2019-2020 Proposed City Budget

Community Budget Meeting

May 2019
Agenda

• Budget process and timeline
• Budget Overview for 2019-2020
• Services Restored
• Priority Areas for Investment
• Questions & Answers
## Annual Budget Process

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>February 28, 2019</td>
<td>2020-2024 Five-Year Forecast Released</td>
</tr>
<tr>
<td>March 8, 2019</td>
<td><strong>Mayor’s 2019-2020 March Budget Message Released</strong></td>
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<td>March 19, 2019</td>
<td>Public Hearing &amp; Council Review/Approval of Mayor’s March Budget Message</td>
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<tr>
<td>May 8-13, 2019</td>
<td>City Council Budget Study Sessions</td>
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<tr>
<td>May 9-28, 2019</td>
<td>Community Budget Meetings</td>
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<tr>
<td>May 14, 2019</td>
<td>Initial Public Budget Hearing</td>
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<tr>
<td>May 31, 2019</td>
<td><strong>Mayor’s June Budget Message Released</strong></td>
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<tr>
<td>June 10, 2019</td>
<td>Final Public Budget Hearing</td>
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<tr>
<td>June 11, 2019</td>
<td>Council Review/Approval of Mayor’s June Budget Message and Budget</td>
</tr>
<tr>
<td>June 18, 2019</td>
<td>Adoption of the 2019-2020 Budget and Fees and Charges</td>
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We are here!
Proposed 2019-2020 Budget

Overview
Proposed 2019-2020 Budget Overview

Expenditures

City Budget for 2019-20:
$4.3 billion

Total Number of Funds:
123

Total Number of Positions (FTE):
6,622

General Fund, $1.2 Billion**
(28%)

Special Funds, $1.8 Billion
(42%)

Capital Funds, $1.3 Billion
(30%)

**$1.35B when including transfers and other adjustments
Proposed 2019-2020 Budget Overview

Revenue Sources

Total General Fund: $1,352,457,998

- Property Tax, (26.2%)
- Sales Tax, (19.1%)
- Licenses, Permits & Fee, (8.9%)
- Franchise & Utility, (11.0%)
- Other Agencies, (1.9%)
- Transfers & Reimbursements, (7.4%)
- Others, (12.1%)
- Fund Balance, (13.5%)
Proposed 2019-2020 Budget Overview

Budget by City Service Areas

**Environmental and Utility Services** (27%)
- Community Energy
- Environmental Services
- Transportation

**Neighborhood Services** (7%)
- Library
- Parks, Recreation and Neighborhood Services
- Planning, Building and Code Enforcement
- Public Works

**Public Safety** (28%)
- City Manager’s Office
- Fire
- Independent Police Auditor
- Police

**Strategic Support** (18%)
- Finance
- Human Resources
- Information Technology
- Public Works

**Transportation and Aviation Services** (11%)
- Airport
- Transportation

**Community and Economic Development** (9%)
- Economic Development
- Fire
- Housing
- Planning, Building and Code Enforcement
- Public Works
Looking Back: Balancing $663M of Shortfalls

<table>
<thead>
<tr>
<th>Year</th>
<th>Shortfall ($ in millions)</th>
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<tr>
<td>2003</td>
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<tr>
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<tr>
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<td>2019</td>
<td>$200</td>
</tr>
<tr>
<td>2020</td>
<td>$220</td>
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Office of Mayor Sam Liccardo

@liccardo  
facebook.com/samliccardo1
## 2020-2024 Five-Year General Fund Forecast

### General Fund Operating Margins

(Base, Optimistic, Pessimistic, and Recession Scenarios)

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<tbody>
<tr>
<td>Base Case*</td>
<td>$5.1 M</td>
<td>($10.9 M)</td>
<td>($13.7 M)</td>
<td>$11.4 M</td>
<td>($ 1.7 M)</td>
<td>($9.8 M)</td>
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<tr>
<td>Optimistic Case</td>
<td>$6.5 M</td>
<td>($12.1 M)</td>
<td>($2.1 M)</td>
<td>$22.1 M</td>
<td>$17.1 M</td>
<td>$31.5 M</td>
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<tr>
<td>Pessimistic Case</td>
<td>($3.6 M)</td>
<td>($27.9 M)</td>
<td>($28.1 M)</td>
<td>($1.5 M)</td>
<td>($ 11.5 M)</td>
<td>($72.5 M)</td>
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<tr>
<td>Recession Scenario</td>
<td>($3.6 M)</td>
<td>($38.9 M)</td>
<td>($76.6 M)</td>
<td>($25.2 M)</td>
<td>($ 8.8 M)</td>
<td>($153.1 M)</td>
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*Represents an updated forecast as of May 2019
Services Restored

Overview
Services Restored (Since 2015)

• Police
  • Added 240+ new (net) Police Officers
  • Doubled Community Service Officers
  • Crime prevention and analysis
  • Gang prevention: Project Hope, SJWorks, etc.

