Rights and Referrals Program, consolidating like functions.</p>

City of San José 2011-2012 Proposed Budget Summary

COMMUNITY AND ECONOMIC DEVELOPMENT CSA (CONT'D.)

Economic Development, Cultural, Arts, and Other Programs (Cont'd.)

<p>Strong Neighborhoods Initiative Program (net elimination of 6.0 positions; -\$749,000 in 2011-2012; -\$744,000 ongoing)</p>	<p>Reduces and realigns the staffing for the Strong Neighborhoods Initiative (SNI) program. This includes eliminating seven full-time community workers, one community supervisor, one analytical position, and adding four part-time community workers, and realigning the program management, leaving 6.75 positions. The SNI team will implement the SNI business plan, focus on providing neighborhoods with Strong Neighborhoods Action Kits, and assist with strategic community clean-up events across the entire City. The remaining SNI team will coordinate its services with other Housing Department provided services such as housing rehabilitation, rental rights, and homeless services. In addition, the team will be working with the Mayor's Gang Prevention Task Force in ensuring clean, safe, and engaged neighborhoods in areas impacted by gang violence.</p>
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ENVIRONMENTAL AND UTILITY SERVICES CSA

Utility Infrastructure and Program Delivery

<p>Non-Profit Recycler Agreement (-\$146,000 ongoing – special funds)</p>	<p>Decreases funding provided by the Integrated Waste Management Fund to non-profit recyclers (Goodwill, Hope Industries, and Salvation Army) by 30% from \$488,000 to \$342,000. These recyclers receive compensation in exchange for documentation of materials collected in San José and diverted from the landfills through their operations. It is anticipated that the non-profit recyclers will be able to adjust their budgets so the impacts to the community as a result of this reduction will be minimal.</p>
<p>Sanitary Sewer System and Storm Sewer Equipment Replacement (\$1.3 million in 2011-2012 – special funds)</p>	<p>Replaces three maintenance utility vehicles (two maintenance trucks and one leaf truck), a combination cleaning truck (Vactor), a street sweeper, and a dump truck needed to support the sanitary sewer and storm sewer systems.</p>
<p>Pump Station SCADA Upgrade (\$900,000 in 2011-2012 – special funds)</p>	<p>Upgrades and installs a Supervisory Control and Data Acquisition (SCADA) system for 34 storm and sanitary pump stations city-wide. The SCADA will automate daily monitoring of pump run times, water levels, alarm systems, flow rates, and kilowatt usage.</p>
<p>Sanitary Sewer System Staffing Support (\$335,000 in 2011-2012 – special funds)</p>	<p>Provides funding for information technology staff costs associated with the support of the Comprehensive Computerized Maintenance Management System upgrade and analytical staff costs associated with the support of the sewer line cleaning pilot program.</p>

City of San José 2011-2012 Proposed Budget Summary

ENVIRONMENTAL AND UTILITY SERVICES CSA (CONT'D.)

Utility Infrastructure and Program Delivery (Cont'd.)

<p>Stormwater Permit Green Street Project (\$300,000 in 2011-2012 – special funds)</p>	<p>Provides funding for a green street pilot project, required to comply with the Stormwater NPDES Permit. The Permit requires that two pilot projects be conducted in each County by December 2014. The project would add low impact development stormwater treatment features to the "Alameda - A Plan for a Beautiful Way" project proposed as part of the Traffic Capital Program.</p>
<p>Comprehensive Computerized Maintenance Management System (CMMS) Upgrade (\$250,000 in 2011-2012 – special funds)</p>	<p>Upgrades the existing software program to a comprehensive Computerized Maintenance Management System (CMMS) which would plan, schedule, and optimize maintenance activities, issue work orders, and track maintenance history for sanitary sewer lines and associated assets.</p>
<p>Plant Air Regulations Compliance (add 1.0 position; \$141,000 ongoing)</p>	<p>Adds 1.0 Senior Engineer to ensure the Treatment Plant meets its increasingly stringent air permit requirements. The Treatment Plant operates numerous air emissions sources that are regulated by the Bay Area Air Quality Management District.</p>
<p>Municipal Water Asset Management System (\$125,000 one-time – special funds)</p>	<p>Provides funding to install a comprehensive Computerized Maintenance Management System (CMMS) needed for planning, scheduling, and optimization of maintenance activities, issuance of work orders, and tracking the history of Municipal Water System facilities and assets.</p>
<p>Environmental Services Department (ESD) Staffing Relocation to City Hall (\$102,000 one time – special funds)</p>	<p>Relocates ESD staff from South Bay Water Recycling, the Treatment Plant Administration, and the Environmental Services Technical Services division to City Hall to allow for improved working conditions and efficiencies.</p>

