

City Service Area Strategic Support



***Mission:** To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects*

Primary Partners

Finance
Human Resources
Information
Technology
Public Works

CSA OUTCOMES

- Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Effective Use of Technology
- Safe and Functional Public Infrastructure, Facilities, and Equipment

City Service Area
Strategic Support
SERVICE DELIVERY FRAMEWORK

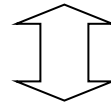
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's six (6) key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Strategic Support CSA

Mission:

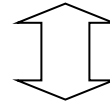
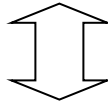
To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- Sound Fiscal Management that Facilitates Meeting the Needs of the Community
- A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations
- Effective Use of Technology
- Safe and Functional Public Infrastructure, Facilities, and Equipment



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
 Primary deliverables of the organization

Finance Department

Core Services:

Disbursements

Financial Reporting

Purchasing and Risk Management

Revenue Management

Treasury Management

Human Resources Department

Core Services:

Employee Benefits

Employment Services

Health and Safety

Training and Development

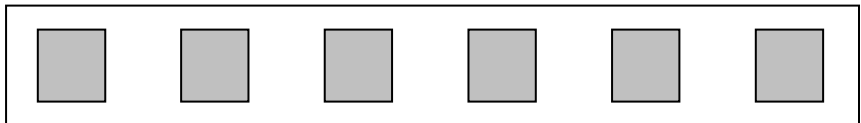
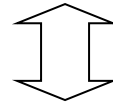
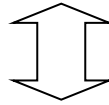
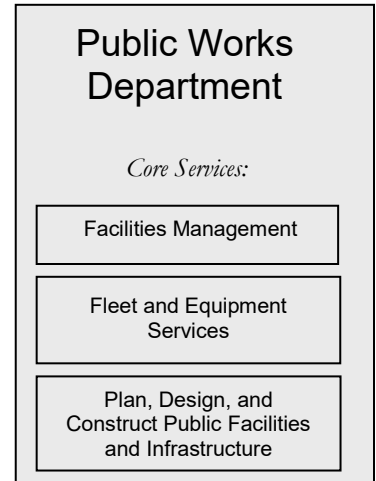
SERVICE DELIVERY FRAMEWORK

PRIMARY PARTNERS
Departments with Core Services
that contribute to achievement of
CSA Outcomes

CORE SERVICES
Primary deliverables of the
organization

PROGRAMS
Elements of Core Services; the "front-
line" of service delivery

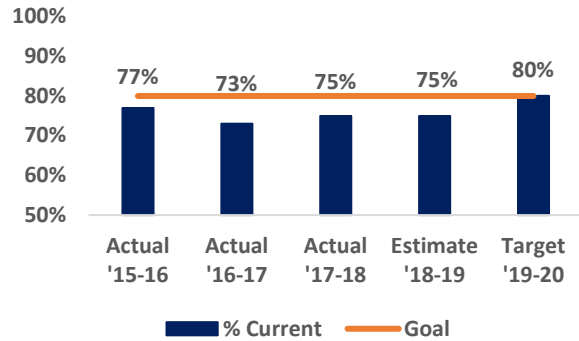
STRATEGIC SUPPORT
Organization-wide guidance and support
to enable direct service delivery



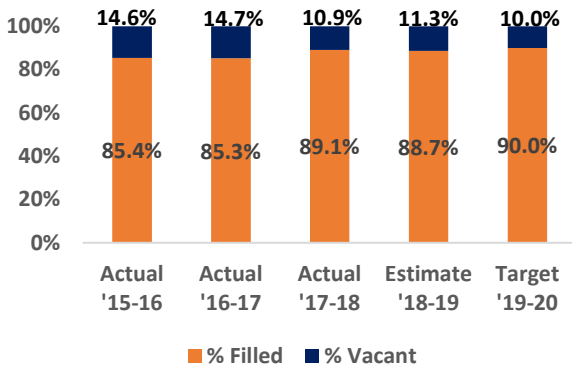
**City's Bond Ratings
 (General Obligation Bond Rating)**

	Moody's	Standard & Poor's	Fitch
Actual '15-16	Aa1	AA+	AA+
Actual '16-17	Aa1	AA+	AA+
Actual '17-18	Aa1	AA+	AA+
Estimate '18-19	Aa1	AA+	AA+
Target '19-20	Aa1	AA+	AA+

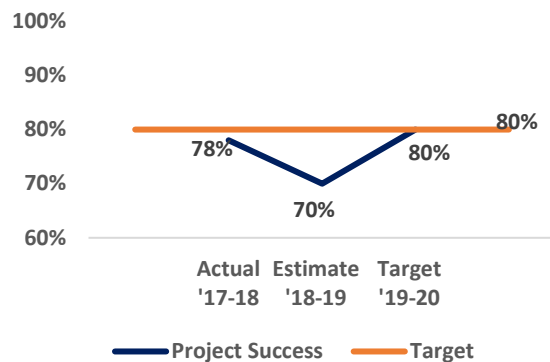
**% of Non-Management Employee
 Performance Appraisals Completed on
 Schedule**



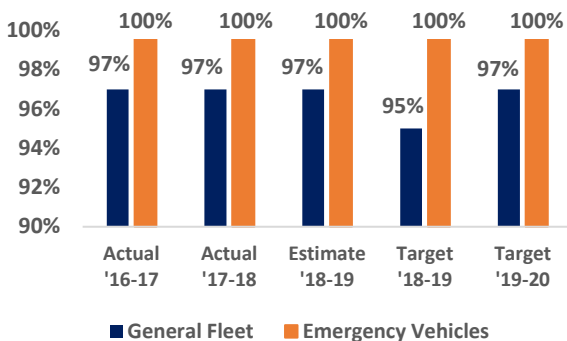
**% of Positions Filled as a Total of
 Budgeted Positions**



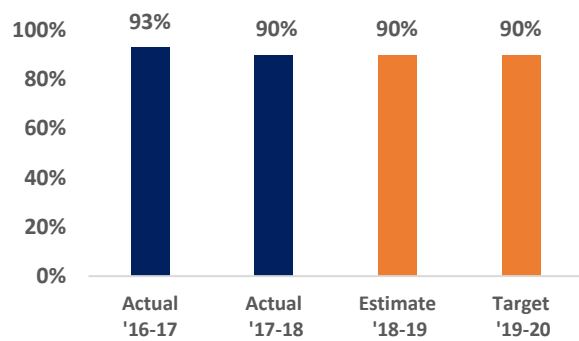
**% of Information Technology Project
 Success Rate**



**% of Equipment that is Available for Use
 When Needed**



**% of Facilities with a Condition
 Assessment Rating of Good or Better**



Strategic Support

Expected 2019-2020 Service Delivery

- Oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customer and City staff needs.
- Maintain City facilities, equipment, and vehicles, and manage space usage.
- Ensure that the City's financial resources are protected and available to address the short-term and long-term needs of the community; accurate and timely payments to City employees and vendors; accurate and timely financial reports; and efficient business systems and processes for timely billing and collection efforts.
- Implement pay and benefits changes consistent with new legal requirements and labor agreements, and initiate the payroll escheatment process.
- Manage all financial aspects of the Successor Agency to the Redevelopment Agency, including accounting, debt management, cash management, financial reporting, and accounts payable/receivable.
- Enhance customer payment options through online and interactive voice response telephone platforms.
- Manage an effective, efficient, and high-quality hiring process and continue to partner with departments to improve hiring capacity through the autonomous hiring initiative.
- Reduce vacancies by evaluating, streamlining, and identifying innovative hiring practices, and build long-term capacity through strategic pipeline programs.
- Implement the Kronos timeclock system for Happy Hollow Park and Zoo and Family Camp in Parks, Recreation, Neighborhood Services (PRNS) and the Emergency Operations Center.
- Improve the City's strategy for offering an attractive package of benefits to employees, including streamlining systems, policies, and practices to be employee-centric and efficient, and implement targeted wellness programs.
- Build a citywide culture and series of programs, in partnership with departments, that are focused on keeping employees safe and well. In the event of an injury, ensure that the third-party administrator provides responsible and appropriate Workers' Compensation services.
- Develop a strategy for re-launching a robust set of programs to complement departmental offerings and support employee growth and development.
- Develop strategic messaging and marketing strategies that will re-position the City of San José as the place to work, serve, and thrive in the nation's 10th largest City.
- Manage the City's cybersecurity risks, working with departments to manage controls, systems hygiene, high-risk activity patterns, and cybersecurity assessments. Attain high resilience for critical business systems.
- Ensure City business systems support municipal service goals. Maintain critical business systems, including: financials, human resources, payroll, budget, and collaboration platforms.



Strategic Support

Expected 2019-2020 Service Delivery

- Provide highly available and high-performance voice/data/video communications, computer infrastructure, and virtualization capabilities.
- Provide residents and businesses with an exceptional customer experience through the Customer Contact Center.
- Transition to modern 3-1-1 operations by beginning the shift of non-emergency calls from Police and Fire Public Safety dispatch to the Customer Contact Center, which will free up dispatchers and help meet 9-1-1 call standards.
- Implement business process automation to convert a select number of paper-bound internal processes into fast, convenient, electronically-approved, and searchable online services.
- Ensure the City Open Data Portal supports City transparency and helps departments engage the community through data.
- Provide the City Open Data Environment to support cross-department analytics and decision-making through a cost-effective, common resource. Support use of high-volume/high-speed data for Internet-of-Things and Smart Cities initiatives. Work with peer governments on regional data sharing methods.
- Sustain the City's Digital Front Door services, administering My San Jose, supporting implementation of the new City website, and assisting departments in re-engineering City processes to deliver new and friendlier services.
- Support Digital Inclusion and Broadband initiatives through Terragraph, Access East Side, and City special events.
- Administer the City's portfolio of computers and print devices, delivering strong performance, responsible environmental impacts, and superior cost management.
- Complete implementation of the Business Tax Amnesty System to achieve revenue goals, and begin business analysis projects for a new Business Tax System and a potential new financial management system.

2019-2020 Key Budget Actions

- Continues one-time funding of \$232,000 for temporary staffing in the Employment Division to extend the Human Resources Department's increased hiring capacity across the City.
- Adds one-time funding of \$660,000, \$330,000 of which is reserved for 2020-2021, to assess, create, and implement talent development activities for employees. This aligns with the City Manager's "Powered by People" enterprise priority that focuses, in part, on engaging in efforts to support employee retention, engagement, and advancement through training and development.
- Adds one-time funding of \$180,000 for the Human Resources cubicle and conference room project, which will significantly improve work space for Human Resources Department employees.
- Adds one-time funding of \$75,000 to provide consultant support for the Employment Services Division in Classification and Compensation to revise critical job specifications.
- Adds ongoing funding of \$117,662 for 0.5 Staff Specialist PT and associated non-personal/equipment funding for ongoing support of the VEBA plan.
- Adds ongoing funding of \$61,000 to provide additional safety classes to ensure that required employees are current and certified.

Strategic Support

2019-2020 Key Budget Actions

- Adds one-time funding of \$20,000 to purchase a LiveScan fingerprinting machine that will facilitate faster onboarding of new employees by providing fingerprinting services in-house.
- Transfers one-time funding of \$1.5 million to the Self- Insured Medical Fund to address a projected negative fund balance.
- Reserves \$1.3 million to set aside funding for the Business Tax System Replacement project, for which a new Request for Proposal (RFP) is to be released during 2019-2020.
- Adds a Program Manager I to the Treasury Division to provide the resources necessary to monitor and maintain the City's debt portfolio, including debt issuance, regulatory compliance, and reporting associated with the Measure T bond issuance, as well as providing advisory support to departments for capital planning.
- Adds one-time funding of \$300,000 for a consultant to mobilize a program to make short-term and long-term improvements to the City's procurement capability to reduce the current backlog, prepare for future demand, and increase strategic value of procurements for the City. This will provide temporary relief, assist with training, and develop and facilitate program improvements.
- Adds 2.0 Analysts, partially offset with the deletion of 1.0 Program Manager, for the Purchasing Division to improve efficiencies, sustain operations, and enhance service delivery to customer departments.
- In response to an audit recommendation and City Council direction, adds one-time funding of \$130,000 to implement an electronic travel authorization system, including four months of temporary staffing to support implementation, as well as ongoing funding of \$15,000 for system maintenance.
- Adds one-time funding of \$260,000 to engage external technical software consulting services and legal consulting services on an as-needed basis pertaining to employee compensation under wage and hour laws, due to the complexities of the Fair Labor Standards Act (FLSA).
- Adds 1.0 Accountant in the General Ledger unit and 1.0 Accountant in the Special Accounting unit to address external auditors' findings in the San Jose Management Letter for Fiscal Year Ended June 30, 2018. Adding accountants will provide more capacity for management positions in the Accounting Division to provide support and training to accounting staff in other departments, with \$20,000 of additional funding provided for Accounting staff training.
- Adds one-time funding of \$200,000 for a consultant to assess the organization's readiness and feasibility of a new ERP System.
- Analyze and refinance Bonds issued by the City of San José Financing Authority that are currently callable for savings.
- Issue the first phase of the voter-approved Measure T General Obligation Bonds for Disaster Preparedness, Public Safety and Infrastructure; refund existing General Obligation Bonds to achieve savings; and, issue prior voter-approved, but unissued General Obligation Bonds for Neighborhood Libraries (Measure O - 2000) and Public Safety Improvements (Measure O - 2002).
- Manage the Feasibility Study process for presentation to City Council on the financial viability of project lease payments in the repayment of revenue bonds that would be used to finance the Solar4America Ice Centre Expansion Project and to comply with the City's Debt Policy.

