

**2025-2026 General Fund Recommended Budget Adjustments Summary  
Annual Report**

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<b>Required Technical-Rebalancing Actions</b>			
<p>Business Improvement District Creation</p> <p>This action re-establishes the Business Improvement District Creation City-Wide Expenses appropriation in the amount of \$20,000 to complete the formation of The Alameda Community Benefit Improvement District. The district was approved by the City Council on June 17, 2025. A budget of \$53,000 was initially allocated to cover staffing costs related to the district's formation, including the analysis of the district management plan, coordination with the City Clerk's Office for mailing ballots, preparation of multiple City Council memoranda, and filing with the County Assessor's Office. The additional funding will ensure that staff can complete the district's formation in 2025-2026, which includes covering additional filing fees with the County Assessor's Office, finalizing the negotiation and execution of the agreement with the Alameda Business Association, and training the Alameda Business Association staff on the Brown Act and Prevailing Wage requirements to comply with State Law and local ordinances.</p>	City Manager - Office of Economic Development and Cultural Affairs	\$20,000	
<p>Personal Services (Energy Customer Development Team - Delete 1.0 Senior Executive Analyst)</p> <p>This action decreases the Office of Economic Development and Cultural Affairs (OEDCA) Personal Services appropriation by \$185,832 and deletes 1.0 Senior Executive Analyst position. As part of the 2025-2026 Adopted Operating Budget, an Energy Customer Development Team, which consists of 1.0 Assistant to the City Manager and 1.0 Senior Executive Analyst positions, was added in OEDCA. However, upon further assessment, it was determined that the role of the Senior Executive Analyst position would be more appropriate as a Development Officer position and housed within the Planning, Building and Code Enforcement Department (PBCE). The position will support major data center projects, guiding them from initial application through permit issuance. This includes working closely with internal review teams (Planning, Building, Public Works, and Fire Prevention), external agencies, and OEDCA. The role also involves coordinating day-to-day permit issues, responding to developer questions, maintaining project timelines, and supporting inspection and construction sequencing, which are essential activities to keeping high- priority, high-value data center projects on track. A corresponding action to add 1.0 Development Officer position with the funding in PBCE is recommended elsewhere in this report.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$185,832)	

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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
<p>Non-Personal/Equipment (Purified Water Program)</p> <p>This action decreases the Environmental Services Department's Non-Personal/Equipment appropriation by \$110,887 and shifts this funding, along with \$72,107 rebudgeted from the Environmental Services Department's Personal Services appropriation, to the newly established Purified Water Program City-Wide Expenses appropriation described elsewhere in this report. In 2024-2025, Valley Water paid the City \$200,000 upfront to support staff time as needed devoted to the Purified Water Program whose time was allocated to utility funds. A total of \$182,994 remains to support this program.</p>	<p>Environmental Services Department</p>	<p>(\$110,887)</p>	
<p>Purified Water Program</p> <p>This action establishes the Purified Water Program City-Wide Expenses appropriation in the amount of \$110,887. In 2024-2025, Valley Water paid the City \$200,000 upfront to support staff time as needed devoted to the Purified Water Program whose time was allocated to utility funds. A total of \$182,994 remains in the Environmental Services Department's budget, of which \$110,887 is recommended to be shifted from Non- Personal/Equipment appropriation and \$72,107 is recommended to be rebudgeted in the Personal Services appropriation and then reallocated to the Purified Water Program City-Wide Expenses appropriation. This action is offset by a corresponding decrease to the Non-Personal/Equipment appropriation to the Environmental Services Department.</p>	<p>Environmental Services Department</p>	<p>\$110,887</p>	
<p>Revenue from Local Agencies (Purified Water Program)</p> <p>This action increases the estimate for Revenue from Local Agencies by \$727,698 to recognize funding that was inadvertently omitted during the development of the 2025-2026 budget. Since 2024-2025, Valley Water provides ongoing funding for 2.5 positions in the Environmental Services Department in the Purified Water Program, including 1.0 Senior Environmental Program Manager, 1.0 Supervising Environmental Services Specialist, and 0.5 Deputy Director position, to support a comprehensive water conservation program spanning all water-related utilities operated by the City. This team interfaces with Valley Water in the pursuit of a variety of projects and activities within the "One Water" strategy, including the implementation of water conservation programs, and the coordination and development of plans for a substantial water recycling project for the production of potable water from wastewater effluent.</p>	<p>Environmental Services Department</p>		<p>\$727,698</p>