2011-2012 Proposed Utility Rate Changes

Fee Category	Proposed Rate Increase	Current Fee (per month)	Proposed Fee (per month)	\$ Increase (per month)
Recycle Plus (Single Family – 32 gal.)	9.0%	\$27.50	\$29.97	\$2.47
Recycle Plus (Multi-Family – 3 cu yd bin)	9.0%	\$184.90	\$201.54	\$16.64
Municipal Water (average family water bill)	6.5%	\$43.60	\$46.42	\$2.82
Sewer Service and Use Charge	3.0%	\$32.86	\$33.85	\$0.99
Storm Sewer Service	3.0%	\$7.64	\$7.87	\$0.23

City of San José 2011-2012 Proposed Budget Summary

STRATEGIC SUPPORT CSA

City Facilities and Equipment

<p>Public Works Management and Administration Consolidation (net elimination of 6 positions; -\$775,000 ongoing)</p>	<p>Eliminates 7.0 positions (1.0 Deputy Director, 1.0 Program Manager, 1.0 Administrative Officer, 1.0 Analyst, 2.0 Staff Specialist, 1.0 Senior Office Specialist) and adds 1.0 Fleet Manager position. These net staffing reductions are made possible by efficiencies gained as a result of the consolidation of the General Services Department and the Public Works Department. In order to provide adequate oversight over fleet maintenance and operation activities and provide the right level of management for fleet services, the addition of a Fleet Manager is recommended. As the City's vehicle maintenance and operation needs are changing, this position is necessary to ensure optimal use of remaining resources. When this proposal is combined with the elimination of the Director position, as reflected in the 2011-2012 Forecast Base Budget, a net total of seven positions are eliminated with all funds savings of \$1.0 million and General Fund savings of \$348,000.</p>
<p>Right-Sizing of Capital Improvement Program Staffing (eliminates 4.0 positions/shifts 4.0 positions to the fee program, -\$899,000 ongoing)</p>	<p>Eliminates 4.0 capital-funded positions and shifts portions of approximately 4.0 positions from capital funds to the Development Fee program. This proposal right-sizes staffing levels to anticipated program activity levels in the Public Works Department.</p>
<p>Facilities Maintenance Staffing (eliminates 3.0 positions; -\$524,000 ongoing)</p>	<p>Eliminates three trade positions and contractual services funding based on anticipated facility closures and reduced hours of operation (including libraries and satellite/neighborhood centers) throughout the City and a corresponding reduction in workload.</p>
<p>Fleet Maintenance and Operations Inventory and Contractual Services (eliminates 2.0 positions; -\$481,000 in 2011-2012; -\$374,000 ongoing)</p>	<p>Aligns fleet maintenance service levels with anticipated City needs based on fleet reductions in the Police and Parks, Recreation and Neighborhood Services Departments.</p>
<p>Fleet Staffing and Vehicle Pool Program (eliminates 3.0 positions; -\$427,000 ongoing)</p>	<p>This proposal reduces the Vehicle Pool Program by 54% (46 of 85 vehicles) and associated staffing. Alternative approaches will be developed to meet equipment needs for pool equipment that cannot be met by the remaining inventory. In addition, reductions to fleet staffing would extend the intervals between regular preventative maintenance on vehicles, as well as time required to address general fleet work orders.</p>
<p>City-Owned Facilities Operations and Maintenance Subsidies (-\$358,000 ongoing)</p>	<p>Reduces operating and maintenance subsidies between 5% and 15% for city-owned facilities. These facilities include the Tech Museum of Innovation (15% reduction, \$195,000), Mexican Heritage Plaza (10% reduction, \$67,000), History San José (5% reduction, \$41,000), San José Museum of Art Association (5% reduction, \$25,000), Children's Discovery Museum of San José (5% reduction, \$15,000) and San José Repertory Theatre (5% reduction, \$15,000).</p>

City of San José 2011-2012 Proposed Budget Summary

STRATEGIC SUPPORT CSA (CONT'D.)

City Facilities and Equipment (Cont'd.)