Strategic Support

2019-2020 Key Budget Actions

- Adds 1.0 Security Officer position and associated non-personal/equipment funding (\$15,000) to the Public Works Facilities Management Division-City Hall Security Program to provide additional security visibility on the City Hall campus, including Tower lobby areas, City Council Chambers, Wing and Rotunda spaces, and plaza grounds, and maintain a continuous presence in the main security office.
- Continues 1.0 Communications Installer position, through June 30, 2020, to install, repair, and maintain public safety mobile device units and dispatch consoles in preparation of the upcoming transition to the Silicon Valley Regional Communications System.
- Adds funding of \$2.2 million (\$133,000 ongoing) and 2.0 Network Technician II positions for a portion of the year to replace or upgrade obsolete computers citywide and upgrade end-of-life Windows licenses to a modern and secure version.
- Adds funding of \$1.1 million (\$706,000 ongoing), adds 1.0 Enterprise Supervising Technology Analyst, and deletes 1.0 vacant Enterprise Information Technology Engineer II to support the Cybersecurity Program.
- Adds two positions, 1.0 Division Manager and 1.0 Enterprise Supervising Technology Analyst, to support the City Portfolio-Products-Projects Office and ensure that critical City technology projects are managed and implemented within required time, cost, scope, and customer satisfaction targets.
- Adds \$180,000 to implement the Business Process Automation project, which will provide a platform to access online forms with built-in logic to prevent errors, routing for approvals, and status management to ensure processes are not lost, and reduce the City's reliance on paper usage for back office processes.
- Adds 1.0 Analyst II and 2.0 Senior Office Specialist positions and one-time non-personal/equipment funding of \$60,000 to support the first phase transition of 3-1-1 calls (non-emergency) from Police and Fire Dispatch to the City's Customer Contact Center.
- Adds 1.0 Enterprise Technology Manager and 1.0 Senior Systems Application Programmer, limit-dated through June 30, 2020, to support the implementation of the Integrated Permitting System.
- Restructures the Information Technology Department's (ITD) management staff by deleting 2.0 Division Manager and adding 2.0 Deputy Director positions to provide additional management and leadership support.
- Adds funding of \$1.7 million to replace ITD's central aging computer, storage, and virtualization equipment to converged or hyper-converged infrastructure technologies.
- Increases funding of \$550,000 to procure equipment and implement upgraded core network infrastructure to support departmental needs for bandwidth capacity and redundancy.

City Service Area
Strategic Support
BUDGET SUMMARY

City Service Area Budget Summary**

	2017-2018 Actuals **	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Adopted
Dollars by Core Service *				
<i>Finance Department</i>				
Strategic Support - Other - Strategic Support	220,930,772	47,096,628	45,402,584	49,688,768
Strategic Support - Strategic Support	1,401,192	2,171,768	2,066,165	2,528,165
Disbursements	2,473,940	2,755,365	2,689,429	2,898,429
Financial Reporting	2,632,960	2,476,505	2,303,159	3,111,301
Treasury Management	57,763,646	31,497,475	31,018,523	21,004,523
Revenue Management	6,636,391	7,262,504	6,625,446	7,757,721
Purchasing and Risk Management	3,174,295	3,653,460	3,785,414	4,631,365
<i>Human Resources Department</i>				
Strategic Support - Other - Strategic Support	1,585,877	1,505,101	1,455,999	1,455,999
Strategic Support - Strategic Support	1,448,082	1,506,814	1,660,950	1,840,950
Employment Services	2,575,048	2,759,531	3,045,839	3,397,839
Training and Development	394,157	654,255	462,969	958,969
Employee Benefits	87,184,652	92,983,165	93,036,533	100,485,209
Health and Safety	5,899,390	6,571,354	6,840,653	6,901,653
<i>Information Technology Department</i>				
Business Solutions	6,167,803	7,339,885	10,206,405	10,765,822
Technology Infrastructure and Operations	9,692,947	14,953,431	9,051,387	15,078,117
Customer Contact Center	1,830,825	1,872,712	1,894,658	2,121,139
Strategic Support - Other - Strategic Support	0	326,676	320,742	329,889
Strategic Support - Strategic Support	1,967,887	2,241,889	3,009,911	3,367,165
<i>Public Works Department</i>				
Strategic Support - Other - Strategic Support	2,796,162	20,018,547	15,383,485	44,993,085
Strategic Support - Strategic Support	16,613,708	7,899,247	7,344,766	8,670,273
Plan, Design, and Construct Public Facilities and Infrastructure	29,408,041	40,902,473	39,569,833	40,857,816
Facilities Management	28,285,203	40,295,412	24,713,364	26,384,763
Fleet and Equipment Services	21,539,834	24,768,143	26,048,827	26,654,339
Dollars by Core Service Subtotal	\$512,402,813	\$363,312,340	\$337,937,041	\$385,883,299
MAYOR, CITY COUNCIL, AND APPOINTEES	\$82,123,170	\$84,950,963	\$79,155,129	\$99,204,440
Total CSA	\$594,525,983	\$448,263,303	\$417,092,170	\$485,087,739
Authorized Positions	864.92	925.30	907.45	966.55

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget. 2017-2018 Actuals may not subtotal due to rounding.

Service Delivery Accomplishments

- The City's current general credit ratings are Aa1/AA+/AA+ by the three leading national rating agencies: Moody's, Standard & Poor's, and Fitch. These ratings acknowledge the City's sound financial position, strong management team and practices, and strong economic performance.
- Completed the accounting and financial reporting for the sale of Hayes Mansion Hotel and Conference Center.
- With its focus on improving collection efforts and optimizing staff resources, the Finance Department continued to outperform the target (\$5.50) with an average of seven dollars return on revenue for every dollar spent on direct collection efforts in the Revenue Management Division.
- Recommended and obtained approval to establish a tiered cannabis business tax structure.
- Provided accounting and financial reporting support to citywide programs including the Convention Center and other Cultural Facilities, Deferred Compensation Program, and Grant accounting; and completed 17 audit engagements that translated into 24 audit reports.
- Implemented the new Governmental Accounting Standards Board Statement No. 75 related to Other Post-Employment Benefits.
- Completed the A/P escheatment process, resulting in the collection of approximately \$374,000 for the General Fund and \$244,000 for Special Revenue Funds.
- Implemented the MOA's negotiation provisions which became effective on July 1, 2019.
- Successfully completed FLSA-related corrections, created timekeeper procedures, and conducted trainings.
- Resolved the prior year Housing Loan Loss Reserve requirement and addressed audit findings.
- Fully implemented the Voluntary Employees' Beneficiary Association (VEBA) program and convened meetings with the VEBA Advisory Committee.
- The City of San José earned 6th Place in the Digital Cities Awards, its second consecutive top-ten finish. Additional honors earned for initiatives the Information Technology Department helped to lead include a climate leadership award connected to My San Jose; an IDC Smart City Award for the City's novel emergency vehicle preemption project; and an American Planning Association Award of Merit for transportation analytics work.
- Achieved high technology satisfaction ratings, with 89.1% of customers rating IT services as "Good" or "Excellent".
- Completed Smart City Roadmap goals for public roll-out of Access East Side. This expansion provides approximately 6,000 households in digital divide areas with public WiFi connectivity.
- Continued progress resolving IT-related audit items from 2012 through 2016. ITD addressed 55% of the City Auditor's audit recommendations as of April 2019.
- Completed stand-up of the City's Cybersecurity Office; roll-out of cybersecurity education and awareness events; Incident Response program implementation; and security review/support program for major contracts, externals audits, insurance, and bonding.
- Departments jointly completed projects for the financials system upgrade and core accounts receivable system; implementation of major personnel and payroll changes from new union agreements; and budget system improvements.
- Supported event connectivity for the College Football Bowl Championships and NHL All-Star event.

Service Delivery Accomplishments

- Conducted the first city-wide business resumption test for communications and business systems with City departments.
- Successfully completed a Benefits Audit.
- Developed and implemented a Health Care Plan Restructuring strategy to better position the City to conduct a medical plan RFP for the next open enrollment period with the intent of improving choices for employees.
- Fully transitioned the Workers' Compensation Program to a third-party administrator (Intercare).
- Processed approximately 7,000 paychecks every two weeks.
- Continued the delivery of critical procurements and agreements, including IT Infrastructure Refresh, a Parking and Revenue Access Control System for the Department of Transportation, Data and Transparency Portal Software, a Police Permitting System, Business Tax Amnesty, and various critical vehicles for the Police Department and the Fire Department.
- Commenced the Procurement Improvement and Readiness Program to increase organizational capacity, efficiency, and effectiveness of procurement capability with a focus on the entire value chain. Initiatives include reorganizing existing resources, adding permanent staffing, creating a Citywide procurement prioritization process, and engaging one-time consulting services to provide temporary relief to the Procurement program and assist in the areas of training, procurement strategy development, performance improvements, and implementation.
- The City of San José was awarded the prestigious 23rd Annual Achievement of Excellence in Procurement (AEP) Award for 2018 from the National Procurement Institute, Inc. (NPI). It was the 5th consecutive year and the 10th time that the City of San José has achieved this prestigious award.
- The City of San José was awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San José for its Comprehensive Annual Financial Report for the 30th Consecutive Year.
- Continued infrastructure repairs and improvements to City-owned facilities including City Hall, Police Administrative and Communication Buildings, Municipal Garage, the Convention Center, the Tech Museum, Children's Discovery Museum, Hammer Theater, History San José, and the Animal Care and Services Center.
- Installed fourteen radio dispatch consoles at the Police South Substation.

Service Delivery Environment

- The Finance Department continues to provide financial modeling and analysis as part of its core mandate to meet the increasingly complex finance needs of the City.
- The transition to a new E-Procurement system is expected to enhance the City's purchasing processes, with the new system offering robust features in creating, noticing, and managing different solicitations efficiently. The Finance Department will use the new system for centralized procurements, Public Works for construction procurements, and all other City departments for decentralized consulting procurements. The successful implementation of the new system and the associated training of key City users are key priorities.
- Building a culture of safety by implementing a Citywide Safety Management System through the leadership of the City's Health and Safety Division.

Service Delivery Environment

- The Learning and Development team is rebuilding a Citywide Training and Development program, under the City Manager’s “Powered by People” initiative, and are focusing on three areas: testing of Talent Development Courses and programs in priority areas; developing Strategic Partnerships between Local Education Systems and the City; and developing strategies to better market the City.
- With the rapid introduction of modern technology tools and new challenges in change management, training and productivity will continue to be an issue as employees adjust to the new environment and must part with antiquated business tools and processes.
- Given the strength of the local economy, construction costs continue to escalate, as reflected in the higher market rate bids. This trend is expected to continue and will impact the delivery of the City’s Capital Improvement Program.
- In compliance with local initiatives such as the Building Performance Ordinance, City facilities will be benchmarked for energy and water usage. The results will be used to develop capital projects to take advantage of efficiency opportunities revealed.
- The City’s building inventory was expanded during the “decade of investment.” Many of the newer facilities now are reaching the five- and ten-year thresholds, when they typically experience an increase in maintenance needs.