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Chemical Nerve Agent Antidote Kit Replacement)	Fire Department	\$75,000	
<p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$75,000 for the procurement of 540 doses of dual-chambered auto-injector kits containing two separate chemical nerve agent antidotes. It is intended for use in the event of exposure to a chemical nerve agent or organophosphorus insecticide. The new doses will replace the current inventory set to expire in January 2026.</p>			
Non-Personal/Equipment (Defibrillator Replacement)	Fire Department	\$60,000	
<p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$60,000 to replace 20 Automated External Defibrillators (AEDs) under the City of San José's Public Access Defibrillator (PAD) Program, which places devices in all city-owned buildings. This allocation replaces 20 of the 200 units in inventory. As part of future budget processes, additional units that approach the end of their serviceable life will be recommended to be funded by the Fire Equipment Replacement Sinking Fund Reserve.</p>			
Non-Personal/Equipment (Equipment Maintenance)	Fire Department	\$66,000	
<p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$66,000 to provide funding for the continued maintenance and preventive care services for previously acquired emergency medical services devices, such as defibrillators and chest compression devices. The initial one-year vendor-supported service plan has expired. The ongoing maintenance costs will be incorporated as part of the development of the 2026-2027 Base Budget.</p>			
Non-Personal/Equipment (Records Management System)	Fire Department	\$246,600	
<p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$246,600 to provide funding for the replacement of the department's records management system. The current records management system has reached the end of its useful life and is no longer supported. Initial funding of \$53,000 was appropriated as part of the 2021-2022 Annual Report for this project; however, the bid came in at \$299,600, inclusive of implementation costs. The replacement system will streamline the collection, management, and reporting of fire, medical, and other incident response data. In addition to handling fire prevention invoices, permits, inspections, and related information, the new platform will also support resource and equipment management across the agency.</p>			

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Transfer from Real Property Transfer Tax Fund)	General Fund Revenue		\$700,000

This action increases the revenue estimate for Transfers and Reimbursements by \$700,000, from \$145.9 million to \$146.6 million. The 2025-2026 Adopted Budget estimate for the Transfer from the Real Property Transfer Tax Fund - Interest Income was built on the assumption that 2024-2025 collections would total \$1.3 million and remain flat in 2025-2026. However, due to higher than anticipated collections at the end of 2024-2025, collections ended the year at approximately \$2.2 million. Therefore, this report includes a recommendation to increase the 2025-2026 budgeted estimate by \$700,000 to align the budgeted estimate more closely with the prior year collection level.

Transfer to the Real Property Transfer Tax Fund	Housing Department	\$2,138,780	
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This action re-establishes a Transfer to the Real Property Transfer Tax Fund in the amount of \$2.1 million to transfer Real Property Transfer Tax (Measure E) funding from the General Fund. The real property transfer taxes were previously collected and appropriated in the General Fund, but starting in 2024-2025, the Real Property Transfer Tax Fund was established and all taxes are collected and appropriated in that fund. This transfer reflects the liquidation of prior-year encumbrances associated with contracts previously supported by Measure E funding in the General Fund for affordable housing development and homelessness prevention or support services.

Non-Personal/Equipment (Windows 10 Extended Support)	Information Technology Department	\$136,000	
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This action increases the Information Technology's Non-Personal/Equipment appropriation by \$136,000 to provide extended Windows 10 support services for devices in the Police Department and Fire Department. Because of the need for consistent device uptime with expected high-intensity activities through calendar year 2026, delays have been experienced in upgrading devices to Windows 11. Due to the delays, an extension for support services is needed for legacy Windows 10 systems, as provided by an external vendor. After calendar year 2026, the Windows 11 upgrade effort will resume and will modernize the affected devices to the supported standard.

Transfer to the Gift Trust Fund (Library - General Gifts)	Library Department	\$124,643	
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This action establishes a Transfer to the Gift Trust Fund in the amount of \$124,643. Subsequent to a detailed reconciliation, a number of donations and gifts for various branch locations received by the San José Public Library Foundation were incorrectly deposited in the General Fund rather than in the Gift Trust Fund. A corresponding action in the Gift Trust Fund to establish a Transfer from the General Fund and increase the Library-General Gifts appropriation to the Library Department is recommended elsewhere in this report.