<p>Custodial Services (-\$166,000 ongoing)</p>	<p>Reduces custodial services by 18% at City Hall and Police Facilities. At City Hall, custodial services reductions will result in decreased responsiveness to spills, trash removal, stocking of janitorial supplies in restrooms, and basic cleaning. At Police facilities, the frequency of cleaning of showers and restrooms could be reduced by as much as two days per week, from the current level of seven days per week.</p>
<p>Facility Services (eliminates 1.0 position; -\$70,000 ongoing)</p>	<p>Eliminates one Facility Attendant position at City Hall, reducing the service level for non-essential room service set-up. Set-up services for official government meetings would not be impacted.</p>
<p>Deferred City Facilities Security & Maintenance (\$177,000 in 2011-2012)</p>	<p>Provides one-time funding for security, miscellaneous site maintenance, graffiti abatement, monthly site inspection costs, fire suppression and alarm services, and backflow maintenance costs associated with the Seven Trees, Educational Park, Calabazas and Bascom Libraries (\$81,600), Bascom Community Center (\$32,200) and the San José Police Substation (\$63,720). Construction of the Seven Trees Library, Bascom Community Center, and the Substation were completed in September, October, and August 2010; however, due to the significant operating and maintenance costs associated with these facilities (costs were estimated to be \$6.2 million in 2011-2012), the deferral of the opening of these facilities to fall 2012 is recommended.</p>

Technology Services

<p>Information Technology Department Leadership Reorganization (- \$298,000 in 2011-2012; -\$46,000 ongoing)</p>	<p>Eliminates two Deputy Directors and adds an Assistant Director overseeing all technical teams and one Supervising Applications Analyst to oversee the Public Safety technical group. Also delays the recruitment of the Chief Information Officer for one year.</p>
<p>Systems Applications Support Staffing (eliminates 2.0 positions; -\$259,000 ongoing)</p>	<p>Eliminates two Systems Applications Programmers that support ProLaw used by the City Attorney's Office, city-wide web applications and some master calendaring. Only web applications support for City Council and master calendaring support would remain. May result in slower response times from the HelpDesk for all City users.</p>
<p>Database Administration Staffing (eliminates 1.0 position; -\$153,000 ongoing)</p>	<p>Eliminates an Information Systems Analyst in the database administration technical group as a result of ongoing efficiencies realized through the database consolidation effort.</p>

City of San José 2011-2012 Proposed Budget Summary

STRATEGIC SUPPORT CSA (CONT'D.)

Technology Services

<p>Customer Contact Center (eliminates 2.0 positions; -\$165,000 ongoing)</p>	<p>Eliminates 2.0 positions in the Customer Contact Center. Existing staff have largely absorbed the duties of these positions as both positions became vacant in 2010-2011. This proposal also reallocates a portion of an Analyst position from the General Fund to the Integrated Waste Management Fund as this position will be dedicated to the Customer Contact Center's transition to garbage hauler billing and customer support, planned for completion in 2013-2014.</p>
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Human Resources

<p>Human Resources Department Leadership Organization (eliminates 1.0 position; -\$213,000 ongoing)</p>	<p>Defunds the Director of Human Resources, eliminates 1.0 Deputy Director, and adds 1.0 Assistant Director. The Assistant Director will be the most senior member of the Human Resources Department and the Human Resources Department will be aligned under the City Manager's Office with a Deputy City Manager providing oversight for the Department. This reorganized management structure will allow for the alignment of human resources and employee relations functions during the current fiscal situation. This new structure will continue to be reevaluated to ensure it is appropriate and will achieve \$465,000 savings city-wide.</p>
<p>Human Resources Employment Services Staffing (eliminates 2.0 positions; -\$204,000 ongoing)</p>	<p>Eliminate 2.0 positions in the Employment Services Division that support the hiring process and coordination with City departments. While remaining staff will absorb these duties, City Departments will experience service delays and will have to monitor the bi-lingual pay process.</p>
<p>Workers' Compensation Claims Administration (eliminates 2.0 positions; -\$225,000 ongoing)</p>	<p>Eliminates 2.0 positions (2 of 11 Workers' Compensation Claims Adjusters) that proactively investigate, manage, and process workers' compensation claims. This reduction will roll back staffing to 2007-2008 levels and is expected to increase the time to process claims, which may lead to increased claims costs.</p>
<p>Training and Workforce Development (eliminates 3.0 positions; -\$393,000 ongoing)</p>	<p>Elimination of Training and Development as a separate division of the Department discontinues a coordinated, city-wide effort for workforce planning and management development. However, the Department and Office of Employee Relations will still provide core basic training such as New Employee Orientation, supervisor training, and training on important issues such as the Code of Ethics. City departments will still provide technical training specific to their disciplines. High priority city-wide efforts to ensure organizational effectiveness will continue to be offered under the leadership of the City Manager's Office with the assistance of management staff sponsors from City departments. This will be a team effort using existing resources and talent to the extent possible.</p>

City of San José 2011-2012 Proposed Budget Summary

STRATEGIC SUPPORT CSA (CONT'D.)

Human Resources (Cont'd.)