CSA Priorities/Key Services

- Provide compensation and payments to City employees and vendors in a timely and accurate manner
- Produce legally required, compliance, and regulatory information and financial reports
- Manage multi-billion dollar debt and investment portfolios
- Collect and deposit delinquent accounts receivables due to the City
- Bill and collect City utilities service fees for storm, sanitary, water, solid waste, and Business Tax
- Ensure a high degree of tax and revenue collection compliance through audits and reviews
- Explore further opportunities to maximize tax collections
- Procure goods and services pursuant to City policies and initiatives to support City initiatives and operations through open and competitive processes
- Attract, hire, and retain talent
- Facilitate employee engagement
- Promote safety and wellness
- Provide opportunities to develop skills and grow in a career with the nation's 10th largest City
- Achieve the San José Smart City Vision and Innovation and Technology Strategic Plan, as approved by City Council
- Work with departments to manage cybersecurity risks and build resilience for critical City operations
- Provide exceptional deskside and mobile support services to City employees to aid them in rendering superior municipal services to the community
- Serve as the valued point-of-contact for residents, utilities customers, businesses, and employees, through the Customer Contact Center, IT Help Desk, and My San Jose platform
- Work with City departments to modernize technologies and processes in ways that sustain operations, innovate, and achieving better cost-to-performance
- Maintain City-owned facilities and equipment to ensure public and employee safety, and maximize the functionality of the City's assets
- "Greening" the City facilities and the City fleet
- Manage the City's space needs and the use of City-owned properties
- Provide quality capital project delivery
- Ensure consistent and transparent construction procurements
- Provide mail room services, recycling services, and records management services in support of City policies and City-wide operations

City Service Area
Strategic Support
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS

Strategic Goals	CSA Performance Measures	2017-2018 Actual	2018-2019 Target	2018-2019 Estimate	2019-2020 Target	5-Year Goal
Develop and encourage supervisors and managers that support a high-performing workforce	1. % of employee performance appraisals completed on schedule	75%	80%	75%	80%	98%
Attract, hire, and retain employees	1. Citywide vacancy rate	11%	10%	11.3%	10%	9%
Provide the necessary and required safety & health services that ensure employee health, safety and well-being	1. # of open Workers' Compensation claims	3,120	3,000	2,601	2,600	2,300
Facilitate employee engagement	1. Q12 – Question 8 (Belonging Measure): Does the Mission/Purpose of the City makes me feel my job is important?	3.97	4.00	3.97	4.00	4.50
Foster a shared vision with employees about the characteristics of a high-performing workforce	1. % of the public having contact with City employees who are satisfied or very satisfied with the:					
	- timeliness of City employees	64%	75%	64%	75%	83%
	- courtesy of City employees	72%	75%	72%	75%	88%
	- competency of City employees	67%	75%	67%	75%	83%

OUTCOME 2: SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, AND EQUIPMENT

Strategic Goals	CSA Performance Measures	2017-2018 Actual	2018-2019 Target	2018-2019 Estimate	2019-2020 Target	5-Year Goal
Provide well-maintained facilities that meet customer needs	1. % of facilities with a condition assessment rating of good or better (3 or better on a 5-point scale)	90%	85%	90%	90%	90%
	2. % of customers who rate facility services as good or excellent based on timeliness of response and quality of work	81%	85%	90%	85%	90%
	3. % of facility health & safety concerns mitigated within 24 hours	100%	100%	100%	100%	100%
Provide and maintain equipment that meets customer needs	1. % of equipment that is available for use when needed:					
	• Emergency Vehicles	100%	100%	100%	100%	100%
	• General Fleet	97%	95%	97%	97%	95%
	2. % of fleet in compliance with replacement cycle:					
• Emergency Vehicles	100%	100%	100%	100%	100%	
• General Fleet	88%	88%	89%	89%	90%	

Budget Dollars at Work: Performance Goals

OUTCOME 3: EFFECTIVE USE OF TECHNOLOGY

Strategic Goals	CSA Performance Measures	2017-2018 Actual	2018-2019 Target	2018-2019 Estimate	2019-2020 Target	5-Year Goal
Deploy technology resources effectively	1. % of customers rating services as "good" or "excellent" ¹ :					
	-IT Overall	89.10%	≥80%	≥80%	≥80%	≥80%
	-Business Solutions	88.44%	≥80%	≥80%	≥80%	≥80%
	-Strategic Support	90.49%	≥80%	≥80%	≥80%	≥80%
	- Technology Infrastructure and Operations	88.37%	≥80%	≥80%	≥80%	≥80%
	-Help Desk	91.37%	≥80%	≥80%	≥80%	≥80%
	2. Uptime and availability					
	-Business applications ¹	N/A	≥99.8%	99.4%	≥99.8%	≥99.8%
	-Systems ¹	N/A	≥99.8%	99.9%	≥99.9%	≥99.9%
	-Network	99.65%	≥99.9%	99.3%	≥99.9%	≥99.9%
3 % of project success (schedule, cost, scope, value)		78%	≥80%	70%	≥80%	≥80%

OUTCOME 4: SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

Strategic Goals	CSA Performance Measures	2017-2018 Actual	2018-2019 Target	2018-2019 Estimate	2019-2020 Target	5-Year Goal
Maintain City's bond ratings ¹	1. City's bond ratings: (General Obligation Bond Rating)					
	• Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
	• Standard & Poor's	AA+	AA+	AA+	AA+	AA+
	• Fitch	AA+	AA+	AA+	AA+	AA+
Improve and protect the financial management system and have it available to address short- and long-term needs	1. % of customers rating financial reporting services as good or better, based on accuracy, timeliness, and customer focused processes	N/A ²	N/A ²	N/A ²	TBD ²	TBD ²
Customers have the financial information they need to make informed decisions	1. % of customers who say they have the financial information they need to make informed decisions	N/A ²	N/A ²	N/A ²	TBD ²	TBD ²

¹ The City's general credit rating is rated Aa1/AA+/AA+ by all three leading national rating agencies. Moody's, Standard & Poor's, and Fitch, respectively. The Finance Department will continue efforts to maintain favorable bond ratings.

² Data for this measure is not available since the question to collect the data was removed from the City-Wide Community Survey. Survey questions were removed in an effort to streamline the survey to improve effectiveness and participation. A reevaluation of the entire set of survey questions will be conducted, and any corresponding performance measure changes will be reported in a future budget document.

Strategic Support

ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
FINANCE DEPARTMENT			
• Purchasing Division Program Delivery Improvements	1.00	404,584	404,584
• General Ledger and Specialized Accounting Staffing	2.00	282,142	282,142
• Sales Tax Compliance Application		230,000	230,000
• Unclaimed Utility Billing Credit Balances		170,000	0
• Debt Management Financing Support Services	1.00	160,000	160,000
• Travel Reimbursement Software		130,000	130,000
• Delinquent Accounts Receivable Collection Pilot Program	1.00	125,575	125,575
• Unclaimed Checks Outreach and Processing		15,000	15,000
• Rebudget: Business Tax Amnesty		258,000	258,000
• Rebudget: Training Consultant		200,000	200,000
• Rebudget: Disaster Cost Accounting		100,000	100,000
• Rebudget: General Liability Claims – Self-Insurance		80,000	80,000
• Rebudget: Revenue Results Software Phase II Implementation		18,700	18,700
<i>Subtotal</i>	5.00	2,174,001	2,004,001
HUMAN RESOURCES DEPARTMENT			
• Talent Development Program		330,000	330,000
• Employment Services Temporary Staffing Continuation		232,000	232,000
• Human Resources Cubicle and Conference Room Project		180,000	180,000
• Voluntary Employees' Beneficiary Association Program and Administration Support	0.50	117,622	117,622
• Employment Consulting Services		75,000	75,000
• Safety Classes		61,000	61,000
• Career Fair		25,000	25,000
• LiveScan Fingerprinting		20,000	20,000
• Rebudget: Training and Development		166,000	166,000
<i>Subtotal</i>	0.50	1,206,622	1,206,622
INFORMATION TECHNOLOGY DEPARTMENT			
• PCs and Operating Systems License Costs	2.00	2,160,314	1,785,814
• Cybersecurity Roadmap	0.00	1,105,018	1,105,018
• Integrated Permitting System Staff Support	2.00	401,591	341,349
• City Portfolio-Product-Project Office Staffing and Leadership	2.00	357,254	357,254
• 3-1-1 Call Transition	3.00	226,481	226,481
• Business Process Automation Platform		180,000	180,000
• Information Technology Staffing for Parks Facilities	1.00	171,905	171,905
• Local Sales Tax Expenditure Allocation	0.00	0	0
• Information Technology Management Staffing	0.00	(19,240)	(14,432)
• Rebudget: Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure		1,747,000	1,747,000
• Rebudget: Network Infrastructure Modernization		550,000	550,000
• Rebudget: Print Management		142,558	142,558
<i>Subtotal</i>	10.00	7,022,881	6,592,947

City Service Area
Strategic Support
ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
PUBLIC WORKS DEPARTMENT			
• Public Works Department Staffing Plan - Measure T	12.00	1,796,295	-
• Public Works Department Staffing Plan - Capital Improvement Program (CIP)	5.10	772,778	-
• Environmental Innovation Center (EIC) Maintenance	2.00	383,830	0
• Master Addressing Database (Spatial Data Integration)	1.00	237,590	237,590
• Energy Team Staffing	1.00	166,289	0
• Public Works Training and Workforce Development Program	1.00	148,582	0
• Communications Installation Staffing	1.00	112,692	0
• City Hall Security Augmentation	1.00	102,025	102,025
• City Restroom Facilities (Personal Care Products)		75,000	75,000
• Ethnic and Minority-Led Small Business Grant Program		75,000	75,000
• City-wide Contracting Program		50,000	50,000
• Family-Friendly City Facilities		7,500	6,000
• Public Works 2019-2020 Staffing Adjustments	4.00	0	0
• Public Works Recruitment Staffing	2.00	0	0
<i>Subtotal</i>	<u>30.10</u>	<u>3,927,581</u>	<u>545,615</u>
<i>Subtotal Departments</i>	45.60	14,331,085	10,349,185
MAYOR, CITY COUNCIL, AND APPOINTEES			
Approved changes appear in the next section of this document	0.00	3,813,880	3,813,880
CITY-WIDE EXPENSES			
• FLSA Technical and Legal Support		260,000	260,000
• Measure T Non-Eligible Costs		250,000	250,000
• ERP System Initial Feasibility Assessment		200,000	200,000
• City Hall Campus Expansion Debt Service		143,000	143,000
• Insurance Premiums		30,367	30,367
• Property Tax Administration Fee		15,000	15,000
• Merchant Card Fees		(380,000)	(380,000)
• Miscellaneous Rebudgets		1,840,000	1,840,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Animal Care and Services - Various Improvements		100,000	100,000
• Capital Contributions: Animal Care and Services Boilers and BMS		350,000	350,000
• Capital Contributions: Children's Discovery Museum Air Handler Unit Replacement		550,000	550,000
• Capital Contributions: City Hall Antenna and Rotunda Audio		300,000	300,000
• Capital Contributions: City Hall Elevator Controls		150,000	150,000
• Capital Contributions: City Hall Fire Alarm Upgrade		100,000	100,000
• Capital Contributions: City Hall Rotunda Lighting		300,000	300,000
• Capital Contributions: City Hall Security Upgrades		750,000	750,000
• Capital Contributions: Fire Training Center Environmental Monitoring		200,000	200,000

Strategic Support

ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Hammer Theatre Center Upgrades		350,000	350,000
• Capital Contributions: Hammer Theatre Center Chiller Replacement		500,000	500,000
• Capital Contributions: History San José - Automatic Parking Lot Gate		150,000	150,000
• Capital Contributions: Local Sales Tax - Police Administration Building/Police Communications Center Phase I Elevator Modernization		3,500,000	3,500,000
• Capital Contributions: Mexican Heritage Plaza Concrete Repair		50,000	50,000
• Capital Contributions: Municipal Stadium Paving		300,000	300,000
• Capital Contributions: Police Administration Building Fencing - Employee Parking Lot Perimeter		100,000	100,000
• Capital Contributions: Public Works Department Staffing Plan - Capital Improvement Program (CIP)	0.50	0	0
• Capital Contributions: San José Museum of Art - Minor Renovations		100,000	100,000
• Capital Contributions: The Tech Museum Controls Module Improvements		4,000,000	4,000,000
• Capital Contributions: The Tech Museum Tile Wall Evaluation and Repairs		1,400,000	1,400,000
• Capital Contributions: Rebudgets		14,465,000	14,465,000
• Transfers to Other Funds: Self-Insured Medical Fund		1,500,000	1,500,000
• Transfers to Other Funds: Service Yards Construction and Conveyance Tax Fund		300,000	300,000
• Earmarked Reserves: Business Tax Billing System Replacement Reserve		1,305,436	1,305,436
• Earmarked Reserves: Information Technology Sinking Fund Reserve		2,000,000	2,000,000
• Earmarked Reserves: 2020-2021 Talent Development Reserve		330,000	330,000
• Earmarked Reserves: Office of Equality Assurance Labor Compliance System Reserve		200,000	200,000
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(850,000)	(850,000)
• Earmarked Reserves: Rebudgets		25,135,849	25,135,849
<i>Subtotal Other Changes</i>	0.50	59,994,652	59,994,652
<hr/>			
Total Adopted Budget Changes	46.10	78,139,617	74,157,717

Mayor, City Council and Appointees



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services. Council Appointees support and advance the collective work of the City organization through leadership, communication, and coordination*

Mayor and City Council

- Office of the Mayor
- City Council
- Council General

Office of the City Attorney

- Legal Services

Office of the City Auditor

- Audit Services

Office of the City Clerk

- City Clerk Services

Office of the City Manager

- City-Wide Emergency Management aligned to the Public Safety CSA
- Lead and Manage the Organization

Office of the Independent Police Auditor

- Core Service aligned to the Public Safety CSA

Office of Retirement Services

- Retirement Plan Administration

Mayor, City Council and Appointees

Expected 2019-2020 Service Delivery

- ❑ The Office of the Mayor provides leadership and guidance to the City Council. Using a variety of tools to engage the public, the Mayor's Office will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives of the City, including public safety, maintaining streets and roads, reducing homelessness, combatting blight, and economic development.
- ❑ The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- ❑ The City Manager's Office will provide strategic leadership and facilitate service delivery through executive management. The office supports the Mayor and City Council and challenges the organization to deliver high-quality, cost-effective services that meet the needs of the community.
- ❑ The City Manager's Office will continue to effectively forecast and monitor both revenues and expenditures in over 100 different funds and will develop the Operating and Capital Budgets for City Council consideration.
- ❑ The City Manager will continue to engage the workforce through ongoing structured communication, labor agreements, and the coordination and implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain employees.
- ❑ The City Manager will continue to support the City through targeted efforts of the Office of Administration, Policy and Intergovernmental Relations (API); the Budget Office; the Communications Office; the Office of Civic Innovation; the Office of Employee Relations, and the Office of Immigrant Affairs.
- ❑ The City Attorney's Office will provide advice to the City, its Council, boards and commissions, and employees; will represent the same parties in all matters pertaining to their powers and duties; and will advocate, defend, and prosecute legal matters on behalf of the City.
- ❑ The City Attorney's Office will continue to provide legal services to wind down the business affairs of the former Redevelopment Agency.
- ❑ The City Auditor's Office will conduct program performance audits; identify ways to increase the economy, efficiency, effectiveness, and accountability of City government; and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
- ❑ The City Auditor's Office will continue to issue the Annual Report on City Services, detailing the cost, workload, and performance data for City services to improve government transparency and accountability.
- ❑ The City Clerk's Office will maintain compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- ❑ The City Clerk's Office will conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with the City Charter and the State of California elections code.
- ❑ The City Clerk's Office and City Manager's Office will create and distribute agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings.
- ❑ The Retirement Services Office will manage Retirement Plans' assets and seek solutions to increase investment returns and reduce volatility and cost, while mitigating risk.