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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
Council District #01 (Sponsorship)	Mayor & City Council	\$1,000	
This action increases the Council District #01 appropriation by \$1,000 to allocate revenues that were received at the end of 2024-2025 from sponsorship to support the WEPA FEST 2025 event.			
Council District #03 (Sponsorship)	Mayor & City Council	\$500	
This action increases the Council District #03 appropriation by \$500 to allocate revenues that were received at the end of 2024-2025 from sponsorship to support a Lowrider event.			
Council District #05 (Sponsorship)	Mayor & City Council	\$5,243	
This action increases the Council District #05 appropriation by \$5,243 to allocate revenues that were received at the end of 2024-2025 from sponsorship to support a Cinco de Mayo event.			
Council District #08 (4th of July Celebration)	Mayor & City Council	\$30,000	
This action increases the Council District #08 appropriation by \$30,000 to cover the additional costs related to the 4th of July celebration. Due to the destruction of the fireworks warehouse in Yolo County, many 4th of July fireworks displays were cancelled throughout the region, including at Lake Cunningham. To ensure that San José residents could still enjoy an aerial display, the Administration worked with Council District #08 to secure a vendor for a drone light show at a cost of \$60,000. An increase of \$30,000 is recommended to offset the unexpected impact to Council District #08, with the remaining amount absorbed by the City Manager's Special Projects City-Wide Expenses appropriation.			
Council District #08 (Sponsorship)	Mayor & City Council	\$17,000	
This action increases the Council District #08 appropriation by \$17,000 to allocate revenues that were received at the end of 2024-2025 from sponsorship to support the Lake Cunningham 4th of July celebration.			
Council District #09 (Sponsorship)	Mayor & City Council	\$29,500	
This action increases the Council District #09 appropriation by \$29,500 to allocate revenues that were received at the end of 2024-2025 from sponsorship to support a Music in the Valley event.			
City Attorney's Office Outside Litigation Reserve	Office of the City Attorney	\$250,000	
This action increases the City Attorney's Office Outside Litigation Reserve by \$250,000, from \$750,000 to \$1.0 million, to restore funding to an adequate level for anticipated outside legal services costs.			

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Transfer to the Emergency Reserve Fund</p> <p>This action decreases the Transfer to the Emergency Reserve Fund by \$3.0 million, from \$10.0 million to \$7.0 million. The transfer was originally included in the 2025-2026 Adopted Operating Budget to enable an increase to the FEMA (Federal Emergency Management Agency) Non-Reimbursable Expenses Reserve, intended as a safeguard in the event that a portion of the approximately \$30 million in FEMA reimbursements for pandemic-related expenses was denied. Because actual reimbursements in 2024-2025 exceeded initial projections, the General Fund contribution to this reserve can be reduced.</p>	Office of the City Manager	(\$3,000,000)	
<p>Senior Nutrition Program</p> <p>This action increases the Senior Nutrition Program City-Wide Expenses appropriation by \$265,731, from \$3.3 million to \$3.6 million. Since June 2018, PRNS, in partnership with the County of Santa Clara, has contracted with a vendor to provide cooked meals to seniors at community centers throughout San José in support of the Senior Nutrition Program. The County reimburses the City a portion of the total contract cost to provide meals (\$2.03 million), which was allocated in the 2025-2026 Adopted Operating Budget. The contract to provide the meals has been finalized and the cost of the program is \$265,731 higher than what was assumed in the development of the 2025-2026 budget due to vendor cost increases per meal provided. County reimbursement rates, however, did not increase correspondingly; therefore, in order to maintain the program at the current level, the full burden of increased costs falls to the City. With this action, funding is provided to operate the entire program at an estimated cost of \$3.6 million, partially offset by the County's contribution of \$2.03 million. The higher ongoing costs for the City will be incorporated into the development of the 2026-2027 Base Budget.</p>	Parks, Recreation and Neighborhood Services Department	\$265,731	
<p>Multiple Housing Fee Program Reserve</p> <p>This action establishes the Multiple Housing Fee Program Reserve in the amount of \$900,000. The Multiple Housing Fee Program is a full cost recovery program funded through fees, and the program ended 2024-2025 with expenditure savings and additional revenues. This funding will be set aside for future use by the Multiple Housing Fee Program.</p>	Planning, Building and Code Enforcement Department	\$900,000	

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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
Personal Services (Energy Customer Development Team - Add 1.0 Development Officer through June 30, 2030)	Planning, Building and Code Enforcement Department	\$185,832	

