BUDGET DOCUMENT # 5

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

# Memorandum

**TO:** MAYOR REED

**FROM:** Councilmember Nora Campos

**SUBJECT: BUDGET DOCUMENT**

**DATE:** May 19, 2009

Approved Nora Campos

Date 5/19/09

## RECOMMENDATION

That the following recommendation be enacted.

## BACKGROUND

**City-Council Initiated Neighborhood Improvement Reserve Fund/Other Budget Proposals**

Program/Project Title: Track and Support the State of California's Efforts to Increase the Emergency Response Initiative's Funding to Local Governments to Support Local Emergency Response Services

Amount of City Funding Required: N/A

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

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

Recent polling has shown that the majority of State ballot measures will be defeated on the May 19, 2009 special election. In anticipation of those ballot measures failing, Governor Schwarzenegger has initiated discussions with key agencies and legislators on potentially utilizing the Emergency Response Initiative (ERI) as a means of backfilling emergency response service cuts to Cal Fire and contract Counties.

In the event that the State seeks to borrow funding from local governments in order to solve its budget deficit, Governor Schwarzenegger may also be considering an increase to the insurance surcharge used to fund the ERI in order to fund a portion of the Department of Forestry and Fire Protection's baseline firefighting operations and provide assistance to local first response agencies in support of the State's

mutual aid system, of which the City of San José is a participant. Current proposals call for a 4.8 percent increase to the insurance surcharge on all residential and commercial property insurance statewide. It is estimated that this surcharge would average approximately $48 per insurance policyholder.

The City Administration should immediately begin to track the discussion surrounding this issue and return to the Rules and Open Government Committee as soon as possible with an analysis of the potential impact this funding stream could have on the San José Fire Department operations and emergency response capabilities and a recommended City position on the proposal, which should then be referenced for full City Council discussion and adoption.

The City Service Area to which the change best relates:

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