Mayor, City Council and Appointees

Expected 2019-2020 Service Delivery

- ❑ The Retirement Services Office will work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to remove risk from the plans, decrease volatility, and reduce intergenerational shifting of liabilities.
- ❑ The Retirement Services Office will provide quality retirement planning, counseling, and financial reporting.

2019-2020 Key Budget Actions

- ❑ Adds ongoing funding of \$55,894 to the Mayor's salary as set by the Salary Setting Commission on April 22, 2019.
- ❑ Adds ongoing funding of \$25,500 to each of the Councilmember's salaries as set by the Salary Setting Commission on April 22, 2019.
- ❑ Adds one-time funding of \$200,000 to support the City Council Policy Priorities approved in March 2019. This funding may be reallocated to department budgets as the City Manager's Office continues to understand the resources needed to complete these priorities.
- ❑ Adds one-time funding of \$1.8 million to replace existing and add new cellular equipment, and adds \$400,000 ongoing for cellular and data services for the City to join the nationwide FirstNet emergency responder broadband network. In the event of an emergency, this dedicated network bypasses the congestion that would occur on the current networks.
- ❑ Continues one-time staffing resources through June 30, 2020 and adds one-time non-personal/equipment in the Office of Emergency Management to: sustain Community Emergency Response Training classes across the City; train City staff to a Type II level of Emergency Operations Center Credentialing, and Office of Emergency Management staff to a Type I level; work on planning, coordination of the Emergency Operations Center (EOC) and the Emergency Alert and Warning services; and, develop or update multiple Emergency Management Plans.
- ❑ Adds one-time funding of \$550,000 to help complete the implementation of the City's website and a migration of the City's intranet/employee portal from its legacy host.
- ❑ Adds one-time funding to advance key policies and strategies that support the Smart City Vision including accelerating the development of the City's privacy policies (\$300,000), address the backlog of "Small Wonders" projects (\$270,000), and development of the Internet of Things Business Architecture (\$150,000).
- ❑ As directed by the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, adds \$400,000 for the 2020 Election Outreach.
- ❑ Adds one-time funding of \$300,000 to improve public safety by better sharing and integrating data across public safety departments, while also achieving Bloomberg What Works Cities (WWC) Silver level certification.
- ❑ Adds 1.0 Legal Service Manager position to provide assistance in managing and supervising the day-to-day operations of the City Attorney's Office.
- ❑ As directed in the Mayor's March Budget Message for Fiscal Year 2019-2020, as approved by the City Council, adds 1.0 Deputy City Attorney through June 30, 2020 to provide legal support for the purpose of proactive legal enforcement of blighted and nuisance properties. Funding is also set aside in an earmarked reserve to continue this program in 2020-2021.

Mayor, City Council and Appointees

2019-2020 Key Budget Actions

- ❑ Adds 1.0 Senior Deputy City Attorney through June 30, 2020 to support the Affordable Housing Program in the Low and Moderate Income Housing Asset Fund.
- ❑ Continues 1.0 Legal Analyst II through June 30, 2020 to support Worker's Compensation Litigation matters.
- ❑ Continues 1.0 Legal Analyst II and 1.0 Senior Deputy City Attorney through June 30, 2020 to provide legal support to the Water Pollution Control and the Sanitary Sewer System Capital Improvement Programs.
- ❑ Adds 1.0 Information Systems Analyst position, limit-dated to June 30, 2020, to the Office of Retirement Services to assist with providing technology support to the Office of Retirement Services for the new Pension Administration System that went live in February 2019 and the Retirement Services website, which after a website redesign is fully implemented, will give staff a greater ability to maintain the website content and will result in more time needed to update and maintain the website to keep it current.
- ❑ Adds 1.0 Senior Analyst position to the Office of Retirement Services to take on higher level workload in the Benefits areas due to the additional workload created by the implementation of Measure F, a larger pool of insurance plans because of changes to the Municipal Code requiring retirees to enroll in Medicare, an increase of full-time student and outside earnings verifications because of an increasing number of retirees, the administration of retirees and insurance plans related to implementation of the Voluntary Employees' Beneficiary Association, and managing the Disability Advisory Panel to be implemented per the Municipal Code.

Mayor, City Council and Appointees

ADOPTED BUDGET CHANGES

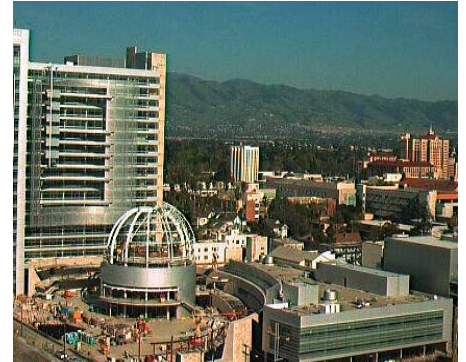
Adopted Changes	Positions	All Funds (\$)	Fund (\$)
MAYOR AND CITY COUNCIL			
• City Council Salary Setting Commission		255,000	255,000
• City Council Salary Adjustments		98,544	98,544
• Office of the Mayor Salary Setting Commission		55,894	55,894
• Dumpster and Beautification Days		36,000	36,000
• Rebudget: City Council 2018-2019 Expenditure Savings		2,446,442	2,446,442
• Rebudget: Office of the Mayor 2018-2019 Expenditure Savings		908,000	908,000
• Rebudget: Council General 2018-2019 Expenditure Savings		14,000	14,000
<i>Subtotal</i>	0.00	3,813,880	3,813,880
OFFICE OF THE CITY ATTORNEY			
• Environmental Services Department Legal Support	2.00	573,870	115,531
• San José Clean Energy Legal Support		500,000	0
• Affordable Housing Legal Support	1.00	298,381	0
• Proactive Legal Enforcement of Blighted and Nuisance Properties	1.00	220,238	220,238
• Legal Services Manager	1.00	178,338	178,338
• Workers' Compensation Litigation Support Staffing	1.00	142,828	142,828
• Legal Services Temporary Staffing		90,000	66,600
• City Attorney's Office Staffing Realignment		0	(425,041)
<i>Subtotal</i>	6.00	2,003,655	298,494
OFFICE OF THE CITY CLERK			
• Rebudget: Electronic Document Management System		66,000	66,000
<i>Subtotal</i>	0.00	66,000	66,000
OFFICE OF THE CITY MANAGER			
• City Website and Intranet Implementation		550,000	550,000
• 2020 Election Outreach		400,000	400,000
• Privacy Policy Development		300,000	300,000
• Safe City Data Integration		300,000	300,000
• Small Wonders Pipeline Resources		270,000	270,000
• Beautify SJ Gap Analysis	1.00	164,930	164,930
• Office of Immigrant Affairs Staffing	1.00	156,578	156,578
• Government Alliance for Race and Equity Learning Year Cohort		150,000	150,000
• Internet of Things Business Architecture		150,000	150,000
• KLIV Radio Station		100,000	100,000
• Gender Equity Analysis		50,000	50,000
• Language Access Planning and Coordination		50,000	50,000
• Office of Employee Relations Reorganization		33,747	33,747
• Digital Inclusion Fund Staffing	3.00	0	0
• Funding Realignment for Fuse Fellows		0	0
• Local Sales Tax Expenditure Allocation		0	0

Mayor, City Council and Appointees

ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
OFFICE OF THE CITY MANAGER			
• Rebudget: Civic Innovation		175,000	175,000
• Rebudget: Office of Immigrant Affairs		160,000	160,000
• Rebudget: Census 2020		140,000	140,000
• Rebudget: Hyperion Support		50,000	50,000
<i>Subtotal</i>	5.00	3,200,255	3,200,255
OFFICE OF RETIREMENT SERVICES			
• Technology Support Staffing	1.00	191,402	0
• Pension Benefits Staffing	1.00	128,168	0
<i>Subtotal</i>	2.00	319,570	-
Total Adopted Budget Changes	13.00	9,403,360	7,378,629

Strategic Support **Mayor and City Council**



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services*

Primary Partners

Mayor and City Council
Office of Retirement Services
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

BUDGET PROGRAMS

- Office of the Mayor
- City Council

PAGE IS INTENTIONALLY LEFT BLANK

Strategic Support
Office of the City Attorney



***Mission:** The Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, with the goal of protecting and advancing the City's interests in serving the people of San José*

Primary Partners

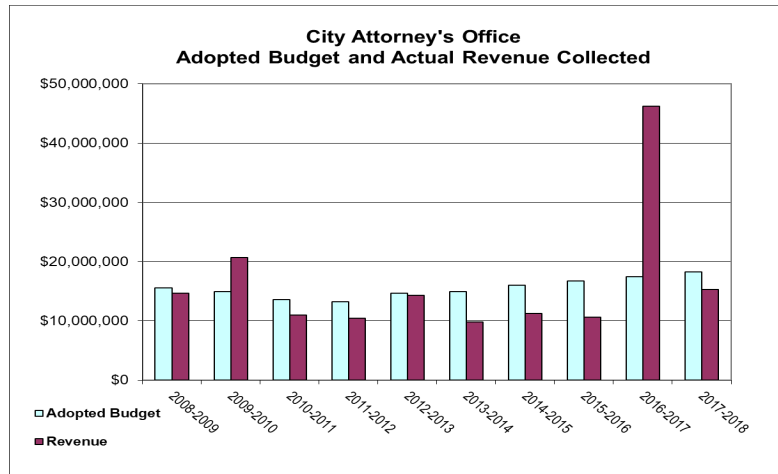
Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor

CSA OUTCOMES

- City Business is Conducted Lawfully
- City's Interests are Protected and Advanced

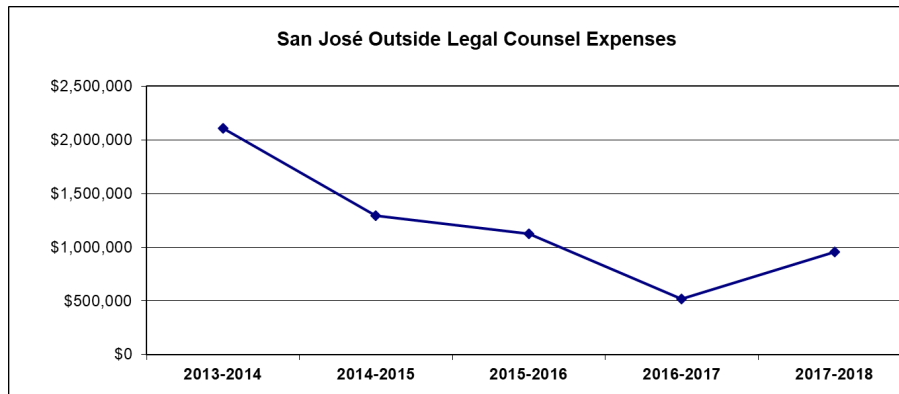
Service Delivery Accomplishments

- The latest client survey results indicated that 90% of the respondents are satisfied with the overall legal services provided by the City Attorney’s Office. The client survey is conducted on a biennial basis and will next be conducted in early 2020.
- Annual revenue collections averaged \$16.4 million over the past ten years, and plaintiff cases handled by the Office in 2017-2018 generated the collection of \$15.2 million, which includes a \$1.1 million recovery against the municipal bond insurance industry and \$10.9 million in Tobacco Settlement funds. Collection actions are initiated in instances when debt to the City is greater than \$5,000.