This action increases the Planning, Building, Code Enforcement's Personal Services appropriation by \$185,832 and adds 1.0 Development Officer position. As part of the 2025-2026 Adopted Operating Budget, an Energy Customer Development Team, which consists of 1.0 Assistant to the City Manager and 1.0 Senior Executive Analyst positions, was added in the Office of Economic Development and Cultural Affairs (OEDCA). However, upon further assessment, it was determined that the role of the Senior Executive Analyst position would be more appropriate as a Development Officer position and housed within the Planning, Building and Code Enforcement Department (PBCE). The responsibilities of the position remain unchanged from those described in the 2025-2026 Adopted Budget. Within PBCE, the position will support major data center projects, guiding them from initial application through permit issuance. This includes working closely with internal review teams (Planning, Building, Public Works, and Fire Prevention), external agencies, and OEDCA. The role also involves coordinating day-to-day permit issues, responding to developer questions, maintaining project timelines, and supporting inspection and construction sequencing. All of which are essential activities to keeping high-priority, high-value data center projects on track. A corresponding action to delete 1.0 Senior Executive Analyst position with the funding in OEDCA is recommended elsewhere in this report.

Arena Public Safety	Police Department	\$50,000	
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This action increases the Arena Public Safety City-Wide Expenses appropriation, which has been retitled from Arena Peddler Mitigation Program City-Wide Expenses appropriation, to the Police Department by \$50,000, from \$100,000 to \$150,000. As approved by City Council on August 19, 2025, the City of San José and Sharks Sports and Entertainment agreed on a contract extension to keep the Sharks in San José through 2051. As part of the agreement, the City is allocating \$50,000 on a one-time basis to reimburse the Sharks Sports and Entertainment for purchase and deployment of security cameras at the SAP Center.

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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
Non-Personal/Equipment/Revenue from State of California (9-1-1 Call Processing Phone System Maintenance)	Police Department	\$299,500	\$158,640

This action increases the Police Department's Non-Personal/Equipment appropriation by \$299,500 and the estimate for Revenue from State of California by \$158,639 for 9-1-1 call processing phone system maintenance. The phone system is a critical system that requires 24/7 availability for both Fire and Police communications and the maintenance support will help mitigate any system failures and ensure a proper and functional system. In previous years, California Governor's Office of Emergency Services (Cal OES) has fully paid for the maintenance services; however, effective 2025-2026, Cal OES will no longer fully support the cost of maintenance services and will shift a portion of the financial responsibility to local agencies. Cities must pay the full amount of the maintenance services and will be reimbursed for a portion of the costs.

Non-Personal/Equipment (Oversized Vehicle Tow Service)	Police Department	\$600,000	
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This action increases the Police Department's Non-Personal/Equipment appropriation by \$600,000 to fund a higher negotiated unit cost for the towing and disposal of oversized vehicles as well as increasing the overall towing capacity. Due to the volume of tows – including the removal and disposal of 79 unsafe recreational vehicles from Columbus Park – and increased costs for the towing and disposal of recreational vehicles, the City Council will consider Item 2.14 their meeting September 30, 2025, to increase the total compensation to the tow contractor and to increase the amount per tow from \$2,000 to \$3,200, among other contract amendments. Combined with the Police Department's existing \$200,000 budget for the towing of oversized vehicles, this action allows for the full funding of tows already incurred through August, including the large number of tows at Columbus Park, and approximately 10 oversized vehicle tows per month from September through June. This funding is exclusive of tows under the Transportation's Department's Oversize Lived-In Vehicle Enforcement Program and the Parks, Recreation and Neighborhood Services Department's Beautify San José program, which have separate budgets for the towing of oversized vehicles. The higher unit price for oversized vehicle tows will be incorporated into the development of the 2026-2027 Base Budget.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (South Bay Information Sharing System)	Police Department	\$76,425	

This action increases the Police Department's Non-Personal/Equipment appropriation by \$76,425 to fund the City of San José's share of costs associated with the South Bay Information Sharing System (SBISS) also known as CopLink. This system is a regional law enforcement data-sharing platform. This investigative tool provides law enforcement officers complete visibility and access to cross-jurisdiction information sharing with all the local agencies which leads to improved investigative capabilities and higher solve rate of crimes and incidents. Previously this system was partially funded by the County of Santa Clara's Sheriff's Office State Homeland Security Grant Program which will no longer be available to fund this system effective 2025-2026. This action will provide funding for the City to fully fund the system costs.