<p>Human Resources/Payroll System Upgrade (\$1.5 million in 2011-2012 and \$909,000 in 2012-2013)</p>	<p>Provides funding to upgrade the current Human Resources/Payroll system, which will reach the end of support in December 2012. Total project costs of \$2.47 million will be partially offset by \$654,000 in transfers from Special and Capital Funds resulting in a net impact to the General Fund of \$1.82 million (which will be partially offset by \$77,000 in development fee fund revenues). It is recommended that the General Fund portion be split evenly between two fiscal years (\$909,000 each year) and all other funds allocated in their entirety in 2011-2012. It is anticipated that the new system will be implemented in fall 2012, just prior to benefits open enrollment.</p>
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Financial and Other Administrative Services

<p>Accounting Division Staffing (eliminates 1.0 position; -\$243,000 ongoing)</p>	<p>Eliminates the Supervising Accountant that oversees the Special Accounting Unit and moves the unit under the supervision of one of the two remaining workgroup managers in the Accounting Division. Existing management will assume additional job duties, resulting in a decline in management oversight. Also reallocates funding for a portion of a Senior Accountant position from the General Fund to various special funds to reflect the realignment of job duties that will be necessary in 2011-2012 as a result of position eliminations.</p>
<p>Administrative Support Staffing (eliminates 1.0 position; -\$95,000 ongoing)</p>	<p>Eliminates the Finance Department's Administrative Assistant position and reallocates these duties to remaining staff. This reduction will delay scheduling, turn-around of documents requiring the Director's signature, and response to inquiries. The processing of payments and City-wide encumbrances for month-end/year-end close also may be impacted.</p>
<p>Warehouse Service Delivery Model Change (eliminates 1.0 position; -\$164,000 ongoing)</p>	<p>Eliminates a Warehouse Worker to align staffing with anticipated activity levels, as demand for warehouse services has been decreasing with the full implementation of the vendor-direct service delivery model and the increased use of existing Procurement Card (P-Card) process to purchase warehouse inventory items. In addition, this will eliminate a Warehouse Supervisor and add a Senior Warehouse Worker.</p>
<p>Business Tax System (\$400,000 in 2011-2012)</p>	<p>This proposal allocates one-time funding for costs related to the purchase and implementation of an integrated billing system for business tax. The current business tax billing system will no longer be supported by the manufacturer after 2015 and must be replaced. A business-case analysis was completed and the Finance Department is working with a consultant to develop a Request for Proposals.</p>

City of San José 2011-2012 Proposed Budget Summary

COUNCIL APPOINTEES/CITY-WIDE EXPENSES/OTHER PROPOSALS

City Council Appointees

<p>City Attorney's Office - Redevelopment Agency Legal Support (eliminates 10.0 positions; -\$1.77 million ongoing)</p>	<p>This proposed action results from a complete loss of reimbursement from the San Jose Redevelopment Agency (SJRA), \$2.05 million, in 2011-2012, for legal services provided to the SJRA for General Counsel as well as litigation services. The elimination of 8.0 General Counsel positions eliminates all transactional legal support for the Agency. Reductions of 2.0 positions, \$54,000 in overtime funding, and \$100,000 in non-personal/equipment funding eliminates litigation services resources associated with the SJRA litigation retainer. This reduction strategy is consistent with the City Council's approval of the Mayor's March Budget Message for 2011-2012 in that any reductions in SJRA reimbursements should be accompanied by a corresponding reduction in City support costs.</p>
<p>City Attorney's Office - Legal Staffing (eliminates 3.0 positions; -\$558,000 ongoing)</p>	<p>Eliminates 3.0 positions, including 1.0 Police Officer, primarily in the Litigation Division, resulting in a decrease in litigation services. The Office's ability to distribute work is limited as the current workload has already exceeded staff capacity. The Office continues to streamline processes and seek technology enhancements to maximize efficiency, and at the same time, will work with the clients to identify areas where legal services can be modified and/or reduced.</p>
<p>City Attorney's Office - Voluntary Furlough/Reduced Work Week (-\$260,000 in 2011-2012)</p>	<p>Recognizes \$260,000 in projected salary savings resulting from anticipated retirements and the implementation of voluntary furlough/reduced work week schedules. Should this proposal prove to not be a viable option, rebalancing actions to reduce the City Attorney's Office expenditures may be necessary during the 2010-2011 Annual Report or 2011-2012 Mid-Year Budget Review to ensure actual expenditures remain within budgeted levels.</p>
<p>City Attorney's Office - Workforce Investment Act Legal Staffing (eliminates 1.0 position; -\$144,000 ongoing)</p>	<p>Eliminates the equivalent of 1.0 position in the Workforce Investment Act (WIA) Fund. This action will align legal resources for work2future with the current reducing formula grant allocation for WIA. As a result of the shrinking program, it is anticipated that the need for legal transactional services will also decrease.</p>
<p>City Auditor's Office - Audit Staffing (eliminates 2.0 positions; -\$218,000 ongoing)</p>	<p>Eliminates 2.0 Program Performance Auditor I positions, which will result in fewer audit recommendations to improve the efficiency and effectiveness of City services. This reduction will result in fewer audit projects each year, fewer audit recommendations to improve operations, and lower audit recoveries (in 2010-2011 the Office expects to identify \$9 in audit benefits for every \$1 in audit cost).</p>