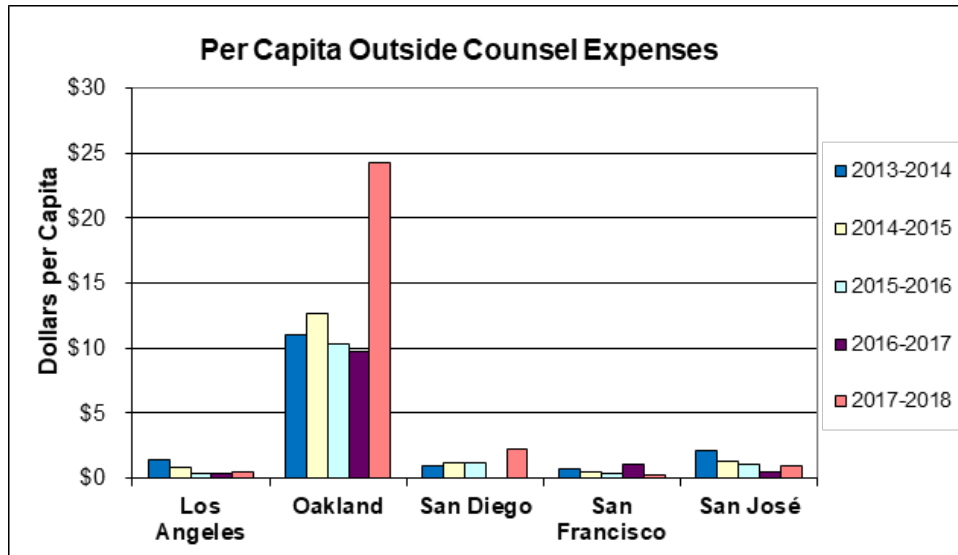
*2016-2017 includes \$36.2 million recovery in litigation against Housing and Urban Development Agency (HUD)

- City legal services are primarily provided by in-house lawyers. Limiting the use of costly outside legal counsel has historically resulted in significant budgetary savings to the City. While higher than prior years as a result of limited staffing, potential conflicts of interest in connection with pension-related matters, and the need for specialized legal services, the use of outside legal counsel only slightly increased in 2017-2018; and was still lower than 2011-2016 costs. If the pension-related lawsuits are resolved, it is anticipated that the use of outside legal counsel will decline.

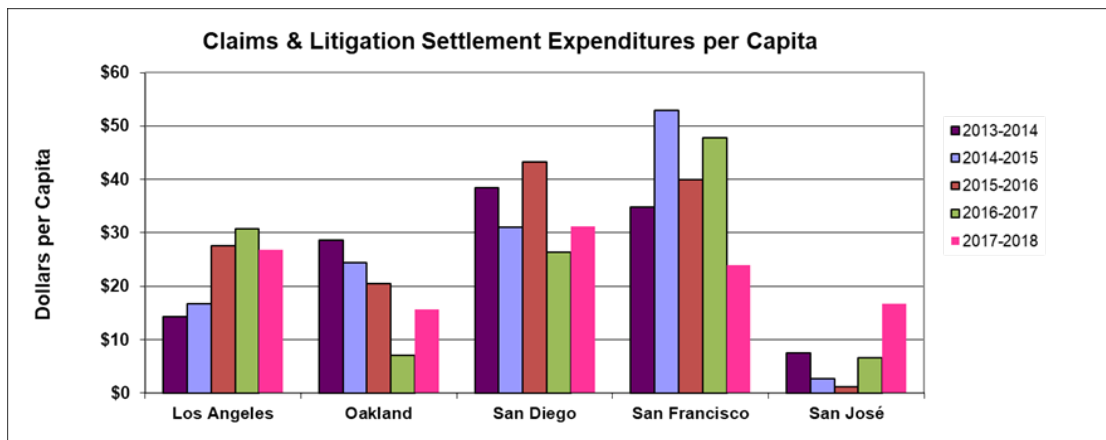


Service Delivery Accomplishments

- The City of San José paid less in total funds for outside counsel during 2017-2018 (\$956,000) than the cities of Los Angeles (\$1.8 million), Oakland (\$10.3 million), and San Diego (\$3.1 million); in addition, 2017-2018 outside counsel costs for the City and County of San Francisco are inclusive of only closed matters. Included is a chart comparing Outside Counsel Expenses per Capita of four large California cities to the City of San José where available for the five-year period of 2013-2014 through 2017-2018.



- The City of San José pays considerably less for Claims and Litigation settlements than other large cities in California. For the five-year period of 2013-2014 through 2017-2018, San José paid, on average, \$6.9 million in annual settlement costs. The next lowest average annual payout was \$19.2 million by the City of Oakland. Over the same period, payouts were higher for the cities of Los Angeles (\$23.2 million) and San Diego (\$34.1 million). Payouts for the City and County of San Francisco for 2017-2018 were \$23.9 million. The chart below reflects Claims and Litigation Expenditures per Capita of the four large cities compared to the City of San José during this period. The City of San José average was affected with the settlement of a recent large verdict. The City is continuing to see increased litigation and verdict values, particularly in connection with civil rights cases.



Strategic Support
Office of the City Attorney
OVERVIEW

Service Delivery Accomplishments

- The Office advised staff on the variety of legal issues associated with the operation and financing of Community Choice Aggregation (“CCA”) in San José. With the establishment of a San José CCA approved by the City Council, the Office will need to use the services of outside counsel to a greater extent while the Office builds expertise in this specialized area.
- The Office worked with the Office of Economic Development to negotiate the price of the City and Successor Agency properties in the Diridon Station Area to complete the negotiations of a purchase and sale agreement with Google and a compensation agreement with the County of Santa Clara.
- The Office worked with the Office of Economic Development and the Finance Department to close the sale of the Hayes Mansion and to redeem the outstanding Hayes Mansion bonds. These actions resulted in the elimination of the General Fund’s subsidy of debt service payments on the Hayes Mansion bonds that had ranged from \$2 million to \$6 million per fiscal year since 2003.
- The Office drafted four ballot measures that the City Council placed on the November 2018 ballot: (1) Measure S, the Charter amendment to modernize construction contract procurements; (2) Measure T, the \$650 million Disaster Preparedness, Public Safety, and Infrastructure Bond; (3) Measure U, the Charter amendment related to initiative measures and setting of City Council salaries; and (4) Measure V, the \$450 million Affordable Housing Bond.
- The Office worked with City staff on a number of affordable housing financings with both private and non-profit developers.
- The Office is working with City staff and bond counsel on: the first issuance of Measure T bonds; the final issuances of general obligation bonds authorized by Measure O (2000) and Measure O (2002); bonds to refund the outstanding general obligation bonds; and is also advising staff on the projects to be funded by Measure T.
- The Office worked with City staff on land use policies and requirements including: (1) the Downtown Strategy 2040 and EIR (approved by Council in December 2018); (2) amendments to the General Plan, Municipal Code and City Council Policy 6-4 to allow programmable signage on City-owned buildings (approved by Council in September 2018); (3) amendments to the Municipal Code to add cannabis manufacturing, testing and distribution as restricted use in specified industrial districts (approved by Council in January 2019); (4) amendments to the Municipal Code in order to allow Co-Living Communities (approved by Council in February 2019); and (5) the Downtown Design Guidelines (approved by Council in April 2019).
- The Office worked with City staff to draft, negotiate and execute a new Project Labor Agreement (PLA) that will apply to certain City public works projects. The new PLA is intended to provide certain minimum labor standards consistent with the terms of union collective bargaining agreements for the worker on City public works projects, while also prohibiting strikes or lock-outs on covered public works projects.
- The Office worked with Airport staff and outside counsel to negotiate a new 10-year Airline Operating Agreement and Lease with the passenger and cargo airlines at the Mineta San José International Airport.
- The Office worked with City staff to review and formulate recommendations to City Council regarding building heights in the downtown core and Diridon Station area in consideration of the “one engine inoperative” (OEI) procedures utilized by the airlines at the Mineta San José International Airport.
- The Office worked with staff to develop a loan program with Technology Credit Union in order to provide financial assistance to federal workers assigned to Mineta San José International Airport in the event that the federal shutdown had continued.

Service Delivery Accomplishments

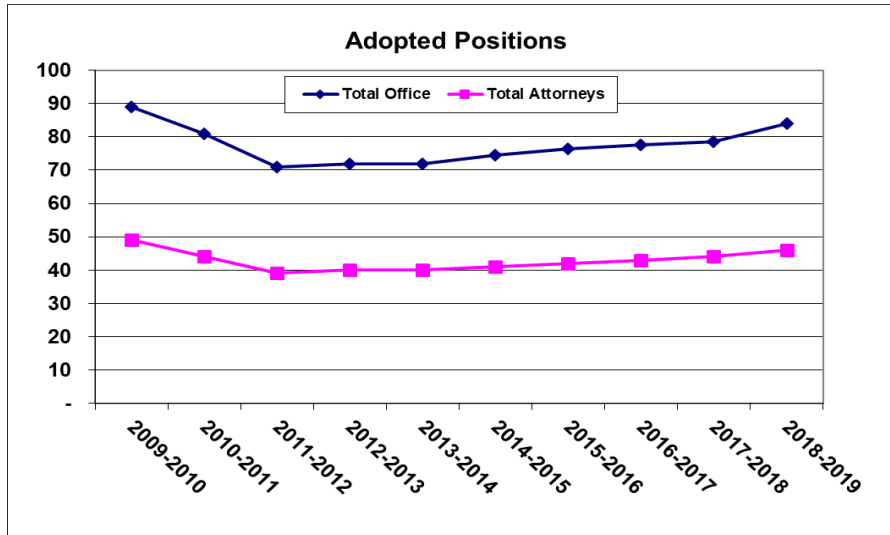
- The Office worked with City staff to successfully support the City's Code Enforcement efforts related to enforcement of the City's medical marijuana regulations.
- The Office drafted or reviewed at least 159 ordinances through mid-March, 2019. These included the Municipal Code amendments to (1) provide and enhance various tenant protections; (2) regulate micro-mobility devices in the public right-of-way; and (3) to implement an urgency order regarding the evictions of federal workers who would have been affected by the Federal shutdown.
- The Office continued to provide increased support for campaign ordinance guidance, elections, and ethics issues.
- The Office continues to represent the litigation interests of the City in an effective manner, achieving positive results for the City and affected employees.
- The Office filed more collection actions on behalf of the City and obtained judgments and settlements for unpaid administrative fines, Transient Occupancy Tax, and service fees.
- The Office continues to take a more proactive role in assisting the City Manager's Office and other City Departments in responding to the ever-increasing number of Public Records Act requests.
- The Office implemented technology to assist the Office in reviewing Public Records Act requests and responding to electronic discovery.

Service Delivery Environment

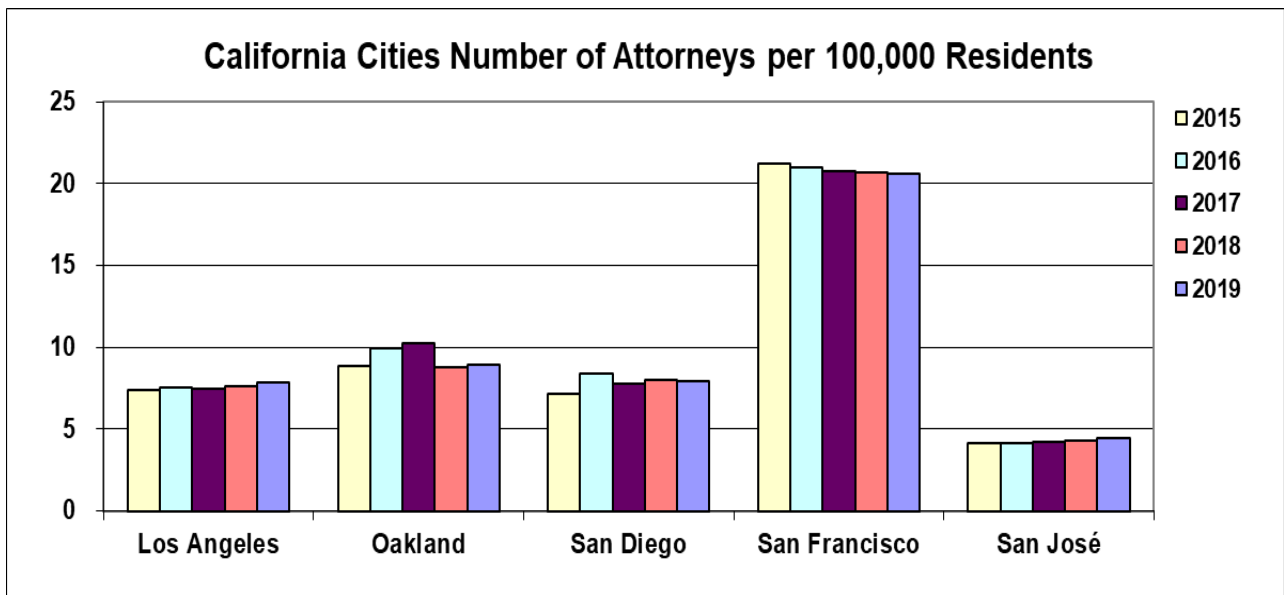
- The City Charter establishes the duties of the City Attorney's Office to represent the City, its Council, boards and commissions, and employees in all actions and to provide advice to the same parties in all matters pertaining to their powers and duties. Fulfilling these core services requires a level of staffing higher than the existing Office model.
- General Fund budget reduction actions implemented from 2006 through 2013 decreased Office resources to minimum levels. Though staffing levels stopped decreasing in 2012, demand for legal services increased for some practice areas. With the stabilization of staffing levels and incremental increases in the past several years, the Office is better positioned to address demand for services; however, demand for new services continues to exceed the current capacity.
- In light of the improved economy and the need to implement significant projects, including but not limited to the Master Plan for the Regional Wastewater Facility, there is an increased need for legal services related to innovation in City technology, planning and development, economic development, construction, environmental issues, and real estate.
- Increased development in the City has meant more California Environmental Quality Act (CEQA)-related litigation. CEQA lawsuits are document intensive and often require the compilation of lengthy administrative records and multiple Public Records Act requests.
- During 2018-2019, the Office had a total of 46 budgeted attorney positions, which is 3 fewer attorneys than the 2009-2010 budgeted positions of 49, and more than a 12% decrease since 2007-2008. In light of the continuing 6.1% decrease in attorney numbers since 2009-2010, the Office continues to face significant challenges in meeting the current legal services demand, particularly in specialized areas such as real-estate.