Personal Services/Licenses and Permits (Cardroom Regulation Program)	Police Department	(\$310,043)	(\$440,640)
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This action decreases the Police Department's Personal Services appropriation by \$310,043 and the corresponding revenue estimate for License and Permits by \$440,640 due to changes in the Cardroom Regulation Program. On August 19, 2025, the City Council approved the reduction to the Cardroom Regulation Fee for each cardroom by \$220,320, from \$1,077,536 to \$857,216, for a total revenue reduction of \$440,640. The fee reduction is driven by the deletion of 1.0 Senior Auditor and 1.0 Staff Specialist positions in the Police Department's Office of Gaming Control (approved at the August 19 meeting) totaling \$310,043 and a revenue loss of \$130,597, which corresponds to the overhead costs assigned to the two positions.

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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
Personal Services (Red Light Running Camera Program)	Police Department	\$211,000	

This action increases the Police Department's Personal Services appropriation by \$211,000 to fund temporary staffing to assist with monitoring the red- light running program. The main duties of this position include, but are not limited to, reviewing all video and photos from red-light cameras; approving or rejecting noted violations; preparing subpoenas for court and conducting secondary investigations into completed citations; reviewing DMV and court files; coordinating with the third-party red- light camera vendor and City Attorney's office regarding notifications and requests for additional court representation, technical equipment maintenance, or audits; gathering, organizing, and evaluating data including video and case files; maintaining evidence within an electronic case management system in compliance with City retention standards; and performing other duties as required to support the pilot project. This action is offset by a corresponding decrease to the Transportation Department's Non-Personal/Equipment appropriation, which included the original budget for this project.

City Hall Maintenance and Repairs	Public Works Department	\$150,000	
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This action establishes the City Hall Maintenance and Repairs appropriation in the amount of \$150,000. This funding will provide for minor restoration work for the exterior of the City Hall campus, such as power washing, window washing, graffiti removal, painting, and repair of broken fixtures. While minor repair work and debris removal has been completed as incidents have occurred, funding for more extensive exterior restoration at City Hall was last allocated in the 2022-2023 Adopted Capital Budget. A new allocation is needed to address the deterioration of exterior areas.

Non-Personal/Equipment (Measure T Facilities Vehicle Purchase)	Public Works Department	\$220,000	
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This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$220,000 to purchase vehicles (two full sized pickup trucks) for the Facilities Maintenance Division. The 2025-2026 Adopted Operating Budget added 2.0 Senior Facility Repair Worker positions, effective April 1, 2026 to support Measure T funded facilities that will come online in spring 2026, including Fire Station 32 and the Police Training Center. These vehicles, inadvertently omitted from the 2025-2026 Adopted Operating Budget, will serve as essential work platforms, enabling staff to transport tools, materials, and safety equipment to a wide range of facilities across San José. With a high volume of projects and service needs, and the varying proximities of sites, transportation is critical to provide timely delivery of base- level trade services.

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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
<p>San José Museum of Art Cooling Tower Replacement</p> <p>This action decreases the San José Museum of Art Cooling Tower Replacement appropriation by \$150,000 to reallocate anticipated project savings to the San José Museum of Art Improvements appropriation for minor improvements at the San José Museum of Art, including replacement of the exterior banner. The San José Museum of Art Cooling Tower Replacement project is expected to be completed in winter 2025 with project savings resulting from the liquidation of contingency funding that was not needed. The corresponding establishment of the San José Museum of Art Improvements appropriation is recommended elsewhere in this report.</p>	Public Works Department	(\$150,000)	
<p>San José Museum of Art Improvements</p> <p>This action establishes the San José Museum of Art Improvements appropriation in the amount of \$150,000 to fund minor improvements at the San Jose Museum of Art, including replacement of the exterior banner. This action is offset by a corresponding decrease to the San José Museum of Art Cooling Tower Replacement appropriation as recommended in this report.</p>	Public Works Department	\$150,000	
<p>Non-Personal/Equipment (Red Light Running Camera Program)</p> <p>This action decreases the Transportation Department's Non-Personal/Equipment appropriation by \$211,000 and reallocates the funding to the Police Department for temporary staffing to assist with data analysis. In 2022-2023, the Transportation Department received one-time funding of \$733,000 for a Red-Light Running Pilot program. Due to delays in the project, funds have been rebudgeted, including \$356,671 in the 2025-2026 Adopted Budget. This action is offset by a corresponding increase to the Police Department's Personal Services appropriation as described elsewhere in the report.</p>	Transportation Department	(\$211,000)	