City of San José 2011-2012 Proposed Budget Summary

COUNCIL APPOINTEES/CITY-WIDE EXPENSES/OTHER PROPOSALS (CONT'D.)

City Council Appointees (Cont'd.)

<p>City Clerk's Office - Mayor and Council Administrative Support Staffing</p> <p>(eliminates 1.0 position; -\$143,000 ongoing)</p>	<p>Eliminates 1.0 Senior Analyst in the Administrative Services Support unit, reducing staffing in that unit by one third. This position provides fiscal, grant, budget, human resources, payroll, administrative and technical support services to the Mayor, City Council Offices, and for the City's Boards, Commissions, and Committees. With this position elimination, the Mayor's Office and City Council Offices will no longer receive enhanced budget reporting, hiring and human resources support, and grant processing services.</p>
<p>City Clerk's Office - Contracts Compliance Staffing</p> <p>(eliminate 1.0 position; -\$107,000 ongoing)</p>	<p>Eliminates the Contracts Compliance unit staffing that provides centralized contract/grant processing and tracking for the City. This reduction will greatly reduce the Office's ability to execute and file contracts/grants as well as archive them electronically for retrieval. This reduction is anticipated to result in significantly extended service times for both internal and external customers. In addition, recording legal documents with the County of Santa Clara will be done less frequently as staffing resources allow. Should urgent filing be required, the requesting department may need to directly complete the recordings with the County in some instances.</p>
<p>City Manager's Office - Leadership Reorganization</p> <p>(eliminate 1.0 position; -\$352,000 in 2011-2012; -\$252,000 ongoing)</p>	<p>Defunds the Director of Employee Relations and reallocates these duties to the Deputy City Manager defunded for a two-year period in 2009-2010. This action is being proposed in conjunction with the defunding of the Director of Human Resources Director position. The duties of the Deputy City Manager will include management of both Employee Relations and the Human Resources organization and staff. While this action reflects the City's current fiscal condition, the Administration will revisit this proposal with the goal of restoring the Director positions at some point in the future when the City's fiscal situation improves.</p> <p>This proposal also reallocates 0.75 Deputy City Manager position funding to the Department of Parks, Recreation and Neighborhood Services (PRNS), while the incumbent serves as the Acting PRNS Director. These actions will reduce the current number of senior-level positions and will be extremely challenging given the organizational transition that will continue to take place in 2011-2012.</p>
<p>Office of the City Manager - Administrative Support Staffing Consolidation</p> <p>(eliminates 2.5 positions; -\$284,000 in 2011-2012; -\$183,000 ongoing)</p>	<p>Eliminates 1.0 Administrative Assistant position, holds vacant 1.0 Administrative Assistant for one year, and makes permanent the current staffing complement of 1.5 Secretary part-time positions through the conversion of 2.0 Secretary positions from full-time to part-time. This reduction will significantly reduce the availability of administrative support within the City Manager's Office to respond to the public as well as other external and internal inquiries, coordinate meetings and other scheduling issues, manage records, and handle other essential administrative duties.</p>

City of San José 2011-2012 Proposed Budget Summary

COUNCIL APPOINTEES/CITY-WIDE EXPENSES/OTHER PROPOSALS (CONT'D.)

City Council Appointees (Cont'd.)