Service Delivery Environment

- Staffing levels remain inadequate to proactively address a variety of litigation services.
- It is anticipated that substantial litigation resources during the next fiscal year will be devoted to civil rights cases.

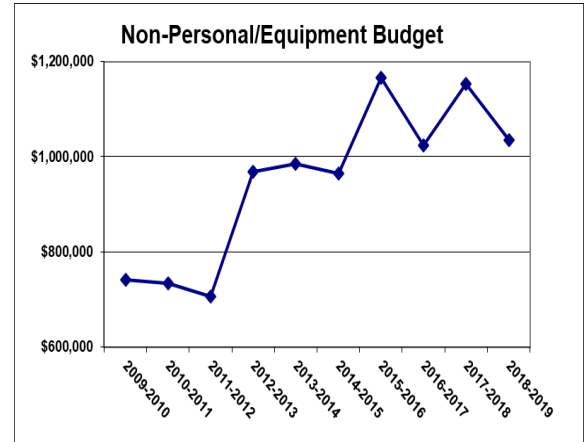


- Comparing staffing levels of city attorney offices in other large California cities, the attorney per capita ratio for the San José City Attorney’s Office continues to be the lowest among the cities of Los Angeles, Oakland, and San Diego. To more accurately compare the staffing levels of the different offices, the prosecuting criminal attorneys for Los Angeles and San Diego have been excluded from the chart below. San Francisco, as a city and a county, has many more attorneys than other California cities.



Service Delivery Environment

- Outside litigation costs, including costs for specialized outside counsel, counsel in cases with a conflict of interest, technical experts, and other consultant and expert witness services, are incurred most notably in civil rights, catastrophic injury, and document-intensive cases. These costs are unpredictable and are largely outside of the Office’s control. The Office will continue to use outside expertise as efficiently as possible to manage costs.
- The Office continues to administer an unpaid internship program for law students and attorneys newly admitted to the California State Bar. The interns and attorney volunteers are given an opportunity to gain practical experience while providing the Office with needed support in handling the high volume of work. Competition with outside paid internship opportunities has recently decreased the applicant pool for these positions.



Budget Dollars at Work: Performance Goals

OUTCOME 1: CITY BUSINESS IS CONDUCTED LAWFULLY

- ✓ Provide legal counsel at all City Council and Council Committee meetings and certain meetings of major boards and commissions, as necessary. The Office continues to provide staffing at all Planning Commission, Civil Service Commission, and Appeals Hearing Board Commission meetings. In addition, the Office provides legal counsel to all other Boards and Commissions.
- ✓ Prepare and review ordinances, resolutions, permits, contracts, and other legal documents.
- ✓ Perform analyses on relevant federal and state legislative actions.
- ✓ Provide oral and written legal advice and opinions.
- ✓ Provide legal services to assist City staff in identifying additional revenue sources, including analysis and implementation of revenue sources (e.g. taxes, assessments, and fees).
- ✓ Continue to provide significant construction related legal services for the various Public Works capital projects as well as implementation of the Water Pollution Control Capital Program and the Sanitary Sewer System Capital Program.
- ✓ Respond, review, and coordinate complex Public Records Act requests. Considerable resources are dedicated to increasingly complex Public Records Act requests involving electronic data.

OUTCOME 2: CITY'S INTERESTS ARE PROTECTED AND ADVANCED

- ✓ Initiate and defend lawsuits and other legal actions involving the City.
- ✓ Initiate collection actions on behalf of the City for matters where the debt is over \$5,000.
- ✓ Provide legal representation at administrative hearings.
- ✓ Prosecute select municipal code violations to address serious health and safety concerns.
- ✓ Investigate and respond to claims filed against the City.
- ✓ Conduct and coordinate confidential internal City investigations.
- ✓ Devote considerable resources to respond to increasingly complex discovery and Public Records Act requests involving electronic data.

Strategic Support **Office of the City Auditor**



***Mission:** To independently assess and report on City operations and services*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOMES

- Identify Ways to Increase the Economy, Efficiency, Effectiveness, and Accountability of City Government
- Provide Independent, Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders

Strategic Support
Office of the City Auditor
OVERVIEW

Service Delivery Accomplishments

Since the City Auditor's Office began conducting program performance audits in May 1985, the Office has identified program efficiencies, revenue enhancements, and cost savings. In 2018-2019, the City Auditor's Office identified approximately \$3.0 million in cost savings and revenue enhancements, achieving a ratio of about \$1.18 in monetary benefits to every \$1 of audit costs (Target: \$2 to \$1).

During 2018-2019, the Office completed 19 audit projects, or approximately 1.7 audits per auditor (Target: 1.5 audits per auditor). Reports issued by the City Auditor's Office during 2018-2019 include:

- Department of Public Works: Enhancing Management of Capital Projects
- Audit of Vehicle Abatement: The City Could Improve Customer Service for Vehicle Abatement Requests
- Cities Association of Santa Clara County Expenditure Review, Fiscal Years Ending June 30, 2017 and June 30, 2018
- Community Center Reuse: Efficient Monitoring and Better Data Can Help Determine the Next Phase of Reuse
- Audit of the City's Homeless Assistance Programs: More Coordination and Better Monitoring Can Help Improve the Effectiveness of Programs
- Team San Jose Performance 2017-2018
- Annual Report on City Services 2017-2018
- Audit of Towing Services: Changes to Contract Terms and Consolidated Oversight Could Improve Operations
- Audit of 9-1-1 and 3-1-1: Changes to Call Handling and Increased Hiring Efforts Could Improve Call Answering Times
- Employee Benefit Fund Administration: Opportunities Exist to Improve Controls
- Development Noticing: Ensuring Outreach Policies Meet Community Expectations
- Mayor's Gang Prevention Task Force and BEST Programs
- Employee Reimbursement

The Office provided oversight of external auditors regarding:

- Audits of Parks and Recreation bonds, Library bonds, Public Safety bonds, and Parcel Tax funds;
- City of San José Annual Financial Audit, Single Audit, and related financial audits as of June 30, 2018; and
- Semi-Annual Reviews for compliance with the City's Investment Policy.

The Office issued monthly audit status reports and semi-annual follow-up reports on outstanding audit recommendations.

Service Delivery Environment

As the City continues to look for efficiencies in service delivery, the City Auditor's Office will continue its focus on searching for revenues and cost-savings opportunities, and will work with the City Manager's Office to target areas for audit that are likely to yield the most benefit.

Budget Dollars at Work: Performance Goals

OUTCOME 1: IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT

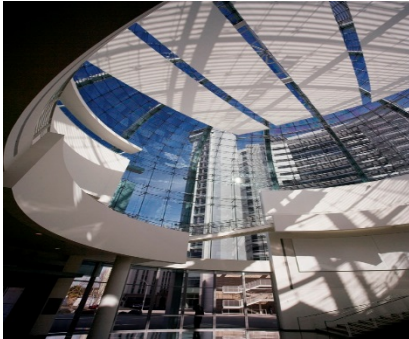
- ✓ Conduct performance audits, special audits, and reviews that identify ways to increase the economy, efficiency, and effectiveness of City government. The Office's 2019-2020 Audit Workplan will target City Council and other City Appointee concerns and areas identified in the City Auditor's City-Wide Risk Assessment model.
- ✓ Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30 and December 31 each year. Through December 2018, approximately 67% of the 689 recommendations made in the last five years have been implemented.
- ✓ The City Auditor's Office looks forward to participating in the implementation of the *Smart City Vision* by improving the availability and usage of audited performance data, and focusing audit recommendations on improving City services through better use of technology.

OUTCOME 2: PROVIDE INDEPENDENT, RELIABLE, ACCURATE, AND TIMELY INFORMATION TO THE CITY COUNCIL AND OTHER STAKEHOLDERS

- ✓ Prepare audit reports and memoranda that provide independent, reliable, accurate, and timely information to the City Council. The 2018-2019 Audit Workplan was approved by the City Council in August 2018. The 2019-2020 Proposed Audit Workplan will be submitted for City Council approval in August 2019.
- ✓ Provide performance report and enhance the display of online performance information. In December 2018, the Office published the City's eleventh *Annual Report on City Services*. The Office will continue this project in 2019-2020, and will continue to work with City staff on audit projects designed to improve the City's performance management and reporting systems as outlined in the 2009 *Performance Management and Reporting in San Jose: A Proposal for Improvement* report.
- ✓ Continue to improve the website. The Office's website includes copies of audit reports issued by the Office since 1985 and links to the City Council Committee archive video of the hearings where available. The Office will continue to ensure that information on the site is current and relevant.

PAGE IS INTENTIONALLY LEFT BLANK

Strategic Support **Office of the City Clerk**



***Mission:** Provide strategic support services and leadership to maximize public access to municipal government*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOME

- The Municipal Legislative Process is Accessible and Open to the Community

Strategic Support
Office of the City Clerk
OVERVIEW

Service Delivery Accomplishments

The Office of the City Clerk continued to ensure that mandated services were provided in the most cost-effective manner. In 2018-2019, the Office:

- Conducted an election for City Councilmembers, and ballot measures; worked with proponents of initiatives in accordance with the City Charter and the State Elections Code; and maintained compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Prepared and distributed agenda packets, synopses, and action minutes of City Council, Rules and Open Government committee meetings, and posted them on the City's website. Prepared and distributed minutes for other City Council Committees, and other entities, such as the Financing Authority. All City Council and City Council committee meetings were web-cast live, indexed, and archived for on-demand replay.
- Provided access to the City's legislative records and documents. Fulfilled requests for the City's legislative records and related public documents under provisions of the California Public Records Act. Updated and posted the Municipal Code, City Charter, and Council Policy Manual on the City's website. Indexed all documents presented to the City Council for storage and retrieval, and made available to the public.
- Launched publicly accessible records database on the City Clerk's website. The GILES library of records includes ordinances, resolutions, and contracts. Over 55,000 searches have been conducted in the library monthly after its launch.
- Provided fiscal, grant, budget, human resources, payroll, administrative, and technical support services for the Mayor's Office, City Council Offices, and for the City's Boards, Commissions, and Committees.
- Reviewed and executed all City contracts for administrative compliance, and made them available for review.
- Provided transparent legislative services in accordance with Sunshine/Open Government Reforms, transitioning from more traditional labor and paper-intensive processes to online systems.
- Conducted employee elections to nominate employee representatives for appointment by the City Council to the Retirement Boards. Conducted recruitment efforts and supported the City Council's selection of additional public members for the Retirement Boards, thus assisting in the implementation of governance reforms.
- Provided support for City Council appointments to boards, commissions, and committees, including orientation and training to new commissions and commissioners. Provided direct support to the Council Appointment Advisory, and the Civil Service and Ethics Commissions.

Service Delivery Environment

The Office of the City Clerk continues to see heavy workload in all areas of Office operations. As the Office of the City Clerk plans for the next five years, the overarching goal remains to enhance the use of technology to improve and expedite services. Specific examples of trends, issues, and opportunities include:

- Continued work on new Open Government policies and procedures in line with the "Open Data Policy" and recommendations from the Sunshine Reform Task Force, including disclosure requirements (calendars, outside income, and fundraising) for the Mayor and City Councilmembers.
- The need for an improved, less labor-intensive process for creating and disseminating City Council meeting agendas and memoranda, and improved technology to enhance the public's access to the City's legislative process and records.

Service Delivery Environment

- The increased demand for access to a wide variety of public records, including a rising community expectation for online access to candidate and committee campaign disclosure statements and lobbyist activity reports.
- In addition to providing administrative services for the Mayor and City Council, the Office also posts agendas and minutes, and addresses records management and other support services for the Successor Agency to the Redevelopment Agency and the Oversight Board.

Budget Dollars at Work: Performance Goals

OUTCOME: THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY

The Office of the City Clerk has three strategic goals and objectives:

- ✓ Deploy technology resources effectively;
- ✓ Increase efficiency of service delivery; and
- ✓ Maintain high levels of customer service.