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services/Revenue from Local Agencies (VTA Board Coordination)	Transportation Department	\$263,000	\$377,424

This action increases the Transportation Department's Personal Services appropriation by \$263,000 and increases the estimate for Revenue from Local Agencies by \$377,424. Funding from the VTA will provide temporary staffing to support the City's federal, State, and regional transportation policy and legislative efforts and to perform work related to policy efforts with the Metropolitan Transportation Commission (MTC), the VTA, California Transportation Commission (CTC), and other associated State and federal advocacy efforts. Key functions include tracking legislation, analyzing proposed policy, and internal communication of complex legislative and other policy proposals with impacts to transportation outcomes and/or funding. In September 2025, the City Council approved an agreement with the VTA which provides reimbursement to the City for staff costs incurred as part of this coordination effort. The agreement is retroactively effective from February 2025 and extends until December 2026, with a not to exceed amount of \$526,000. The Transportation Department incurred reimbursable expenses for the temporary staffing in 2024-2025 of \$114,424 and expects to invoice an additional \$263,000 in 2025-2026. As a result, the Transportation Department anticipates reimbursements totaling \$377,424 in 2025-2026. The remainder of the funding (approximately \$149,000) will be recognized and programmed as part of the 2026-2027 budget development.

**Required Technical-Rebalancing Actions**

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**\$2,714,879**

**\$1,523,122**

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<b>Grants-Reimbursements-Fees</b>			
Environmental Stewardship Program/Revenue from Federal Government	Environmental Services Department	\$209,502	\$209,502
<p>This action increases the Environmental Stewardship Program City-Wide Expenses appropriation to the Environmental Services Department by \$209,502, from \$196,728 to \$406,230, as well as increases the estimate for Revenue from Federal Government in the same amount. This action recognizes the final annual installment of the grant from the Environmental Protection Agency, as approved by the City Council on June 20, 2023, and allocates the resources to multiple community organizations, local agencies, and schools to provide high school students with a hands-on environmental science education experience that covers topics such as water quality, trash load reduction, and climate resilience through emergency preparedness.</p>			
Non-Personal/Equipment/Revenue from State of California (Strike Team Reimbursement)	Fire Department	\$20,000	\$20,000
<p>This action increases the Fire Department's Non Personal/Equipment appropriation and corresponding estimate for Revenue from State of California by \$20,000 to recognize reimbursements received in accordance with the California Governor's Office of Emergency Services Fire Assistance Agreement. These reimbursements are for the Strike Team costs associated with the deployments of Fire Department personnel and resources to assist with wildland fire response in 2024-2025.</p>			
Personal Services/Revenue from State of California (Strike Team Reimbursement)	Fire Department	\$670,794	\$670,794
<p>This action increases the Fire Department's Personal Services appropriation and corresponding estimate for Revenue from State of California by \$670,794 to recognize reimbursements received in accordance with the California Governor's Office of Emergency Services Fire Assistance Agreement. These reimbursements are for the Strike Team costs associated with the deployments of Fire Department personnel and resources to assist with wildland fire response in 2024-2025.</p>			

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Other Revenue (Packard Foundation Grant)	Information Technology Department	\$50,000	\$50,000

This action increases the Information Technology Department's Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue by \$50,000 to recognize a portion of the Packard Foundation's grant to the City to support ongoing GovAI Coalition activities. The GovAI Coalition project began in 2024-2025 and has expanded to include both public and private sector partners with the goal of exploring, evaluating, and implementing AI in the pursuit of more efficient, effective, and positive governance. This funding will support legal consultation to pursue the establishment of the GovAI Coalition as a self-sustaining nonprofit organization, as well as the organization of GovAI events and the development of technology tools. This action is accompanied by the recognition and allocation of \$100,000 in additional funding to provide temporary staffing to support the administration of the GovAI Coalition project, as recommended in this report.