<p>City Manager's Office - Special Projects and Non-Personal Equipment Funding (-\$210,000 in 2011-2012; -\$121,000 ongoing)</p>	<p>Eliminates 1.0 Senior Executive Analyst, \$75,000 in funding for special projects (one-time), non-personal/equipment and professional development (97,000) funding, and adds 1.0 Executive Analyst I. Although this proposal aligns staffing levels with available resources, in the long term, this results in the elimination of higher level analytical capacity in the City Manager's Office, which will impact the Office's ability to respond to and take on various high-profile projects. As a result, senior management, with support from the Executive Analyst I, will need to continue to absorb more of these efforts in their entirety to the extent possible. The reduction in the special project staffing funding will result in reduced capacity for the City Manager's Office to address Council directives that require extensive community outreach such as the Police Chief Recruitment and Medical Marijuana as well as other high profile projects.</p>
<p>City Manager's Office - Domestic Violence Prevention Program (eliminates 1.0 position; -\$138,000 ongoing)</p>	<p>Eliminates 1.0 position and dedicated support and resources for the Domestic Violence Prevention Program. As a result, a dialogue with the Domestic Violence Advisory Board will be necessary to discuss the future composition of the Board and how best to ensure that the City's Domestic Violence prevention priorities remain addressed. Facilitating the evaluation of alternative service delivery models and the ability on non-profit agencies to continue support for public events and community communications related to domestic violence programs will be necessary.</p>
<p>Redevelopment Agency - Civil Service Staffing (eliminates 5.0 positions; -\$1.2 million ongoing)</p>	<p>The reduction of 5.0 positions eliminates all civil service San Jose Redevelopment Agency (SJRA) support staff. Per SJRA, staffing levels will be evaluated as part of the 2011-2012 Operating and Capital Budgets that will be considered by the Mayor and Redevelopment Agency Board in May and June. These positions were previously reimbursed by the SJRA.</p>

City-Wide Expenses/Other Proposals

<p>Sick Leave Payments Upon Retirement (-\$1.0 million ongoing)</p>	<p>Reduces the Sick Leave Payments Upon Retirement City-Wide Expenses allocation by \$1,000,000 from \$10,500,000 to \$9,500,000. This reduction aligns the anticipated payments with assumed employee total compensation reductions.</p>
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City of San José 2011-2012 Proposed Budget Summary

2010-2011 Adopted Budget Reductions Effective July 2011

It is important to note that the service reductions and eliminations under consideration to address the 2011-2012 General Fund budget shortfall do not include the service reductions and eliminations that are effective July 1, 2011 as approved by the City Council through the 2010-2011 budget process. These service reductions/eliminations are identified in the table below. Proposals to continue partial or full funding for a number of these services are included in the 2011-2012 Proposed Budget based on available funding. These proposals are identified with an asterisk.

2010-2011 Adopted Budget Reductions Effective July 2011

Service	Positions	Savings*
Police Patrol Staffing Reduction	(62.00)	(\$ 9,167,000)
Satellite/Neighborhood Centers Closure	(38.47)	(3,190,000)
One Fire Engine Company Elimination	(13.00)	(2,381,000)
Branch Library Hours Reduction (4-5 hours)	(21.67)	(1,789,000)
Senior Nutrition Program Elimination**	(25.86)	(1,164,000)
Park Ranger Program Reduction	(8.98)	(752,000)
Sexual Assaults Investigation Unit Staffing Reduction	(3.00)	(581,000)
Dr. Martin Luther King, Jr. Library Service Reduction	(5.63)	(549,000)
City Attorney Staffing Reduction	(3.00)	(437,000)
PRNS Special Events Staffing Reduction	(6.67)	(425,000)
Police Horse Mounted Unit Elimination**	(1.00)	(282,000)
Building Fee Program Reduction**	(10.50)	(236,000)
General Code Enforcement Program Reduction	(2.00)	(229,000)
Strong Neighborhoods Initiative Staffing Reduction	(6.00)	(652,000)
Workers' Compensation Claims Staffing Reduction	(2.00)	(218,000)
Anti-Graffiti Program Reduction	(2.00)	(211,000)
Development Services Program Manager Elimination**	(1.00)	(175,000)
Info. Tech. Business Application Mgmt Reduction	(1.00)	(136,000)
Arts Express (K-12 Arts) Program Elimination	(1.00)	(131,000)
STAND Gang Intervention Program Reduction	(1.63)	(125,000)
Special STI/ITI Development Program Reduction**	(2.00)	(106,000)
Almaden Lake Park Aquatics Program Elimination**	(3.22)	(70,000)
Lake Cunningham Marina Closure	(1.51)	(60,000)
Total	(223.14)	(\$23,066,000)