The Office of the City Clerk will provide the following services directly related to its outcome:

- ✓ Successfully conducting municipal elections for the City Council members and ballot measures;
- ✓ Creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; additionally, provide legislative services to all other Council Committees by writing and distributing minutes pertaining to Ordinances, Resolutions, and Charter Amendments
- ✓ Posting all changes to the San José Municipal Code and the City Council Policy Manual on the web; publishing and distributing hard-copy supplements;
- ✓ Creating and maintaining a legislative history of City Council, Successor Agency to the Redevelopment Agency, the Oversight Board, and related entities' actions; and indexing and filing all public records such that the records can be retrieved in a timely manner and the history is readily available;
- ✓ Conducting the recruitment, application, and selection processes for boards and commissions through the Council Appointment Advisory Commission; directing City Council interview and appointment; and facilitating the City Council's appointment of public members to the Retirement Boards and the Civil Service Commission;
- ✓ Conducting employee and retiree elections for the employee and retiree members, as applicable, of both Retirement Boards and the Civil Service Commission;
- ✓ Providing administrative support services to the Elections Commission, Civil Service Commission, Council Salary Setting Commission, and the Council Appointment Advisory Commission;
- ✓ Researching City Council actions and records from the adoption of the City Charter to the present;
- ✓ Providing administrative support including fiscal management, human resources administration, budgeting, grant administration, and procurements for the Mayor and City Council Offices; and
- ✓ Accepting and making available all Statements of Economic Interests, campaign finance disclosure forms, lobbyist registration and reporting forms, and all disclosures required of the Mayor and City Council members (calendars, fundraising solicitations, and outside income disclosure).

PAGE IS INTENTIONALLY LEFT BLANK

Strategic Support **Office of the City Manager**



***Mission:** Provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs*

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent Police Auditor
Office of Retirement Services

CSA OUTCOMES

- ❑ The Community Receives Customer-Focused, Results-Driven Services
- ❑ The Mayor and Council are Effectively Supported in Making Public Policy Decisions
- ❑ Support Employees to Actively Engage With and Achieve the City's Vision

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Accomplishments

The Office of the City Manager provides the leadership necessary to make certain that ongoing services are being delivered with the highest standards of quality and customer service. The following are highlights of 2018-2019 service delivery accomplishments:

- **Executive Leadership and City Management** provided strategic leadership that support the Mayor and City Council. The City Manager's Office also serves to guide fiscal and change management, the building and development of our workforce, and advancement of long-term, data-driven strategies to invest in the City's future. Upon appointment in October 2017, the City Manager identified eight Enterprise Priorities to focus San José's transition as an organization and City for the next several years. These Enterprise Priorities are each led by a City Manager Executive Leadership Team member, as they include multiple departments, external organizations, community members, and employees. These priorities help the City achieve our shared purpose—to ensure that San José is a Valley of Opportunity to guide this City through a time of transition and pass it forward to the next generation, greater and more vibrant than it is today. As the Enterprise Priorities continue to evolve and make progress on the City's most pressing issues, the City Manager's Office provides oversight to the workplan development and items referred to the full City Council by the six Standing Committees of the City Council. The six Committees are: Joint Meeting for the Rules and Open Government Committee and Committee of the Whole; Community and Economic Development; Neighborhood Services and Education; Public Safety, Finance, and Strategic Support; Smart Cities and Service Improvements; and Transportation and Environment. Each committee meets 10 times annually, except for Rules and Open Government, which meets weekly (except in July), and the Ad-Hoc Committee for Housing Construction and Development Services meets every other month. In early 2019, the Monterey Corridor Working Group was created to develop a workplan focused on issues that affect communities along Monterey Road. In 2018-2019, the City Manager's Office staffed approximately 100 Council Committee meetings.



CITY MANAGER'S ENTERPRISE PRIORITIES

1. **Emergency Management and Preparedness:** No issue is more important than the lives and safety of our residents. The City has more work to do to ensure San José is well-prepared for earthquakes and other disasters, particularly for those who are most vulnerable. As a City, we will do more to be prepared for emergencies and commit to this priority with relentless attention and support.
2. **Creating Housing and Preventing Homelessness:** All people in San José need a place they can call home, and feel they belong as a vital part of the city around them. If we are to welcome everyone home to San José, we must address the housing crisis and homelessness that confront our City. Our Mayor and Council have embraced the goal of adding 25,000 residential units in the next five years -- including 10,000 affordable units. This bold goal is a challenge for our departmental resources, so we must roll up our sleeves and creatively address the challenge.
3. **Vibrant, Safe and Inclusive Neighborhoods and Public Life:** The diverse mosaic of people who live, work and play in San José deserve vibrant public spaces and places that are beautiful, clean, safe and inclusive. The people of San José need community spaces that bring them together across generations, across cultures, and points of view.
4. **The Future of Downtown:** Downtown is everyone's neighborhood. Diridon Station is slated to become an expanded intermodal transportation hub of regional and statewide significance. Both BART and High Speed Rail are designated to join electrified Caltrain and VTA Light Rail at the Diridon Station. It is one of our highest priorities to effectively manage the complex mix of transit improvements, commercial development, residential development, and public space improvements taking place Downtown.
5. **Building the San José of Tomorrow – Private Development Services:** To drive economic investment and development in San José, we must transform our planning, building, and permitting processes for small and large-sized businesses. We will address the efficiency and flow of our Development Services processes, because we're building the future San José that is outlined in the San José Envision 2040 General Plan.
6. **Smart, Sustainable and Reliable City: 21st Century Infrastructure:** Competing in the global economy and addressing climate imperatives requires updating our energy, water, waste, transportation, and internet connectivity infrastructure, as well as translating traditional infrastructure such as roads and streetlights into 21st century infrastructure. From the launch of a Clean Energy program, long-term investments in the Regional Wastewater Facility and San José International Airport, and new strategies for Broadband and Digital Inclusion, as well as Automated/Electric Vehicles, we must focus on developing smart, sustainable, and reliable infrastructure to shape America's next great city.
7. **Strategic Fiscal Positioning and Resource Deployment:** We will continue to be both strategic and responsible in how we manage and balance the City's \$3.7 billion budget, and must be smart and efficient in how we serve our community. We will always look for opportunities to be cost-effective in all aspects of our service delivery system and consider new or expanded revenue sources, while minimizing impacts to our tax, rate, and fee payers while working to ensure equity and inclusion in how our services are delivered.
8. **Powered by People:** We recognize that our employees power the City of San José and our success as a City is dependent on our ability to create a diverse, talented, and engaged workforce. Managing our talent means we will continue to accelerate and improve upon our successes in our strategic hiring, develop partnerships to create a long-term recruiting pipeline, and to support employee retention, engagement, and advancement through training and development programs.

Service Delivery Accomplishments

- **Office of Administration, Policy, and Intergovernmental Relations (API)** reviewed and approved over 900 contracts, managed and provided fiscal and purchasing services, and monitored a budget of over \$21 million. API streamlined the Council Initiated Policy Priority-Setting process to ensure community needs are being met. Agenda Services reviewed over 650 City Council Agenda reports and assigned and tracked over 100 Council Referrals in 2018-2019. In addition to the 37 City Council Meetings held annually, Agenda Services staff supported 12 Study Sessions and special meetings. In collaboration with the City Clerk's Office, Agenda Services continued to streamline and enhance legislative services to transition to online systems. Intergovernmental Relations worked with City departments and the Council to modernize the City's legislative program, including reducing process inefficiencies and providing more program transparency and accountability. Based on Council direction, the City sponsored state bills on local emergency preparedness and hazard mitigation funding, mobile home fire safety, and two bills on homelessness housing. At the federal level, the City worked with a coalition to support legislation to reverse a recent Federal Communications Commission regulation around the deployment of broadband, and working with San José's federal representatives to reduce language access barriers to the 2020 Census. The City also worked with Congresswoman Eshoo on federal legislation to add community-serving facilities to the list of exempt facilities for Private Activity Bonds.
- **Budget Office** worked to refine its Hyperion budgeting platform, making improvements to data management in the capital budgeting application and to the integration with the human resources/payroll system in the operating application. As refinements continue and staff expertise with the system grows, Hyperion provides an integrated approach to developing, monitoring, and sharing program-level budget information to decision makers, residents, and staff. In addition to Hyperion's implementation, the City Manager's Budget Office continued to provide ongoing review, monitoring, analysis, forecasts, and reporting on the City's 120 Operating and Capital funds, allowing for effective oversight and controls throughout the fiscal year. By developing and monitoring the \$3.7 billion in Operating and Capital Budgets – along with the Annual Report, Mid-Year Budget Review, General Fund Five-Year Forecast, and the Fees and Charges documents, reviewing City Council memoranda for fiscal impacts, and collaborating with departments to resolve complex budgetary issues - the Budget Office helped the City maximize strategic investments in areas of most critical service or capital needs while ensuring fiscal stability in all City funds.
- **Communications Office** directed and implemented the City's communications strategy to inform and engage the community, ensuring government openness and transparency. Significant accomplishments in 2018-2019 included a more robust and effective public education and outreach campaign, in partnership with Santa Clara County, to prevent the use of illegal fireworks, and increased awareness of City programs and initiatives through Media Relations Training and more effective distribution of public information. The team provided communications support for the Emergency Operations Center (EOC) activation during the February 13-14, 2019 winter storm, resulting in the successful evacuation of residents, and positive media coverage highlighting the City's timely use of the County's AlertSCC warning/notification system. The team strengthened Open Government data reporting with a more robust Open Government Report to the Rules and Open Government Committee, and Public, Educational, Governmental (PEG) cable franchise fees supported City Hall capital improvements including: a new CivicCenter TV broadcast camera system in Council Chambers and Committee Rooms, a new Closed Captioning monitoring system, new broadcast LED lighting retrofit for Council Chambers, and partial funding for Public Works Committee Room audio upgrade.

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Accomplishments

- **Office of Civic Innovation** led the way in fulfilling San José's Smart City Vision, including negotiating and implementing three telecom broadband infrastructure agreements valued at \$500 million in private sector investment. Civic Innovation and the Mayor's Office of Technology and Innovation secured Council approval to engage the California Emergency Technology Fund to implement the San José Digital Inclusion Fund, that will deliver over \$24 million in community grants over the next 10 years. Civic Innovation collaborated with City departments to launch the My San José app version 1.7, which handled over 64,000 requests for pothole repairs, streetlight replacements, graffiti removal, illegal dumping, abandoned vehicles, and improved how the City sets public expectations and measures satisfaction for service requests. Civic Innovation also negotiated and mobilized over \$2.0 million smart city solution pilots, at no cost to the City, to: support smart lighting control, free Wi-Fi in several parks, traffic congestion data management to improve mobility within the City, and intersection safety management to support Vision Zero and help reduce accidents at major intersections.
- **Office of Emergency Management (OEM)** completed its transition to the City Manager's Office to ensure the development of a City-wide comprehensive and sustainable emergency management strategy. OEM formed an Emergency Management Working Group to address the Emergency Management Roadmap developed to advance flood recovery, and prepare for a potential seismic event and other hazards. The roadmap focused on strengthening organizational structure for emergency management, improving all hazards planning, developing recovery and resilience plans, enhancing key capabilities, and increasing coordination. Significant work in these priority areas resulted in the re-activation of a Disaster Council, the adoption of an updated Emergency Operations Plan, two large-scale training and exercise opportunities, EOC staff training in the essentials of emergency management, and multiple mass care shelter trainings for Department of Parks, Recreation, and Neighborhood Services staff. OEM successfully completed all foundational requirements to restart the Community Emergency Response Team program, and launched the first training in March 2019. OEM received grant funding for staffing, including an Alert and Warning Systems Coordinator, to ensure notification protocols are successfully carried out, as they were in a near flood event on February 13, 2019. Additional OEM program and performance information is available in the Public Safety CSA section of this document.
- **Office of Employee Relations (OER)** continued to lead the process of implementing the terms of the alternative pension reform frameworks achieved by settlement agreements with the City's bargaining units, as well as the settlement agreement with the retirees and Measure F. The City also established an advisory committee to oversee and administer the Voluntary Employees' Beneficiary Association (VEBA), and helped the City reach agreements with the San José Fire Fighters, IAFF Local 230 (IAFF) on a successor multi-year MOA that expires on June 30, 2023 and with the International Union of Operating Engineers, Local No. 3 (OE#3) on a successor agreement that will expire on September 30, 2019. OER continued to provide important trainings to City employees, including the New Employee Welcome, Anti-Discrimination and Harassment, and the Leadership Supervision Academy. In addition, OER administered the City's Return-to-Work Program to provide an opportunity to place injured employees or those who fall under the ADA (Americans with Disabilities Act) into positions to provide continued City employment.