Personal Services/Other Revenue (Packard Foundation Grant)	Information Technology Department	\$100,000	\$100,000
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This action increases the Information Technology Department's Personal Services appropriation and the corresponding estimate for Other Revenue by \$100,000 to recognize a portion of the Packard Foundation's grant to the City to support ongoing GovAI Coalition activities. The GovAI Coalition project began in 2024-2025 and has expanded to include both public and private sector partners with the goal of exploring, evaluating, and implementing AI in the pursuit of more efficient, effective, and positive governance. This funding will provide temporary staffing to support the administration of the GovAI Coalition project. This action is accompanied by the recognition and allocation of \$50,000 in additional funding to provide legal consultation to pursue the establishment of the GovAI Coalition as a self-sustaining nonprofit organization, as well as the organization of GovAI events and the development of technology tools, as recommended in this report.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
CaliforniansForAll Youth Workforce Program – Learning Loss Mitigation Pathway (3.0 Grant)/Revenue from State of California	Library Department	\$42,014	\$42,014

This action increases the funding for the CaliforniansForAll Youth Workforce Program - Learning Loss Mitigation Pathway City-Wide Expenses appropriation and corresponding estimate for Revenue from State of California by \$42,014. On April 23, 2024, the City Council adopted a resolution to accept a \$5.3 million grant from the California Volunteers State Office to continue the Resilience Corps Program through fall 2025. This is the final year of the multi-year grant, of which \$1.5 million was allocated to the Library Department across three fiscal years. The Library Department will continue to partner with San José Public Library Foundation to implement the Learning Pathways, which aims to support K-12 learning outcomes of high-need youth through expanded learning programming. Funds will be reallocated from Parks, Recreation, and Neighborhood Services Department to the Library Department to ensure programmatic and financial grant compliance.

SJPL Foundation Grants/Other Revenue	Library Department	\$331,750	\$331,750
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This action increases the SJPL Foundation Grants City-Wide Expenses appropriation and corresponding estimate for Other Revenue by \$331,750 to recognize grants from the San José Public Library Foundation. This funding will support programming for the following: Workforce Development (\$133,750), Early Education (\$97,000), Adult Literacy and ESL (\$78,750), Summer Learning (\$1,000), and Alivso - STEAM (\$21,250).

2024 Emergency Management Performance Grant/Revenue from Federal Government	Office of the City Manager	\$22,600	\$22,600
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This action establishes the 2024 Emergency Management Performance Grant City-Wide Expenses appropriation and the corresponding estimate for Revenue from Federal Government in the amount of \$22,600 to support technology needs at the Emergency Operations Center (EOC) and for emergency training. This grant will fund equipment needs such as audio-visual systems, cameras, quad viewers, and an EOC personnel tracking system.

**2025-2026 General Fund Recommended Budget Adjustments Summary  
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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
<p>Non-Personal/Equipment/Revenue from Federal Government (Urban Areas Security Initiative Grant - OEM 2024)</p> <p>This action increases the Office of the City Manager's Non-Personal/Equipment appropriation and the corresponding estimate for Revenue from Federal Government by \$15,000 for the procurement of training materials for the Community Emergency Response Team (CERT). These materials include a fire extinguisher, an air compressor, and a training simulation kit.</p>	Office of the City Manager	\$15,000	\$15,000
<p>CaliforniansForAll Youth Workforce Program - Climate Change Pathway (3.0 Grant)/Revenue from State of California</p> <p>This action decreases the funding for the CaliforniansForAll Youth Workforce Program - Climate Change Pathway City-Wide Expenses allocation and the corresponding estimate for Revenue from State of California by \$42,014. On April 23, 2024, the City Council adopted a resolution to accept a \$5.3 million grant from the California Volunteers State Office to continue the Resilience Corps Program through fall 2025. This is the final year of the multi-year grant of which \$3.8 million will be allocated to the Parks, Recreation, and Neighborhood Services (PRNS) Department across two fiscal years. PRNS Department will continue to partner with the San Jose Conservation Corps to implement the Climate Change Pathway, which aims to support the cleanup of watersheds, trails, and parks. Funds will be reallocated from PRNS Department to the Library Department to ensure programmatic and financial grant compliance.</p>	Parks, Recreation and Neighborhood Services Department	(\$42,014)	(\$42,014)
<p>Non-Personal/Equipment/Other Revenue (Silicon Valley Community Foundation Circle of Life Senior Endowment Fund Grant)</p> <p>This action increases the Parks, Recreation, and Neighborhood Services Department's (PRNS) Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue in the amount of \$5,492. PRNS was awarded a Circle of Life Senior Endowment Fund grant from Silicon Valley Community Foundation to support specialized emergency preparedness classes for adults 50+. Classes will be offered at Roosevelt, Seven Trees, Cypress (in Chinese), Evergreen, and Mayfair (in Spanish) community centers.</p>	Parks, Recreation and Neighborhood Services Department	\$5,492	\$5,492