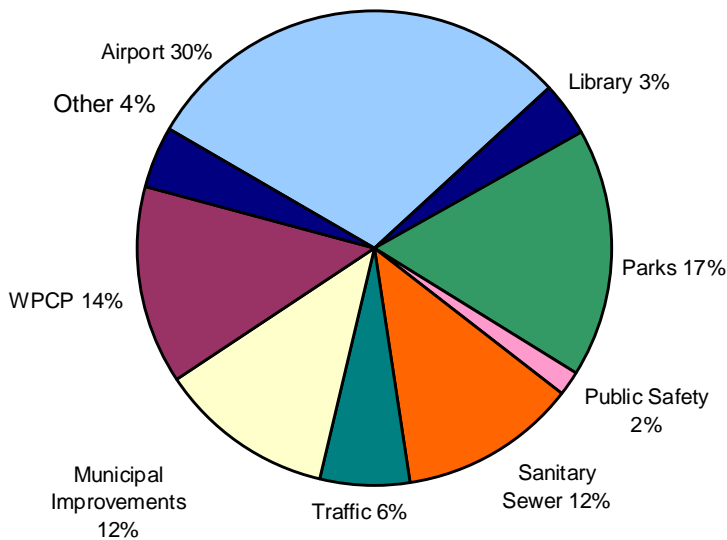
* Based on 2010-2011 costs excluding the impact of employee concessions; reflects net costs that factor in offsetting revenue (i.e., Building and Fire Fee Programs).

** Partial or full restoration of these services proposed in 2011-2012.

2011-2012 Capital Budget Overview

The 2011-2012 Proposed Capital Budget and 2012-2016 Proposed Capital Improvement Program (CIP) is composed of 14 capital programs. Following is a breakdown of the major programs:

2011-2012 Proposed Capital Budget



With this Proposed CIP, the City enters a new period of reduced, albeit still significant, capital investment following the *Decade of Investment*, which transformed much of the City’s public infrastructure. Major improvements have been completed in the City’s libraries, parks, community centers, and public safety facilities, primarily as a result of voter-approved bond measures that will have funded a total of \$599 million for these purposes. Additionally, with the opening of Terminal B, the renovations of Terminal A, and the new consolidated rental car facility at the Norman Y. Mineta San José International Airport, the City transformed the gateway to the Silicon Valley into the nation’s most modern air passenger facility that meets the needs of both customers and airlines taking full advantage of current technologies.

The next several years will include substantial investments in the Convention Center, water pollution control plant, sanitary sewer, and storm sewer infrastructure, designed to ensure continued safe and efficient facility operations, meet new and more stringent regulatory requirements, and add capacity to ensure economic development for future growth.

Major Projects to be Completed Over the Next Five Years

2011-2012 Projects

Calabazas Branch Library
 Fair Swim Center Improvements
 Fire Station 24 – Relocation (Silver Creek/Yerba Buena)
 Route 101/Mabury Road Interchange Design
 Sanitary Sewer Condition Asses., Phase II
 Traffic Signal Communications and Synchronization

2012-2013 Projects

2010 STP Resurfacing and Rehabilitation Project
 Allen at Steinbeck School Soccer Field, Phase I
 Alum Rock School District Sports Field Partnership (Sheppard Middle School)
 Branham Park Playground Renovation
 Calabazas Basketball Court Renovation
 City Owned – Garage Elevator Upgrades
 Diridon Area Parking and Multi-modal Improvements
 Downtown Event Parking Dynamic Message Sign Repair and Upgrades
 Fire Station 37 (Willow Glen)
 Guadalupe River Park and Gardens Improvements (Rotary Club)
 Route 101/Tully Interchange Upgrade
 TRAIL: Coyote Creek (Highway 237 Bikeway to Tasman Drive)
 TRAIL: Lower Guadalupe River (Gold Street to Highway 880)
 TRAIL: Thompson Creek (Tully Road to Quimby Road)
 TRAIL: Three Creeks Interim Improvements and Trestle Bridge

2013-2014 Projects

Convention Center Expansion and Renovation Project
 Fire Station 21 – Relocation (White Road)
 Ground Transportation Island Modifications
 ITS: Transportation Incident Management Center
 Peppermint Drive Water Main Replacement
 Southeast Branch Library
 TRAIL: Penitencia Creek Reach IB (Noble Avenue to Dorel Drive)

2014-2015 Projects

Digester Rehabilitation
 Fourth Major Interceptor, Phase VIIA
 Lamplighter Relief Pump Station and Force Main
 Non-Terminal Area Projects
 Willow Glen-Guadalupe, Phase III

2015-2016 Projects

Gumdrop Drive Water Main Replacement

Tier 2 General Fund Budget Proposals

The 2011-2012 Proposed Budget is balanced assuming that the City Council's direction to achieve both a 10% reduction in total compensation from all employee groups and also the roll back of any wage increases given in 2010-2011 will be accomplished. Additional significant reductions will be needed to the extent we do not achieve these concessions from the remaining bargaining groups, as well as to address other potential problems: 1) budget shortfalls that could arise from State actions; or, 2) lower than anticipated revenue performance.