Service Delivery Accomplishments

- **Office of Immigrant Affairs (OIA)** continues to support the Welcoming Work with the City and the community. As a part of this work, OIA delivered language access services training to nearly 900 staff, and submission of 575 naturalization applications. In response to increased enforcement activity by immigration agents, OIA continued its support of the Rapid Response Network, which has built a network of 1,500 allies, responded to 82 emergency attorney activations, and trained 900 volunteers to respond 24/7 to 5,142 hotline calls from June 2017 through June 2019. In addition, OIA weighed in on important policy decisions like the proposed public charge regulation change, the inclusion of a citizenship question on the 2020 Census, and more than a dozen letters on issues ranging from child separation at the border to support for extending Temporary Protective Status. Special projects included the appointment of the OIA Director to the Census 2020 County Steering Committee, leading the Immigrant Subcommittee for Census, and co-hosting events, such as, but not limited to, World Refugee Day, East African Festival, Black April, and National Stand Against Hate Week.

Service Delivery Environment

- The City Manager's Enterprise Priorities provide a statement of the critical issues ahead: Emergency Management and Preparedness; Creating Housing and Preventing Homelessness; Vibrant, Safe and Inclusive Neighborhoods and Public Life; Building the San José of Tomorrow - Private Development Services; the Future of Downtown; and Smart and Sustainable City: 21st Century Infrastructure. The internally focused enterprise priorities – Strategic Fiscal Positioning and Resource Deployment, and Powered by People – serve as the foundation to accomplish the other priorities as well as other City services. San José's transition toward the future is dependent on the diversity, talents and engagement of the workforce and the availability of resources.
- The City Manager's Office pursues partnerships that are critical to expanding and improving City services for residents and businesses, which are expected to grow the City's vitality and presence. The City Manager's Office continues to leverage existing programs and pilot projects to develop best practices in managing partnerships and volunteer opportunities. Innovative approaches and data driven decision making will shape solutions to city-wide issues in ways that promote efficient and effective service delivery of City services.
- The Office of Administration, Policy, and Intergovernmental Relations (API) continues to support the City Council's policy initiated setting of priorities, as well as monitor and report progress on the development and implementation of these priorities. The City Manager's Office also continues to support the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- The Budget Office continues to effectively forecast and monitor both revenues and expenditures to ensure the continued fiscal health of the City. Working collaboratively with all departments, the focus will continue to be on addressing the highest priority community and organizational needs while maintaining budget stability. During 2019-2020, the Budget Office will deploy a new application to develop the Fees and Charges document replacing the outdated legacy technology, and continues to develop and refine its Hyperion budgeting platform, deploying functionality to monitor and analyze actuals data by program and provide additional training that allows the platform to become a more useful tool for departments' routine financial management.
- The Communications Office looks for best practices and strategic resource use to engage residents through social media, increased sharing and listening, and raise awareness of City programs and services by branding the look and feel of communications.
- The Office of Civic Innovation continues to build an innovator's network made up of talented staff who champion the customer, learn from data, and seek to improve; pursue innovative public private partnerships and skilled volunteering opportunities that focus on solving hard problems that matter to our residents; and seek to ensure that personal privacy and cyber security are foundational in all the data efforts that the City undertakes, and every digital service the City provides.

Strategic Support
Office of the City Manager
OVERVIEW

Service Delivery Environment

- The Office of Emergency Management (OEM) continues to prepare for all emergencies through the development of services, training, resource development, and process enhancements identified in a refreshed Emergency Management Roadmap workplan. OEM will utilize a common national framework to assess the City's level of readiness and capability with a mission to protect the City from all hazards, based on national standards for emergency management, homeland security, continuity, and critical infrastructure protection programs. The citywide goal is to sustain and restore the City's critical and essential services through continuity of government and emergency operations programs, following an emergency.
- The Office of Employee Relations (OER) anticipates commencing negotiations on a successor agreement with the International Union of Operating Engineers, Local No. 3 (OE#3) whose Memorandum of Agreement (MOA) expires September 30, 2019, and with the San José Police Officers' Association (POA), whose MOA expires June 30, 2020. OER also anticipates beginning negotiations with a new bargaining unit which will be comprised of full-time Senior Park Rangers and full-time Park Rangers over the terms of a new MOA. Additionally, OER will continue to engage the bargaining units on various other items that may arise, review and revise City policies as necessary, administer the City's Return-to-Work Program, and provide trainings to employees on various issues such as discrimination and harassment, leadership and supervision, and new employee orientation.
- The Office of Immigrant Affairs (OIA) continues to serve as an essential partner for the Rapid Response Network, Silicon Valley Pro Bono Immigration Network, Census 2020, citizenship workshops, and co-hosting special events that celebrates the cultural diversity of San José. In addition, OIA will work with City departments to strengthen the application of the Language Access Policy, the deployment of a culturally responsive calendaring tool, and continue to be a policy thought-partner, using a racial equity lens. A second edition of the Welcoming SJ Plan will be developed to prioritize strategies that create a more welcoming and inclusive experience for immigrants and refugees.

Budget Dollars at Work: Performance Goals

This section organizes the key goals and objectives of the City Manager's Office based on three outcomes. These priorities guide the efforts of City Service Areas (CSAs) and departments in providing services.

OUTCOME 1: THE COMMUNITY RECEIVES CUSTOMER-FOCUSED, RESULTS-DRIVEN SERVICES

- ✓ Focus on providing leadership necessary for organizational initiatives that continue to position the City as a more focused, more efficient, and more sustainable organization for the future.
- ✓ Implement an aggressive communication plan for community outreach.
- ✓ Modernize communication strategies and tools—ensuring the City's diverse population has access to City Hall and critical information.
- ✓ Provide organizational improvement efforts to change the way we do business, streamline processes, increase employee empowerment, and achieve results in an environment of constant change, increasing complexity, and constrained financial resources.
- ✓ Work closely with the community, community-based agencies, faith-based organizations, law enforcement agencies, the county, state, and federal agencies, and youth on public safety issues.

Budget Dollars at Work: Performance Goals

OUTCOME 1: THE COMMUNITY RECEIVES CUSTOMER-FOCUSED, RESULTS-DRIVEN SERVICES

- ✓ Work with regional governance partners on Bay Area inter-agency issues.
- ✓ Pursue public-private partnerships both directly with community and corporate partners, as well as convene City departments and offices to develop more effective workforce support and development practices.
- ✓ Ensure public access to current and accurate City data that is not otherwise protected through an ongoing focus on the Open Data initiative.

OUTCOME 2: THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

- ✓ Bring forward balanced budgets for the General Fund and all other City funds for 2019-2020 and 2020-2021 that reflect City Council and community goals and help ensure fiscal stability.
- ✓ Provide support to the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- ✓ Continue early budget engagement efforts in future budget cycles.
- ✓ Strengthen the City-County partnership by meeting regularly with the County Executive, supporting meetings between key City and County elected officials, and focusing attention on issues of shared services between the organizations.
- ✓ Engage the City Council to refine the Council Initiated Policy Priority-Setting process—ensuring Council can act and drive policy recommendations to meet community needs.
- ✓ Implement streamlined approaches for agenda management, including paperless distribution and use of technology and online agenda management services.
- ✓ Provide timely City Council Referral reports and Information Memos that support the ability to monitor and pace organization workload, reevaluate priorities periodically, and focus resources strategically.
- ✓ Invest in intergovernmental relations with the key focus on advocacy for the City's needs at the regional, state, and federal levels and training and coordinating with departments to make San José's voice heard.
- ✓ Provide staff expertise and support for City Council Committees.

Strategic Support
Office of the City Manager
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: SUPPORT EMPLOYEES TO ACTIVELY ENGAGE WITH, AND ACHIEVE, THE CITY'S VISION

- ✓ Build ongoing communication between the City Manager and employees.
- ✓ Continue to ensure San José's position as a model 21st century city by engaging the City Council on SMART City implementation, including policy, advocacy, and funding priorities.
- ✓ Make pursuing grants and partnerships a top priority given the significantly limited funding available for infrastructure and new initiatives.
- ✓ Provide strategic leadership for the organization, support the City Council, and motivate the workforce to deliver high quality services in an environment of increasing demands and limited resources.
- ✓ Continue to provide the leadership and strategically target efforts to challenge the organization to continue developing innovative ways to deliver services and streamline operations to be more efficient.
- ✓ Foster constructive and professional working relationships with the City's employee labor unions.
- ✓ Invest in employees by aligning their development needs with the current and future needs of the City.
- ✓ Continue to engage the workforce through ongoing structured communication and ongoing implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain top talent.
- ✓ Work with employees to develop the organization's capacity in civic engagement and make a difference in the civic life of our community.

Office of Retirement Services



***Mission:** Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans*

Primary Partners

Mayor and City Council

Office of Retirement Services

Office of the City Attorney

Office of the City Auditor

Office of the City Clerk

Office of the City Manager

Office of the Independent Police Auditor

CSA OUTCOMES

- Retirement plans are properly administered.
- Investment of assets to satisfy Retirement Plans' obligations.

Strategic Support
Office of Retirement Services
OVERVIEW

Service Delivery Accomplishments

- Went live in February 2019 with the new pension administration system that started in March 2015. The implementation process lasted approximately 44 months and will cost approximately \$9 million, which includes the 5-year post-production costs through 2024. This project was extended to fall 2019 for the implementation of Measure F-related calculations in the pension administration system.
- Completed implementation and adjustments related to the remaining pensionable earnings correction recommendations from the 2009 City Auditor's Audit of Pensionable Earnings and Time Reporting.
- Completed the annual financial statement audits, which resulted in an unqualified opinion for both plans. Issued the Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR) for both plans, which included the financial statements, along with the Government Finance Officers Association (GFOA) Certificate of Excellence for Financial Reporting for the eighteenth year in a row for the CAFR and the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the second year in a row.
- Completed 13 and partially completed 3 recommendations out of the 20 recommendations from the Office of the City Auditor's audit entitled Audit of Retirement Services: Greater Transparency Needed in the Budgeting Process, Interactions among Stakeholders, Investment Policies, and Plan Administration.
- Completed a comprehensive annual budget report through the Manager's Budget Addendum Process (MBA) for the City Council, which addresses three of the audit recommendations mentioned above, and will be completed annually.
- Completed the third annual Investment Fee Analysis Report for both the Federated City Employees' Retirement System and the Police and Fire Department Retirement Plan and was included in the comprehensive annual budget report.
- Issued Request for Proposals for a three-doctor Board panel to address Measure F changes.
- Completed the recruitment for the Deputy Director position.
- Onboarded four new Trustees to the Boards of Administration.
- Continued to build the Investment Program team and hired an Investment Officer and two Analyst positions.
- Conducted a Police and Fire Board retreat to discuss investment strategy and ways in which to improve the operations and administration of the pension plans.
- Continued implementation of due diligence improvements and started broader investment process review effort.
- Continued to improve investment communication with Board and Investment Committee through enhanced reporting and transparency.
- Implementation by Investment Program of a new asset allocations for both retirement plans.
- Staffing adjustments in the Office of Retirement Services provided the necessary resources to support the fiduciary and governance requirements of the Retirement Boards and Committees and increase technical support in preparation for roll out of the new pension administration system.

Service Delivery Environment

- Complete implementation of the new pension administration system related to Measure F.
- Complete roll-out of a new member portal (known as Member Direct for Membership) in the new pension administration system.
- Continue implementation of recommendations from the City Auditor's Audit of Retirement Services.
- Continue to provide quality services in the delivery of pension and related benefits, as well as continue to properly manage Retirement Plan assets.
- Hire a communications consultant to develop a strategic communications plan, including assisting with the issuance of quarterly newsletters and advocate social media program.
- Contract with necessary medical professionals to complete Measure F three-doctor Board medical panel.
- Enhance communication and educational opportunities with stakeholders by conducting an annual study session with the City Council about retirement related topics.

Budget Dollars at Work: Performance Goals

OUTCOME 1: RETIREMENT PLANS ARE PROPERLY ADMINISTERED

- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented rates, assumptions, and methodologies reflective of the plans' liabilities and with appropriate contribution volatility, which seeks to mitigate the intergenerational shifting of liabilities.
- Conduct and manage approximately 100 board meetings annually to provide the information necessary to assist the board members in fulfilling their fiduciary duties.
- Provide quality customer service by working with the members to ensure excellent retirement planning and counseling through educational classes and meetings via an average of a thousand phone inquiries and seventy walk-in visits per month.
- Publish annual financial reports, which include the CAFR and the PAFR, to maintain accountability and provide fiscal transparency.

OUTCOME 2: INVESTMENT OF ASSETS TO SATISFY PLANS' OBLIGATIONS

- Manage Retirement Plan assets in a manner which seeks to achieve long-term net returns in excess of the actuarial investment return assumption and adopted benchmarks, while maintaining a reasonable level of investment risk.
- Work with investment consultants to review and adopt asset allocations reflective of the Retirement Boards' risk tolerances; developing enhanced framework for determining appropriate level of risk.
- Monitor and evaluate performance and attribution of Retirement Plan assets to determine areas for potential improvement and focus.
- Perform in-depth due diligence on investment managers, ensuring that investment managers are performing within acceptable parameters and delivering anticipated value-add. Source and perform due diligence on prospective investment managers, and retain when appropriate.
- Develop, implement, and ensure compliance with Retirement Board-adopted investment policies.