• Fire/Emergency Medical Response
  • Eliminated “Brown Outs”
  • Restored emergency medical response standards (13+ months)
  • New Fire Stations

• Community Centers
• Libraries: Open 6 days/ wk
• Homeless Rehousing
• Streets: Measure B, SB1, Measure T
• Park Maintenance
• School Crossing Guards
• Bridges, LED Street Lights, Flood Pumps
Increasing Police Staffing Levels

Street-ready positions are officers working

Budgeted: 1151 Sworn Officers

Street-Ready Positions
Emergency Response

County standard (EMS 3):
• 8 minute response, 90% of the time

Over the past 9 months:
• Response times averaged 91.33%, or 1.33% above the County EMS Code 3

13 consecutive months of meeting 90% standard
Streets and Pavement Program

Funding:
- Increase from $18.4M (2013) to $87M (2019)

Miles Paved:
- Increased from 29 (2013) to 284 (2019)

2020 Plans:
- $111M in funding
- 270 miles paved
Proposed 2019-2020 Budget

Priority Areas for Investment
2019-2020 Mayor’s March Message

- Investment priorities:
  - Saving
  - Public Safety
  - High Cost of Housing and Living
  - Homelessness
  - Combatting Blight
  - Environment
Saving

• Allocate $5 million surplus to reduce future deficits

• Boost reserves by $30+ million

• Protect against future deficits

• Pay down $5 million in debt to provide ongoing savings
Public Safety

• Create “Hire Ahead” program to accelerate SJPD's hiring

• Identify site & build police training facility

• Enable activation of the South Police Substation

• Improve SJFD response by triaging non-emergency calls

• Right-size crossing guards to cover 121 intersections
High Cost of Housing and Living

- Allocate $10 million for housing for “missing middle” workers
- Fund staff to expedite housing development
- Boost supply of affordable childcare by incentivizing construction of facilities and support care provider training
Homelessness

• Expand **Transitional Jobs program** to employ homeless individuals cleaning streets, creeks, and public spaces

• Identify site and build "navigation center"

• **Partner with local colleges** to help homeless students w/ emergency grants

• Invest $4 million in **homelessness prevention**
Combatting Blight

- Expand the **Removing and Preventing Illegal Dumping (RAPID)** team

- Boost legal enforcement on blighted properties

- Fill empty retail spaces with **Storefront Activation Grant** and **Retail Attraction Programs**

- Pilot “Cash-for-Trash” for homeless to keep encampments clean

- Invest in ** BeautifySJ** through equipment and mini-grants for neighborhoods

#BeautifySJ
Environment

• Purchase land to preserve Coyote Valley
• Support implementation of Climate Smart San Jose
• Future re-investment
• Leverage philanthropy
Commitment to Equity & Opportunity

- Office of Immigrant Affairs
- SJ Learns
- SJ Works
- Coding 5K
- SJ College Promise
- Digital Inclusion Partnership
- Age Friendly Gen2Gen Initiative
Example Local Capital Projects

- **Alma Park Master Plan and Design** ($500,000, estimated completion in 2019-2020)
- **Bellevue Park Playground** ($1.1 million, estimated completion in 2021)
- **Branham and Snell Street Improvements** ($2.1 million, estimated completion in 2020)
- **Coyote Creek Trail - Story Rd. to Selma Olinder Park** ($500,000, estimated completion in 2020)
- **Danna Rock Park Youth Lot** ($976,000, estimated completion in 2021)
- **McLaughlin Avenue Pedestrian/Bike Safety Enhancements** ($5.3 million, estimated completion in 2020)
- **Ramac Park Turf Replacement** ($2.0 million, estimated completion in 2021)
- **Route 101/Blossom Hill Road Interchange** ($10.6 million, estimated completion in 2022)
Get Involved!

• Volunteer
• Be a mentor
• Teach a coding class
• Clean a creek
• Adopt a park or trail

Learn more and sign up at: partners.sanjosemayor.org
Questions?