As of the publishing of the Proposed Budget, the City Council has approved a 10% ongoing total compensation reduction and other reforms for four bargaining groups as well as unrepresented employees. If no additional concessions are achieved with any of the remaining seven bargaining groups, it is projected that an additional \$42 million in Tier 2 reductions (\$20 million for sworn Police and \$22 million for non-public safety employees) will be required in the General Fund to keep the proposed budget in balance. This figure is \$16 million above the savings assumed from concessions. Unfortunately, laying additional employees off brings considerable additional costs to the City which must be addressed. Additional reductions will be needed to fund vacation and compensatory time payouts, as well as unemployment insurance payments for every position eliminated in Tier 2 plan.

Consistent with the direction provided in the Mayor's 2011-2012 March Budget Message, the Administration will focus Tier 2 reductions caused by the lack of sworn police concessions in the public safety services area, and similarly, the lack of non-public safety concessions towards non-public safety services. As the San José Fire Fighters Local 230 has already agreed to concessions, the Police Department will bear the sole impact of \$20 million in reductions. Additional reductions necessary to accomplish these savings for the Police Department will require the elimination of a total of 156 sworn positions including 134 Police Officers, 21 Police Sergeants, and 1 Police Lieutenant. Examples of Sworn Police reductions needed to bridge this funding gap include:

- Field Patrol would be further reduced
- Bureau of Investigations would be further downsized and reorganized
- The Traffic Enforcement Unit would lose two of six Traffic Teams

Absent any additional concessions from non-public safety employees, the non-public safety service reductions will be \$22 million which would require the elimination of nearly 290 additional positions. Examples of Non-Public Safety services reductions include:

- Closure of all 19 branch libraries
- Closure of all 10 community center "Hubs", Grace Community Center, Bascom Community Center, and 44 Re-Use satellite and neighborhood centers
- Elimination of Park Ranger Program
- Reduction of Public Safety Dispatchers
- Reductions to Pavement Maintenance Staffing
- Reductions to Strategic Support Services, including Mayor, City Council, and Appointee Offices

The Tier 2 proposals are very preliminary and will need to be further refined and all options will be explored. Significant analysis is necessary to evaluate specific service impacts and all of the costs associated with each individual reduction proposal including the impact of Tier 2 reductions on not just the General Fund, but all funds. A more detailed list of Tier 2 reductions will be provided later in the budget process and employee notifications will be sent out accordingly, if necessary.

City of San José 2011-2012 Proposed Budget Summary

City Council Districts



Roster of Elected Officials

CITY COUNCIL	DISTRICT	TELEPHONE/ E-MAIL
Chuck Reed	Mayor	535-4800 mayoremail@sanjoseca.gov
Pete Constant	1	535-4901 District1@sanjoseca.gov
Ash Kalra	2	535-4902 District2@sanjoseca.gov
Sam Liccardo	3	535-4903 District3@sanjoseca.gov
Kansen Chu	4	535-4904 District4@sanjoseca.gov
Xavier Campos	5	535-4905 District5@sanjoseca.gov
Pierluigi Oliverio	6	535-4906 pierluigi.oliverio@sanjoseca.gov
Madison Nguyen	7	535-4907 District7@sanjoseca.gov
Rose Herrera	8	535-4908 rose.herrera@sanjoseca.gov
Donald Rocha	9	535-4909 District9@sanjoseca.gov
Nancy Pyle	10	535-4910 District10@sanjoseca.gov

City Manager

Debra Figone
 Phone: (408) 535-8100
Webmaster.manager@sanjoseca.gov

Managing Our Finances

Despite the City's economic challenges, the City of San José is recognized for its excellent financial management. San José has maintained strong credit ratings (AAA/Aaa/AA+ from Standards and Poor's, Moody's and Fitch, respectively), ranking the highest of any major California city. The City's annual Operating and Capital Budgets and the Comprehensive Annual Financial Report (CAFR) have also received awards from the Government Finance Officers Association and the California Society of Municipal Finance Officers.

The City's excellent credit ratings have saved taxpayers money in financing costs for the three general obligation bonds passed for park, library, and public safety improvements and other debt obligations.

Accessing the Budget

On-line versions of the City of San José's 2011-2012 Proposed Operating and Capital budgets are posted on the City's website at www.sanjoseca.gov/budget. These documents are also available at your public library. For more information about the City of San José Budget, please contact the City Manager's Budget Office at (408) 535-8144.

This publication can be made available upon request in alternative formats such as Braille, large print, audio-tape or computer disk. Requests can be made by calling (408) 535-8144 (Voice) or (408) 294-9337 (TTY).