**2025-2026 General Fund Recommended Budget Adjustments Summary  
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<b>Action</b>	<b>Department</b>	<b>Expenditure Change</b>	<b>Revenue Change</b>
<p>Non-Personal/Equipment/Revenue from Local Agencies (Council District 8 Late Night Open Gym)</p> <p>This action increases the Parks, Recreation, and Neighborhood Services Department's (PRNS) Non-Personal/Equipment appropriation by \$30,000 and the corresponding estimate for Revenue from Local Agencies by the same amount to recognize a contribution from the Santa Clara County to support open gym in Council District 8. This program was created to promote positive social interaction among peers while creating opportunities for safe recreation and physical activity. This program was initiated by a one-time addition of \$22,460 in City funds in the 2024-2025 Adopted Budget, with an additional \$30,000 awarded in spring 2025 from the Santa Clara County but never recognized or allocated.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	<p>\$30,000</p>	<p>\$30,000</p>
<p>Non-Personal/Equipment/Revenue from Local Agencies (SCPHD Grant for Recreation Preschool)</p> <p>This action increases the Parks, Recreation, and Neighborhood Services Department's (PRNS) Non-Personal/Equipment appropriation and the corresponding estimate for Revenue from Local Agencies by \$15,000 for the Coordinated Approach to Child Health (CATCH) Program grant funded by the Santa Clara County Public Health Department. This grant promotes healthier lifestyles for children through nutrition and physical activity by providing 10 hours of training to staff working at the San José Recreation Preschool and R.O.C.K Afterschool Program. This is the second amendment to this grant, bringing the total award to \$50,000. The grant term ends September 30, 2026.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	<p>\$15,000</p>	<p>\$15,000</p>

**2025-2026 General Fund Recommended Budget Adjustments Summary  
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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Santa Clara Valley Water District Grant for Native Garden Installation/Revenue from Local Agencies</p> <p>This action establishes the Santa Clara Valley Water District Native Garden Installation Grant City-Wide Expenses appropriation and increases the estimate for Revenue from Local Agencies in the amount of \$36,829. This grant, anticipated to begin in January 2026, supports developing and maintaining sustainable landscaping while contributing to the City's environmental and water conservation goals through use of native plant species in multiple San José parks. This allocation represents the first year of a three-year grant, totaling \$146,510. The remaining funding of \$109,681 (\$73,657 in 2026-2027 and \$36,024 in 2027-2028) will be allocated in future budget processes.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	\$36,829	\$36,829
<p>Selective Traffic Enforcement Program 2025-2026/Revenue from Federal Government</p> <p>This action establishes the Selective Traffic Enforcement Program 2025-2026 City-Wide Expenses appropriation in the amount of \$235,000 and increases the corresponding estimate for Revenue from Federal Government by \$235,000. The program primarily funds overtime for police officers to staff DUI checkpoints / saturation patrols, and conduct distracted driving, motorcycle safety, Click It or Ticket, and pedestrian/bicycle enforcement operations. The term of the grant is October 1, 2025 through September 30, 2026.</p>	<p>Police Department</p>	\$235,000	\$235,000
<p>Review and Inspection of Billboards and Other Facilities/Other Revenue</p> <p>This action increases the Review and Inspection of Billboards and Other Facilities City-Wide Expenses appropriation and increases the corresponding estimate for Other Revenue by \$835,537, from \$403,000 to \$1.2 million, to recognize revenues from private partners, to support staff oversight and management of permitting and inspection work for multiple projects, including: Excite Ballpark, SAP Center, and for the installation of electronic billboards throughout the City. Staff services will include, but not be limited to, project coordination, electrical/structural/civil design and permit reviews, permitting, construction supports, RFIs, inspections, third-party special inspections, and project close-out.</p>	<p>Public Works Department</p>	\$835,537	\$835,537
<b>Grants-Reimbursements-Fees</b>		<b>\$2,577,504</b>	<b>\$2,577,504</b>
<b>TOTAL</b>		<b>\$5,292,383</b>	<b>\$4,100,626</b>

**2025-2026 Special Funds Recommended Budget Adjustments Summary  
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**Affordable Housing Impact Fee Fund (452)**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Housing Project Reserve	Housing Department	\$467,217	
<p>This action increases the Housing Project Reserve by \$467,217, from \$5.0 million to \$5.5 million, to support future work efforts for housing preservation and development. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
Ending Fund Balance Adjustment	Housing Department	(\$467,217)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
		<hr/>	
<b>Affordable Housing Impact Fee Fund (452)</b>		<b>\$0</b>	<b>\$0</b>